TELEVISION EIGHTEEN MAURITIUS LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBER OF

TELEVISION EIGHTEEN MAURITIUS LIMITED

Report on the Financial Statements

We have audited the financial statements of Television Eighteen Mauritius Limited from pages 7 to 20 which comprise the statement of financial position at 31 March 2015, the statement of comprehensive income, changes in equity and cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

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

Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritius Companies Act and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 March 2015 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Mauritius Companies Act.

Report on Other Legal and Regulatory Requirements

Mauritius Companies Act

We have no relationship with or interests in the Company other than in our capacity as auditors.

We have obtained all the information and explanations we have required.

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

ROY SERVANSINGH ASSOCIATES
Licensed Auditors

DATE: ______________

SIGNING PARTNER
SAMRAT C. SERVANSINGH (FCCA)
Licensed by FRC

DATE : ______________

Statement of financial position as at 31 March 2015

	Note	31 March 2015 USD	31 March 2014 USD
ASSETS			
Fixed assets			
Gross Block		**1,930**	1,930
Less Depreciation		**(1,157)**	(772)
NET BLOCK	7	**773**	1,158
Non-current assets			
Investment	8	**5,301,311**	5,301,312
		5,301,311	5,301,312
Current assets			
Loans and advances	9	**3,742,655**	3,681,233
Cash and bank balances	10	**403,552**	417,018
		4,146,207	4,098,251
Total assets		**9,448,291**	9,400,721
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	11	**12,295,000**	12,295,000
Revenue deficit	12	**(8,536,006)**	(8,574,802)
		3,758,994	3,720,198
Non-current liabilities			
Unsecured loan	13	**4,877,034**	4,839,038
Current liabilities			
Account payables	14	**812,263**	841,485
		812,263	841,485
Total equity and liabilities		**9,448,291**	9,400,721

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

....
SHARIFF GOLAM HOSSEN
DIRECTOR

....
ASLAM KOOMAR
DIRECTOR

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

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

	Note	**Year ended 31 March 2015 USD**	Year ended 31 March 2014 USD
INCOME			
Interest on deposits		**3,518**	3,651
Interest on others		**55,658**	55,068
Exchange gain conversion		**32,961**	86,995
		92,137	145,714
EXPENSES			
Operating and administrative expenses		**7,224**	8,947
Investment written off		**1**	2,630,000
Audit fees		**6,500**	7,500
Financial charges		**39,231**	38,037
Depreciation		**385**	387
		53,341	2,684,871
Profit/ (loss) from operation before taxation		**38,796**	(2,539,157)
Taxation	6	**-**	-
Profit/ (loss) for the year after taxation		**38,796**	(2,539,157)
Other comprehensive income		**-**	-
Total comprehensive income/ (loss) for the year		**38,796**	(2,539,157)

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

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

	Share capital USD	Revenue deficit USD	Total USD
At 1 April 2013	12,295,000	(6,035,645)	6,259,355
Total comprehensive loss for the year	-	(2,539,157)	(2,539,157)
At 31 March 2014	**12,295,000**	**(8,574,802)**	**3,720,198**
At 1 April 2014	12,295,000	(8,574,802)	3,720,198
Total comprehensive profit for the year	-	38,796	38,796
At 31 March 2015	**12,295,000**	**(8,536,006)**	**3,758,994**

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

Statement of cash flows For the year ended 31 March 2015

	Year ended 31 March 2015 USD	Year ended 31 March 2014 USD
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/ (loss) for the year before taxation	**38,796**	(2,539,157)
Impairment of investment	**1**	2,630,000
Interest expense	**39,231**	38,037
Change in loans and advances	**(61,422)**	(1,724,873)
Change in accounts payables	**(29,222)**	(89,170)
Depreciation	**385**	387
Net cash (used in)/ generated from operating activities	**(12,231)**	(1,684,776)
Cash flow from investing activities		
Sale and realisation of investment	**-**	1,675,001
Net cash used in investing activities	**-**	1,675,001
Cash flow from financing activities		
Loan received	**37,996**	37,997
Interest paid	**(39,231)**	(38,037)
Net cash from financing activities	**(1,235)**	(40)
Net decrease in cash and cash equivalents	**(13,466)**	(9,815)
Cash and cash equivalents at beginning of year	**417,018**	426,833
Cash and cash equivalents at end of year	**403,552**	417,018

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

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

1. GENERAL INFORMATION

Television Eighteen Mauritius Limited (“ the Company”) was incorporated in Mauritius, under the Mauritian Companies Act 1984, on 31 October 1996 as a private company with limited liability by shares. The Company’s registered office address is 5th Floor, Ebene Esplanade, 24 Cybercity, Ebene, Mauritius. The Company’s principal activity is the production of television programs.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of preparation

The financial statements are prepared in accordance with and comply with the International Financial Reporting Standards (“IFRS”). The financial statements have been prepared under the historical cost convention, as modified by fair valuation of available for sale financial assets and financial assets and financial liabilities (including derivative instruments) at fair value through profit and loss.

The preparation of financial statements in conformity with IFRS requires the directors to make use of certain critical accounting estimates. It also requires directors to exercise its judgement in the process of applying the Company’s accounting policies. There are no significant estimates or judgements made by the financial year ended 31 March 2015.

Financial instruments

Financial instruments carried on the statement of financial position include loan and advances, cash and bank balances, unsecured loan and accounts payables. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

Disclosures about financial instruments to which the Company is a party are provided in note 17.

Cash and cash equivalents

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

Deferred taxation

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

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

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

Share capital

Ordinary shares are classified as equity.

Trade receivables

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

Payables

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

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

Functional and presentation currency

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

Transactions and balances

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

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

Revenue recognition

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

Related parties

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

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

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

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

4. STANDARDS ISSUED BUT NOT YET EFFECTIVE

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

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

IAS 38 Intangible Assets re:		
IAS 16 Property, Plant and Equipment and	Agriculture: Bearer Plants	
IAS 41 Agriculture	In accordance with specific requirements in IAS 16 and IAS 41	
IAS 27 Separate Financial Statements (Amended in 2011)	Equity Method in Separate Financial Statements	
IFRS 9 Financial Instruments	Hedge Accounting	To be determined
IFRS7 Financial Instruments: Disclosures	Hedge Accounting;	
	Simultaneously with IFRS 9, in accordance with specific requirements in IFRS 7 and IAS 39	
IAS 39 Financial Instruments: Recognition and measurement		

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

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY.

Critical accounting judgments in applying the Company's accounting policies

In the process of applying the Company's accounting policies, which are described in Note 2, the directors have made the following judgements that have the most significant effect on the amounts recognised in the financial statements:-

Determination of functional currency

The determination of the functional currency of the Company is critical since recording of transactions and exchange differences arising there from are dependent on the functional currency selected. As described in Note 2, the directors have considered those factors described therein and have determined that the functional currency of the Company is the United States Dollar ("USD").

6. TAXATION

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

No provision for income tax has been made in view of the carry forward tax losses of the previous period.

At the reporting date, the Company had no taxable profit for the year ended 31 March 2015. Hence no provision for tax has been made in these accounts.

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

7. FIXED ASSETS

	Computer & accessories USD	TOTAL USD
COST		
At 01 April 2014	1,930	1,930
Addition during the period	-	-
At 31 March 2015	**1,930**	**1,930**
DEPRECIATION		
At 01 April 2014	772	772
Charge for the period	385	385
At 31 March 2015	**1,157**	**1,157**
NET BOOK VALUE		
At 31 March 2015	**773**	**773**
At 31 March 2014	1,158	1,158

8. INVESTMENT

	31 March 2015 USD	31 March 2014 USD
WEB 18 Holdings Limited	**5,301,311**	5,301,311
5,300,095 (Previous year 5,300,095) Class B equity shares of USD .00374 each		
Capital 18 Limited	**-**	1
Nil (Previous year 1) Equity Share of USD 1 each		
	5,301,311	5,301,312

9. LOANS AND ADVANCES

	31 March 2015 USD	31 March 2014 USD
Unsecured loan	**3,734,830**	3,679,172
Other advances and prepayments	**7,218**	1,469
Interest accured on deposits	**607**	592
	3,742,655	3,681,233

10. CASH AND BANK BALANCES

	31 March 2015 USD	31 March 2014 USD
Balance in current account	**55,887**	72,856
Balance in deposit account	**347,665**	344,162
	403,552	417,018

11. SHARE CAPITAL

	31 March 2015 USD	31 March 2014 USD
Issued, Subscribed and Paid Up		
12,295,000 equity shares of USD 1.00 each fully paid	**12,295,000**	12,295,000

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

12. REVENUE DEFICIT	**31 March 2015**	31 March 2014
	USD	USD
Profit & Loss account		
Balance brought forward	**(8,574,802)**	(6,035,645)
Profit/ (loss) for the year	**38,796**	(2,539,157)
Balance carried forward	**(8,536,006)**	(8,574,802)

13. UNSECURED LOAN	**31 March 2015**	31 March 2014
	USD	USD
Loan from fellow subsidiary	**4,877,034**	4,839,038

14. ACCOUNT PAYABLES	**31 March 2015**	31 March 2014
	USD	USD
Trade creditors	**798,498**	831,580
Other creditors and accruals	**12,835**	8,975
Taxation	**930**	930
	812,263	841,485

15. PARENT COMPANY

Television Eighteen Mauritius Limited is a wholly owned subsidiary of Network 18 Media & Investment Limited, a company incorporated in India.

16. RETIREMENT BENEFITS

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

17. PRESENTATION

Previous year's figures have been regrouped/reclassified where ever necessary to conform with the present year presentation.

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

18. RELATED PARTY DISCLOSURES

Related parties	**Relationship**
1 Network18 Media & Investments Ltd.	Parent company
2. Web 18 Holdings Limited	Subsidiary company till 31st March 2010 and Fellow Subsidiary after that date
3. E-18 Limited	Subsidiary company till 31st March 2010 and Fellow Subsidiary after that date
4. BK Holdings Ltd till 27th January 2014	Fellow subsidiary - Merged with Network 18 Holdings Ltd. with effect 3rd June 2014
5. Capital 18 Ltd	Fellow subsidiary - Merged with Network 18 Holdings Ltd. with effect 3rd June 2014
6. TV18 Broadcast Limited (formally known as Television Eighteen India Limited)	Fellow subsidiary company
7. Television 18 Media & Investments Ltd	Fellow subsidiary company
8. Network18 Holdings Limited	Fellow subsidiary company

	31 March 2015	31 March 2014
	USD	USD
1) Television Eighteen Media & Investment Limited		
a) Transactions		
Interest on Term Loan	**12,164**	12,040
b) Balance Payable	**442,534**	430,370
2) Network18 Media & Investment Ltd.		
Balance Receivable	**798,498**	831,580
3) Capital 18 Ltd.		
a) Transactions		
Transfer to network 18 Holding due to Merger	**(966,466)**	-
Interest on Term Loan	**-**	25,502
b) Balance Receivable	**-**	966,466
4) Network 18 Holdings Limited		
a) Transactions		
Balance Transferred from BK Holding on amalgamation	**607,335**	1,675,000
Balance Transferred from Capital on amalgamation	**966,466**	-
Proceeds of Shares	**-**	1
Interest on Loan	**43,494**	-
b) Balance Receivable	**3,292,296**	1,675,001
5) Web 18 Holdings Limited		
a) Balance payable	**1,000,000**	1,000,000
6) E-18 Limited		
a) Transactions		
Loan taken		
Interest on Loan	**37,996**	37,997

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

b) Balance payable	**3,877,034**	3,839,038
7) BK Holdings Ltd		
a) Transactions		
Transfer to network 18 Holding due to Merger	**(607,335)**	-
Interest on Loan	-	17,639
b) Balance Receivable	-	607,335

19. FINANCIAL INSTRUMENTS

	Financial assets 31.3.2015 USD	**Financial liabilities 31.3.2015 USD**	Financial assets 31.3.2014 USD	Financial liabilities 31.3.2014 USD
United States dollars	**4,146,207**	**5,686,166**	4,098,251	5,680,523

20. FAIR VALUE

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

21. FINANCIAL SUMMARY

	31 March 2015 USD	31 March 2014 USD
Profit/ (loss) before tax	**32,150**	(2,539,157)
Profit/ (loss) after tax	**32,150**	(2,539,157)
Issued and fully paid up		
Share capital	**12,295,000**	12,295,000
Balance brought forward	**(8,574,802)**	(6,035,643)
Balance carried forward	**(8,542,652)**	(8,574,800)

22. REPORTING CURRENCY

The financial statements are presented in United States dollars. The Company holds a Category 1 Global Business Licence under the Companies Act 2001 and the Financial Services Act 2007, which requires that the Company's business or other activity to be carried on in a currency other than the Mauritian Rupee.

23. GOING CONCERN

The financial statements have been prepared on a going concern basis which assumes that the Company will continue in operational existence for the foreseeable future. The validity of this asumption depends on the continued support of the shareholders. The directors are of the opinion that this support will be forthcoming over the next twelve months. They therefore believe that it is appropriate for the financial statements to be prepared on a going concern basis.