TV18 HOME SHOPPING NETWORK LIMITED
ANNUAL ACCOUNTS
FY : 2016-17

Independent Auditor's Report

To the Members of TV18 Home Shopping Network Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of TV18 Home Shopping Network Limited ('Company'), which comprise the Balance Sheet as at 31 March 2017, 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 the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether these financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's 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 financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as ell as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on these financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS specified under Section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2017, and its loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matter

9. The Company had prepared separate sets of statutory financial statements for the year ended 31 March 2016 and 31 March 2015 in accordance with Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) on which we issued auditor's reports to the shareholders of the Company dated 18 April 2016 and 13

April 2015 respectively. Such financial statements have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have also been audited by us. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in Annexure I, a statement on the matters specified in paragraphs 3 and 4 of the Order.

11. Further to our comments in Annexure I, as required by Section 143(3) of the Act, 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 purpose 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 financial statements dealt with by this report are in agreement with the books of account;

    d) in our opinion, the aforesaid financial statements comply with Ind AS specified under Section 133 of the Act;

    e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors are disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164 (2) of the Act;

    f) we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 13 April 2017 as per Annexure II expressed unmodified opinion; and

    g) 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 does not have any pending litigation which would impact its financial position;

        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; and

        iv. the Company, as detailed in Note 46 to the financial statements, has made requisite disclosures in these financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016. Based on the audit procedures performed and taking into consideration the information and explanations given to us, in our opinion, these are in accordance with the books of account maintained by the Company.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

per **Sumit Mahajan**
Partner
Membership No.: 099514

Place: Noida
Date: 13 April 2017

Annexure I to the Independent Auditor's Report of even date to the members of TV18 Home Shopping Network Limited, on the financial statements for the year ended 31 March 2017

Annexure I

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular program of physical verification of its fixed assets under which fixed assets are verified in a phased manner over a period of 3 years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification.

(c) The Company does not hold any immovable property (in the nature of 'property, plant and equipment'). Accordingly, the provisions of clause 3(i)(c) of the Order are not applicable.

(ii) The Company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.

(iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.

(iv) In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the act in respect of loans, investments, guarantees and security.

(v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's services and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) (a) The Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.

(b) There are no dues in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute.

(viii) The Company has not defaulted in repayment of loans or borrowings to any bank during the year. The Company did not have any loans or borrowings payable to a financial institution or government during the year. Further, the Company did not have any outstanding debentures during the year.

(ix) In our opinion, the Company has applied moneys raised by way of term loans for the purposes for which these were raised. The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) during the year.

(x) As per the information and explanation given to us by the management, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.

(xi) The Company has not paid or provided for any managerial remuneration. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable.

(xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.

(xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable IndAS.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.

(xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

per **Sumit Mahajan**
Partner
Membership No.: 099514

Place: Noida
Date: 13 April 2017

Annexure II to the Independent Auditor's Report of even date to the members of TV18 Home Shopping Network Limited on the financial statements for the year ended 31 March 2017

Annexure II

Independent Auditor's report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('Act')

1. In conjunction with our audit of the financial statements of TV18 Home Shopping Network Limited (the 'Company') as of and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting (IFCoFR) of the Company of as of that date.

Management's Responsibility for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's IFCoFR.

Meaning of Internal Financial Controls over Financial Reporting

6. A Company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's IFCoFR includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of IFCoFR, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the IFCoFR to future periods are subject to the risk that IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

per **Sumit Mahajan**
Partner
Membership No.: 099514

Place: Noida
Date: 13 April 2017

Balance sheet as at 31 March, 2017

	Notes	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
		₹	₹	₹
ASSETS				
Non-current assets				
Property, plant and equipment	4	173,227,001	246,810,294	357,355,987
Intangible assets	5	54,361,029	88,130,181	119,749,632
Intangible assets under development	5	1,546,549	-	-
Financial assets				
Other financial assets	6	25,836,658	12,880,970	25,545,782
Other non-current assets	7	374,760,300	871,654,596	771,991,250
Total non-current assets		**629,731,537**	**1,219,476,041**	**1,274,642,651**
Current assets				
Financial assets				
Investments	8	301,976,889	-	-
Trade receivables	9	63,751,302	56,961,439	103,255,824
Cash and cash equivalents	10	8,388,515	15,496,166	112,263,449
Loans	11	576,556,129	1,000,086,270	713,080,867
Other financial assets	12	5,655,953	20,892,684	29,276,911
Other current assets	13	140,464,041	134,617,599	107,361,456
Total current assets		**1,096,792,829**	**1,228,054,158**	**1,065,238,507**
Total assets		**1,726,524,366**	**2,447,530,199**	**2,339,881,158**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	14	21,692,910	12,407,910	12,407,190
Other equity		116,871,884	(1,011,219,953)	(127,072,486)
Total Equity		**138,564,794**	**(998,812,043)**	**(114,664,576)**
Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings	15	-	225,509,106	285,017,580
Employee benefit obligations	16	39,006,805	36,786,332	38,362,148
Total non-current liabilities		**39,006,805**	**262,295,438**	**323,379,728**
Current liabilities				
Financial liabilities				
Borrowings	17	-	1,586,218,153	662,002,813
Trade payables	18	1,010,840,667	919,820,085	933,720,228
Other financial liabilities	19	377,441,383	542,425,144	383,029,416
Employee benefit obligations	20	1,388,207	4,023,802	1,653,009
Other current liabilities	21	159,282,510	131,559,620	150,760,539
Total current liabilities		**1,548,952,767**	**3,184,046,804**	**2,131,166,005**
Total liabilities		**1,587,959,572**	**3,446,342,242**	**2,454,545,733**
Total equity and liabilities		**1,726,524,366**	**2,447,530,199**	**2,339,881,158**

Notes 1 to 49 form an integral part of these financial statements.

For Walker Chandiok & Co LLP
Chartered Accountants

per **Sumit Mahajan**
Partner

Place : Noida
Date : 13 April 2017

For and on behalf of the Board of Directors of
TV18 Home Shopping Network Limited

Adil Zainulbhai
Director
DIN: 06646490

Rohit Bansal
Director
DIN: 02067348

Sanjeev Agrawal
Chief Executive Officer

Sumit Kumar De
Chief Financial Officer

Meenakshi Bahl
Company Secretary
Mem. No.: A35816

Statement of profit and loss for the year ended 31 March, 2017

	Notes	Year ended 31 March 2017	Year ended 31 March 2016
		₹	₹
Income			
Revenue from operations	22	3,060,732,908	3,877,202,848
Other income	23	119,443,760	42,785,977
Total income		3,180,176,668	3,919,988,825
Expenses			
Employee benefits expense	24	642,669,624	596,268,204
Depreciation and amortisation expense	25	129,000,364	157,585,841
Finance costs	26	70,446,084	176,578,084
Other expenses	27	3,865,673,913	3,866,797,414
Total expenses		4,707,789,985	4,797,229,543
Loss before/after tax		**(1,527,613,317)**	**(877,240,718)**
Other comprehensive income:			
Item that will not to be reclassified to profit or loss			
Remeasurement (loss)/gain on defined benefit plans		(3,677,236)	3,174,438
Total comprehensive income for the year		**(1,531,290,553)**	**(874,066,280)**
Earnings per share (basic and diluted)	28	(694.89)	(588.48)

Notes 1 to 49 form an integral part of these financial statements.

This is the statement of profit and loss referred to in our report of even date.

For Walker Chandiok & Co LLP
Chartered Accountants

per **Sumit Mahajan**
Partner

For and on behalf of the Board of Directors of
TV18 Home Shopping Network Limited

Adil Zainulbhai
Director
DIN: 06646490

Rohit Bansal
Director
DIN: 02067348

Sanjeev Agrawal
Chief Executive Officer

Sumit Kumar De
Chief Financial Officer

Meenakshi Bahl
Company Secretary
Mem. No.: A35816

Place : Noida
Date : 13 April 2017

Statement of changes in equity for the year ended 31 March, 2017

A. Equity share capital

	Notes	Amount ₹
Balance as at 1 April 2015		12,407,910
Changes in equity share capital during the year	14	-
Balance as at 31 March 2016		**12,407,910**
Conversion of preference share capital	14	5,281,790
Issue of equity share capital	14	4,003,210
Balance as at 31 March 2017		**21,692,910**

B. Other equity

(All amounts in ₹)

	Preference share capital (Refer Note 14)	Equity component of compound financial instruments (Refer Note 15)	Securities premium	Employee share based reserve (Refer Note 30)	Accumulated deficit	Other comprehensive income of parent	Total equity attributable to owners
Balance as of 1 April 2015	**24,449,700**	**1,423,851,654**	**4,998,648,451**	**23,682,485**	**(6,597,704,776)**	**-**	**(127,072,486)**
Loss for the year	-	-	-	-	(877,240,718)	-	(877,240,718)
Remeasurement of net defined benefit liability	-	-	-	-	-	3,174,438	3,174,438
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**3,174,438**	**3,174,438**
Employee stock compensation expense reversal	-	-	-	(10,081,187)	-	-	(10,081,187)
Transactions with owners	**-**	**-**	**-**	**(10,081,187)**	**-**	**-**	**(10,081,187)**
Balance as at 31 March 2016	**24,449,700**	**1,423,851,654**	**4,998,648,451**	**13,601,298**	**(7,474,945,494)**	**3,174,438**	**(1,011,219,953)**
Loss for the year	-	-	-	-	(1,527,613,317)	-	**(1,527,613,317)**
Remeasurement of net defined benefit liability	-	-	-	-	-	(3,677,236)	**(3,677,236)**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**(3,677,236)**	**(3,677,236)**
Conversion of preference shares (refer note 15)	-	-	275,305,796	-	-	-	**275,305,796**
Issue of equity shares (refer note 14)	-	-	2,385,913,160	-	-	-	**2,385,913,160**
Employee stock compensation expense reversal	-	-	-	(1,836,566)	-	-	**(1,836,566)**
Transactions with owners	**-**	**-**	**2,661,218,956**	**(1,836,566)**	**-**	**-**	**2,659,382,390**
Balance as at 31 March 2017	**24,449,700**	**1,423,851,654**	**7,659,867,407**	**11,764,732**	**(9,002,558,811)**	**(502,798)**	**116,871,884**

For Walker Chandiok & Co LLP
Chartered Accountants

per **Sumit Mahajan**
Partner

Place : Noida
Date : 13 April 2017

For and on behalf of the Board of Directors of
TV18 Home Shopping Network Limited

Adil Zainulbhai
Director
DIN: 06646490

Rohit Bansal
Director
DIN: 02067348

Sanjeev Agrawal
Chief Executive Officer

Sumit Kumar De
Chief Financial Officer

Meenakshi Bahl
Company Secretary
Mem. No.: A35816

Cash flow statement for the year ended 31 March, 2017

		Year ended 31 March 2017	Year ended 31 March 2016
		₹	₹
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Loss before tax	(1,527,613,317)	(877,240,718)
	Adjustments for :		
	Depreciation and amortization expense	129,000,364	157,585,841
	Loss on sale of fixed assets	145	409,465
	Provision for doubtful advances	140,882,380	3,005,744
	Employee share based expense reversal	(1,836,566)	(10,081,188)
	Balances written off	1,849,499	838,693
	Liabilities/provisions written back	-	(26,310,151)
	Assets written off	-	4,031,246
	Interest expense	66,871,778	167,782,282
	Exchange loss on buyer’s credit	832,590	4,464,826
	Loan processing charges	2,741,716	4,330,976
	Net gain arising on financial assets measured as at fair value through profit or loss	(1,976,889)	-
	Interest on refund of income tax	(96,888,671)	-
	Interest income on financial assets measured at amortised cost	(4,052,279)	(5,296,851)
	Interest income on bank deposit	(14,689,355)	(6,394,638)
	Operating loss before working capital changes	(1,304,878,605)	(582,874,473)
	Adjustments for :		
	Decrease in trade receivables	(6,789,863)	46,294,385
	Decrease/(increase) in financial assets	377,272,614	(303,811,530)
	Increase in current and non-current liabilities	7,497,223	169,483,595
	Decrease/(increase) in employee benefit obligations	(4,092,358)	3,969,415
	Cash used in operations	(930,990,989)	(666,938,608)
	Tax refund/(paid) (net of refund received)	495,066,776	(103,413,160)
	Net cash used in operating activities	**(435,924,213)**	**(770,351,768)**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of property, plant and equipment	(23,644,230)	(22,392,759)
	Purchase of intangible assets	(2,966,409)	(6,534,050)
	Proceeds from sale of property, plant and equipment	3,416,027	9,065,401
	Proceeds from maturity of fixed deposits (net)	2,125,702,087	109,387,436
	Investment in fixed deposit	(2,121,587,549)	(10,000,000)
	Investment in mutual funds	(301,976,889)	-
	Net gain arising on financial assets measured as at fair value through profit or loss	1,976,889	-
	Interest received	14,676,357	22,139,910
	Net cash (used)/generated from investing activities	**(304,403,717)**	**101,665,938**

Cash flow statement for the year ended 31 March, 2017

	Year ended 31 March 2017	Year ended 31 March 2016
	₹	₹
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of borrowings	(1,945,606,928)	(289,064,912)
Proceeds from borrowings	355,378,602	1,095,987,502
Interest paid	(62,353,227)	(131,341,608)
Loan processing charges	-	(4,274,999)
Proceeds from issue of equity shares	2,389,916,370	-
Net cash generated from financing activities	**737,334,817**	**671,305,983**
Net (decrease)/increase in cash and cash equivalents	(2,993,113)	2,620,153
Cash and cash equivalents at the beginning of the year	11,081,622	8,461,469
Cash and cash equivalents at the end of the year	**8,088,509**	**11,081,622**
Cash and bank balances includes:		
Cash and cash equivalents		
Cash on hand	115,553	512,724
Balance with banks		
- on current accounts	7,972,956	10,568,898
	8,088,509	**11,081,622**
Other bank balances		
Deposits with original maturity of more than 3 months but less than 12 months	300,006	4,414,544
Closing balance (refer note 10)	**8,388,515**	**15,496,166**

Notes 1 to 49 form an integral part of these financial statements.

This is the cash flow statement referred to in our report of even date.

For Walker Chandiok & Co LLP
Chartered Accountants

per **Sumit Mahajan**
Partner

For and on behalf of the Board of Directors of
TV18 Home Shopping Network Limited

Adil Zainulbhai
Director
DIN: 06646490

Rohit Bansal
Director
DIN: 02067348

Sanjeev Agrawal
Chief Executive Officer

Sumit Kumar De
Chief Financial Officer

Meenakshi Bahl
Company Secretary
Mem. No.: A35816

Place : Noida
Date : 13 April 2017

Summary of significant accounting policies and other explanatory information for the year ended 31 March, 2017

1. Background

The compnay was incorporated in India in the name of TV18 Home Shopping Network Privated Limited on 13th June 2006. The name of the company was changed to TV18 Home Shopping Network Limited on 10th June 2008. The registered office of the company is First floor, Empire complex ,414 Senapati Bapat Marg, Lower Parel Mumbai-400013.

The Company is primarily engaged in providing a platform to vendors for marketing and distribution of consumer goods through the television channel owned by the Company using its website and call centers and courier companies engaged by it for delivery of goods of such third party vendors to customers located across India.

2. Basis of preparation

i. Compliance with Indian Accounting Standards

The financial statements comply in all material respects with the Indian Accounting Standards (Ind AS) notified by the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 and other relevant provisions of the Act.

The financial statements up to year ended 31 March 2016 were prepared in accordance with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ('previous GAAP').

These financial statements are the first Ind AS financial statements of the Company. Refer note 48 for information on how the transition from previous Indian GAAP to Ind AS has affected Company's financial position, financial performance and cash flows.

ii. Historical cost convention

These financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Share based payments;
- Defined benefit plans; and
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

3. Summary of significant accounting policies

a. Property, plant and equipment

Property, plant and equipment are stated at historical cost of acquisition, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, and expenses directly attributable cost of bringing the asset to its working condition for the intended use.

Subsequent expenditure related to an item of asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance and can be measured reliably. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Capital expenditure incurred on properties taken on operating leases is classified as 'Leasehold improvements' under property, plant and equipment.

Gains or losses arising from de-recognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in statement of profit and loss within other income or other expenses.

Depreciation is recognized on straight-line basis based on estimated useful life of underlying assets. Depreciation is charged on cost less residual value of property, plant and equipment. The periods applicable are:

Asset description	Useful life
Computers	5 years
Plant and machinery	2-7 years
Furniture and fixtures	5-10 years
Vehicles	6-7 years

Summary of significant accounting policies and other explanatory information for the year ended 31 March, 2017

Leasehold improvements are amortized over the expected useful lives of the underlying assets or over the term of the lease, whichever is shorter.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of property, plant and equipment.

b. Intangible assets

Intangible assets include acquired softwares used in production of shows/ administration, customer interaction portals and trademarks. These are accounted on initial recognition at cost. Subsequent the initial recognition, intangible assets are carried at cost less accumulated depreciation and accumulated impairment losses, if any .

Intangible asset are amortized on a straight-line basis over their estimated useful lives, as these assets are considered to have a finite life. Residual values and useful lives are reviewed at each reporting date. In addition, they are subject to impairment testing. The useful life of intangible assets has been estimated to be 3 to 5 years.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as at 1 April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

c. Operating leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term, unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

d. Impairment of assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable and impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash generating units). If at the balance sheet date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost and the same is accordingly reversed in the statement of profit and loss.

e. Revenue recognition

Revenue is measured at fair value of the consideration received or receivable. Revenue is recognised when the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the Company, the costs incurred or to be incurred can be measured reliably, and when also the criteria for each of the Company's different activities have been met. These activity-specific recognition criteria are described below.

i. Commission on sale of products and reimbursement of freight and collection expenses:

Commission on sale of products and reimbursement of freight and collection expenses is recognized at the time of delivery of products by the courier companies to the customers in accordance with contracted terms with the vendors.

ii. Interest 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, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Summary of significant accounting policies and other explanatory information for the year ended 31 March, 2017

iii. Dividend:

Revenue is recognised when the Company's right to receive the payment has been established.

f. Employee benefits

i. Short term employee benefits

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

ii. Other long-term employee benefit obligations

The liability for earned leaves that are not expected to be settled within 12 months after the end of the period in which the employees render the related services are measured at present value of expected future payments to be made in respect of services provided by employees up to end of the reporting period using the projected credit unit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurement as a result of experience adjustment and changes in actuarial assumptions are recognised in statement of profit and loss.

iii. Post employment benefits

a. Defined contribution plans

A defined contribution plan is a plan under which the Company pays fixed contributions into an independent fund administered by the government. The Company makes fixed contribution to provident fund. The Company has no legal or constructive obligations to pay further contributions after its payment of the fixed contribution. The contributions recognized in respect of defined contribution plans are expensed in the period that relevant employee services are rendered.

b. Defined benefits plans

Plans that do not meet the definition of a defined contribution plan are defined benefit plans. The Company provides for gratuity, a defined benefit plan covering eligible employees of the Company. The plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Group.

The liability recognized in the statement of financial position for the defined benefit plans is the present value of the defined benefit obligation ("DBO") at the reporting date.

Management estimates the DBO annually with the assistance of independent actuaries. The estimate of its post-retirement benefit obligations is based on standard rates of inflation and mortality. It also takes into account the Company's specific anticipation of future salary increases. Discount factors are determined close to each year-end by reference to government bonds that have terms to maturity approximating the terms of the related liability. Any actuarial gains or losses are recognized in the statement of comprehensive income/ (loss) in the period in which they arise.

Interest expenses related to DBO are included in "finance costs" in statement of profit and loss and all other post employment benefit expenses are included in employee benefits expense.

iv. Share based payment

The Holding Company, NW18 HSN Holding Plc. operates equity-settled share-based remuneration plans for employees of subsidiary company, TV18 Home Shopping Network Limited. In Group share based payment arrangements, if parent company issues SARs to the employees in a subsidiary and the subsidiary does not have an obligation to settle the award then such awards are treated as an equity-settled plan in the subsidiaries. Accordingly, the subsidiary company recognizes an expense for the options basis the grant date fair value of the award over the vesting period with a corresponding credit to equity.

These share option plans do not contain any options for cash settlement. Stock Appreciation Rights Scheme provides an option to the Holding Company to settle share appreciation rights in cash or by the issue of shares. The Holding Company has determined that it does not have a present obligation to settle in cash and accordingly accounts for the transaction in accordance with the requirements applicable to equity-settled share-based payment transactions.

Employee services received in exchange for the grant of any share-based payment are measured at their fair values. Where employees are rewarded using share-based payments, the fair values of employees services are determined indirectly by reference

Summary of significant accounting policies and other explanatory information for the year ended 31 March, 2017

to the fair value of the equity instruments granted. This fair value is measured at the grant date. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised, if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognized in the current period. No adjustment is made to any expense recognized in prior periods if share options ultimately exercised are different to that estimated on vesting.

Upon exercise of share options and issue of shares thereof, the proceeds received net of any directly attributable transaction costs up to the nominal value of the shares issued are allocated to share capital with any excess of proceeds and related amount lying to the credit of employee share based payment reserve over the nominal value is recorded in share premium.

The fair value determined at the grant date of the equity-settled share based payments is expensed on a straight line basis over the vesting period, based on the Company‘s estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

g. Income-tax

The income-tax expense for the period is the tax payable on the current period’s taxable income based on the applicable income tax rate adjusted for changes in the deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the income-tax charge are those that are enacted or substantively enacted, at the reporting date in India.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate. Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realization, provided they are enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognized to the extent that it is probable that they will be able to be utilized against future taxable income based on the Company’s forecast of future operating results which are adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. Deferred tax liabilities are always provided for in full.

Deferred tax assets and liabilities are offset only when the Company has a right and intention to set off current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognized as a component of tax income or expense in statement of profit and loss, except where they relate to items that are recognized in other comprehensive income or directly in equity, in which case the related deferred tax is also recognized in other comprehensive income or equity, respectively.

h. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The Company is primarily engaged in the business of providing a platform to vendors for the distribution of consumer goods in India. As the Company operates in a single business segment as TV, the results as viewed by chief operating decision maker are in line with results disclosed in the statement of profit and loss. Segment performance is evaluated based on earnings before interest, tax, depreciation and amortization. The Company’s chief operating decision maker is not provided with information on segment assets and liabilities and accordingly, this information has not been disclosed.

Summary of significant accounting policies and other explanatory information for the year ended 31 March, 2017

i. 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.

j. Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in statement of profit and loss over the period of the borrowings using the effective intered method.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

k. Equity, reserves and dividend payment

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Retained earnings include current and prior period retained profits.

All transactions with owners of the Company are recorded separately within equity.

l. Financial instruments

I. Financial assets

a. Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset, which are not at fair value through profit and loss, are added to fair value on initial recognition. Transaction costs of financial assets carried at fair value through profit or loss are expensed in statement of profit and loss.

b. Subsequent measurement

(i) 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.

(ii) 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.

(iii) 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 statement of profit and loss.

c. Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses (ECL) associated with its assets measured at amortised cost and assets measured at fair value through other comprehensive income. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 42 details how the Company determines whether there has been a significant increase in credit risk.

For receivables from courier companies only, the Company follows 'simplified approach' as permitted by Ind AS 109 *Financial Instruments*, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Summary of significant accounting policies and other explanatory information for the year ended 31 March, 2017

d. Derecognition of financial assets

A financial asset is derecognised when:

- The Company has transferred the right to receive cash flows from the financial assets or
- retains the contractual rights to receive the cash flows of the financial assets, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred the asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial assets is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of the ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial assets, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

II. Financial liabilities

A. Initial recognition and subsequent measurement

All financial liabilities are recognized initially at fair value and in case of borrowings and payables, net of directly attributable cost. Fees of recurring nature are directly recognised in statement of profit and loss as finance cost.

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.

III. Derivative financial instruments and hedge accounting

The Company uses derivative financial instruments, such as forward currency contracts. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

Hedges that meet the criteria for hedge accounting are accounted for as follows:

a) Cash flow hedge

The Company designates derivative contracts as cash flow hedges to mitigate the risk of movement in interest rates and foreign exchange rates for foreign exchange exposure on highly probable future cash flows attributable to a recognised asset or liability or forecast cash transactions. When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income and accumulated in the cash flow hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the net profit in the income statement. If the hedging relationship no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the underlying transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the net profit in the statement of profit and loss upon the occurrence of the underlying transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified to net profit in the statement of profit and loss.

b) Fair value hedge

The company designates derivative contracts as fair value hedges to mitigate the risk of change in fair value of hedged item due to movement in interest rates and foreign exchange rates. Changes in the fair value of hedging instruments and hedged items that are designated and qualify as fair value hedges are recorded in the income statement. If the hedging relationship no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised in statement of profit and loss over the period to maturity.

Summary of significant accounting policies and other explanatory information for the year ended 31 March, 2017

IV. Fair value of financial instruments

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices. All methods of assessing fair value result in general approximation of value, and such value may vary from actual realization on future date.

m. Earnings/(loss) per share

Basic earnings or loss per share are 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. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings or loss 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.

n. Provisions, contingent liabilities and contingent assets

Provisions are recognized when present obligations as a result of a past event will probably lead to an outflow of economic resources from the company and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. A present obligation arises when there is a presence of a legal or constructive commitment that has resulted from past events, for example, legal disputes or onerous contracts. Provisions are not recognized for future operating losses.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognized as a separate asset. However, this asset may not exceed the amount of the related provision.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

In those cases where the possible outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognized.

o. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

p. Foreign currency translation

The Company's financial statements are presented in Indian Rupees (₹), which is its functional currency.

Transactions and balances

Transactions in foreign currencies are translated at the exchange rates prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss. Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs.

Non-monetary items that are measured in terms of historical cost in a foreign currency are recorded using the exchange rates at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of non-monetary items measured at fair

Summary of significant accounting policies and other explanatory information for the year ended 31 March, 2017

value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

q. Significant accounting judgments, estimates and assumptions

When preparing the financial statements management undertakes a number of judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses.

The actual results are likely to differ from the judgments, estimates and assumptions made by management, and will seldom equal the estimated results.

Information about significant judgments, estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses are discussed below.

i. Share-based compensation

The share options granted by the Company to its employees have been valued indirectly with respect to the fair values of the equity instruments granted, using valuation techniques. In valuing the share options, the management is required to estimate the inputs made to the valuation models. These inputs include, inter alia, fair value of the shares of the Company at the grant date, volatility of shares, risk free rate of return, dividend yield and expected life of the option.

ii. Useful lives of depreciable assets

The assessment of the useful lives of these assets requires judgment. Depreciation and amortization is charged to the Statement of profit and loss based on these useful lives. This assessment requires estimation of the period over which the company will benefit from these assets.

Assessing whether assets meet the required criteria for initial capitalization requires judgment. This requires a determination of whether the assets will result in future benefits to the Company.

iii. Defined benefit liability (gratuity) and other long-term employee benefit obligations

Management estimates the defined benefit liability annually with the assistance of independent actuaries; however, the actual outcome may vary due to estimation uncertainties. The defined benefit liability is based on, inter alia, standard rates of inflation and mortality. It also takes into account the company specific anticipation of future salary increases. Discount factors are determined close to each year-end by reference to government bond rates that have terms to maturity approximating the terms of the related liability.

iv. Fair value measurement considerations

Fair value of financial instruments for which no active market exists is established using a valuation technique. Valuation techniques include, inter alia, using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models.

Summary of significant accounting policies and other explanatory information for the year ended 31 March, 2017

4 Property, plant and equipment *(All amounts in ₹)*

	Plant and equipment	Furniture and fixtures	Vehicles	Computers	Leasehold improvements	Total
Gross block						
Balance as at 1 April 2015	**384,531,931**	**19,318,937**	**10,901,431**	**199,170,469**	**173,775,321**	**787,698,089**
Additions	3,127,109	751,715	987,502	12,479,836	1,015,351	18,361,513
Disposals/adjustments	18,686,678	5,200,821	8,251,052	10,220,045	2,998,927	45,357,523
Balance as at 31 March 2016	**368,972,362**	**14,869,831**	**3,637,881**	**201,430,260**	**171,791,745**	**760,702,079**
Additions	12,147,458	30,600	-	9,919,623	-	22,097,681
Disposals/adjustments	286,320	-	1,106,061	3,067,403	-	4,459,784
Balance as at 31 March 2017	**380,833,500**	**14,900,431**	**2,531,820**	**208,282,480**	**171,791,745**	**778,339,976**
Accumulated depreciation						
Balance as at 1 April 2015	**204,223,998**	**13,598,494**	**4,052,211**	**73,581,817**	**134,885,582**	**430,342,102**
Charge for the year	56,654,539	1,367,781	1,368,198	32,149,583	27,892,239	119,432,340
Reversal/adjustment on disposal of assets	14,793,527	4,838,799	3,934,519	10,033,985	2,281,827	35,882,657
Balance as at 31 March 2016	**246,085,010**	**10,127,476**	**1,485,890**	**95,697,415**	**160,495,994**	**513,891,785**
Charge for the year	53,471,020	1,373,946	466,554	33,060,974	3,892,309	92,264,803
Reversal/adjustment on disposal of assets	103,366	-	450,051	490,196	-	1,043,613
Balance as at 31 March 2017	**299,452,664**	**11,501,422**	**1,502,393**	**128,268,193**	**164,388,303**	**605,112,975**
Net block						
Balance as at 1 April 2015	**180,307,933**	**5,720,443**	**6,849,220**	**125,588,652**	**38,889,739**	**357,355,987**
Balance as at 31 March 2016	**122,887,352**	**4,742,355**	**2,151,991**	**105,732,845**	**11,295,751**	**246,810,294**
Balance as at 31 March 2017	**81,380,836**	**3,399,009**	**1,029,427**	**80,014,287**	**7,403,442**	**173,227,001**

Note: Property, plant and equipment excluding leasehold improvement are subject to first charge on loans taken from Ratnakar Bank. These loans have been pre-paid during 2016-17.

Summary of significant accounting policies and other explanatory information for the year ended 31 March, 2017

5 Intangible assets and Intangible assets under development *(All amounts in ₹)*

	Computer software	Customer interaction portals	Trademark	Total	Intangible asset under development	Total
Gross block						
Balance as at 1 April 2015	155,254,519	25,066,961	1,169,449	181,490,929	-	-
Additions	6,534,050	-	-	6,534,050	-	-
Balance as at 31 March 2016	161,788,569	25,066,961	1,169,449	188,024,979	-	-
Additions	2,966,409	-	-	2,966,409	1,546,549	1,546,549
Balance as at 31 March 2017	**164,754,978**	**25,066,961**	**1,169,449**	**190,991,388**	**1,546,549**	**1,546,549**
Accumulated amortisation						
Balance as at 1 April 2015	51,252,036	9,816,383	672,878	61,741,297	-	-
Charge for the year	32,798,228	5,134,751	220,522	38,153,501	-	-
Balance as at 31 March 2016	84,050,264	14,951,134	893,400	99,894,798	-	-
Charge for the year	31,467,099	5,120,722	147,740	36,735,561	-	-
Balance as at 31 March 2017	**115,517,363**	**20,071,856**	**1,041,140**	**136,630,359**	**-**	**-**
Net block						
Balance as at 1 April 2015	**104,002,483**	**15,250,578**	**496,571**	**119,749,632**	**-**	**-**
Balance as at 31 March 2016	**77,738,305**	**10,115,827**	**276,049**	**88,130,181**	**-**	**-**
Balance as at 31 March 2017	**49,237,615**	**4,995,105**	**128,309**	**54,361,029**	**1,546,549**	**1,546,549**

Note: Intangible asset under development include expenditure incurred to develop new softwares and enhance the existing systems which eventually will be capitalised under computer software.

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
	₹	₹	₹
6 Other financial assets			
Security deposits	25,836,658	12,880,970	25,545,782
	25,836,658	**12,880,970**	**25,545,782**

Refer Note 3(l) for a description of the accounting policies for each category of financial instruments. Information relating to fair values is presented in the related notes. The methods used to measure fair value of financial instruments measured at fair value are described in Note 3(l).

Summary of significant accounting policies and other explanatory information for the year ended 31 March, 2017

		As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
		₹	₹	₹
7	**Other non-current assets (Unsecured, considered good)**			
	Capital advances	569,344	1,492,762	2,164,147
	Prepaid expenses	5,137,041	6,041,143	9,119,571
	Current income-tax	369,053,915	864,120,691	760,707,532
		374,760,300	**871,654,596**	**771,991,250**

Prepaid expenses also include prepaid lease rentals which are recognised at the inception of lease as the difference between security deposits paid as per lease agreement and fair value thereof. Prepaid lease rental is recognised as an expense in the profit and loss on straight line basis over the lease term.

		As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
		₹	₹	₹
8	**Current investments** **Investment in mutual funds - Quoted**			
	774,639 units (31 March 2016: Nil, 1 April 2015: Nil) in Birla Sunlife	201,803,670	-	-
	446,441 units (31 March 2016: Nil, 1 April 2015: Nil) in ICICI Prudential	100,173,219	-	-
		301,976,889	**-**	**-**
	Aggregate amount of quoted investment and market value thereof	**301,976,889**	**-**	**-**

		As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
		₹	₹	₹
9	**Trade receivables**			
	(Unsecured)			
	Considered good	63,751,302	56,961,439	103,255,824
	Considered doubtful	17,017,992	17,017,992	17,017,992
	Less: Provision for doubtful receivables	(17,017,992)	(17,017,992)	(17,017,992)
		63,751,302	**56,961,439**	**103,255,824**

Summary of significant accounting policies and other explanatory information for the year ended 31 March, 2017

		As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
		₹	₹	₹
10	**Cash and cash equivalents**			
	Cash in hand	115,553	512,724	1,796,606
	Balances with banks:			
	- In current accounts	7,972,956	10,568,898	6,664,863
	Other bank balances			
	- Deposits with original maturity for more than 3 but less than 12 months*	300,006	4,414,544	103,801,980
		8,388,515	**15,496,166**	**112,263,449**

*Includes deposit of ₹ 112,385 (31March 2016 ₹ 112,385, 01 April 2015 ₹ 80,464) pledged with statutory authorities.

		As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
		₹	₹	₹
11	**Loans**			
	Financial assets – loans			
	Loans and advances to related party			
	– Considered good	77,762	140,960,142	106,782,540
	– Considered doubtful	140,882,380	-	-
		140,960,142	140,960,142	106,782,540
	Less: Provisions for doubtful advances to related party	(140,882,380)	-	-
		77,762	140,960,142	106,782,540
	Loans and advances to others			
	– Secured, considered good	1,000,000	1,000,000	1,000,000
	– Unsecured, considered good	575,478,367	858,126,128	602,292,584
	– Unsecured, considered doubtful	343,295,969	373,281,088	520,866,514
		919,774,336	1,232,407,216	1,124,159,098
	Less: Provisions for doubtful advances	(343,295,969)	(373,281,088)	(520,866,514)
		576,478,367	859,126,128	603,292,584
	Inter corporate deposit			
	– Considered good	-	-	3,005,743
	– Considered doubtful	35,617,984	35,617,984	28,600,000
		35,617,984	35,617,984	31,605,743
	Less: Provisions for doubtful inter corporate deposit	(35,617,984)	(35,617,984)	(28,600,000)
		-	-	3,005,743
		576,556,129	**1,000,086,270**	**713,080,867**

Summary of significant accounting policies and other explanatory information for the year ended 31 March, 2017

		As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
		₹	₹	₹
12	**Other financial assets**			
	Security deposits	5,638,454	20,888,183	13,527,138
	Interest accrued but not due on deposits	17,499	4,501	15,749,773
		5,655,953	**20,892,684**	**29,276,911**

		As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
		₹	₹	₹
13	**Other current assets**			
	Balance with statutory authorities	56,450,250	39,558,176	12,477,304
	Advance to vendors	6,982,301	9,640,246	39,829,633
	Prepaid expenses	73,747,349	75,580,819	51,097,624
	Others	3,284,141	9,838,358	3,956,895
		140,464,041	**134,617,599**	**107,361,456**

The management assesses the fair value of these financial assets not to be materially different from the amounts recognised in the financial statements.

Summary of significant accounting policies and other explanatory information for the year ended 31 March, 2017

14 Share capital

	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	Number	**₹**	**Number**	**₹**	**Number**	**₹**
Authorised share capital						
Equity shares of ₹ 10 each	11,000,000	110,000,000	11,000,000	110,000,000	11,000,000	110,000,000
Preference shares of ₹ 100 each	1,000,000	100,000,000	1,000,000	100,000,000	1,000,000	100,000,000
		210,000,000		**210,000,000**		**210,000,000**
Issued, subscribed and fully paid-up capital						
Equity shares of ₹ 10 (previous year ₹10) each fully paid up	2,169,291	21,692,910	1,240,791	12,407,910	1,240,791	12,407,910
0.001% Compulsory convertible preference shares of ₹ 100 (previous year ₹100) each fully paid up	244,497	24,449,700	244,497	24,449,700	244,497	24,449,700
Total issued, subscribed and fully paid-up share capital		**46,142,610**		**36,857,610**		**36,857,610**

a Reconciliation of the shares outstanding at the beginning and at the end of the year

i. Equity shares

	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	Number	**₹**	**Number**	**₹**	**Number**	**₹**
i. At the beginning of the year	1,240,791	12,407,910	1,240,791	12,407,910	1,240,791	12,407,910
ii. Conversion of preference shares into equity shares during the year [refer note (e) below]	528,179	5,281,790	-	-	-	-
iii. Issued during the year [refer note (e) below]	400,321	4,003,210	-	-	-	-
Shares outstanding at the end of the year	2,169,291	21,692,910	1,240,791	12,407,910	1,240,791	12,407,910

ii. 0.001% compulsory convertible preference shares

	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	Number	**₹**	**Number**	**₹**	**Number**	**₹**
Outstanding at the beginning/ end of the year	244,497	24,449,700	244,497	24,449,700	244,497	24,449,700

Summary of significant accounting policies and other explanatory information for the year ended 31 March, 2017

b Details of shares held by the immediate Holding Company and by the parent of its immediate Holding Company:

	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	Number	**₹**	**Number**	**₹**	**Number**	**₹**
i. NW18 HSN Holdings PLC, the Holding Company						
Equity shares of ₹ 10 each fully paid *	1,874,633	18,746,330	1,240,791	12,407,910	1,240,785	12,407,850
ii. Network 18 Media & Investments Limited, the Holding Company of NW18 HSN Holdings PLC						
Equity shares of ₹ 10 each fully paid	294,658	2,946,580	-	-	-	-
0.001% Compulsory convertible preference Shares of ₹ 100 each fully paid	244,497	24,449,700	244,497	24,449,700	244,497	24,449,700

** Inclusive of shares are held by nominees of NW18 HSN Holdings PLC*

c Details of shareholders holding more than 5% shares in the Company

	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	Numbers	**% of holding**	**Numbers**	**% of holding**	**Numbers**	**% of holding**
i. Shares held by NW18 HSN Holdings PLC, the Holding Company						
Equity shares of ₹ 10 each fully paid*	1,874,633	86.42%	1,240,791	100%	1,240,785	100%
ii. Shares held by Network 18 Media & Investments Limited, the holding company of NW18 HSN Holdings PLC						
Equity shares of ₹ 10 each fully paid	294,658	13.58%	-	-	-	-
0.001% Compulsory convertible preference shares of ₹ 100 each fully paid	244,497	100%	244,497	100%	244,497	100%

** Inclusive of shares are held by nominees of NW18 HSN Holdings PLC*

d Rights, preferences and restrictions attached

Equity shares

The Company has only one class of equity shares with a face value of ₹ 10 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees upon recommendation of the Board of Directors and approval in the annual general meeting of the Company. In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after payment of all liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders.

Compulsory convertible preference shares

These shares are non - cumulative in nature and are convertible into equity shares of the Company. These are entitled to fixed dividend at the rate of 0.001% subject to the availability of profits and have a tenure of 10 years from the date of allotment. These are non cumulative in nature. Dividend shall be payable subject to availability of profit.

e Conversion of preference share into equity shares and shares issued during year

On the date of transition to Ind AS, viz., 1 April 2015, convertible preference shares comprising of 101,181, 5% optionally convertible preference shares of ₹ 100 each, 291,998, 0.01% Compulsory convertible preference shares of ₹ 100 each and

Summary of significant accounting policies and other explanatory information for the year ended 31 March, 2017

135,000, 15% compulsory convertible preference shares of ₹ 100 each were treated as financial liability pursuant to the provisions of Ind AS 9, Financial Instruments, which were otherwise considered as part of share capital under the previous GAAP. Accordingly, the aforementioned preference shares aggregating to ₹ 52,817,900 from share capital and ₹ 180,896,759 were reclassified from share capital under previous GAAP to Borrowings under Ind AS (refer note 15).

Further, on 23 May 2016 the Board of Directors passed a resolution for conversion of 101,181 5% optionally convertible preference shares, 291,998, 0.01% Compulsory convertible preference shares and 135,000, 15% compulsory convertible preference shares aggregating to 528,179 preference shares of ₹ 100 into 528,179 equity shares of ₹ 10 each at premium of ₹ 90 each ranking pari passu with the existing equity shares of the Company. As a result of such conversion, ₹ 280,587,586 (including interest recognised till 23 May 2016 of ₹ 6,798,227) has been transferred from Borrowings to share capital ₹ 5,281,790, and securities premium ₹ 275,305,796.

On 2 August 2016, the Company has issued 400,321 equity shares of face value ₹ 10 each at a premium of ₹ 5,960 per share aggregating to ₹ 238,991,670.

f Details of shares issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus issues and brought back during the last 5 years for each class of shares

No such issue has taken place in the immediately preceding five years. The Company has not issued any shares pursuant to a contract without payment being received in cash nor has there been any buy-back of shares in the current year and preceding five years.

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
	₹	₹	₹
15 Borrowings - Non-current			
Secured (amortised cost)			
Term loans			
– From banks	-	-	51,302,922
Unsecured (amortised cost)			
Convertible preference shares	-	225,509,106	233,714,658
		225,509,106	**285,017,580**

Term loans

a On 26 July 2013, the Company entered into an arrangement with Ratnakar Bank to avail credit facilities up to ₹ 250,000,000 available for a period of 48 months, carrying an interest rate of 1.25% above the bank's base rate and repayable in 14 structured quarterly instalments from 30 June 2014 onwards. The facility is secured by hypothecation of moveable fixed assets and entire current assets (including loan and advances) and further by way of corporate guarantee by Network18 Media & Investments Limited.

Convertible preference shares

Company had issued three categories of preference shares which were as follows:

i **5% Optionally Convertible Preference Shares**

These shares carried a 'put/call' option of conversion into equity shares of the Company at a price determined mutually by the subscriber and the Board of Directors of the Company in conformity with the applicable regulatory provisions relating to price prevailing at the time of exercise of the option. In case of non-conversion of these shares, they were to be redeemed after the expiry of 10 years from the date of issue i.e.18 July 2006, at a premium of ₹ 400 per share and these were non-cumulative in nature.

Summary of significant accounting policies and other explanatory information for the year ended 31 March, 2017

ii. **0.01% Compulsory Convertible Preference Shares**

These shares were compulsory convertible into equity shares at any time during the period of 10 years from the date of issue i.e. 2 July 2007 at a price determined mutually by the subscriber and the Board of Directors of the Company in conformity with the applicable regulatory provisions relating to the price prevailing at the time of conversion. The preference shares were entitled to a premium, to be determined based on the maximum rate of dividend payable by an Indian company under the prevailing regulatory guidelines (on preference shares held by a foreign investor) and were non-cumulative in nature.

iii. **15% Compulsory Convertible Preference Shares**

These shares were entitled to fixed dividend at the rate of 15% subject to the availability of profit and had a tenure of 20 years from the date of issue i.e. 23 April 2013 for 70,000 shares and 1 November 2013 for 65,000 shares. These shares were non-cumulative in nature and convertible into equity shares of the Company before the expiry of the tenure based on the mutual consent of the companies. These would have priority over equity shares in regard to payment of dividend and repayment.

On the date of transition to Ind AS, viz., 1 April 2015, convertible preference shares comprising of 101,181, 5% optionally convertible preference shares of ₹ 100 each, 291,998, 0.01% Compulsory convertible preference shares of ₹ 100 each and 135,000, 15% compulsory convertible preference shares of ₹ 100 each were treated as financial liability pursuant to the provisions of Ind AS 9, Financial Instruments, which were otherwise considered as part of share capital under the previous GAAP. Accordingly, the aforementioned preference shares aggregating to ₹ 52,817,900 from share capital and ₹ 180,896,759 were reclassified from share capital under previous GAAP to Borrowings.

The aforementioned financial liabilities are fair valued on the date of transition and subsequently carried at amortised cost.

Further, on 23 May 2016 the Board of Directors passed a resolution for conversion of 101,181 5% optionally convertible preference shares, 291,998, 0.01% Compulsory convertible preference shares and 135,000,15% compulsory convertible preference shares aggregating to 528,179 preference shares of ₹ 100 into 528,179 equity shares of ₹ 10 each at premium of ₹ 90 each ranking pasri passsu with the existing equity shares of the Company. As a result conversion ₹ 280,587,586 (including interest recognised till 23 May 2016 of ₹ 6,798,227 has been transferred from Borrowings to share capital ₹ 5,281,790 and securities premium ₹ 275,305,796.

		As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
		₹	₹	₹
16	**Employee benefit obligations - Non-current**			
	Provision for employee benefit obligations	39,006,805	36,786,332	38,362,148
		39,006,805	**36,786,332**	**38,362,148**

The provision for employee benefit includes annual leave and vested long service leave entitlement accrued and gratuity payable to employees. For further disclosures refer note no 29.

		As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
17	**Borrowings - Current**			
	Secured			
	From bank (refer note a below)			
	Working capital demand loan	-	1,220,000,000	500,000,000
	Buyer's credit	-	71,073,313	67,027,646
	Cash credit from bank	-	246,864,587	94,975,167
	Unsecured at amortised cost			
	Convertible preference shares (refer note 15)	-	48,280,253	-
		-	**1,586,218,153**	**662,002,813**

Note a: Short term borrowings from Ratnakar Bank are secured by exclusive charge on current and moveable fixed assets including loans and advances and corporate guarantee by Network18 Media & Investments Limited.

		As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
		₹	₹	₹
18	**Trade payables**			
	Due to related parties (refer note 31)	111,818,451	62,337,700	87,308,730
	Due to others	899,022,216	857,482,385	846,411,498
		1,010,840,667	**919,820,085**	**933,720,228**

		As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
		₹	₹	₹
19	**Other financial liabilities**			
	Current maturity of long-term borrowings: term loan from bank	-	52,290,424	70,000,000
	Interest accrued but not due on term loan from bank	-	1,447,086	616,286
	Derivative financial liabilities	-	2,392,472	1,973,313
	Consideration collected on behalf of vendors for sales to customers	368,116,729	485,295,162	309,439,817
	Security deposit	1,000,000	1,000,000	1,000,000
	Advance from customers	8,324,654	-	-
		377,441,383	**542,425,144**	**383,029,416**

		As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
		₹	₹	₹
20	**Employee benefit obligations - Current**			
	Provision for employee benefit obligations	1,388,207	4,023,802	1,653,009
		1,388,207	**4,023,802**	**1,653,009**

The provision for employee benefit includes annual leave and vested long service leave entitlement accrued and gratuity payable to employees. For further disclosures refer note no 29.

		As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
		₹	₹	₹
21	**Other current liabilities**			
	Liability towards loyalty bonus (refer note 45)	36,004,000	10,000,000	13,000,000
	Employee related payable	45,274,732	22,804,232	47,630,741
	Statutory dues	16,521,904	22,709,733	11,774,001
	Unearned revenue	22,555,876	38,425,938	50,092,821
	Miscellaneous liabilities	38,925,998	37,619,717	28,262,976
	Book Overdraft	-	-	-
		159,282,510	**131,559,620**	**150,760,539**

Summary of significant accounting policies and other explanatory information for the year ended 31 March, 2017

		Year ended 31 March 2017	Year ended 31 March 2016
		₹	₹
22	**Revenue from operations**		
	Sale of services		
	Commission on sale of products	2,358,658,129	3,396,223,498
	Freight and collection charges	687,122,293	463,959,943
	Sponsorship income	14,952,486	17,019,407
		3,060,732,908	3,877,202,848

		Year ended 31 March 2017	Year ended 31 March 2016
		₹	₹
23	**Other income**		
	Liabilities/provisions written back	-	26,310,151
	Interest income on:		
	Bank deposits	14,689,355	1,097,787
	Refund of income tax	96,888,671	-
	Interest income on financial assets carried at amortised cost	4,052,279	5,296,851
	Employee share based expense reversal	1,836,566	10,081,188
	Net gain arising on financial assets designated as at fair value through profit or loss	1,976,889	-
		119,443,760	42,785,977

		Year ended 31 March 2017	Year ended 31 March 2016
		₹	₹
24	**Employee benefits expense**		
	Salaries, wages and bonus	569,664,342	512,677,498
	Contribution to provident and other funds	33,031,630	28,388,230
	Staff welfare expenses	29,290,969	43,288,934
	Other employee benefits	10,682,683	11,913,542
		642,669,624	**596,268,204**

		Year ended 31 March 2017	Year ended 31 March 2016
		₹	₹
25	**Depreciation and amortisation expense**		
	Depreciation of property, plant and equipment	92,264,803	119,432,340
	Amortisation of intangible assets	36,735,561	38,153,501
		129,000,364	**157,585,841**

Summary of significant accounting policies and other explanatory information for the year ended 31 March, 2017

		Year ended 31 March 2017	Year ended 31 March 2016
		₹	₹
26	**Finance costs**		
	Interest expense on financial liabilities carried at amortised cost	66,179,209	165,361,224
	Finance costs on defined benefit obligations	3,264,811	3,201,213
	Loss on exchange rate fluctuation (net)	832,590	4,464,826
	Other borrowing costs	169,474	3,550,821
		70,446,084	**176,578,084**

		Year ended 31 March 2017	Year ended 31 March 2016
		₹	₹
27	**Other expenses**		
	Content purchase and production costs	163,495,565	169,293,633
	Rent	110,298,241	108,139,619
	Communication expenses	93,109,341	114,903,400
	Freight and distribution expenses	2,667,313,554	2,621,173,157
	Advertisement and business promotion	230,135,000	329,606,914
	Electricity and water expenses	46,188,270	58,432,186
	Insurance expenses	12,822,448	12,882,424
	Repairs and maintenance		
	(i) Plant and machinery	32,930,819	23,943,777
	(ii) Others	29,058,780	32,616,201
	Travelling and conveyance	83,239,219	101,855,490
	Vehicle running and maintenance	4,434,832	3,109,393
	Legal and professional expenses	151,387,846	152,787,601
	Auditor’s remuneration (refer note 35)	3,295,868	2,451,341
	Balances written off	1,849,499	838,693
	Provision for doubtful advances	140,882,380	3,005,744
	Assets written off	-	4,031,246
	Customer service expenditure	24,102,101	64,538,099
	Website maintenance expenses	18,460,657	5,834,236
	Loss on sale of fixed assets	145	409,465
	Office running and maintenance	25,656,830	26,540,432
	Printing and stationery	3,315,888	4,218,727
	Miscellaneous expenses	23,696,630	26,185,636
		3,865,673,913	**3,866,797,414**

Summary of significant accounting policies and other explanatory information for the year ended 31 March, 2017

		Year ended 31 March 2017	Year ended 31 March 2016
		₹	₹
28	**Earnings per share**		
	Loss after tax	(1,531,290,553)	(874,066,280)
	Weighted average number of equity shares in calculating basic and diluted earnings per share	2,203,638	1,485,288
	Earnings per share - basic and diluted*	(694.89)	(588.48)

**the potential equity shares being anti-dilutive in nature.*

29 Employee benefits:

The following tables summarizes the components of net benefit expense recognized in the statement of profit and loss and the amount recognized in the balance sheet for the respective plans.

(All amounts in ₹)

Particulars	Year ended 31 March 2017		Year ended 31 March 2016	
	Gratuity benefits	Compensated absences	Gratuity benefits	Compensated absences
Change in present value of the benefit obligations are as follows:				
Present value of obligation at the beginning of the year	26,477,732	14,332,402	25,890,535	14,124,622
Current service cost	6,438,316	3,485,775	6,227,987	4,853,349
Interest cost	2,118,219	1,146,592	2,071,243	1,129,970
Actuarial loss/(gain) on remeasurement of obligation:-				
a) Actuarial loss arising from changes in financial assumption	1,676,388	735,315	1,857,232	1,066,613
b) Actuarial loss/(gain) arising from expererience adjustments	2,000,848	23,277	(5,031,670)	(234,407)
Benefits paid	(10,513,297)	(7,526,555)	(4,537,595)	(6,607,745)
Present value of obligation at the year end	**28,198,206**	**12,196,806**	**26,477,732**	**14,332,402**
Current portion of obligation as at the end of the year	523,787	864,420	2,461,956	1,561,846
Non-current portion of obligation as at the end of the year	27,674,419	11,332,386	24,015,776	12,770,556
Expenses recognised in the statement of profit and loss:				
Current service cost	6,438,316	3,485,775	6,227,987	4,853,349
Interest cost in benefit obligation (refer note 26)	2,118,219	1,146,592	2,071,243	1,129,970
Actuarial loss recognised during the year	-	758,592	-	832,206
Total expense recognised in statement of profit and loss	**8,556,535**	**5,390,959**	**8,299,230**	**6,815,525**
Expense recognised in other comprehensive income				
Actuarial loss/(gain) recognised during the year	3,677,236	-	(3,174,438)	-
	3,677,236	**-**	**(3,174,438)**	**-**

Summary of significant accounting policies and other explanatory information for the year ended 31 March, 2017

Actuarial assumptions used	Year ended 31 March 2017	Year ended 31 March 2016
Discount rate	7.60%	8.00%
Expected salary escalation rate	6.00%	6.00%

Demographic assumptions for year ended 31 March 2017 and 31 March 2016:

	Year ended 31 March 2017		Year ended 31 March 2016	
Mortality table	IALM(2006-08)		IALM(2006-08)	
Retirement age	60 Years			60 Years
Withdrawal rates	**Age**	**Percentage**	**Age**	**Percentage**
	Up to 30 Years	3	Up to 30 Years	3
	From 31 to 44 Years	2	From 31 to 44 Years	2
	Above 44 Years	1	Above 44 Years	1

	Year ended 31 March 2017		Year ended 31 March 2016	
	Gratuity benefits	Compensated absences	Gratuity benefits	Compensated absences
Sensitivity analysis of the defined benefit obligation:				
a) Impact of the change in discount rate				
Present value of obligation at the end of the period	**28,198,206**	**12,196,806**	**26,477,732**	**14,332,402**
Decrease in liability due to increase of 0.50%	(2,100,338)	(910,115)	(1,843,659)	(1,043,151)
Increase in liability due to decrease of 0.50%	2,324,920	1,006,874	2,040,232	1,157,200
b) Impact of the change in salary increase				
Present value of obligation at the end of the period	**28,198,206**	**12,196,806**	**26,477,732**	**14,332,402**
Increase in liability due to increase of 0.50%	2,350,199	1,017,843	2,070,483	1,174,359
Decrease in liability due to decrease of 0.50%	(2,140,035)	(927,323)	(1,885,158)	(1,066,613)

Sensitivities due to mortality and withdrawals are not material and hence impact of change not calculated. Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pension before retirement and life expectancy are not applicable being a lumpsum benefit on retirement.

Maturity profile of defined benefit obligation				
Year				
Within next 12 months (next annual reporting period)	523,787	864,420	2,461,956	1,561,846
Between 2 years and 5 years	1,253,374	675,568	1,794,644	1,088,056
5 years and above	26,420,945	10,656,818	22,221,132	11,682,500

Description of Risk Exposures:

Valuation are based on certain assumptions, which are dynamic in nature and vary over time. As such, the Company is exposed to various risks as follows:-

A) Salary increase:- Actual salary increase will increase the plan's liability. Increase in salary increase rate assumption in future valuation will also increase the liability.

B) Investment risk:- If plan is funded then asset liabilities mismatch and actual investment return on asset lower than the discount assumed at the last valuation date can impact the liability. Since the plan of the Company is unfunded, this shall not impact liability of the Company.

C) Discount rate:- Reduction in discount rate in subsequent valuations can increase the plan's liability.

D) Mortality & disability:- Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

Summary of significant accounting policies and other explanatory information for the year ended 31 March, 2017

E) Withdrawals:- Actual withdrawals proving higher or lower than assumed withdrawals rates at subsequent valuations can impact plan's liability.

Note: Under Ind AS, remeasurement i.e. actuarial gains and loss on gratuity, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of statement of profit and loss. Interest expense on defined benefit plan are recognised in finance cost. Under the previous GAAP, these remeasurements were forming part of the statement of profit and loss for the year. As a result of this change, the profit for the year ended 31 March 2016 decreased by ₹ 3,174,438. There is no impact on the total equity as at 31 March 2016.

30 Share based employee remuneration

a) Employee stock options

The employees of the Company have been granted stock options under TV18 HSN Holdings Limited Share Option Plan 2008 ("ESOP 2008") of NW18 HSN Holdings PLC (formerly TV18 HSN Holdings Limited), the Holding Company. The plan was approved by the shareholders of NW18 HSN Holdings PLC vide shareholders resolution dated 7 April 2008. The ESOP 2008 entitles the eligible employees to purchase ordinary shares of NW18 HSN Holdings PLC. A description of the share based payment arrangement of NW18 HSN Holdings PLC is given below:

Particulars	**TV18 HSN Holdings Limited Share Option Plan 2008**
Exercise price	The exercise price in respect of the options shall be decided by the Compensation Committee
Vesting conditions	**Options granted till 22 October 2010:** Graded vesting - 25% on the expiry of one year from the grant date, 25% on the expiry of two years from the grant date, 25% on the expiry of three years from the grant date and 25% on the expiry of four years from the grant date. **Options granted after 22 October 2010:** Options will vest on the expiry of one year from the grant date.
Exercise Period	The stock options can be exercised within a period of 48 months from the date of vesting.

The number and weighted average exercise price of share options are as follows:

	Number of options	**Weighted average exercise price USD**
At 1 April 2015	440,200	2.21
Forfeited/lapsed during the year	(382,200)	2.40
At 31 March 2016	**58,000**	**0.69**
Exercisable as at 31 March 2016	58,000	
Weighted average remaining contractual life (in years)	**0.23**	
At 1 April 2016	58,000	0.69
Forfeited/lapsed during the year	(41,800)	0.63
At 31 March 2017	**16,200**	**0.87**
Exercisable as at 31 March 2017	**16,200**	
Weighted average remaining contractual life (in years)	**0.21**	

The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted. The fair values of options granted were determined using Black-Scholes option pricing model that takes into account factors specific to the share incentive plans along with other external inputs. Expected volatility has been determined by reference to the average volatility for comparable companies for corresponding option term.

Summary of significant accounting policies and other explanatory information for the year ended 31 March, 2017

The following principal assumptions were used in the valuation:

Grant Date	29 April 2011	3 February 2012
Vesting Date	**29 April 2012**	**3 February 2013**
Fair value of option at grant date (US$)	1.86	2.05
Weighted average equity value (US$)	1.95	2.14
Exercise price	0.10	0.09
Expected volatility	57.93%	59.35%
Option life (in years)	5	5
Dividend yield	0.00%	0.00%
Risk free interest rate	1.97%	0.77%

b) **Employee stock appreciation right**

The employees of the Company have also been granted Stock Appreciation Rights (SARs) under TV18 HSN Stock Appreciation Rights Scheme, 2012 ('SARs Scheme'). The SARs Scheme will also be administered by a Compensation Committee of the Board of Directors of TV18 HSN Holdings Limited. SARs scheme was approved by the shareholders of TV18 HSN Holdings Limited vide resolution dated 2 November 2012. A description of the SARs arrangement of TV18 HSN Holdings Limited is given below:

Particulars	TV18 HSN Employees Stock Appreciation Rights Scheme, 2012
Exercise price	The exercise price in respect of the stock appreciation rights shall be decided by the Compensation Committee
Vesting conditions	50,000 rights on the grant date 121,000 rights on the expiry of one year from the grant date 137,000 rights on the expiry of two years from the grant date 73,000 rights on the expiry of three year from the grant date 71,000 rights on the expiry of four year from the grant date
Exercise Period	The SARs can be exercised within a period of 48 months from the date of vesting post occurrence of liquidity event.

	Number of options	Weighted average exercise price USD
At 1 April 2015	373,800	5.03
Forfeited/lapsed during the year	(300,400)	4.02
At 31 March 2016	**73,400**	**9.18**
Exercisable as at 31 March 2016	**73,400**	
Weighted average remaining contractual life (in years)	**3.60**	
At 1 April 2016	73,400	9.18
Forfeited/lapsed during the year	(40,600)	8.84
At 31 March 2017	**32,800**	**9.62**
Exercisable as at 31 March 2017	**32,800**	
Weighted average remaining contractual life (in years)	**3.06**	

The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted. The fair values of options granted were determined using Black-Scholes option pricing model that takes into account factors specific to the share incentive plans along with other external inputs. Expected volatility has been determined by reference to the average volatility for comparable companies for corresponding option term.

Summary of significant accounting policies and other explanatory information for the year ended 31 March, 2017

The following principal assumptions were used in the valuation for 19,000 options outstanding in financial year 2015-16 and 4,000 options outstanding in 2016-17:

Grant Date	**2 November 2012**	**2 November 2012**	**2 November 2012**	**2 November 2012**
Vesting Date	**2 November 2013**	**2 November 2014**	**2 November 2015**	**2 November 2016**
Fair value of option at grant date (USD)	1.13	1.14	1.18	1.26
Exercise price	1.37	1.37	1.37	1.37
Expected volatility	55.81%	53.71%	51.72%	54.11%
Option life (in years)	5	6	7	8
Dividend yield	0.00%	0.00%	0.00%	0.00%
Risk free interest rate	0.72%	0.94%	1.15%	1.34%

The following principal assumptions were used in the valuation for 20,000 options outstanding in financial year 2015-16 and 4,000 options outstanding in financial year 2016-17:

Grant Date	**27 July 2013**	**27 July 2013**	**27 July 2013**	**27 July 2013**
Vesting Date	**27 July 2014**	**27 July 2015**	**27 July 2016**	**27 July 2017**
Fair value of option at grant date (USD)	2.15	2.15	2.15	2.15
Exercise price	2.00	2.00	2.00	2.00
Expected volatility	55.98%	55.14%	53.21%	50.64%
Option life (in years)	5	6	7	8
Dividend yield	0.00%	0.00%	0.00%	0.00%
Risk free interest rate	1.37%	1.68%	1.99%	2.18%

The following principal assumptions were used in the valuation for 34,400 options outstanding in financial year 2015-16 and 24,800 options outstanding in financial year 2016-17:

Grant Date	**29 April 2014**	**29 April 2014**	**29 April 2014**	**29 April 2014**	**29 April 2014**
Vesting Date	**15 July 2014**	**03 January 2015**	**03 January 2016**	**03 January 2017**	**03 January 2018**
Fair value of option at grant date (USD)	12.43	12.43	12.43	12.43	12.43
Exercise price	10.00	10.00	10.00	10.00	10.00
Expected volatility	33.52%	34.81%	55.93%	52.80%	50.70%
Option life (in years)	4	5	6	7	8
Dividend yield	0.00%	0.00%	0.00%	0.00%	0.00%
Risk free interest rate	1.40%	1.60%	1.92%	2.20%	2.38%

Under previous GAAP, the cost of equity-settled employee share based plan was recognised using intrinsic value method. Under Ind AS, the cost of equity settled employee share based plan is recognised on the fair value of the option on the grant date. The fair value determined on the grant date of the equity settled share based payments is expensed on a straight line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

In Group share based payment arrangements, if parent company issued SAR/ESOP to the employees in a subsidiary, the subsidiary does not have an obligation to settle the award, the award is treated as an equity-settled plan in the subsidiary. The subsidiary recognizes an expense for the grant date fair value of the award over the vesting period, with a corresponding credit to equity.

Summary of significant accounting policies and other explanatory information for the year ended 31 March, 2017

31 Related party disclosures

a. List of related parties

I. Holding and Ultimate Holding Company

Sr. No.	Name	Relationship
i.	NW18 HSN Holdings PLC ('NW18 HSN')	Holding Company
ii	Independent Media Trust	Enterprises exercising control
iii	Adventure Marketing Private Limited ^	Enterprises exercising control
iv	Watermark Infratech Private Limited ^	Enterprises exercising control
v	Colorful Media Private Limited ^	Enterprises exercising control
vi	RB Media Holdings Private Limited ^	Enterprises exercising control
vii	RB Media soft Private Limited ^	Enterprises exercising control
viii	RRB Mediasoft Private Limited ^	Enterprises exercising control
ix	RB Holdings Private Limited ^	Enterprises exercising control
x	Teesta Retail Private Limited (formerly Shinano Retail Private Limited which was merged with Teesta Retail Private Limited effective 29.12.2016)	Enterprises exercising control
xi	Reliance Industries Limited ('RIL')	Beneficiary/ Protector of Independent Media Trust
xii	Reliance Industrial Investments and Holdings Limited	Beneficiary/ Protector of Independent Media Trust
xiii	Network18 Holdings Limited, Mauritius ('NHL')	Holding Company of NW18 HSN - Enterprises exercising control
xiv	Network18 Media & Investments Limited ('Network18')	Holding Company of NHL-Enterprises exercising control

^ Control by Independent Media Trust of which RIL is the sole beneficiary.

II. Other related parties (names have been given for only those parties with whom transactions have been undertaken during the year)

i .	TV18 Broadcast Limited ('TV18 Broadcast')	Fellow subsidiary
ii.	AETN18 Media Private Limited	Fellow subsidiary
iii.	e- Eighteen.com Limited ('E eighteen.com')	Fellow subsidiary
iv.	Greycells18 Media Private Limited ('Greycells18')	Fellow subsidiary
v.	Prism TV Private Limited ('Prism')	Fellow subsidiary
vi.	Panorama Television Private Limited	Fellow subsidiary
vii.	Reliance Retail Limited	Fellow subsidiary
viii.	Viacom18 India Limited ('Viacom18')	Joint venture of fellow subsidiary
ix.	Ubona Technologies Private Limited ('Ubona')	Joint venture of fellow subsidiary
x.	Mr. Sundeep Malhotra (up to 31 August 2015)	Key Managerial Personnel (KMP)
xi.	Mr. Sarbvir Singh (up to 31 October 2015)	Key Managerial Personnel (KMP)
xii.	Ms. Meenakshi Bahl	Key Managerial Personnel (KMP)
xiii.	Mr. Sanjeev Agrawal (with effect from 4 May 2015)	Key Managerial Personnel (KMP)
xiv.	Mr. S Anandanarayanan (from 1 November 2015 to 31 October 2016)	Key Managerial Personnel (KMP)
xv.	Mr. Sumit Kumar De (with effect from 22 November 2016)	Key Managerial Personnel (KMP)

Summary of significant accounting policies and other explanatory information for the year ended 31 March, 2017

b. Transactions/balances outstanding with related parties

Particulars	Holding Company Joint ventures/ Associates	Fellow Subsidiaries/ by individual exercising significant influence on the Company	Entity controlled personnel	Key managerial
	Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)
A. Transactions during the year				
Income from operations				
a. Reliance Retail Limited	-	27,877,043	-	-
	-	(188,415)	-	-
Total	**-**	**27,877,043**	**-**	**-**
	-	**(188,415)**	**-**	**-**
Sale of assets				
a. TV18 Broadcast	-	3,139,656	-	-
	-	(1,253,984)	-	-
Total	**-**	**3,139,656**	**-**	**-**
	-	**(1,253,984)**	**-**	**-**
Expenses				
Interest expense				
a. NW18 HSN	6,798,227	-	-	-
	(40,074,700)	-	-	-
Total	**6,798,227**	**-**	**-**	**-**
	(40,074,700)	**-**	**-**	**-**
Reimbursement of expenses (received)				
a. Network18	-	-	-	-
	(1,057,500)	-	-	-
b. E eighteen.com	-	-	-	-
	-	(15,000)	-	-
c. TV18 Broadcast	-	-	-	-
	-	(725,000)	-	-
e. Reliance Retail Limited	-	-	-	-
	-	(14,682,478)	-	-
Total	**-**	**-**	**-**	**-**
	(1,057,500)	**(15,422,478)**	**-**	**-**
Amount paid on behalf of				
a. NW18 HSN	-	-	-	-
	(34,099,840)	-	-	-
Total	**-**	**-**	**-**	**-**
	(34,099,840)	**-**	**-**	**-**

Summary of significant accounting policies and other explanatory information for the year ended 31 March, 2017

Particulars	Holding Company Joint ventures/ Associates	Fellow Subsidiaries/ by individual exercising significant influence on the Company	Entity controlled personnel	Key managerial
	Amount (₹)	**Amount (₹)**	**Amount (₹)**	**Amount (₹)**
Provision for doubtful advance				
a. NW18 HSN	140,882,380	-	-	-
	-	-	-	-
Total	**140,882,380**	-	-	-
	-	-	-	-
Reimbursement of expenses (paid)				
a. Network18	7,927,475	-	-	-
	(28,823,871)	-	-	-
b. TV18 Broadcast	-	39,273,951	-	-
	-	(37,711,446)	-	-
c. E eighteen.com	-	1,256,983	-	-
	-	(587,062)	-	-
Total	**7,927,475**	**40,530,934**	-	-
	(28,823,871)	**(38,298,508)**	-	-
Amount received on behalf of				
a. Reliance Retail Limited	-	243,366,322	-	-
	-	(1,693,758)	-	-
Total	-	**243,366,322**	-	-
	-	**(1,693,758)**	-	-
Expenditure for services received				
a. TV18 Broadcast	-	8,550,000	-	-
	-	(9,000,000)	-	-
b. Viacom18	-	43,916,700	-	-
	-	(69,494,476)	-	-
c. Prism	-	3,498,000	-	-
	-	(561,000)	-	-
d. Panorama Television Pvt Ltd	-	-	-	-
	-	(447,780)	-	-
e. Ubona	-	343,807	-	-
	-	(2,625,511)	-	-
Total	-	**56,308,507**	-	-
	-	**(82,128,767)**	-	-

Summary of significant accounting policies and other explanatory information for the year ended 31 March, 2017

Particulars	Holding Company Joint ventures/ Associates	Fellow Subsidiaries/ by individual exercising significant influence on the Company	Entity controlled personnel	Key managerial
	Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)
Corporate guarantee received during the year				
a. Network18	-	-	-	-
	(750,000,000)	-	-	-
Total	**-**	**-**	**-**	**-**
	(750,000,000)	**-**	**-**	**-**
Corporate guarantee released during the year				
a. Network18	1,590,228,324	-	-	-
	-	-	-	-
Total	**590,228,324**	**-**	**-**	**-**
	-	**-**	**-**	**-**
Employee benefit expense				
a. Mr. Sundeep Malhotra	-	-	-	-
	-	-	-	(28,543,918)
b. Mr. Sarbvir Singh	-	-	-	-
	-	-	-	(12,260,351)
c. Mr. Sanjeev Agrawal	-	-	-	19,456,246
	-	-	-	(19,004,557)
d. Mr. S Anandanarayanan	-	-	-	4,595,123
	-	-	-	(3,335,344)
e. Mr. Sumeet Kumar De	-	-	-	980,733
	-	-	-	-
f. Ms. Meenakshi Bahl	-	-	-	537,578
	-	-	-	(488,694)
Total	**-**	**-**	**-**	**25,569,680**
	-	**-**	**-**	**(63,632,864)**
Shares issued (including premium)				
Issue of equity shares				
a. NW18 HSN	630,808,110	-	-	-
	-	-	-	-
b. Network18	1,759,108,260	-	-	-
	-	-	-	-
Total	**2,389,916,370**	**-**	**-**	**-**
	-	**-**	**-**	**-**

Summary of significant accounting policies and other explanatory information for the year ended 31 March, 2017

Particulars	Holding Company Joint ventures/ Associates	Fellow Subsidiaries/ by individual exercising significant influence on the Company	Entity controlled personnel	Key managerial
	Amount (₹)	**Amount (₹)**	**Amount (₹)**	**Amount (₹)**
B. Balances at the year end				
Advances outstanding as at the year end				
a. NW18 HSN (net off provision for doubtful advance ₹ 140,882,380 in the current year)	-	-	-	-
	(140,882,380)	-	-	-
Total	**-**	**-**	**-**	**-**
	(140,882,380)	**-**	**-**	**-**
Corporate Guarantee outstanding as at the year end				
a. Network18	-	-	-	-
	(1,590,228,324)	-	-	-
Total	**-**	**-**	**-**	**-**
	(1,590,228,324)	**-**	**-**	**-**
Creditors outstanding as at the year end				
a. TV 18 Broadcast	-	51,449,003	-	-
	-	(13,423,923)	-	-
b. Network18	13,934,051	-	-	-
	(6,189,449)	-	-	-
c Viacom18	-	41,851,121	-	-
	-	(38,358,744)	-	-
d. E eighteen.com	-	1,268,215	-	-
	-	(251,388)	-	-
e. Greycells18	-	90,577	-	-
	-	(90,577)	-	-
f. Prism	-	1,831,085	-	-
	-	(1,902,860)	-	-
g. AETN18 Media Private Limited	-	1,394,399	-	-
	-	(1,394,399)	-	-
h. Panorama Television Pvt Ltd	-	-	-	-
	-	(503,752)	-	-
i. Ubona	-	-	-	-
	-	(222,609)	-	-
j. Reliance Retail Limited	-	172,238	-	-
	-	(390,376)	-	-
Total	**13,934,051**	**98,056,638**	**-**	**-**
	(6,189,449)	**(56,538,628)**	**-**	**-**

Summary of significant accounting policies and other explanatory information for the year ended 31 March, 2017

Particulars	Holding Company Joint ventures/ Associates	Fellow Subsidiaries/ by individual exercising significant influence on the Company	Entity controlled personnel	Key managerial
	Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)
Performance linked incentive outstanding as at year end				
a. Mr. Sanjeev Agrawal	-	-	-	4,600,000
	-	-	-	(2,728,767)
b. Mr. Sumit Kumar De	-	-	-	284,932
	-	-	-	-
c. Mr. S Anandanarayanan	-	-	-	-
	-	-	-	(548,931)
Total	**-**	**-**	**-**	**4,884,932**
	-	**-**	**-**	**(3,277,698)**
Share Capital				
a. NW 18 HSN				
- Equity	18,746,330	-	-	-
	(12,407,910)	-	-	-
- Convertible preference shares	-	-	-	-
	(273,789,359)	-	-	-
b. Network18				
- Equity	27,396,280	-	-	-
	(24,449,700)	-	-	-
Total	**46,142,610**	**-**	**-**	**-**
	(310,646,969)	**-**	**-**	**-**

Note : Figures in brackets represent figures for the previous year .

Summary of significant accounting policies and other explanatory information for the year ended 31 March, 2017

32 Operating leases commitment

The Company has taken various commercial premises under operating leases. These leases have varying terms, escalation clauses and renewal rights. On renewal the terms of the leases are re-negotiated. Rent amounting to ₹ 110,298,241 (31March 2016 ₹ 108,139,619) has been debited to statement of profit and loss during the year. The future minimum lease payments are as follows:

Particulars	**As at 31 March 2017**	**As at 31 March 2016**	**As at 1 April 2015**
	₹	₹	₹
Not later than one year	92,859,565	61,072,352	78,746,436
Later than one year but not later than five years	82,390,559	57,502,440	37,870,712
More than five years	-	-	-

33 Capital commitments

Estimated amounts of contracts remaining to be executed on capital account (net of advances) ₹ 1,750,430 (31 March 2016: ₹ 2,181,962).

34 Operating segment

The Company is primarily engaged in the business of providing a platform to vendors for the distribution of consumer goods in India. As the Company operates in a single business segment as TV, the results as viewed by chief opearting decision maker are in line with results disclosed in profit and loss statement. Segment performance is evaluated based on earnings before interest, tax, depreciation and amortization. The Company's chief operating decision maker is not provided information on segment assets and liabilities and accordingly this information has not been disclosed in the footnote on segment reporting.
Revenue from transactions with single external customers amounting to 10% or more of the total revenue is as follows:

	% to total revenue		**Revenue**	
Particulars	**Year ended 31 March 2017**	**Year ended 31 March 2016**	**Year ended 31 March 2017**	**Year ended 31 March 2016**
			₹	₹
More than 10%	11%	28%	344,705,957	1,084,824,040
Other	89%	72%	2,716,026,951	2,792,378,808
	100%	**100%**	**3,060,732,908**	**3,877,202,848**

35 Auditor's remuneration

Particulars	**Year ended 31 March 2017**	**Year ended 31 March 2016**
	₹	₹
Payment to auditors as:		
- Auditor	3,065,250	2,400,000
- Reimbursement of expenses	230,618	51,341
	3,295,868	**2,451,341**

36 Since its inception, the Company has been focusing on building platforms for vendors for distribution of consumer goods. The Company has invested significantly in setting up the infrastructure and its corporate brand. Accordingly, being in its early stages, the Company has experienced operating losses and negative cash flows from operations. However, the Company has modified its business plans and strategies and has generated/projected to generate sufficient funds to sustain its operations for the next twelve months. Accordingly, these financial statements have been prepared on a going concern basis.

Summary of significant accounting policies and other explanatory information for the year ended 31 March, 2017

37 Income tax expense and deferred tax assets/ liabilities (net)

As per Ind AS 12, Income Taxes, deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. The criteria for recognising deferred tax assets arising from the carry forward of unused tax losses and tax credits are the same that for recognising deferred tax assets arising from deductible temporary differences. However, the existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, no deferred tax assets has been recognised in the balance sheet.

Deferred tax assets have not been recognized in respect of these items because it is not probable at the reporting date that future taxable profit will be available against which the Company will be able to utilize the benefits of such tax losses. The unrecognised deffered tax assets at each period are given below:-

Unrecognized deferred tax assets/liabilities (net):

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
	₹	₹	₹
Deferred tax asset/(liability) on account of:			
- Temporary difference on account of depreciation and amortisation on fixed assets	29,077,398	13,409,887	(2,474,239)
- Deductible temporary difference - Provision for employee benefits	25,640,378	19,485,796	26,911,539
- Deductible temporary difference - Provision for doubtful debts and advances	165,875,627	131,608,373	175,043,712
- Brought forward losses and unabsorbed depreciation	2,147,829,347	1,961,196,202	1,788,983,453
Total	**2,368,422,750**	**2,125,700,258**	**1,988,464,465**

Deferred tax assets have not been recognized in respect of these items because it is not probable at the reporting date that future taxable profit will be available against which the Company will be able to utilize the benefits of such tax losses.

The carry forward tax losses as at 31 March 2017 and 31 March 2016 expire as follows:-

	Losses with expiry		Losses with no expiry
Loss for the tax year ended (Assesment year)	**Tax loss**	**Expires on**	**Unabsorbed depreciation**
	₹	₹	₹
2008-09	-	-	14,242,018
2009-10	429,354,333	31 March 2017	34,809,245
2010-11	193,674,569	31 March 2018	27,349,727
2011-12	524,055,589	31 March 2019	38,749,865
2012-13	1,010,459,938	31 March 2020	53,823,413
2013-14	1,060,727,158	31 March 2021	72,412,127
2014-15	629,473,635	31 March 2022	141,494,530
2015-16	828,127,579	31 March 2023	176,502,404
2016-17	668,024,592	31 March 2024	110,629,788
	5,343,897,393		**670,013,117**

Summary of significant accounting policies and other explanatory information for the year ended 31 March, 2017

38 Financial and derivative instruments

Derivative contracts entered into by the Company and outstanding as at the balance sheet date:

The Company uses cross-currency forward contract to hedge its risks associated with fluctuations in foreign currencies and interest rates relating to foreign currency liabilities. The following are outstanding derivatives contracts:

Forward contract

Description of hedge	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
	Amount in foreign currency (USD)		
To take protection against appreciation in Indian Rupees against USD payable in respect of imports against letter of credit	Nil	1,071,511	1,070,900
	Amount in ₹		
	Nil	71,073,313	67,027,646

39 The Company recognizes depreciation and amortisation on straight-line basis based on the useful life to write down the cost less estimated residual value of property, plant and equipment. In respect to the useful life of the assets, the management is of the following view:

i. That on account of technological obsolescence, the useful life of computer of 5 years is reasonable and hence, expect to replace in a span averaging 5 years.

ii. Plant and equipment comprise of multi viewer screens, lights and light emitting diode (LED), cameras, tracks for installing the roof cameras, batteries, mobile phone, gateway appliance, etc. which are specific to the industry of the Company and not specifically covered under the Schedule II of the Companies Act, 2013 and hence, the management adopted to depreciate the same in line with the industry practices.

iii. Certain items in furniture and fixture comprising of revolving chairs, tables, racks and cabinets are worn out in a period of 5-10 years resulting in a need for replacement and hence, basis the past usage trend the management has taken a lower useful life. However, for the remaining block of furniture and fixtures, it has appropriately taken a life of 10 years.

iv. Vehicles are provided to the top level management for official purposes and are replaced with a new vehicle in a shorter period depending on the hierarchal progression. Accordingly, a lower useful life has been taken for vehicles also.

Accordingly, for the following block of assets different useful lives are taken as compared to the lives specified in Schedule II of the Companies Act, 2013:

Asset Description	Useful life as taken by the Company	Useful life as per Schedule II
Computers	5 years	3-6 years
Plant and equipment	2-7 years	15 years
Furniture and fixtures	5-10 years	10 years
Vehicles	6-7 years	10 years

40 Capital management

The Company's capital management objectives are:

a) to ensure the Company's ability to continue as going concern; and

b) to provide an adequate return to stakeholders

For the purpose of Company's capital management, capital includes issued equity capital and convertible preference shares. The Company manages its capital structure and makes adjustments in light of changes in economic condition and the requirements of the financial covenants. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing borrowings, trade payables, less cash and cash equivalents.

Summary of significant accounting policies and other explanatory information for the year ended 31 March, 2017

	31 March 2017 ₹	31 March 2016 ₹	1 April 2015 ₹
Interest-bearing borrowings other than liability towards preference shareholders	-	1,590,228,324	783,305,734
Trade payables	1,010,840,667	919,820,085	933,720,228
Less: Cash and cash equivalents	(8,388,515)	(15,496,166)	(112,263,449)
Net debt	**1,002,452,152**	**2,494,552,243**	**1,604,762,513**
Convertible preference shares	-	273,789,359	233,714,658
Equity	46,142,610	36,857,610	36,857,610
Total capital	46,142,610	310,646,969	270,572,268
Capital and net debt	**1,048,594,762**	**2,805,199,212**	**1,875,334,781**
Gearing ratio	**96%**	**89%**	**86%**

41 Financial instruments by category *(All amounts in ₹)*

	31 March 2017		31 March 2016		1 April 2015	
	FVTPL	**Amortised Cost**	**FVTPL**	**Amortised Cost**	**FVTPL**	**Amortised Cost**
Financial assets						
Investments	301,976,889	-	-	-	-	-
Trade receivables	-	63,751,302	-	56,961,439	-	103,255,824
Loans	-	576,556,129	-	1,000,086,270	-	713,080,867
Cash and cash equivalents	-	8,388,515	-	15,496,166	-	112,263,449
Security deposits	-	31,475,112	-	33,769,153	-	39,072,920
Interest accrued but not due on deposits	-	17,499	-	4,501	-	15,749,773
Total financial assets	**301,976,889**	**680,188,557**	**-**	**1,106,317,529**	**-**	**983,422,833**
Financial liabilities						
Borrowings	-	-	-	1,740,653,946	-	879,992,747
Derivative financial liabilites	-	-	73,465,785	-	69,000,959	-
Trade payables	-	1,010,840,667	-	919,820,085	-	933,720,228
Other financial liabilities	-	377,441,383	-	540,032,673	-	381,056,103
Total financial liabilities	**-**	**1,388,282,050**	**73,465,785**	**3,200,506,704**	**69,000,959**	**2,194,769,078**

42 Financial risk management

The Company is exposed to various risks in relation to financial instruments. The Company's financial assets and liabilities by category are summarized in Note 39. The main types of risks are credit risk, liquidity risk and market risk.

The Company's risk management is coordinated in close co-operation with the board of directors, and focuses on securing the Company's short to medium term cash flows. The Company does not engage in trading of financial assets for speculative purposes.

Summary of significant accounting policies and other explanatory information for the year ended 31 March, 2017

A. **Credit risk** : Credit risk is the risk that a customer or counterparty to a financial instrument will fail to perform or pay amounts due to the Company causing financial loss. It arises from cash and cash equivalents, derivative financial instruments, deposits from financial institutions and principally from credit exposures to customers relating to outstanding receivables. The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets recognized at reporting date :

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
	₹	₹	₹
Trade receivables	63,751,302	56,961,439	103,255,824
Loans and advances to related party	77,762	140,960,142	106,782,540
Advances recoverable in cash or kind	576,478,367	859,126,128	603,292,584
Investments	301,976,889	-	-
Security deposits	31,475,112	33,769,153	39,072,920
Fixed deposits with banks	300,006	4,414,544	103,801,980
Cash and cash equivalents (except cash on hand)	7,972,956	10,568,898	6,664,863
	982,032,394	**1,105,800,304**	**962,870,711**

Exposure to credit risk in respect of outstanding trade receivables is limited since the consideration for sales from vendors to customers is collected by the Company (through courier agencies or payment gateways) on behalf of the vendors (related payables are included in Note 18 'Trade payables') and accordingly the commission on products sold through its distribution channels is received in advance. The residual credit risk is on account of consideration for sales from vendors to customers which is collected by the courier agencies but not yet remitted to the Company at the year-end which is included under advance recoverable in cash or kind.

An analysis of age of trade receivables at each statement of financial position date is summarized as follows:

(All amounts in ₹)

	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	Gross	Impairment	Gross	Impairment	Gross	Impairment
Not past due	15,924,910	-	21,243,871	-	46,547,067	-
Past due less than 6 months	44,229,867	-	16,335,929	-	32,920,267	-
Past due more than six months but not more than twelve months	-	-	3,572,419	-	17,222,779	-
More than one year	20,614,518	17,017,992	32,827,212	17,017,992	23,583,703	17,017,992
	80,769,295	**17,017,992**	**73,979,431**	**17,017,992**	**120,273,816**	**17,017,992**

An analysis of age of receivables from courier agencies at each statement of financial position date is summarized as follows:

(All amounts in ₹)

	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	Gross	Impairment	Gross	Impairment	Gross	Impairment
Not past due	45,779,899	-	88,768,437	-	104,296,865	-
Past due less than 6 months	123,058,579	-	264,631,114	-	132,333,692	-
Past due less than 6 months	-	-	75,270,537	-	56,100,987	-
More than one year	27,695,103	22,958,253	59,562,449	22,958,253	82,932,113	23,015,018
	196,533,581	**22,958,253**	**488,232,537**	**22,958,253**	**375,663,657**	**23,015,018**

Summary of significant accounting policies and other explanatory information for the year ended 31 March, 2017

Management considers the credit quality of trade receivables and receivables from courier agencies that are not past due or not impaired, to be good. No collateral is held for trade receivables and receivables from courier agencies.

Advances recoverable

Advances recoverable are given in the ordinary course of business. Credit risk in advances recoverable is managed through monitoring of credit worthiness of the counterparties and by granting credit approvals in the normal course of business.

All the advances recoverable are not past due as at the respective year-ends. Advances are considered past due in accordance with the contractual terms negotiated with the respective counterparties. Advances recoverable are impaired in full when recoverability is considered doubtful based on estimates made by the management.

Advances recoverable from top three vendors whose products are sold through the Company's channel amounted to ₹ 312,383,206 constituting approximately 54% and ₹ 359,415,007 constituting approximately 42% of advances recoverable as at 31 March 2017 and 31 March 2016 respectively.

Management considers the credit quality of loans and advances that are not past due or not impaired, to be good. No collateral is held for loans and advances recoverable.

Cash and cash equivalents (except cash on hand) and fixed deposits with banks

The management considers the credit quality of current accounts and deposits with banks to be good and reviews the banking relationships on an on–going basis.

The Company does not require any security in respect of the above financial assets. There are no impairment provisions as at each statement of financial position date against these financial assets, except as disclosed in respect of trade receivables above. The management considers that all the above financial assets that are not impaired or past due for each of the statement of financial position dates under review are of good credit quality.

Investments

The management considers the credit quality of current investments to be good and reviews the net asset value and credit rating of mutual funds on an on–going basis.

Movement in expected credit loss of trade receivable:

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
	₹	₹	₹
Balance at beginning of the year	17,017,992	17,017,992	17,017,992
Provision created during the year	-	-	-
Provision write off during the year	-	-	-
Balance at end of year	**17,017,992**	**17,017,992**	**17,017,992**

Movement in expected credit loss of loan & advances:

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
	₹	₹	₹
Balance at beginning of the year	408,899,072	549,466,514	549,466,514
Provision created during the year	140,882,380	7,017,984	-
Provision written off during the year	(29,985,119)	(147,585,426)	-
Balance at end of year	**519,796,333**	**408,899,072**	**549,466,514**

Summary of significant accounting policies and other explanatory information for the year ended 31 March, 2017

B. **Liquidity Risk** : Liquidity risk is the risk that suitable sources of funding for the Company's business activities may not be available.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected cash flows. Short term liquidity requirements comprises mainly of trade payables and employee dues arising during normal course of business as on each statement of financial position date. Long term liquidity requirement is assessed by the management on periodical basis and is managed through internal accruals and through funding commitments from shareholders. As at each statement of financial position date, the Company's liabilities having contractual maturities (including interest payments where applicable) are summarized as follows:

As at 1 April 2015 *(All amounts in ₹*

	Not due	Up to 1 year	Between 1 and 3 years	More than 3 years	Total
Non derivative liabilities					
Borrowings	-	664,975,167	51,302,922	233,714,658	**949,992,747**
Trade payables	-	933,720,228	-	-	**933,720,228**
Other current liabilities (excluding advance from customers, statutory dues, employee dues and provision for wealth and fringe benefits tax)	-	78,355,797	-	-	**78,355,797**
Total	**-**	**1,677,051,192**	**51,302,922**	**233,714,658**	**1,962,068,772**
Derivative financial liabilities	-	69,000,959	-	-	69,000,959
Total	**-**	**1,746,052,151**	**51,302,922**	**233,714,658**	**2,031,069,731**
As at 31 March 2016					
Non derivative liabilities					
Borrowings	-	1,567,435,264	-	225,509,106	**1,792,944,370**
Trade payables and other payables	-	919,820,085	-	-	**919,820,085**
Other current liabilities (excluding advance from customers, statutory dues, employee dues and provision for wealth and fringe benefits tax)	-	76,045,655	-	-	**76,045,655**
Total	**-**	**2,563,301,004**	**-**	**225,509,106**	**2,788,810,110**
Derivative financial liabilities	-	73,465,785	-	-	73,465,785
Total	**-**	**2,636,766,789**	**-**	**225,509,106**	**2,862,275,895**

Summary of significant accounting policies and other explanatory information for the year ended 31 March, 2017

As at 31 March 2017 *(All amounts in ₹)*

	Not due	Up to 1 year	Between 1 and 3 years	More than 3 years	Total
Non derivative liabilities					
Borrowings	-	-	-	-	**-**
Trade payables and other payables	-	1,010,840,667	-	-	**1,010,840,667**
Other current liabilities (excluding advance from customers, statutory dues, employee dues and provision for wealth and fringe benefits tax)	-	61,481,874	-	-	**61,481,874**
Total	**-**	**1,072,322,541**	**-**	**-**	**1,072,322,541**

C **Market risk**

Interest rate sensitivity

A majority of financing of the Company has come from a mix of ordinary, convertible preference shares with nominal dividends, term loan, working capital loans and cash credit facility from banks. The interest bearing financial assets held by the Company are fixed deposits bearing a fixed rate of interest. The Company is exposed to changes in market interest rates through working capital demand loans and cash credit credit facility from banks.

The calculations are based on a change in the average market interest rate for each year, and the financial instruments held as at end of reporting year that are sensitive to changes in interest rates. All other variables are held constant.

An increase of one hundred basis points in interest rates at the reporting date would have increased loss for the year ended 31 March 2017 by Nil and for the year ended 31 March 2016 by ₹ 10,074,354. A decrease of one hundred basis points in the interest rates at the reporting date would have had equal but opposite effect, on the basis that all other variables remain constant. A one hundred basis point rise or fall in interest rates represents a realistic movement which can easily be multiplied to give sensitivities at different interest rates.

The sensitivity analysis provided are hypothetical only and should be used with caution as the impacts provided are not necessarily indicative of the actual impacts that would be experienced because the Company's actual exposure to market rates changes as the Company's portfolio of debt and cash changes. In addition, the effect of a change in a particular market variable on fair values or cash flows is calculated without considering interrelationships between the various market rates or mitigating actions that would be taken by the Company. The changes in valuations are estimates of the impact of changes in market variables and are not a prediction of future events or anticipated gains or losses.

Foreign currency sensitivity

Most of the Company's transactions are carried out in ₹. Exposure to currency exchange rates arise from USD loan designated at FVTPL, which has been used to fund the purchase of fixed assets.

To mitigate the Company's exposure to foreign currency risk, non-INR cash flows are monitored and forward exchange contracts are entered into in accordance with the Company's risk management policies. The Company has entered into a forward exchange contract to mitigate the exposure to foreign currency risk on USD loan used to fund the purchase of fixed assets.

The following table illustrates the sensitivity of profit and equity in regards to the Company's financial assets and financial liabilities and the USD/INR exchange rate 'all other things being equal'. It assumes a +/- 0% change of the INR/USD exchange rate for the year ended at 31 March 2017 (31 March 2016: 6%). These percentages have been determined based on the average market volatility in exchange rates in the previous 12 months. The sensitivity analysis is based on the Company's foreign currency financial instruments held at each reporting date.

Summary of significant accounting policies and other explanatory information for the year ended 31 March, 2017

If the INR had strengthened against the USD by 0% (31 March 2016: 6%) then this would have had increased the loss for the year by following:

	Loss for the year	Equity
	₹	₹
31 March 2017	-	-
31 March 2016	4,264,399	4,264,399

If the respective functional currencies had depreciated against the INR by the aforementioned percentage of market volatility, then this would have had equal and opposite effect on the basis that all other variables remain constant.
Exposures to foreign exchange rates vary depending on the volume of overseas transactions. Nonetheless, the analysis above is considered to be representative of the Company's exposure to currency risk.

43 Financial instruments measured at fair value

The following tables present financial assets and liabilities measured at fair value in the statement of financial position in accordance with the fair value hierarchy. This hierarchy groups financial assets and liabilities into three levels based on the significance of inputs used in measuring the fair value of the financial assets and liabilities. The fair value hierarchy has the following levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level within which the financial asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

The financial liabilities measured at fair value in the statement of financial position are grouped into the fair value hierarchy as on 1 April 2015, 31 March 2016 and 31 March 2017 as follows:

As at 1 April 2015 *(All amounts in ₹)*

	Level 1	Level 2	Level 3	Total
Foreign exchange forward contract	-	69,000,959	-	**69,000,959**
Total	**-**	**69,000,959**	**-**	**69,000,959**

As at 31 March 2016 *(All amounts in ₹)*

	Level 1	Level 2	Level 3	Total
Foreign exchange forward contract	-	73,465,785	-	**73,465,785**
Total	**-**	**73,465,785**	**-**	**73,465,785**

As at 31 March 2017 *(All amounts in ₹)*

	Level 1	Level 2	Level 3	Total
Foreign exchange forward contract	-	-	-	-
Total	**-**	**-**	**-**	**-**

The Company's foreign currency forward contract is not traded in active markets. These have been fair valued using quoted forward exchange rates at the reporting date.

There have been no transfers between Level 1 and Level 2 during the year ended 31 March 2017, 31 March 2016 and 1 April 2015.

The financial assets measured at fair value in the statement of financial position are grouped into the fair value hierarchy as on 1 April 2015, 31 March 2016 and 31 March 2017 as follows:

Summary of significant accounting policies and other explanatory information for the year ended 31 March, 2017

As at 1 April 2015 *(All amounts in ₹)*

	Level 1	Level 2	Level 3	Total
Investment in mutual funds	-	-	-	-
Total	**-**	**-**	**-**	**-**

As at 31 March 2016 *(All amounts in ₹)*

	Level 1	Level 2	Level 3	Total
Investment in mutual funds	-	-	-	-
Total	**-**	**-**	**-**	**-**

As at 31 March 2017 *(All amounts in ₹)*

	Level 1	Level 2	Level 3	Total
Investment in mutual funds	301,976,889	-	-	301,976,889
	301,976,889	**-**	**-**	**301,976,889**

The investments in mutual funds has been fair valued using market price as at reporting date.

There have been no transfers between Level 1 and Level 2 during the year ended 31 March 2017, 31 March 2016 and 1 April 2015.

44 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

	31 March 2017	31 March 2016	1 April 2015
	₹	₹	₹
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year			
Principal amount due to micro and small enterprises	-	-	-
Interest due on above	-	-	-
	-	-	-
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	-	-	-

Summary of significant accounting policies and other explanatory information for the year ended 31 March, 2017

45 The Company has recognised an expense of ₹ 21,988,252 (31 March 2016: ₹ 123,883,901, 1 April 2015: ₹156,796,929) in respect of the loyalty bonus cost under the head ''Advertisement and business promotion'' in the statement of profit and loss for the year ended 31 March 2017 as per the Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets. The movement is given below:

Particulars	**As at 31 March 2017**	**As at 31 March 2016**	**As at 1 April 2015**
	₹	₹	₹
Opening balance	10,000,000	13,000,000	8,000,000
Add: Provision made during the year	28,988,252	126,883,901	151,796,929
Less: Provision utilised during the year	(21,988,252)	(123,883,901)	(156,796,929)
Closing balance	**3,000,000**	**10,000,000**	**13,000,000**

46 Details of specified bank notes (SBN) held and transacted during the period 8 November 2016 to 30 December 2016 is as under:

	SBNs	**Other denomination notes**	**Total**
	₹	₹	₹
Closing cash in hand as on 8 November 2016 [refer Note (a) below]	711,500	4,447	715,947
(+) Permitted receipts	-	700,013	700,013
(-) Permitted payments	-	596,999	596,999
(-) Amount deposited in Banks	711,500	-	711,500
Closing cash in hand as on 30 December 2016	**-**	**107,461**	**107,461**

Note a: Balance of SBNs as on 8 November 2016 includes unspent petty cash in the hands of various employees of the Company.

47 Adoption of new and revised Ind AS

The following Standards, Amendments to Standards and Interpretations had been issued by the date of authorisation of these financial statements but are not yet effective, for the period 1 April 2016 to 31 March 2017:

Amendment to Ind AS 7:

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

Amendment to Ind AS 102:

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes.

It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity-settled awards. Market-based performance conditions and non-vesting conditions are reflected in the 'fair values', but non-market performance conditions and service vesting conditions are reflected in the estimate of the number of awards expected to vest. Also, the amendment clarifies that if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from the date of the modification. Further, the amendment requires the award that include a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash payment to the tax authority is treated as if it was part of an equity settlement.

The Company is evaluating the requirements of the amendment and the impact on the financial statements is being evaluated.

Summary of significant accounting policies and other explanatory information for the year ended 31 March, 2017

48 First time adoption of Ind AS

Financial statements for the year ended 31 March 2017 are the first financial statements that the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2016, the Company prepared its financial statements in accordance with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ('previous GAAP').

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on or after 31 March 2016, together with the comparative period data as at and for the year ended 31 March 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2015 which is the Company's date of transition to Ind AS. This note explains the key adjustments made by the Company in restating its previous GAAP financial statements, including the Balance Sheet as at 1 April 2015 and the financial statements as at and for the year ended 31 March 2016 to Ind AS.

a) Exemptions applied:

(i) Business combination exemption

Ind AS 101, First-time Adoption of Indian Accounting Standards, provides the option to apply Ind AS 103, Business Combinations, prospectively from the transition date or from a specific date prior to the transition date. The Company elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. Business combination appearing occurring prior to the transition date have not been restated in terms with Ind AS 103.

(ii) Share-based payment transactions

Ind AS 102, Share Based Payment, has not been applied to equity instruments in share-based payment transactions that vested before 1 April 2015. For cash-settled share-based payment transactions, the Company has not applied Ind AS 102 to liabilities that were settled before 1 April 2015.

(iii) Deemed cost exemption

Ind AS 101 permits a first time adopter to elect to continue with the carrying value for all its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per previous GAAP and use that as its deemed cost as at the date of transition. This exemption can also be used for intangible assets covered by Ind AS 38, Intangible Assets.

Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value as at 1 April 2015.

(iv) Fair value measurement of financial assets or liabilities at initial recognition:

The Company has not applied the provision of Ind AS 109, Financial Instruments, upon the initial recognition of the financial instruments where there is no active market.

b) Exceptions to full retrospective application:

(i) Estimates exception

The estimates at 1 April 2015 and at 31 March 2016 are consistent with those made for the same dates in accordance with previous GAAP (after adjustments to reflect any differences in accounting policies) except where estimates were required by Ind AS and not required by previous GAAP.

(ii) Derecognition of financial assets and liabilities exception:

Financial assets and liabilities derecognized before transition date are not re-recognised under Ind AS.

(iii) Hedge accounting exception:

The Company has not identified any hedging relationships existing as of the transition date. Consequently, this exception, of not reflecting in its opening Ind AS Balance Sheet a hedging relationship of a type that does not qualify for hedge accounting under Ind AS 109, Financial Instruments, is not applicable to the Company.

c) Renconciliations between previous GAAP and Ind AS

Ind AS 101, First-time Adoption of Indian Accounting Standards, requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconcilation from previous GAAP to Ind AS.

Summary of significant accounting policies and other explanatory information for the year ended 31 March, 2017

Reconciliation of equity as at date of transition i.e. 1 April 2015

	Notes	Previous GAAP ₹	Adjustment ₹	Ind AS ₹
ASSETS				
Non current assets				
Property, plant and equipment		357,355,987	-	357,355,987
Intangibles assets		119,749,632	-	119,749,632
Financial assets				
Other financial assets	2	31,730,064	(6,184,282)	25,545,782
Other non-current assets	2	765,806,968	6,184,282	771,991,250
Total non-current assets		**1,274,642,651**	**-**	**1,274,642,651**
Current assets				
Financial assets				
Trade receivables		103,255,824	-	103,255,824
Cash and cash equivalents		112,263,449	-	112,263,449
Loans		713,080,867	-	713,080,867
Other financial assets		29,276,911	-	29,276,911
Other current assets		107,361,456	-	107,361,456
Total current assets		1,065,238,507	-	1,065,238,507
Total assets		**2,339,881,158**	**-**	**2,339,881,158**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	5	89,675,510	(52,817,900)	36,857,610
Other equity	1 to 7	27,480,489	(179,002,675)	(151,522,186)
Total Equity		**117,155,999**	**(231,820,575)**	**(114,664,576)**
Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings	5	51,302,922	233,714,658	285,017,580
Employee benefit obligations		38,362,148	-	38,362,148
Total non-current liabilities		**89,665,070**	**233,714,658**	**323,379,728**
Current liabilities				
Financial Liabilities				
Borrowings		662,002,813	-	662,002,813
Trade payables	4	935,614,311	(1,894,083)	933,720,228
Other financial liabilities		383,029,416	-	383,029,416
Employee benefit obligations		1,653,009	-	1,653,009
Other current liabilities		150,760,539	-	150,760,539
Total current liabilities		**2,133,060,087**	**(1,894,083)**	**2,131,166,005**
Total liabilities		**2,222,725,157**	**231,820,575**	**2,454,545,733**
Total equity and liabilities		**2,339,881,158**	**-**	**2,339,881,158**

The previous IGAAP figures have been reclassified to conform to Ind AS presentation requirement for the purpose of this note.

Summary of significant accounting policies and other explanatory information for the year ended 31 March, 2017

Reconciliation of equity as at 31 March 2016

	Notes	Previous GAAP ₹	Adjustment ₹	Ind AS ₹
ASSETS				
Non current assets				
Property, plant and equipment		246,810,294	-	246,810,294
Intangibles assets		88,130,181	-	88,130,181
Financial assets				
Other financial assets	2	16,817,889	(3,936,919)	12,880,970
Other non-current assets	2	867,686,786	3,967,810	871,654,596
Total non-current assets		**1,219,445,150**	**30,891**	**1,219,476,041**
Current assets				
Financial assets				
Trade receivables		56,961,439	-	56,961,439
Cash and cash equivalents		15,496,166	-	15,496,166
Loans		1,000,086,270	-	1,000,086,270
Other financial assets		20,892,684	-	20,892,684
Other current assets		134,617,599	-	134,617,599
Total current assets		1,228,054,158	-	1,228,054,158
Total assets		**2,447,499,308**	**30,891**	**2,447,530,199**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	5	89,675,510	(52,817,900)	36,857,610
Other equity	2, 4, 5	(815,475,267)	(220,194,386)	(1,035,669,653)
Total Equity		**(725,799,757)**	**(273,012,286)**	**(998,812,043)**
Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings	5	-	225,509,106	225,509,106
Employee benefit obligations		36,786,332	-	36,786,332
Total non-current liabilities		**36,786,332**	**225,509,106**	**262,295,438**
Current liabilities				
Financial liabilities				
Borrowings	5	1,537,937,900	48,280,253	1,586,218,153
Trade payables	4	920,566,267	(746,182)	919,820,085
Other financial liabilities		542,425,144	-	542,425,144
Employee benefit obligations		4,023,802	-	4,023,802
Other current liabilities		131,559,619	-	131,559,619
Total current liabilities		**3,136,512,732**	**47,534,071**	**3,184,046,804**
Total liabilities		**3,173,299,064**	**273,043,177**	**3,446,342,242**
Total equity and liabilities		**2,447,499,308**	**30,891**	**2,447,530,199**

The previous IGAAP figures have been reclassified to conform to Ind AS presentation requirement for the purpose of this note.

Summary of significant accounting policies and other explanatory information for the year ended 31 March, 2017

Reconciliation of total comprehensive income for the year ended 31 March 2016

	Notes	Previous GAAP ₹	Adjustment ₹	Ind AS ₹
Revenue				
Revenue from operations		3,877,202,848	-	3,877,202,848
Other income	2, 3	27,407,938	15,378,039	42,785,977
Total revenue		**3,904,610,786**	**15,378,039**	**3,919,988,825**
Expenses				
Employee benefits expense	1	596,294,979	(26,775)	596,268,204
Depreciation and amortisation expense		157,585,841	-	157,585,841
Finance costs	1, 5	133,302,171	43,275,913	176,578,084
Other expenses	2, 4	3,860,383,552	6,413,863	3,866,797,414
Total expenses		**4,747,566,543**	**49,663,001**	**4,797,229,543**
Loss after tax		**(842,955,757)**	**(34,284,962)**	**(877,240,718)**
Other comprehensive income:				
Remeasurement gain on defined benefit plans	1	-	3,174,438	**3,174,438**
Total comprehensive income for the year attributable to the owners of the Company		**(842,955,757)**	**(31,110,524)**	**(874,066,280)**

Reconciliation of total equity as at 31 March 2016 and 1 April 2015

	Notes	As at 31 March 2016 ₹	As at 1 April 2015 ₹
Total equity (shareholders' fund) as previous GAAP		(725,799,757)	117,155,999
Adjustments:			
Employee share based reserve	3	13,601,298	23,682,485
Employee share based expense	3	(13,601,298)	(23,682,485)
Actuarial gain transferred to other comprehensive income	1	(3,174,438)	-
Other comprehensive income	1	3,174,438	-
Share premium on preference share liability	5	(180,896,759)	(180,896,758)
Face value of preference share liability	5	(52,817,900)	(52,817,900)
Lease equalization	4	746,178	1,894,083
Interest on security deposits	2	5,296,851	-
Lease rentals	2	(5,265,956)	-
Interest provided on convertible preference shares	5	(40,074,700)	-
Total adjustments		**(273,012,286)**	**(231,820,575)**
Total equity as per Ind AS		**(998,812,043)**	**(114,664,576)**

Summary of significant accounting policies and other explanatory information for the year ended 31 March, 2017

Reconciliation of total comprehensive income for the year ended 31 March 2016

	Notes	31 March 2016 ₹
Loss after tax as per previous GAAP		(842,955,757)
Adjustments:		
Remeasurement of defined benefit obligation	1	(3,174,438)
Fair valuation of security deposits	2	30,896
Employee share based expense reversal	3	10,081,188
Interest cost on convertible preference shares	5	(40,074,700)
Reversal of lease straight lining	4	(1,147,907)
Total adjustments		**(34,284,961)**
Loss after tax as per Ind AS		**(877,240,718)**
Other comprehensive income	1	**3,174,438**
Total comprehensive income as per Ind AS		**(874,066,280)**

Impact of Ind AS adoption on the statement of cash flows for the year ended 31 March 2016

	Previous GAAP ₹	Adjustment ₹	Ind AS ₹
Net cash used in operating activities	(771,806,953)	1,455,185	(770,351,768)
Net cash flow from investing activities	96,369,087	5,296,851	101,665,938
Net cash flow from financing activities	678,058,019	(6,752,036)	671,305,983
Net increase in cash and cash equivalents	**2,620,153**	-	**2,620,153**
Cash and cash equivalents as at 1 April 2015	\8,461,469	-	8,461,469
Cash and cash equivalents as at 31 March 2016	**11,081,622**	**-**	**11,081,622**

d) **Notes to first time adoption of Ind AS**

1 **Remeasurement of employee benefit obligations**

Under Ind AS, remeasurements i.e. actuarial gains and losses, excluding amounts included in interest expense on the net defined benefit liability are recognised in other comprehensive income instead of statement of profit and loss in the previous GAAP. As a result of this change, the loss for the year ended 31 March 2016 increased by ₹ 3,174,438. There is no impact on the total equity as at 31 March 2016.

2 **Security deposits**

Under previous GAAP, interest free lease security deposits (that are refundable in cash on completion of lease term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly, the Company has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposits has been recognised as prepaid rent. Consequent to this change, the amount of security deposit decreased by ₹ 3,936,918 as at 31 March 2016 (1 April 2015: decreased by ₹ 6,184,282) and prepaid rent increased by ₹ 3,967,810 as at 31 March 2016 (1 April 2015: ₹ 6,184,282). The loss for the year and total equity as at 31 March 2016 decreased by ₹ 30,896.

Summary of significant accounting policies and other explanatory information for the year ended 31 March, 2017

3 **Share based payments**

Under previous GAAP, the cost of equity settled employee share-based plan was recognised using intrinsic value method, however, under Ind AS, the cost of equity-settled employee share-based plan is recognised based on fair value of the option on the grant date. The fair value determined on the grant date of the equity-settled share based payments is expensed on a straight line over the vesting period. Further, in the Group share based payment arrangements the Stock option rights have been issued by the Holding Company to the employees of the Company. Since the Company does not have an obligation to settle the award, the award is treated as an equity-settled plan in the Company. Consequently, the Company reversed the employee share based expense by ₹ 10,081,188 in the year ended 31 March 2016 with a corresponding debit to the employee share based reserve (1 April 2015: ₹ 23,682,485). There is no impact on total equity as at 31 March 2016.

4 **Operating lease rental**

Ind AS 17, Leases, does not mandate straight lining of lease escalations if they are in line with the expected general inflation. So the lease rentals under operating leases are recognised as an expense on straight line basis over the lease term. Consequently, the loss for the year ended 31 March 2016 decreased by ₹ 1,147,907 with a corresponding increase in total equity.

5 **Convertible preference shares**

On the date of transition to Ind AS, viz., 1 April 2015, convertible preference shares comprising of 101,181, 5% optionally convertible preference shares of ₹ 100 each, 291,998, 0.01% Compulsory convertible preference shares of ₹ 100 each and 135,000, 15% compulsory convertible preference shares of ₹ 100 each were treated as financial liability pursuant to the provisions of Ind AS 9, Financial Instruments, which were otherwise considered as part of share capital under the previous GAAP. Interest on such liability recognised is recognised using effective interest method. Accordingly, ₹ 52,817,900 and ₹ 180,896,759 were reclassified from preference share capital and securities premium respectively to Borrowings under Ind AS. This also resulted in increase in loss for the year ended 31 March 2016 by ₹ 40,074,700 due to recognition of interest expense on these preference shares.

6 **Retained earnings**

Retained earnings as at 1 April 2015 has been adjusted consequent to the above Ind AS transition adjustments.

7 **Other comprehensive income**

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as ‘other comprehensive income’ include remeasurements of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP.

49. The financial statements were approved for issue by the Board of Directors on 13 April 2017.

For Walker Chandiok & Co LLP
Chartered Accountants

per **Sumit Mahajan**
Partner

For and on behalf of the Board of Directors of
TV18 Home Shopping Network Limited

Adil Zainulbhai
Director
DIN: 06646490

Rohit Bansal
Director
DIN: 02067348

Sanjeev Agrawal
Chief Executive Officer

Sumit Kumar De
Chief Financial Officer

Meenakshi Bahl
Company Secretary
Mem. No.: A35816

Place : Noida
Date : 13 April 2017