NETWORK18 HOLDINGS LIMITED
ANNUAL ACCOUNTS - FY : 2017-18

Independent Auditor's Report

TO THE MEMBERS OF NETWORK18 HOLDINGS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Network18 Holdings Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2018, 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

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 the 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

Our responsibility is to express an opinion on these financial statements based on our audit.

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.

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.

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 well as evaluating the overall presentation of the financial statements.

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

Opinion

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 2018, and its profit/loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

For **Mohan L Jain & Co**
Chartered Accountants
Firm Registration No. **005345N**

Ankush Jain
Partner
Membership No. 540194

Place: Noida
Date: 17.04.2018

Balance Sheet as at 31st March, 2018

Amount in USD

	Note	As at 31.03.2018	As at 31.03.2017
ASSETS			
(1) Non - current assets			
(a) Financial Assets			
(i) Investments	1	13,896,738	13,896,738
(ii) Others	2	-	24,125,614
(b) Other non- current assets	3	633,899	633,899
(2) Current assets			
(a) Financial Assets			
(i) Cash and cash equivalents	4	450,526	546,849
(ii) Loans	5	15,150,369	14,782,480
(iii) Others	6	3,809	4,037
(b) Other current assets	7	33,406,043	33,509,081
Total Assets		**63,541,384**	**87,498,698**
EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity Share capital	8	1,500,000	1,500,000
(b) Other Equity	9	(8,536,310)	16,030,521
		(7,036,310)	**17,530,521**
Liabilities			
(2) Current liabilities			
(a) Financial Liabilities			
– Borrowings	10	35,384,473	34,653,164
(b) Other current liabilities	11	1,788,858	1,807,614
(c) Provisions	12	33,404,363	33,507,399
Total Equity and Liabilities		**63,541,384**	**87,498,698**
Significant Accounting Policies See accompanying Notes to the Financial Statements	1 to 23		

In terms of our report attached

For Mohan L. Jain & Co.
Chartered Accountants
Firm Regisration No. 005345N

Ankush Jain
Partner
Membership No. 540194

Place: Noida
Date: 17.04.2018

For and on behalf of the Board of Director

Shariff Golam Hossen
Director

M Aslam Koomar
Director

Place: Mauritius
Date: 17.04.2018

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

Amount in USD

		Note	Year ended 31.03.2018	Year ended 31.03.2017
I	Revenue from operations		-	-
II	Other income	13	374,476	317,408
III	**Total Income (I+II)**		**374,476**	**317,408**
IV	**Expenses**			
	(a) Finance costs	14	797,355	3,513,054
	(b) Other expenses	15	18,338	16,772
	Total expenses (IV)		**815,693**	**3,529,826**
V	**Profit/(Loss) before exceptional items and tax (III-IV)**		**(441,217)**	**(3,212,418)**
VI	Exceptional items		-	-
VII	**Profit/(Loss) before tax (V-VI)**		(441,217)	(3,212,418)
VIII	**Tax expense:**	16		
	Current tax expense		-	-
	Net tax expense		-	-
IX	**Profit/(Loss) for the period (VII-VIII)**		**(441,217)**	**(3,212,418)**
X	**Other Comprehensive Income**		-	-
XI	**Total Comprehensive Income/(Loss) for the period (IX + X)**		**(441,217)**	**(3,212,418)**
XII	**Earnings per equity share** (Face value of US$ 1 each)	17		
	(a) Basic		(0.29)	(2.14)
	(b) Diluted		(0.03)	(0.24)

Significant Accounting Policies
See accompanying Notes to the Financial Statements 1 to 23

In terms of our report attached

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Date: 17.04.2018

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

OTHER EQUITY

Amount in USD

		Reserve and Surplus		
	Equity Instrument *	**Capital Reserve**	**Retained Earnings**	**Total**
Balance as at 31 March 2017				
Opening Balance	12,000,000	15,323,293	(22,077,380)	5,245,913
Total Comprehensive Income for the year	-	-	(3,212,418)	(3,212,418)
Addition during the year	-	13,997,026	-	13,997,026
	12,000,000	**29,320,319**	**(25,289,798)**	**16,030,521**
Balance as at 31 March 2018				
Opening Balance	12,000,000	29,320,319	(25,289,798)	16,030,521
Adjustment due to reversal of fair valuation of Share Warrants	-	-	5,194,705	5,194,705
Total Comprehensive Income for the period	-		(441,217)	(441,217)
Addition/(Deletion) during the year	-	-29,320,319		(29,320,319)
	12,000,000	**-**	**(20,536,310)**	**(8,536,310)**

* Please refer note no. 9 (a).

In terms of our report attached

For Mohan L. Jain & Co.
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Firm Regisration No. 005345N

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Place: Noida
Date: 17.04.2018

For and on behalf of the Board of Director

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M Aslam Koomar
Director

Place: Mauritius
Date: 17.04.2018

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

Amount in USD

	Particulars		Year ended 31.03.2018	Year ended 31.03.2017
A.	**Cash flow from operating activities**			
	Profit before tax		(441,217)	(3,212,418)
	Adjustments for :			
	– Finance costs		796,310	3,511,510
	– Net (gain) / loss on Fair Valuation of Financial Assets/Liabilities		-	58,190
	– Interest income		(374,336)	(375,598)
	Operating profit before working capital changes		**(19,243)**	**(18,316)**
	Changes in working capital:			
	Adjustments for (increase) / decrease in operating assets:			
	– Current Financial Assets other than cash		(264,623)	(1,134,609)
	– Other current liabilities		609,517	1,459,036
	Cash generated from / (used in) operations		**325,651**	**306,111**
	Net income tax (paid)		-	-
	Net cash generated from / (used in) operating activities	**(A)**	**325,651**	**306,111**
B.	**Cash flow from investing activities**			
	Interest received		374,336	375,598
	Net cash generted from / (used in) investing activities	**(B)**	**374,336**	**375,598**
C.	**Cash flow from financing activities**			
	Finance costs		(796,310)	(796,310)
	Net cash generated from / (used in) financing activities	**(C)**	**(796,310)**	**(796,310)**
	Net increase/ (decrease) in Cash and cash equivalents	**(A+B+C)**	(96,323)	(114,601)
	Cash and cash equivalents as at the beginning of the year		546,849	661,450
	Cash and cash equivalents as at the end of the year		**450,526**	**546,849**

In terms of our report attached

For Mohan L. Jain & Co.
Chartered Accountants
Firm Regisration No. 005345N

Ankush Jain
Partner
Membership No. 540194

Place: Noida
Date: 17.04.2018

For and on behalf of the Board of Director

Shariff Golam Hossen
Director

M Aslam Koomar
Director

Place: Mauritius
Date: 17.04.2018

Notes to the Financial Statements for the year ended 31 March, 2018

A CORPORATE INFORMATION

Network 18 Holdings Limited ("the Company") was incorporated in Cayman Islands on 19th April, 2006 and had its registered office at Regatta Office Park, West Bay Road, Windward 1, P.O. Box 31106, Grand Cayman, Cayman Islands. The Company migrated from Cayman Islands to Mauritius and was granted Certificate of Registration by Continuation under Section 299 of the Companies Act 2001 of Mauritius with effect from 19th April 2012. The registered office of the Company is situated at 5th Floor, Ebene Esplanade, 24 Cyber City, Ebene, Mauritius. The Company's principal activity is business of making investments. The company is a wholly owned subsidiary of Network 18 Media & Investment Limited.

B ACCOUNTING POLICIES

B.1 Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis.

The financial statements of the Company have been prepared to comply with the Indian Accounting standards ('Ind AS'), including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013.

These financial statement has been prepared for the purpose of preparation of consolidated financial statement of Network18 Media & Investments Limited, the parent entity of the Company incorporated and listed in India.

The Company's financial statements are presented in US Dollars ($), which is its functional currency.

B.2 Summary of significant accounting policies

(a) Property, plant and equipment:

Property, plant and equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and arrangements arising from exchange rate variations attributable to the assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow the entity and the cost can be measured reliably.

Depreciation on property, plant and equipment is provided using straight-line method. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Gains or losses arising from derecognition of a property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Tangible assets carrying value under previous GAAP is recognised as deemed cost.

(b) Intangible assets:

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortisation and impairment loss, if any. The cost comprises purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use and net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

(c) Leases:

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Company as a lessee

Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Notes to the Financial Statements for the year ended 31 March, 2018

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term except where another systematic basis is more representative of time pattern in which economic benefits from the leased assets are consumed.

(d) Borrowings Cost

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

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

(e) Inventories

Items of inventories are measured at lower of cost and net realizable value after providing for obsolescence, if any. Cost of inventories comprises of purchase cost and other overheads, net of recoverable taxes, incurred in bringing them to their respective present location and condition.

(f) Impairment of non-financial assets

At each balance sheet date, the Company assesses whether there is an indication that any property, plant and equipment and intangible assets may be impaired. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of impairment, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value, using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of profit or loss.

(g) Provisions and Contigencies

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Contingent liabilities are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the financial statements.

(h) Employee Benefits

(i) Short Term Employee Benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees is recognized as an expense during the period when the employee render the services.

(ii) Long Term Employee Benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date on the basis of acturial valuation.

Notes to the Financial Statements for the year ended 31 March, 2018

(iii) **Post-Employment Benefits**

Defined Contribution Plans

A defined contribution plan is a post-employment benefit plan under which specified contributions are made. The contributions are recognised as an expense in the Profit and Loss Statement during the period in which the employee renders the related service.

Defined Benefit Plans

The liability in respect of defined benefit plans and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

Re-measurement of defined benefit plans in respect of post-employment and other long term benefits are charged to the Other Comprehensive Income.

(i) Taxation

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

– **Current tax**

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance sheet date.

– **Deferred tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

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

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

(j) Cash and cash equivalents

Cash and cash equivalents includes cash in hand and deposits with any qualifying financial institution, repayable on demand or maturing within three months of the date of acquisition and which are subject to an insignificant risk of change in value.

(k) Foreign currencies

Transactions and Translation

Transactions in foreign currencies are recorded at the exchange rate 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.

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.

(l) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Notes to the Financial Statements for the year ended 31 March, 2018

Revenue is recognised only if the following conditions are satisfied:

- The Company has transferred risks and rewards incidental to ownership to the customer;
- The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- It is probable that the economic benefit associated with the transaction will flow to the Company; and
- it can be reliably measured and it is reasonable to expect ultimate collection.

Revenue from operations includes sale of goods and services measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates and excluding taxes or duties collected on behalf of the government.

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.

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

(m) Financial instruments

1) Financial assets

1.a Initial recognition and measurement:

Financial assets and liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are recognised using trade date accounting.

1.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 profit or loss.

1.c Equity instruments

Equity investments are measured at fair value, with value changes recognised in statement of profit and loss, except for those equity investments for which the company has elected to present the value changes in 'Other Comprehensive Income'.

1.d Investment in subsidiaries, associates and joint ventures

The company has accounted for its investments in subsidiary at cost.

1.e Impairment of financial assets

The Company assesses impairment based on expected credit loss (ECL) model to the following:

a. Financial assets at amortised cost

Notes to the Financial Statements for the year ended 31 March, 2018

b. Financial assets measured at fair value through Other Comprehensive income

The company follows 'simplified approach' for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

Historical loss experience used to determine the impairment loss allowance on the portfolio of trade receivables. At every reporting date, the historical observed default rates are updated and changes in the forward looking estimates are analysed.

For recognition of impairment loss on financial assets and risk exposure, the company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

2 Financial liabilities

2.a Initial recognition and measurement:

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

2.b Subsequent measurement:

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.

C CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY:

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

C.1 Depreciation and useful lives of Property, Plant and Equipments :

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

C.2 Provisions:

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

C.3 Impairment of non-financial assets:

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from

Notes to the Financial Statements for the year ended 31 March, 2018

other assets or a group of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transaction are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

C.4 Recoverability of trade receivable:

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

C.5 Impairment of financial assets:

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Notes to the Financial Statements for the year ended 31 March, 2018

Amount in USD

		As at 31.03.2018	As at 31.03.2017
1	**NON-CURRENT INVESTMENTS**		
	Investment Classification at Cost		
	Unquoted, fully paid up		
(a)	**In Equity Shares of subsidiary companies**		
	9,262,233 (March 2017 : 9,261,733) Ordinary shares of USD 0.2 each in NW18 HSN Holdings PLC	13,832,969	13,831,969
(b)	**In preference shares of subsidiary companies**		
	i) Nil (March 2017 : 500) Class A Preference Shares of USD 0.2 each in NW18 HSN Holdings PLC *	-	1,000
	ii) 1,275,367 (March 2017 : 1,275,367) Class O Preference Shares of USD 0.2 partly paid up of USD 0.05 each in NW18 HSN Holdings PLC	63,769	63,769
	Total	**13,896,738**	**13,896,738**
	Aggregate amount of unquoted investments	13,896,738	13,896,738

* 500 Series A Preference shares, held by Network18 Holdings Limited in NW18 HSN Holdings Plc, got converted into Ordinary shares(Equity shares) w.e.f February 16, 2018. Therefore, the total equity held by Network18 Holdings in HSN Cyprus is 92,62,233

Amount in USD

		As at 31.03.2018	As at 31.03.2017
2	**OTHER FINANCIAL ASSETS - LONG TERM**		
	Share warrants	-	24,125,614
		-	**24,125,614**

Amount in USD

		As at 31.03.2018	As at 31.03.2017
3	**OTHER NON- CURRENT ASSETS**		
	(a) Advance income tax	609,715	609,715
	(b) Share warrants - partly paid up (Investments in subsidiary)	24,184	24,184
		633,899	**633,899**

Notes to the Financial Statements for the year ended 31 March, 2018

Amount in USD

		As at 31.03.2018	As at 31.03.2017
4	**CASH AND CASH EQUIVALENTS**		
	Balances with banks	450,526	546,849
	Cash and cash equivalents as per statement of cash flow	**450,526**	**546,849**

4.1 Cash and Cash Equivalents includes deposits maintained by the Company with banks, which can be withdrawn by the Company at any point of time without prior notice or penalty on the principal.

Amount in USD

		As at 31.03.2018	As at 31.03.2017
5	**LOANS - SHORT TERM** (Unsecured and considered Good)		
	Loan & Advance to related parties (Refer Note No. 18 b)	15,150,369	14,782,480
		15,150,369	**14,782,480**

Amount in USD

		As at 31.03.2018	As at 31.03.2017
6	**OTHER FINANCIAL ASSETS - SHORT TERM**		
	Interest accrued on deposits and advances	3,809	4,037
		3,809	**4,037**

Amount in USD

		As at 31.03.2018	As at 31.03.2017
7	**OTHER CURRENT ASSETS** (Unsecured and considered good)		
	(a) Advances other than capital advances		
	– Receivable from a related party *	33,404,362	33,507,400
	(b) Prepaid expenses	1,681	1,681
		33,406,043	**33,509,081**

* Please refer note no. 12.

Notes to the Financial Statements for the year ended 31 March, 2018

Amount in USD

	As at 31.03.2018		As at 31.03.2017	
	Number of Shares	**USD**	**Number of Shares**	**USD**
8 SHARE CAPITAL				
(a) Authorised Share Capital:				
Ordinary shares of USD 1 each	2,000,000	2,000,000	2,000,000	2,000,000
Preference shares of USD 1 each	5,400,000	5,400,000	5,400,000	5,400,000
(b) Issued, Subscribed and fully paid up				
Ordinary shares of USD 1 each fully paid up	1,500,000	1,500,000	1,500,000	1,500,000
Total	**1,500,000**	**1,500,000**	**1,500,000**	**1,500,000**

Notes :

(i) The Company has only one class of ordinary shares having par value of USD 1 per share. Each holder of equity share is entitled to one vote per share. All shareholders are equally entitled to dividends. In the event of liquidation of the Company, the holder of the ordinary 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 ordinary shares held by the shareholders.

(ii) Details of shares held by holding company and their subsidiaries:

Particulars	**As at 31.03.2018**		**As at 31.03.2017**	
	Number of Shares	**USD**	**Number of Shares**	**USD**
Network18 Media & Investments Limited, the Holding Company	1,500,000	1,500,000	1,500,000	1,500,000
	1,500,000	**1,500,000**	**1,500,000**	**1,500,000**

(iii) Details of shares held by each shareholder holding more than 5% shares :

Particulars	**As at 31.03.2018**		**As at 31.03.2017**	
	Number of Shares	**% Holding**	**Number of Shares**	**% Holding**
Network18 Media & Investments Limited	1,500,000	100%	1,500,000	100%

(iv) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year:

Particulars	**Issued**		**Issued**	
	Number of Shares	**Amount (USD)**	**Number of Shares**	**Amount USD**
Equity Shares opening balance	1,500,000	1,500,000	1,500,000	1,500,000
Add : Shares issued during the period	-	-	-	-
Equity Shares closing balance	1,500,000	1,500,000	1,500,000	1,500,000

(v) No shares have been issued for consideration other than cash or as bonus shares or bought back in the current reporting period or in the last five years immediately preceeding the current reporting period.

Notes to the Financial Statements for the year ended 31 March, 2018

Amount in USD

		As at 31.03.2018	As at 31.03.2017
9	**OTHER EQUITY**		
(a)	**Equity component of compound financial instruments**		
	12,000,000 (March 2017 : 12,000,000) Zero Coupon Optionally Fully Convertible Debentures of USD 1 each *	12,000,000	12,000,000
		12,000,000	**12,000,000**
(b)	**Capital reserve**		
	Opening balance	29,320,319	15,323,293
	Addition/ (Deletion) during the year	(29,320,319)	13,997,026
		-	**29,320,319**
(c)	**Surplus/ (Deficit) in the Statement of Profit and Loss**		
	Opening balance	(25,289,798)	(22,077,380)
	Adjustment due to reversal of fair valuation of Share Warrants	5,194,705	-
	Profit for the year	(441,217)	(3,212,418)
		(20,536,310)	**(25,289,798)**
	Total Other Equity	**(8,536,310)**	**16,030,521**

*** Terms of redeemption/conversion**

The Optionally Convertible Debentures of $1 each were issued on 01.10.2013. The debenture has coupon rate of 0.01% per annum, a tenure of ten years from the allotment date and option to convert into equity shares of the Company at par value.

Amount in USD

			As at 31.03.2018	As at 31.03.2017
10	**BORROWINGS - CURRENT**			
	i.	Unsecured Loans and advnaces from related parties (Refer Note No 18 b)	35,384,473	34,653,164
			35,384,473	**34,653,164**

Amount in USD

			As at 31.03.2018	As at As at 31.03.2017
11	**OTHER CURRENT LIABILITIES**			
	i)	Due to related parties	1,778,683	1,798,683
	ii)	Others	10,175	8,931
			1,788,858	**1,807,614**

Notes to the Financial Statements for the year ended 31 March, 2018

Amount in USD

		As at 31.03.2018	As at As at 31.03.2017
12	**PROVISIONS - SHORT TERM**		
	Provision for Indemnity (refer note 7)*	33,404,363	33,507,399
		33,404,363	**33,507,399**
	Provision for indemnity		
	Opening balance	33,507,399	32,754,707
	Foreign exchange fluctuation	103,036	(752,692)
	Closing balance	**33,404,363**	**33,507,399**

* During the year ended 31 March 2011, Roptonal Limited, Cyprus ("Roptonal") a subsidiary of the holding company's jointly controlled entity, Viacom18 Media Private Limited made a public offer for purchase of entire issued capital of The Indian Film Company Limited, Guernsey ('TIFC'). The Company and its ultimate holding company, in their capacity as shareholders in TIFC accepted the public offer. Further, pursuant to an agreement between Roptonal and the Company, the Company has agreed to indemnify Roptonal against the amount, if any, by which the net cash generated by TIFC from its existing film library in respect of the period from the date on which the aforementioned public offer becomes unconditional up to 21 July 2014 is less than the net asset value of the film library as per the TIFC's therein mentioned accounts for the year ended 31 March 2010.

The Company has also agreed to indemnify Roptonal against certain Indian tax liabilities that may potentially arise in TIFC or Roptonal in respect of certain withholding tax recoveries stated in TIFC's financial statements and other taxes relating to the sale of Company's shares in TIFC. The aforementioned agreement further provided that if the Company does not fulfill the indemnity obligations agreed in the agreement, the indemnity shall be provided by the holding company. Based on the assessment of estimated cash flow of the indemnified assets, the Company has estimated the liability as Rs. 2,17,26,19,721 {equavlent to USD 33,404,363 (previous year 33,507,399)}.

Amount in USD

			Year ended 31.03.2018	Year ended 31.03.2017
13	**OTHER INCOME**			
	(a)	Interest income on		
		– From related parties (refer note no. 18 b)	367,889	367,447
		– Deposit with banks	6,447	8,151
	(b)	Other non-operating income		
		Exchange Gain Translation	140	-
		Exchange Gain/Loss Conversion (On fair valuation)	-	596,458
		Other Income (On fair valuation)	-	(654,648)
			374,476	**317,408**

Notes to the Financial Statements for the year ended 31 March, 2018

		Amount in USD	
		Year ended 31.03.2018	**Year ended 31.03.2017**
14	**FINANCE COSTS**		
	(a) Interest expense on		
	– On fair valuation	-	2,715,199
	– On loan from related party	796,310	796,310
	(b) Bank Charges	1,045	1,545
		797,355	**3,513,054**

		Amount in USD	
		Year ended 31.03.2017	**Year ended 31.03.2016**
15	**OTHER EXPENSES**		
	– Establishment Expenses		
	Legal and professional expenses (See note below)	18,338	16,580
	Exchange loss	-	192
		18,338	**16,772**
15.1	**Payments to the auditors :**		
	Statutory audit fees	3,500	3,500
	Other services	-	-
		3,500	**3,500**

		Amount in USD	
		As at 31.03.2018	**As at 31.03.2017**
16.	**TAX ASSETS/LIABILITIES NOTE**		
	Current Tax Assets (Net)		
	At start of year	609,715	609,715
	Charge for the year	-	-
	Tax paid during the year	-	-
	At the end of the year	**609,715**	**609,715**

Notes to the Financial Statements for the year ended 31 March, 2018

Amount in USD

	Particulars	Year ended 31.03.2018	Year ended 31.03.2017
17	**EARNINGS PER SHARE (EPS)**		
	Net Profit after Tax as per Profit and Loss Statement attributable to Equity Shareholders	(441,217)	(3,212,418)
	Weighted average number of equity shares used as denominator for calculating Basic EPS	1,500,000	1,500,000
	Total Weighted Average Potential Equity Shares	12,000,000	12,000,000
	Weighted Average number of Equity Shares used as denominator for calculating diluted EPS	13,500,000	13,500,000
	Earnings per Equity Share		
	1) Basic (USD)	(0.29)	(2.14)
	2) Diluted (USD)	(0.03)	(0.24)
	Face Value per Equity Share (USD)	1	1

18 RELATED PARTY DISCLOSURES

"As per Ind AS 24, the disclosures of transactions with the related parties are given below:

a) List of related parties where control exists and related parties with whom transactions have taken place and relationships:

Sr. no.	Name of related party	Relationship
1	Independent Media Trust	Enterprises exercising Control
2	Adventure Marketing Private Limited*	
3	Watermark Infratech Private Limited*	
4	Colorful Media Private Limited*	
5	RB Media Holdings Private Limited*	
6	RB Mediasoft Private Limited*	
7	RRB Mediasoft Private Limited*	
8	RB Holdings Private Limited*	
9	Teesta Retail Private Limited (formerly Shinano Retail Private Limited which has merged with Teesta Retail Private Limited effective 29.12.2016)*	
10	Network18 Media & Investments Limited	
11	Reliance Industries Limited (RIL)	Beneficiary/Protector of Independent Media Trust
12	Reliance Industrial Investments and Holdings Limited	
13	E-18 Limited	Fellow Subsidiaries
14	ibn18 (Mauritius) Limited	
15	NW18 HSN Holdings PLC	
16	Television Eighteen Mauritius Limited	
17	Television Eighteen Media and Investsment Limited	
18	Web18 Holdings Limited	
19	Roptonal Limited, Cyprus	Subsidiary of a JV of fellow subsidiary

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

Notes to the Financial Statements for the year ended 31 March, 2018

b) Transactions during the year with related parties :

Amount in USD

Particulars	Enterprises exercising control	Fellow subsidiaries	Subsidiary of a JV of fellow subsidiary	Associates
Transactions during the year				
Interest income				
Television Eighteen Media and	-	367,889	-	-
Investsment Limited	(-)	(367,447)	(-)	(-)
Interest expense				
ibn18 (Mauritius) Limited	-	752,816	-	-
	(-)	(752,816)	(-)	(-)
Television Eighteen Mauritius Limited	-	43,494	-	-
	(-)	(43,495)	(-)	(-)
Additional Loan given during the year				
Television Eighteen Media and	-	-	-	-
Investsment Limited	(-)	(15,000)	(-)	(-)
Loan repaid during the year				
ibn18 (Mauritius) Limited	-	65,000	-	-
	(-)	(55,000)	(-)	(-)
Web18 Holdings Limited	-	20,000	-	-
	(-)	(30,000)	(-)	(-)
Balances at end of the year				
Balance payable				
Network 18 Media & Investments Limited	9,998	-	-	-
	(9,998)	(-)	(-)	(-)
Television Eighteen Mauritius Limited	-	1,675,001	-	-
	(-)	(1,675,001)	(-)	(-)
Web18 Holdings Limited	-	93,684	-	-
	(-)	(143,684)	(-)	(-)
Loans/borrowings				
ibn18 (Mauritius) Limited	-	29,102,176	-	-
	(-)	(28,414,360)	(-)	(-)
Television Eighteen Mauritius Limited	-	1,747,897	-	-
	(-)	(1,704,404)	(-)	(-)
E-18 Limited	-	4,534,400	-	-
	(-)	(4,534,400)	(-)	(-)
Short-term Provisions				
Roptonal Limited, Cyprus	-	-	33,404,362	-
	(-)	(-)	(33,507,399)	(-)

Notes to the Financial Statements for the year ended 31 March, 2018

b) Transactions during the year with related parties : (Continued)

Amount in USD

Particulars	Enterprises exercising control	Fellow subsidiaries	Subsidiary of a JV of fellow subsidiary	Associates
Loans and Advances				
Television Eighteen Media and	-	15,150,369	-	-
Investsment Limited	(-)	(14,414,038)	(-)	(-)
Network 18 Media & Investments Limited	33,404,362	-	-	-
	(33,507,399)	-	(-)	(-)
Warrant subscription money				
NW18 HSN Holdings PLC	-	24,184	-	-
	(-)	(24,184)	(-)	(-)
Optionally Convertible Debenture				
Network 18 Media & Investments Limited	12,000,000	-	-	-
	(12,000,000)	(-)	(-)	(-)

19 The Scheme for Merger by Absorption (the 'Scheme') for merger of Digital18 Media Limited, Capital18 Fincap Private Limited, RVT Finhold Private Limited, RRK Finhold Private Limited, RRB Investments Private Limited, Setpro18 Distribution Limited, Reed Infomedia India Private Limited, Web18 Software Services Limited, Television Eighteen Media and Investments Limited, Television Eighteen Mauritius Limited, Web18 Holdings Limited, E18 Limited and Network18 Holdings Limited in to Network18 Media & Investments Limited ('Transferee Company') with appointed date as 1st April, 2016, has been filed with National Company Law Tribunal, Mumbai Bench, for approval. The Transferee Company has decided to continue Colosceum Media Private Limited, a wholly owned subsidiary of the Transferee Company and the Scheme was filed accordingly.

20 SEGMENT REPORTING

"Considering the nature of Company's business, there is only one Reportable Segment in accordance with the requirement of IND AS-108 on "Segment Reporting", hence separate disclosure of the segment information is not considered necessary.

21 There are no Contingent liabilities and outstanding Commitments as at 31st March 2018 and 31st March 2017.

Notes to the Financial Statements for the year ended 31 March, 2018

22 OTHER DISCLOSURES *

Amount in USD

		As at 31.03.2018	As at 31.03.2017
i.	Disclosures under MSMED Act 2006	-	-
ii.	Earning in Foreign Currency	-	-
iii.	Expenditure in Foreign Currency	-	-
iv.	Value of Imports on CIF basis	-	-

* Not applicable being an entity of foreign domicile.

23 PRIOR YEAR COMPARATIVES

The figures for the corresponding previous year have been regrouped, wherever necessary, to make them comparable.

Signed for identification purpose only

For Mohan L. Jain & Co.
Chartered Accountants
Firm Regisration No. 005345N

Ankush Jain
Partner
Membership No. 540194

Place: Noida
Date: 17.04.2018

For and on behalf of the Board of Director

Shariff Golam Hossen
Director

M Aslam Koomar
Director

Place: Mauritius
Date: 17.04.2018