

E-18 Limited

Balance Sheet as at 31 March, 2015

To the Members of E-18 Limited

Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of E-18 Limited, (“the Company”), which comprise the Balance Sheet as at 31 March 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management’s Responsibility for the Standalone 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 standalone financial statements, that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). 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 standalone 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 the standalone 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, of the state of affairs of the Company as at 31 March 2015, and its Profit and cash flows for the year ended on that date.

Other Matter

9. This report is intended solely for the purpose of facilitating Network 18 Media & Investment Limited, the holding Company, to comply with the provision of Section 129 of the Companies Act, 2013 and should not be used for any other purpose.

Report on Other Legal and Regulatory Requirements

10. 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 standalone financial statements dealt with by this report are in agreement with the books of account;
- d. in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);
- e. 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, 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 litigations which would impact its standalone 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.

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

per **B P Singh**
Partner
Membership No.: 070116

Place: New Delhi
Date:

Balance Sheet as at 31 March, 2015

	Notes	<i>All amounts in USD</i>	
		As at 31 March 2015	As at 31 March 2014
Equity and liabilities			
Shareholders' funds			
Share capital	2	207,870	207,870
Reserves and surplus	3	12,430,809	12,422,610
Current liabilities			
Trade payables	4	3,003	8,288
Short term provisions	5	49,417	35,637
Total		12,691,099	12,674,405
Assets			
Non-current assets			
Non-current investments	6	8,205,800	8,205,800
Current assets			
Cash and bank balances	7	597,109	621,082
Short-term loans and advances	8	3,888,190	3,847,523
Total		12,691,099	12,674,405

Notes 1 to 17 form an integral part of these financial statements.

This is the Balance Sheet referred to in our report of even date.

For **Walker Chandiook & Co. LLP**
Chartered Accountants

per **B P Singh**
Partner

Place:
Date:

For and on behalf of Board of Directors
of **E-18 Limited**

Milorad Vujnovic
Director

CCY Management
Director

Place:
Date:

Statement of Profit and Loss for the year ended 31st March, 2015

	Notes	Year ended 31 March, 2015	Year ended 31 March, 2014
<i>All amounts in USD</i>			
Income			
Other income	9	<u>46,718</u>	<u>92,664</u>
		<u>46,718</u>	<u>92,664</u>
Expenses			
Other expenses	10	<u>24,739</u>	<u>4,580,061</u>
		<u>24,739</u>	<u>4,580,061</u>
Profit /(loss) for the year before tax		21,979	(4,487,397)
Tax expense			
Current tax		13,780	27,213
Tax earlier years		-	8,424
Profit / (loss) for the year after tax		8,199	(4,523,034)
Earnings per share (basic and diluted)	11	0.04	(23.33)

Notes 1 to 17 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 **B P Singh**
Partner

Place:
Date:

For and on behalf of Board of Directors
of **E-18 Limited**

Milorad Vujnovic
Director

CCY Management
Director

Place:
Date:

Statement of Cash flow for the year ended 31 March, 2015

	<i>All amounts in USD</i>	
	Year ended 31 March, 2015	Year ended 31 March, 2014
A) Cash flows from operating activities :		
Profit / (loss) before tax	21,979	(4,487,397)
Adjustment for:		
Provision for doubtful advances	-	4,534,399
Sundry balances written back	(785)	(1,955)
Unrealised foreign exchange fluctuations (net)	-	(62)
Interest income	(45,933)	(90,709)
Operating loss before working capital changes	(24,739)	(45,725)
Adjustment for:		
(Increase) / decrease in short term loans and advances	(2,671)	2,248
(Decrease) in current liability	(4,500)	(8,062)
Net cash used in operating activities	(31,910)	(51,539)
B) Cash flows from investing activities :		
Interest received	7,937	18,312
Loan given during the year	-	(4,500,000)
Net cash flow from /(used) in investing activities	7,937	(4,481,689)
Net decrease in cash and cash equivalents	(23,973)	(4,533,228)
Cash and cash equivalents at the beginning of the year	621,082	5,154,310
Cash and cash equivalents as at end of the year	597,109	621,082
	(23,973)	(4,533,228)

Notes 1 to 17 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 **B P Singh**
Partner

Place:
Date:

For and on behalf of Board of Directors
of **E-18 Limited**

Milorad Vujnovic
Director

CCY Management
Director

Place:
Date:

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2015

1. Significant accounting policies

(a) Basis of preparation

These Financial Statements have been prepared for the limited purpose of facilitating the holding company for complying with the provision of section 129 of the Companies Act, 2013. The financial statements are prepared under the historical cost convention on the accrual basis of accounting and in accordance with Indian Generally Accepted Accounting Principles and in accordance with the provisions of the Companies Act of India as adopted consistently by the Company.

(b) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements and the results of operations during the reporting periods. Although these estimates are based upon management's knowledge of current events and actions, actual results could differ from those estimates and revisions, if any, are recognized in the current and future periods.

(c) Investments

Investments which are readily realizable and intended to be held for not more than a year from the date on which investment made are classified as current investments. All other investments are classified as non-current investments.

Current investments are stated at lower of cost or market value. Non-current investments are stated at cost. However, provision for diminution in their value is made to recognize a decline, other than temporary in value of investments.

Profit/ loss on sale of investments are computed with reference to the average cost of the investment

(d) Foreign currency transactions

Income and expense in foreign currencies are converted at exchange rates prevailing on the date of the transaction. Foreign currency monetary assets and liabilities are translated at the exchange rate prevailing on the balance sheet date. Exchange differences arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

(e) Taxation

In accordance with the provisions of the Cyprus Income Tax Laws, the Company's chargeable profits, as adjusted for tax purposes, are liable to corporation tax at 12.5%. Furthermore, the Company is subject to 30% special contribution levied on interest receivable other than that arising out of the ordinary course of business and closely related activities of the Company.

(f) Provisions and contingent liabilities

The Company makes a provision when there is a present obligation as a result of a past event and where the outflow of economic resources is probable and a reliable estimate of the amount of the obligation can be made.

A disclosure is made for a contingent liability when there is a:

- possible obligation, the existence of which will be confirmed by the occurrence/non-occurrence of one or more uncertain events, not fully within the control of the Company; or
- present obligation, where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- present obligation, where a reliable estimate cannot be made.

Where there is a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

(g) Earnings per share

The Company reports basic and diluted earnings per equity share in accordance with Accounting Standard 20, Earnings Per Share. Basic earnings per equity share is computed by dividing net profit after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the year except where the result would be anti-dilutive.

(h) Cash and cash equivalent

Cash and cash equivalent comprise cash at bank and in hand and short term bank deposits with an original maturity of three months or less.

Summary of significant accounting policies and other explanatory information for the year ended 31 March, 2015

		<i>All amounts in USD</i>			
		As at	As at		
		31 March, 2015	31 March, 2014		
2. Share capital					
(a) Authorized shares capital					
350,000 (Previous year 350,000) equity shares of USD 1 each		350,000	350,000		
		<u>350,000</u>	<u>350,000</u>		
(b) Issued, subscribed and paid-up capital					
2,07,870 (Previous year 2,07,870) equity shares of USD 1 each fully paid up		207,870	207,870		
		<u>207,870</u>	<u>207,870</u>		
(c) Reconciliation of the shares outstanding					
	Numbers	Amount	Numbers	Amount	
At the beginning of the year	207,870	207,870	3,899	3,899	
Issued during the year	-	-	203,971	203,971	
Outstanding at the end of the year	207,870	207,870	207,870	207,870	
(d) Description of the rights, preferences and restrictions attached to each class of shares					
The Company has only one class of equity shares having the 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 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.					
(e) Details of shares held by holding company					
Name of the entity	Nature of relationship	31 March, 2015		31 March, 2014	
		No. of shares	% of holding	No. of shares	% of holding
Web18 Holdings Limited	Holding company	207,870	100	207,870	100
No shares have been issued for consideration other than cash or as bonus shares in the current reporting period and in the last five years immediately preceding the current reporting period.					
(f) Details of shareholders holding more than 5% shares in the Company					
Name of the entity	Nature of relationship	31 March, 2015		31 March, 2014	
		No. of shares	% of holding	No. of shares	% of holding
Web18 Holdings Limited	Holding company	207,870	100	207,870	100
No shares have been issued for consideration other than cash or as bonus shares in the current reporting period and in the last five years immediately preceding the current reporting period.					
g. No shares have been issued for consideration other than cash or as bonus shares in the current reporting period and in the last five years immediately preceding the current reporting period.					
		As at	As at		
		31 March, 2015	31 March, 2014		
3. Reserve and surplus					
(a) Securities premium account					
Balance at the beginning of the year		33,274,635	11,041,796		
Addition during the year		-	22,232,839		
Balance at the end of the year		<u>33,274,635</u>	<u>33,274,635</u>		
(b) Deficit in the statement of profit and loss					
Balance at the beginning of the year		(20,852,025)	(16,328,991)		
Profit / (loss) for the year		8,199	(4,523,034)		
Balance at the end of the year		<u>(20,843,826)</u>	<u>(20,852,025)</u>		
		<u>12,430,809</u>	<u>12,422,610</u>		

Summary of significant accounting policies and other explanatory information for the year ended 31 March, 2015

	<i>All amounts in USD</i>	
	As at 31 March 2015	As at 31 March 2014
4. Trade payables		
Due to others	3,003	8,288
	<u>3,003</u>	<u>8,288</u>
5. Short term provision		
Provision for taxation	49417	35,637
	<u>49417</u>	<u>35,637</u>
6. Non-current investments (Unquoted, trade) (Valued at cost unless stated otherwise)		
(i) Investment in equity instruments		
In subsidiaries		
Web18 Software Services Limited 491,483 (Previous year 491,483) equity shares of INR 10 each	19,838,303	19,838,303
Less : Provision for diminution in value of investment	<u>(19,838,303)</u>	<u>(19,838,303)</u>
	-	-
e-Eighteen.com Limited 4,968,894 (Previous year 4,968,894) equity shares of INR 10 each	257,241	257,241
In others		
Bigtree Entertainment Private Limited 5,898 (Previous year 5,898) equity shares of INR 10 each	2,406,561	2,406,561
Yatra Online Inc. 2,700,000 (Previous year 2,700,000) ordinary shares of USD 0.0001 each	2,227,000	2,227,000
(ii) Investment in preference share		
In subsidiaries		
Web18 Software Services Limited 561,880 (Previous year 561,880) optionally convertible, cumulative, redeemable preference shares of INR 10 each	1,245,052	1,245,052
Less : Provision for diminution in value of investment	<u>(1,245,052)</u>	<u>(1,245,052)</u>
	-	-
In others		
Yatra Online Inc. 975,700 (Previous year 975,700) Series B preference shares of USD 0.0001 each	1,250,000	1,250,000
1,500,015 (Previous year 1,500,015) Series A preference shares of USD 0.0001 each	656,379	656,379
437,459 (Previous year 437,459) Series C preference shares of USD 0.0001 each	1,408,619	1,408,619
	<u>8,205,800</u>	<u>8,205,800</u>
Aggergate amount of Unquoted investments	<u>8,205,800</u>	<u>8,205,800</u>
7. Cash and bank balances		
Cash and cash equivalents		
Balances with bank		
in current account	2,192	16,279
in fixed deposits	594,917	604,803
	<u>597,109</u>	<u>621,082</u>

Summary of significant accounting policies and other explanatory information for the year ended 31 March, 2015

	<i>All amounts in USD</i>	
	As at 31 March 2015	As at 31 March 2014
8. Short-term loans and advances		
<i>(Unsecured, considered good unless otherwise stated)</i>		
Loans and advances to related parties		
Considered good	3,883,274	3,845,536
Considered doubtful	4,534,399	4,534,399
Less : Provision for doubtful advances	(4,534,399)	(4,534,399)
Prepaid expenses	2,987	1,987
Other advances	1,929	-
	<u>3,888,190</u>	<u>3,847,523</u>
	As at	As at
	31 March 2015	31 March 2014
9. Other income		
Sundry balances written back	785	1,955
Interest on deposits with bank	7,937	18,312
Interest - other	37,996	72,397
	<u>46,718</u>	<u>92,664</u>
10. Other expenses		
Provision for doubtful advances	-	4,534,399
Legal and professional charges	23,307	43,188
Exchange fluctuation loss (net)	632	1,588
Miscellaneous expenses	800	886
	<u>24,739</u>	<u>4,580,061</u>
11. Earnings per share		
Profit /(loss) after tax attributable to equity shareholders	8,199	(4,523,034)
Weighted average number of equity shares outstanding during the year	207,870	193,899
Nominal value of equity shares in USD	1	1
Earnings per share (basic and diluted)	0.04	(23.33)
12. Particulars of unhedged foreign currency exposure as at the reporting date		
Trade payables	Foreign currency	Local Currency
As at 31 March 2015	-	-
As at 31 March 2014	Rs. 50000	USD 831

Summary of significant accounting policies and other explanatory information for the year ended 31 March, 2015

13. Related Party Disclosure

13.1 List of Related parties

As per Accounting Standard 18, the disclosures of transactions with the related parties are given below

Sr No	Name of Related Party	Relationship
1	Independent Media Trust (w.e.f. 07.07.2014)	Enterprises exercising control
2	Adventure Marketing Private Limited (w.e.f. 07.07.2014)#	
3	Watermark Infratech Private Limited (w.e.f. 07.07.2014)#	
4	Colorful Media Private Limited (w.e.f. 07.07.2014)#	
5	RB Media Holdings Private Limited (w.e.f. 07.07.2014)#	
6	RB Mediasoft Private Limited (w.e.f. 07.07.2014)#	
7	RRB Mediasoft Private Limited (w.e.f. 07.07.2014)#	
8	RB Holdings Private Limited (w.e.f. 07.07.2014)#	
9	Network18 Media & Investments Limited	
10	Web18 Holdings Limited, Cyprus	
11	Television Eighteen Media & Investments Limited	
12	Reliance Industries Limited (RIL) (w.e.f. 07.07.2014)	Beneficiary/Protector of Independent Media Trut
13	Reliance Industrial Investments and Holdings Limited (w.e.f. 07.07.2014)	
14	e-Eighteen.com Limited	Subsidiary
15	Web18 Software Services Limited	
16	BK Holding Ltd, Mauritius (Amalgamated with Network18 Holdings Ltd w.e.f. 03.06. 2014)	Fellow Subsidiary
17	TV18 Broadcast Limited	
18	Television Eighteen Mauritius Limited, Mauritius	

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

13.2 Transactions/balances outstanding with related parties

All amounts in USD

Particulars	Enterprises exercising control (US\$)		Fellow Subsidiaries Amount (USD)	
	2015	2014	2015	2014
Issue of share capital				
Web18 Holding Limited	-	22,436,810	-	-
Total	-	22,436,810	-	-
Interest Income				
B K Holding Ltd	-	-	34,399	
Television Eighteen Mauritius Limited	-	-	37,996	37,997
Total	-	-	37,996	72,396
Loans and advances given during the year				
B K Holding Ltd	-	-	-	4,500,000
Total	-	-	-	4,500,000
Balances at year end				
Loans and advances				
Network18 Media & Investment limited	5,261	5,479	-	-
TV18 Broadcast Limited	-	-	979	1,019.00
B K Holding Ltd	-	-	4,534,399	4,534,399
Television Eighteen Mauritius Limited	-	-	3,877,034	3,839,038
	5,261	5,479	8,412,412	8,374,457

Summary of significant accounting policies and other explanatory information for the year ended 31 March, 2015

14. The reporting currency of the Company has been determined as US Dollar which is different from the currency of Cyprus i.e. Euro, since majority of the funding of the Company is denominated in US Dollar.
15. **Prior year comparatives**

Prior year figures have been regrouped / reclassified where necessary to confirm to the current year's classifications.
16. No provision for tax has been made in the financial statements, as there is no taxable income under the provisions of the Income-Tax Act, 1961. Further, no provision for deferred tax asset on carried forward losses has been recognised in the financial statements as there no virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. There are no other items of timing difference between taxable income and accounting income.
17. The company operates in single business segment of investments in Cyprus only as there is no separate reportable business or geographical segment as per Accounting Standard on Segment Reporting (As-17)

For **Walker Chandiok & Co. LLP**
Chartered Accountants

per **B P Singh**
Partner

Place:
Date:

For and on behalf of Board of Directors
of **E-18 Limited**

Milorad Vujnovic
Director

CCY Management
Director

Place:
Date: