NW18 HSN HOLDINGS PLC
ANNUAL ACCOUNTS - FY : 2016-17

Independent Auditor's Report

To the Members of NW18 HSN Holdings PLC

Report on the Financial Statements

1. We have audited the accompanying financial statements of NW18 HSN Holdings PLC ('the Company'), which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including 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

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

Opinion

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

Other Matters

9. The Company had prepared separate sets of statutory financial statements for the year ended 31 March 2016 and 31 March 2015 in accordance with Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) on which we issued auditor's reports to the shareholders of the Company dated 20 April 2016 and 15 April 2015 respectively. These financial statements have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have also been audited by us. Our opinion is not modified in respect of this matter.

10. This report is intended solely for the purpose of facilitating Network18 Media & Investments Limited, the Holding Company, to comply with the provision of sub-section (3) of Section 129 of the Act and should not be used for any other purpose.

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

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

Place: Noida
Date: 14 April 2017

Balance Sheet as at 31st March, 2017

(All amounts in USD)

	Notes	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
ASSETS				
Non-current assets				
Financial assets				
Investments	4	95,630,860	82,257,092	82,410,899
Other financial assets	5	-	25,977,672	27,139,094
Total non-current assets		**95,630,860**	**108,234,764**	**109,549,993**
Current assets				
Financial assets				
Cash and cash equivalents	6	48,084	44,830	180,734
Total current assets		**48,084**	**44,830**	**180,734**
Total assets		**95,678,944**	**108,279,594**	**109,730,727**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	7	2,357,451	2,060,737	2,060,737
Other equity		74,342,376	71,321,313	69,278,483
Total Equity		**76,699,827**	**73,382,050**	**71,339,220**
Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings	8	16,783,782	28,979,500	31,945,999
Total non-current liabilities		**16,783,782**	**28,979,500**	**31,945,999**
Current liabilities				
Financial liabilities				
Trade payables	9	20,271	89,859	1,200,592
Other financial liabilities	10	2,172,780	2,123,972	1,706,074
Provisions	11	221	221	200
Current tax liabilities (net)	12	2,063	3,703,992	3,538,642
Total current liabilities		**2,195,335**	**5,918,044**	**6,445,508**
Total liabilities		**18,979,117**	**34,897,544**	**38,391,507**
Total equity and liabilities		**95,678,944**	**108,279,594**	**109,730,727**

Notes 1 to 26 form an integral part of the financial statements.
This is the balance sheet referred to in our report of even date.

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

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

Place: Noida
Date: 14th April, 2017

For and or behalf of the Board of Directors of
NW18 HSN Holdings PLC

George Flourentzou
Director

Milorad Vujnovic
Director

Place: Cyprus
Date: 14th April, 2017

Statement of Profit and Loss for the period ended 31st March, 2017

(All amounts in USD)

	Notes	Year ended 31 March 2017	Year ended 31 March 2016
Income			
Other income	13	4,776,630	6,365,497
		4,776,630	**6,365,497**
Expenses			
Finance costs	14	1,424	1,304
Other expenses	15	722,392	1,366,579
		723,816	**1,367,883**
Profit for the year before tax		**4,052,814**	**4,997,614**
Tax expense			
– current tax		84	412,664
– tax for earlier years		(3,702,014)	(247,313)
		(3,701,930)	**165,351**
Profit for the year		**7,754,744**	**4,832,263**
Earnings per share	16		
– Basic earnings per share		0.68	0.47
– Diluted earnings per share		0.34	0.22

Notes 1 to 26 form an integral part of the 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
Firm Registration No. 001076N/N500013

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

Place: Noida
Date: 14th April, 2017

For and or behalf of the Board of Directors of
NW18 HSN Holdings PLC

George Flourentzou
Director

Milorad Vujnovic
Director

Place: Cyprus
Date: 14th April, 2017

Statement of Changes in Equity for the year ended 31st March, 2017

A. Equity share capital

	Notes	Amount
Balance as at 1 April 2015		2,060,737
Changes in share capital during 2015-16	7	-
Balance as at 31 March 2016		**2,060,737**
Changes in equity share capital during 2016-17	7	296,714
Balance as at 31 March 2017		**2,357,451**

B. Other equity

	Equity of component of compound financial instruments	Preference share capital	Convertible warrants	Securities premium	General reserve	(Accumulated deficit)/ Retained earnings	Employee share based payment reserve	Total attributable to owners of parent
		Refer Note 7						
Balance as of 1 April 2015	**11,426,141**	**1,588,612**	**27,243,208**	**36,880,448**	**148,407**	**(11,844,490)**	**3,836,157**	**69,278,483**
Distribution on account of warrant receivable	-	-	-	(2,635,626)	-	-	-	(2,635,626)
Employee share based expense reversal	-	-	-	-	2,850,534	-	(3,004,341)	(153,807)
Transactions with owners	**-**	**-**	**-**	**(2,635,626)**	**2,850,534**	**-**	**(3,004,341)**	**(2,789,433)**
Profit for the year	-	-	-	-	-	4,832,263	-	4,832,263
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**4,832,263**	**-**	**4,832,263**
Balance as at 31 March 2016	**11,426,141**	**1,588,612**	**27,243,208**	**34,244,822**	**2,998,941**	**(7,012,227)**	**831,816**	**71,321,313**
Issue of ordinary shares during the year	-	-	-	9,291,737	-	-	-	**9,291,737**
Distribution on account of Class O preference share (refer note 5.1 (c))	-	-	-	5,167,820	-	-	-	**5,167,820**
Employee share based expense reversal	-	-	-	-	-	-	(28,392)	**(28,392)**
Distribution on account of warrant receivable (refer note 5.1 (b))	-	-	-	(19,164,846)	-	-	-	(19,164,846)
Transactions with owners	**-**	**-**	**-**	**(4,705,289)**	**-**	**-**	**(28,392)**	**(4,733,681)**
Profit for the year	-	-	-	-	-	7,754,744	-	**7,754,744**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**7,754,744**	**-**	**7,754,744**
Balance as at 31 March 2017	**11,426,141**	**1,588,612**	**27,243,208**	**29,539,534**	**2,998,941**	**742,517**	**803,424**	**74,342,376**

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

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

Place: Noida
Date: 14th April, 2017

For and or behalf of the Board of Directors of
NW18 HSN Holdings PLC

George Flourentzou
Director

Milorad Vujnovic
Director

Place: Cyprus
Date: 14th April, 2017

Cash Flow Statement for the year ended 31st March, 2017

(All amounts in USD)

	Year ended 31 March 2017	Year ended 31 March 2016
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	4,052,814	4,997,614
Adjustments for :		
Unrealized foreign exchange loss	645,268	1,284,794
Net gain on financial liabilities measured at fair value through profit or loss	(2,028,075)	(2,966,500)
Interest income	(2,715,756)	(2,687,000)
Net gain on financial assets measured at fair value through profit or loss	(32,799)	(197,736)
Excess provision written back	-	(514,261)
Operating loss before working capital changes	(78,548)	(83,089)
Adjustments for :		
Decrease in trade payables	(69,591)	(596,472)
Decrease in other current liabilities	-	542,119
Net cash used in operating activities	**(148,138)**	**(137,443)**
CASH FLOW FROM INVESTMENT ACTIVITIES		
Investment in equity shares of TV18 Home Shopping Network Limited, subsidiary company	(9,437,616)	-
Interest on bank deposits	557	1,539
Net cash (used in)/flow from investing activities	**(9,437,059)**	**1,539**
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from share capital issued during the year	9,588,451	-
Net cash from financing activities	**9,588,451**	**-**
Net increase/(decrease) in cash and cash equivalents	3,254	(135,904)
Cash and cash equivalents as at the beginning of the year	44,830	180,734
Cash and cash equivalents as at the end of the year	**48,084**	**44,830**
Components of cash and cash equivalents		
With banks		
– on current account	21,727	1,723
– on deposit account	26,357	43,107
Total cash and cash equivalents (refer note 6)	**48,084**	**44,830**

Notes 1 to 26 form an integral part of the financial statements.

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

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

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

Place: Noida
Date: 14th April, 2017

For and or behalf of the Board of Directors of
NW18 HSN Holdings PLC

George Flourentzou
Director

Milorad Vujnovic
Director

Place: Cyprus
Date: 14th April, 2017

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

1 Background

The Company NW18 HSN Holdings Plc. (the 'Company') was incorporated in Cyprus on 29 April 2006 as a private company with limited liability under the Companies Law.

2 Basis of preparation

These financial statements have been prepared for the limited purpose of facilitating Network18 Media & Investments Limited for complying with the provision of section 129 of the Companies Act, 2013 (the 'Act').

a. Statement of compliance with Indian Accounting Standards

The financial statements comply in all material respects with the Indian Accounting Standards (Ind AS) notified by the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 and other relevant provisions of the Act.The financial statements up to year ended 31 March 2016 were prepared in accordance with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ('previous GAAP').

These financial statements are the first Ind AS financial statements of the Company. Refer note 23 for information on how the transition from previous Indian GAAP to Ind AS has affected Company's financial position, financial performance and cash flows.

b. Historical cost convention

The financial statements have been prepared on a historical cost basis, except certain assets and liabilities (including derivative instruments) which have been measured at fair value.

c. Functional and presentation currency

The financial statements are presented in US Dollar ("USD") which is also the functional currency of the Company. The functional currency of the Company has been determined as USD since majority of the funding of the Company is denominated in USD.

3 Significant accounting policies

a. Revenue

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

Interest income Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

b. Foreign currency transactions

Transactions in foreign currencies are translated at the exchange rates prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are recorded using the exchange rates at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

c. Taxation

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

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

Current tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the income-tax charge are those that are enacted or substantively enacted, at the reporting date in Cyprus. In accordance with the provisions of the Cyprus Income Tax Laws, the Company's chargeable profits, as adjusted for tax purpose, are liable to Corporation tax. In accordance to the provisions of the Income Tax Law 118(I)/2002 as amended from 29 April 2013, the Income Tax has been increased from 10% to 12.5% and is applicable from the tax year 2013 onwards. Further, the Company is subject to Special Defense Contribution (SDC) levied on interest receivable other than that arising out of the ordinary course of business and closely related to the activities of the Company. In accordance to the provisions of the SDC Law 117(I)/2002 as amended from 29 April 2013, the SDC has been increased from 15% to 30%.Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate. Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realization, provided they are enacted or substantively enacted by the end of the reporting period.Deferred tax assets are recognized to the extent that it is probable that they will be able to be utilized against future taxable income based on the Company's forecast of future operating results which are adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. Deferred tax liabilities are always provided for in full.

Deferred tax assets and liabilities are offset only when the Company has a right and intention to set off current tax assets and liabilities from the same taxation authority.Changes in deferred tax assets or liabilities are recognized as a component of tax income or expense in statement of profit and loss, except where they relate to items that are recognized in other comprehensive income or directly in equity, in which case the related deferred tax is also recognized in other comprehensive income or equity, respectively.

d. Employee share based payments

The Company operates equity-settled share-based remuneration plans for employees of subsidiary company, TV18 Home Shopping Network Limited. In Group share based payment arrangements, if parent company issues Stock Appreciation Rights ('SARs') to the employees in a subsidiary and the subsidiary does not have an obligation to settle the award then such awards are treated as an equity-settled plan in the subsidiaries. Accordingly, the Company recognises investment in subsidiary company as capital contribution basis the grant date fair value of the award over the vesting period with a corresponding credit to employee share based payment reserve. These share option plans do not contain any option for cash settlement. Stock Appreciation Rights Scheme provides an option to the Company to settle share appreciation rights in cash or by the issue of shares. The Company has determined that it does not have a present obligation to settle in cash and accordingly accounts for the transaction in accordance with the requirements applicable to equity-settled share-based payment transactions.

Employee services received in exchange for the grant of any share-based payment are measured at their fair values. Where employees are rewarded using share-based payments, the fair values of employees services are determined indirectly by reference to the fair value of the equity instruments granted. This fair value is measured at the grant date. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised, if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognized in the current period. No adjustment is made to any expense recognized in prior periods if share options ultimately exercised are different to that estimated on vesting. Upon exercise of share options and issue of shares thereof, the proceeds received net of any directly attributable transaction costs up to the nominal value of the shares issued are allocated to share capital with any excess of proceeds and related amount lying to the credit of employee share based payment reserve over the nominal value is recorded in share premium.The fair value determined at the grant date of the

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

equity-settled share based payments is expensed on a straight line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

e. Earnings/(loss) per share

Basic earnings or loss per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.For the purpose of calculating diluted earnings or loss per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

f. Provisions, contingent liabilities and contingent assets

Provisions are recognized when present obligations as a result of a past event will probably lead to an outflow of economic resources from the company and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events, for example, legal disputes or onerous contracts. Provisions are not recognized for future operating losses. Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Provisions are discounted to their present values, where the time value of money is material. Any reimbursement that the company can be virtually certain to collect from a third party with respect to the obligation is recognized as a separate asset. However, this asset may not exceed the amount of the related provision. All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. In those cases where the possible outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognized.

g. Cash and cash equivalents

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

h. Equity, reserves and dividend payment

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds. Ordinary shares are classified as equity and measured at their nominal value. Any premiums received on issue of share capital above its nominal value, are recognised as share premium within equity. Associated issue costs are deducted from securities premium.Retained earnings include current and prior period retained profits.All transactions with owners of the Company are recorded separately within equity.Dividend distributions payable to equity shareholders are included in other liabilities when the dividends have been approved in a general meeting prior to the reporting date.

i. Financial instruments

I. Financial assets

A. Initial recognition

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

B. Subsequent measurement

(i) Financial assets carried at amortised cost (AC)

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

(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.

C. Equity instruments

The Company subsequently measures all equity instruments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent classification of fair value gains and losses to profit or loss. Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/(losses) the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

D. Impairment of financial assets

The Company follows the guidance of Ind AS 109, Financial Instruments, in determining when a receivable balance is impaired. This determination requires significant judgment regarding the current and potential economic circumstances specific to each case, and its current and potential repayment ability.

E. Derecognition of financial assets

A financial asset is derecognised when:- The Company has transferred the right to receive cash flows from the financial assets or- retains the contractual rights to receive the cash flows of the financial assets, but assumes a contractual obligation to pay the cash flows to one or more recipients.Where the entity has transferred the asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial assets is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of the ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial assets, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

II. Financial liabilities

A. Initial recognition and subsequent measurement

Financial liabilities are obligations to pay cash or other financial assets. Financial liabilities categorised as at fair value through profit or loss are recorded initially at fair value and any transaction costs are recognised immediately in profit or loss. All other financial liabilities are recorded initially at fair value, net of direct issue costs.Financial liabilities are measured subsequently at amortised cost using the effective interest method, except for financial liabilities held for trading or designated at fair value through profit or loss, that are carried subsequently at fair value with gains or losses recognised in profit or loss.Financial liabilities at fair value through profit or loss are those that either have been classified as held for trading, or those that are designated by the Company as at fair value through profit or loss at initial recognition.

B. Series O preference shares

Series O preference shares are either redeemable or convertible into shares at the option of the holder. The embedded derivative (convertible option) meets the definition of a liability. Management has designated the whole instrument, including the derivative, to be recognised at fair value through profit or loss.

C. Convertible warrants

Convertible instruments that exhibit characteristics of a liability are recognised as financial liabilities at fair value through profit or loss, net of transaction costs. The convertible instruments that exhibit characteristics of equity are recognised as equity instruments, net of transaction costs.

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

D. Trade and other payables

Trade and other payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Where the liabilities are of a short-term nature the fair value is determined as equal to the nominal amount without any discounting.

III. Fair value of financial instruments

The fair values of the Company's financial assets and liabilities measured at amortised cost approximate their carrying amounts at the reporting date.The nominal value less any estimated credit adjustments for financial assets and liabilities with a maturity of less than one year are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate available to the Company for similar financial instruments.Fair values at Level 3 are determined by using valuation techniques. The Company uses mainly discounted cash flow techniques making assumptions that are based on market conditions existing at the reporting date.

j. Significant accounting judgments, estimates and assumptions

When preparing the financial statements management undertakes a number of judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results are likely to differ from the judgments, estimates and assumptions made by the management, and will seldom equal the estimated results. Information about significant judgments, estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses are discussed below.

(i) Fair value measurement considerations

Fair value of financial instruments for which no active market exists is established using a valuation technique. Valuation techniques include, *inter alia*, using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. In estimating the carrying amounts of financial liabilities recognized in respect of convertible warrants, management considers the probabilities of occurrence of a liquidity event, being an initial public offering by the Company or acquisition of the Company or primary issuance of securities to an external investor.

(ii) Share-based compensation

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

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

(All amounts in USD)

		As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
4	**Investments - Non-current**			
	Investment in equity shares: Unquoted			
	1,874,633 (31 March 2016: 1,240,791, 1April 2015: 1,240,791) equity shares of INR 10 each in TV18 Home Shopping Network Limited, Subsidiary Company (refer note 19)	95,434,689	55,683,251	55,683,251
	Employee share based transactions (refer note 19)	196,171	224,563	378,370
	Investment in preference shares: Unquoted			
	Nil (31 March 2016: 101,181, 1 April 2015: 101,181) 5% optionally convertible preference shares in TV18 Home Shopping Network Limited, Subsidiary Company (refer note 19)	-	424,849	424,849
	Nil (31 March 2016: 291,998, 1 April 2015: 291,998) 0.01% compulsorily convertible preference shares in TV18 Home Shopping Network Limited, Subsidiary Company (refer note 19)	-	2,202,557	2,202,557
	Nil (31 March 2016: 135,000, 1 April 2015: 135,000) 15% compulsorily convertible preference shares in TV18 Home Shopping Network Limited, Subsidiary Company (refer note 19)	-	23,721,872	23,721,872
		95,630,860	**82,257,092**	**82,410,899**
	Aggregate amount of unquoted investments	**95,630,860**	**82,257,092**	**82,410,899**

(All amounts in USD)

		As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
5	**Other financial assets**			
	Receivables from related parties (refer note 5.1 below)	-	25,977,671	27,139,094
		-	**25,977,671**	**27,139,094**

(All amounts in USD)

		As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
5.1	**Receivables from related parties**			
	Receivables from subsidiary company (refer note (a) below)	-	3,931,746	3,734,010
	Receivables from related parties pertaining to warrants (refer note (b) below)	-	17,512,852	19,304,304
	Receivables from related parties pertaining to series O preference shares (refer note (c) below)	-	4,533,074	4,100,780
		-	**25,977,672**	**27,139,094**

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

Note (a): Receivables from subsidiary company

Receivable from subsidiary company is on account of preference shares issued by the subsidiary company, TV18 Home Shopping Network Limited. The break up of receivable is as follows:

(All amounts in USD)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Nil (31 March 2016: 101,181, 1 April 2015: 101,181) 5% optionally convertible preference shares	-	725,895	658,459
Nil (31 March 2016: 291,998, 1 April 2015: 291,998) 0.01% compulsorily convertible preference shares	-	1,967,055	1,797,423
Nil (31 March 2016: 135,000, 1 April 2015: 135,000) 15% compulsorily convertible preference shares	-	1,238,796	1,278,128
	-	**3,931,746**	**3,734,010**

On the date of transition to Ind AS, viz., 1 April 2015, convertible preference shares comprising of 101,181, 5% optionally convertible preference shares of ₹ 100 each, 291,998, 0.01% Compulsory convertible preference shares of ₹ 100 each and 135,000, 15% compulsory convertible preference shares of ₹ 100 each were treated as financial liability pursuant to the provisions of Ind AS 109, Financial Instruments, which were otherwise considered as part of investments under the previous GAAP. Accordingly, the aforementioned preference shares aggregating to USD 3,931,746 (1 April 2015: USD 3,734,010) were reclassified from investments under previous GAAP to other receivables.

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

Further on 23 May 2016, the Board of Directors of TV18 Home Shopping Network Limited passed a resolution for conversion of 101,181 5% optionally convertible preference shares, 291,998, 0.01% Compulsory convertible preference shares and 135,000, 15% compulsory convertible preference shares into 528,179 equity shares of ₹ 10 each at premium of Rs 90 each ranking pari passu with the existing equity shares of the Company. As a result of this conversion USD 3,964,544 from 'Other receivables' and USD 26,349,278 from 'Investments in preference shares: Unquoted' has been transferred to 'Investment in equity shares: Unquoted.

Note (b): Receivables from related parties pertaining to warrants

Following table give details of number of warrants issued and amount paid up by each holder of the warrant:

	Warrant 1		Warrant 2		Warrant 3	
	Number of warrants	Paid up value	Number of warrants	Paid up value	Number of warrants	Paid up value
Network18 Holdings Limited	793,000	7,930	422,700	4,227	1,202,734	12,027
GS Home Shopping Inc.	475,000	4,750,000	77,341	773,410	-	-
SAIF II Mauritius Company Limited	232,000	2,320,000	-	-	-	-

(i) During the year ended 31 March 2012, the Company issued 500,000 warrants at a subscription price of USD 10 per warrant. The Company had received USD 777,637 towards subscription of these warrants. These warrants were convertible within 12 months from the closing date as defined in the warrant subscription agreements into Class ‘A’ preference shares at a pre-determined discount to the valuation of the Company in the event, the Company undertook an IPO or is acquired or does a primary issuance of securities to an external investor. In case the aforementioned events do not happen within the stipulated 12 months period, the warrants were convertible at a valuation to be decided amongst the shareholders. During the year ended 31 March 2013, the aforesaid tenure of 12 months was increased to 36 months and again during the year ended 31 March 2015, the tenure was further extended to 54 months and during the year ended 31 March 2016, the tenure was further extended to 90 months. These warrants are convertible in to 720,486 Class A Preference shares within the aforementioned stipulated time.

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

(ii) During the year ended 31 March 2012, the Company issued 1,500,000 warrants at a subscription price of USD 10 per warrant. The Company had received USD 7,077,930 towards subscription of these warrants. These warrants were convertible into Class A preference shares after a period of 12 months from the closing date as defined in the warrant subscription agreement or on initial public offering and sale of the ordinary shares of the Company, or acquisition of the Company, whichever would be earlier. During the year ended 31 March 2013, the aforesaid tenure of 12 months had been increased to 36 months, while during the year ended 31 March 2015, the tenure was further extended to 54 months and again during the year ended 31 March 2016, the tenure was further extended to 90 months. During the year ended 31 March 2014 , 475,000 warrants held by SAIF II Mauritius Company Limited were converted into 694,499 Class A preference shares. The remaining warrants are convertible into 1,498,657 Class A preference shares within the aforementioned stipulated time.

(iii) During the year ended 31 March 2013, the Company issued 1,202,734 warrants at a subscription price of USD 10 per warrant. The Company had received USD 12,027 towards subscription of these warrants. These warrants were convertible into Class A preference shares at a pre-determined discount to the valuation of the Company in the event, the Company undertook an IPO or is acquired or does a primary issuance of securities to an external investor. In case the aforementioned events did not happen within the stipulated 36 months period, the warrants were convertible at a valuation to be decided amongst the shareholders. During the year ended 31 March 2015, the aforesaid tenure was extended to 54 months and again during the year ended 31 March 2016, the tenure was further extended to 90 months. These warrants are convertible in to 9,89,102 Class A Preference shares within the aforementioned stipulated time.

(iv) As per Ind AS, 109, Financial Instruments, the balance money receivable against these warrants is to be recognised as 'financial asset'. However, no such recognition was required under the previous GAAP. Accordingly, the Company has recognised the amount receivables in respect of unpaid portion of warrants held by Network18 Holdings Limited amounting to USD equivalent of INR 1,510,041,466.

(v) The Board of Directors in a meeting dated 23 January 2017, confirmed that the Holding Company, Network18 Holding Limited, ('NW18 Mauritius'), has fulfilled its obligation for the balance amount payable by it for the abovementioned warrants through its affiliate Network18 Media & Investments Limited, ('NW18 India'), by investing in 0.001% compulsory convertible preference shares ('CCPS') in TV18 Home Shopping Network Limited ('HS18'), the Indian operating subsidiary of the Company, considering that the end use of all the funds raised in the Company was to fund the operations of HS18. Against each partly paid warrant held by NW18 Mauritius, NW18 India holds CCPSs of HS18 India.

Therefore, there is no further receivable on this account and accordingly, distribution on account of warrant receivable was made on 23 January 2017 amounting to USD 19,164,846.

	Warrant 1	Warrant 2	Warrant 3	Total
Balance as on 1 April 2015	**7,605,588**	**3,413,965**	**8,284,752**	**19,304,304**
Effective interest income during the year	111,919	556,093	1,349,483	2,017,495
Exchange difference	(500,992)	(196,202)	(476,128)	(1,173,321)
Distribution to owners on extension of period of receivable	(2,635,626)	-	-	(2,635,626)
Balance as on 31 March 2016	**4,580,889**	**3,773,856**	**9,158,107**	**17,512,852**
Effective interest income during the year	620,671	264,228	1,240,845	2,125,744
Exchange difference	(124,273)	(101,030)	(248,447)	(473,750)
Distribution to owners on extinguishment of receivable	(5,077,287)	(3,937,054)	(10,150,505)	(19,164,846)
Balance as on 31 March 2017	**-**	**-**	**-**	**-**

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

Note (c): Receivables from related parties pertaining to series O preference shares

During the year ended 31 March 2013, the Company issued 16,504,745 class O preference shares of USD 10 each in two tranches dated 8 April 2013 and 1 October 2013. Network18 Holdings Limited subscribed to 5,626,617 and 750,216 preference shares from the aforementioned respective tranches each being partly paid up. Pursuant to subscription agreements dated 8 April 2013 and 1 October 2013, Network Holdings Limited is now liable to pay USD equivalent of INR 1,020,754,047 (INR 897,816,093 for tranche dated 8 April 2013 and INR 122,937,954 for tranche dated 10 October 2013).

As per Ind AS, 109, Financial Instruments, the balance money receivable against these preference shares shall be recognised as financial asset. However, no such recognition was required under the previous GAAP. Accordingly, the Company has recognised amount receivables in respect of unpaid portion of preference shares held by Network18 Holdings Limited.

The Board of Directors in a meeting dated 23 January 2017, confirmed that the Holding Company, Network18 Holding Limited, ('NW18 Mauritius'), has fulfilled its obligation for the balance amount payable by it for abovementioned preference shares through its affiliate Network18 Media & Investments Limited, ('NW18 India'), by investing in 0.001% compulsory convertible preference shares ('CCPS') in TV18 Home Shopping Network Limited ('HS18'), the Indian operating subsidiary of the Company, considering that the end use of all the funds raised in the Company was to fund the operations of HS18. Against each partly paid warrant held by NW18 Mauritius in the Company, NW18 India holds CCPSs of HS18 India.

Therefore, there is no further receivable on this account and accordingly, distribution to owners on extinguishment of the said receivable was made on 23 January 2017 amounting to USD 4,999,821.

	April 2013 tranche	October 2013 tranche	Total
Balance as on 1 April 2015	**3,606,889**	**493,891**	**4,100,780**
Effective interest income during the year	587,518	80,449	667,967
Exchange difference	(207,289)	(28,384)	(235,673)
Balance as on 31 March 2016	**3,987,118**	**545,956**	**4,533,074**
Effective interest income during the year	527,851	61,604	589,455
Exchange difference	(108,031)	(14,677)	(122,708)
Distribution to owners on extinguishment of receivable	(4,406,938)	(592,883)	(4,999,821)
Balance as on 31 March 2017	**-**	**-**	**-**

(All amounts in USD)

		As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
6	**Cash and cash equivalents**			
	Balances with banks			
	– in current accounts	21,727	1,723	1,794
	– in deposit accounts with original maturity of less than 3 months	26,357	43,107	178,940
		48,084	**44,830**	**180,734**

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

(All amounts in USD)

		As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
7	**Share capital**			
	Authorized share capital			
	33,180,000 (31 March 2016 33,180,000, 01 April 2015 33,180,000) ordinary shares of USD 0.2 each	6,636,000	6,636,000	6,636,000
	15,649,698 (31 March 2016 15,649,698, 01 April 2015 15,649,698) Class A preference shares of USD 0.2 each	3,129,940	3,129,940	3,129,940
	2,800,000 (31 March 2016 2,800,000, 01 April 2015 2,800,000) Class G preference shares of USD 0.2 each	560,000	560,000	560,000
	4,050,302 (31 March 2016: 4,050,302, 1 April 2015: 4,050,302) Class O preference shares of USD 0.2 each	810,060	810,060	810,060
		11,136,000	**11,136,000**	**11,136,000**
	Issued, subscribed and fully paid-up capital			
	11,787,251 (31 March 2016 10,303,683, 01 April 2015 10,303,683) ordinary shares of USD 0.2 each	2,357,451	2,060,737	2,060,737
	5,234,505 (31 March 2016 5,234,505, 01 April 2015 5,234,505) Class A preference shares of USD 0.2 each	1,046,901	1,046,901	1,046,901
	2,708,546 (31 March 2016 2,708,546, 01 April 2015 2,708,546) Class G preference shares of USD 0.2 each	541,709	541,709	541,709
		3,946,061	**3,649,347**	**3,649,347**

a. Reconciliation of share capital

i.	**Ordinary shares**	As at 31 March 2017		As at 31 March 2016		As at 01 April 2015	
		Numbers	**Amount**	**Numbers**	**Amount**	**Numbers**	**Amount**
	At the beginning of the year	10,303,683	2,060,737	10,303,683	2,060,737	9,303,683	1,860,737
	Shares issued under conversion from Series A preference shares	-	-	-	-	1,000,000	200,000
	Shares issued during the year	1,483,568	296,714	-	-	-	-
	Outstanding at the end of the year	**11,787,251**	**2,357,451**	**10,303,683**	**2,060,737**	**10,303,683**	**2,060,737**

ii.	**Class A Preference shares**	As at 31 March 2017		As at 31 March 2016		As at 01 April 2015	
		Numbers	**Amount**	**Numbers**	**Amount**	**Numbers**	**Amount**
	At the beginning of the year	5,234,505	1,046,901	5,234,505	1,046,901	6,234,505	1,246,901
	Shares converted into ordinary shares	-	-	-	-	(1,000,000)	(200,000)
	Outstanding at the end of the year	**5,234,505**	**1,046,901**	**5,234,505**	**1,046,901**	**5,234,505**	**1,046,901**

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

a. Reconciliation of share capital (cont'd)

iii. Class G Preference shares

	As at 31 March 2017		As at 31 March 2016		As at 01 April 2015	
	Numbers	**Amount**	**Numbers**	**Amount**	**Numbers**	**Amount**
At the beginning of the year	2,708,546	108,342	2,708,546	108,342	2,708,546	108,342
Differential adjustment on account of reverse split	-	-	-	-	-*	-*
Outstanding at the end of the year	**2,708,546**	**108,342**	**2,708,546**	**108,342**	**2,708,546**	**108,342**

Rounded off to Nil

b. Details of shares held by the immediate Holding Company - Network18 Holdings Limited

	As at 31 March 2017		As at 31 March 2016		As at 01 April 2015	
	Number of shares held	**% of holding**	**Number of shares held**	**% of holding**	**Number of shares held**	**% of holding**
Type of shares						
Ordinary shares	9,261,733	99.99%	9,261,733	99.99%	9,261,733	99.99%
Class A preference shares	500	0.01%	500	0.01%	500	0.01%
	9,262,233		**9,262,233**		**9,262,233**	

* Remaining ordinary shares are held by the nominee of Network18 Holdings Limited.

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

	As at 31 March 2017		As at 31 March 2016		As at 01 April 2015	
	Number of shares held	**% of holding**	**Number of shares held**	**% of holding**	**Number of shares held**	**% of holding**
a. Network18 Holdings Limited						
Ordinary shares	9,261,733	78.57%	9,261,733	89.89%	9,261,733	89.89%
b. GS Home Shopping Inc.						
Ordinary shares	1,234,004	10.47%	-	-	-	-
Class G preference shares	2,708,546	100.00%	2,708,546	100.00%	2,708,546	100.00%
c. SAIF II Mauritius Company Limited						
Ordinary shares	1,000,000	8.48%	1,000,000	9.71%	1,000,000	9.71%
Class A preference shares	5,234,005	99.99%	5,234,005	99.99%	5,234,005	99.99%

d. Description of the rights, preferences, terms of redemption and restrictions attached to each class of shares

Ordinary shares : The Company has only one class of ordinary share having a par value of USD 0.2 per share. Each holder of equity share is entitled to one vote per share. All shareholders are equally eligible to receive dividends. On winding up all shareholders will be entitled to receive remaining assets of the Company after payment of all liabilities. The distribution will be in proportion of the shares held by shareholders.

On 19 July 2016, the Company issued 1,483,568 ordinary shares of face value USD 0.2 each at a premium of USD 6.2631 per share.

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

Preference shares : Each holder of preference share is entitled to one vote per share. The preference shareholders are entitled to fixed dividend at the rate of 0.001% per annum in addition to the dividend declared in respect of all shareholders. These preference shares carry preferential right over ordinary share in respect of dividends and on winding up all shareholders will be entitled to receive remaining assets of the Company after payment of all liabilities. The distribution will be in proportion of the shares held by shareholders. However, the preference shareholders will be entitled to receive the paid up capital in priority to any payment to the holders of the ordinary shares.

Class A and G preference shares are convertible into ordinary shares of the Company in the ratio of 1:1.

The Company passed a special resolution that the board of directors is authorised and directed to issue 2 class G preference share to GS Home Shopping Inc. And 10 class O Preference Shares of which 2 class O preference Shares be issued to Network 18 Holdings Limited, 4 class O Preference Shares be issued to GS Home Shopping Inc, and 4 Class O Preference Shares be issued to Makira SP5 Limited, by way of bonus shares provided out of the share premium account.

e. **Shares reserved for issue under options**

The Company has reserved issuance of 1,093,393 (31 March 2016 1,093,393, 01 April 2015 1,093,393) ordinary shares of USD 0.2 each for offering to eligible employees of its subsidiary company under Employees Stock Option Scheme and Stock Appreciation Rights Scheme. During the year, the Company has issued and allotted Nil (31 March 2016 Nil , 01 April 2015 Nil) equity shares to eligible employees of its subsidiary under the said schemes. The option would vest over such period as may be decided by the Employee Stock Compensation Committee from the date of grant based on specific criteria. For details refer note 18.

f. **Aggregate number of equity shares issued for consideration other than cash during the period of five years immediately preceding the reporting period**

No such issue has taken place in the immediately preceding five years. The Company has not issued any shares pursuant to a contract without payment being received in cash nor has there been any buy-back of shares in the current year and preceding five years except as disclosed in note 7(d) above.

(All amounts in USD)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
8 Borrowings			
Unsecured			
Liability component of compound financial instruments			
Series O preference shares (refer Note 9.1 below)	16,783,782	28,979,500	31,945,999
	16,783,782	**28,979,500**	**31,945,999**

Note : The Class O preference shares are either redeemable or convertible into shares at the option of the holder. The embedded derivative (convertible option) meets the definition of a liability. Management has designated the whole instrument, including the derivative, to be recognised at fair value through profit or loss.

Accordingly, the movement in fair value of the liability at each financial position date is given below :

(All amounts in USD)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Liability at the beginning of the year	28,979,500	31,945,999	31,945,999
Fair value adjustment	(2,028,078)	(2,966,499)	-
Distribution to owners on extinguishment of obligation of payable	(10,167,640)	-	-
Liability at end of the year	**16,783,782**	**28,979,500**	**31,945,999**

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

The Board of Directors in a meeting dated 23 January 2017, confirmed that the Holding Company, Network18 Holding Limited, ('NW18 Mauritius'), has fulfilled its obligation for the balance amount payable by it for abovementioned preference shares through its affiliate Network18 Media & Investments Limited, ('NW18 India'), by investing in 0.001% compulsory convertible preference shares ('CCPS') in TV18 Home Shopping Network Limited ('HS18'), the Indian operating subsidiary of the Company, considering that the end use of all the funds raised in the Company was to fund the operations of HS18. Against each partly paid warrant held by NW18 Mauritius in the Company, NW18 India holds CCPSs of HS18 India.

Therefore, there is no further receivable on this account and accordingly, distribution to owners on extinguishment of obligation payable was made on 23 January 2017 amounting to USD 10,167,640.

(All amounts in USD)

		As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
9	**Trade payables**			
	Due to others	20,271	89,859	1,200,592
		20,271	**89,859**	**1,200,592**

(All amounts in USD)

		As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
10	**Other financial liabilities**			
	Due to related parties	2,172,770	2,123,962	1,706,064
	Others	10	10	10
		2,172,780	**2,123,972**	**1,706,074**

(All amounts in USD)

		As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
11	**Provisions**			
	Proposed preference dividend	221	221	200
		221	**221**	**200**

(All amounts in USD)

		As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
12	**Current tax liabilities (net)**			
	Income tax payable (net of advance tax USD 4,716 (31 March 2016: USD 4,716, 1 April 2015: USD 4,716))	2,063	3,703,992	3,538,642
		2,063	**3,703,992**	**3,538,642**

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

(All amounts in USD)

		As at 31 March 2017	As at 31 March 2016
13	**Other income**		
	Interest income on bank deposits	557	1,539
	Excess provision written back	-	514,261
	Interest on others	2,715,199	2,685,461
	Net gain on financial assets measured at fair value through profit or loss	32,799	197,736
	Net gain on financial liabilities measured at fair value through profit or loss	2,028,075	2,966,500
		4,776,630	**6,365,497**

(All amounts in USD)

		As at 31 March 2017	As at 31 March 2016
14	**Finance costs**		
	Bank charges	1,424	1,304
		1,424	**1,304**

(All amounts in USD)

		As at 31 March 2017	As at 31 March 2016
15	**Other expenses**		
	Legal and professional charges	52,966	58,150
	Statutory audit fees	24,158	23,614
	Exchange loss (Net)	645,268	1,284,794
	Proposed dividend	-	21
		722,392	**1,366,579**

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

(All amounts in USD)

		As at 31 March 2017	As at 31 March 2016
16	**Earnings per share**		
	Basic earnings per share		
	Profit as per statement of profit and loss	7,754,744	4,832,263
	Less : Dividend on preference shares	-	21
	Profit attributable to ordinary shareholders of the Company	7,754,744	4,832,242
	Weighted average number of ordinary shares	11,356,407	10,303,683
	Nominal value of ordinary shares in USD	0.2	0.2
	Basic earnings per share	**0.68**	**0.47**
	Diluted earnings per share		
	Profit attributable to ordinary shareholders of the Company	7,754,744	4,832,242
	Weighted average number of ordinary shares used in diluted earnings per share (refer note a below)	22,479,643	21,509,319
	Diluted earnings per share	**0.34**	**0.22**

Note a: Reconciliation of the weighted average number of shares for the purposes of diluted earnings per share to the weighted average number of ordinary shares used in the calculation of basic earnings per share is as follows:

Weighted average number of shares used in basic earnings per share	11,356,407	10,303,683
Adjustments for calculation of diluted earnings per share:		
Convertible preference shares	10,287,477	10,287,477
Convertible warrants	786,759	786,759
Shares deemed to be issued in respect of share-based payments	49,000	131,400
Weighted average number of shares used in diluted earnings per share	**22,479,643**	**21,509,319**

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

17 Related party disclosures

a. List of related parties and relationship

1 Holding company

Network18 Holdings Limited, Mauritius

2 Entities exercising significant influence

SAIF II Mauritius Company Limited

GS Home Shopping Inc.

3 Subsidiary compa ny

TV18 Home Shopping Network Limited

b. Transactions/balances outstanding with related parties

I) Transactions during the year

(All amounts in USD)

Particulars	Holding Company	Entities exercising significant influence	Subsidiary Company
Reimbursement of expenses (paid)			
TV18 Home Shopping Network Limited	-	-	-
	-	-	(1,134,214)
Net Gain arising on financial assets designated as at fair value through profit and loss account			
TV18 Home Shopping Network Limited	-	-	32,799
	-	-	(197,736)
Network18 Holdings Limited, Mauritius	654,648	-	-
	(1,144,850)	-	-
Interest income			
Network18 Holdings Limited, Mauritius			
– On accounts of warrants	2,125,744	-	-
	(2,017,495)	-	-
– On accounts of class O preference shares	589,455	-	-
	(667,967)	-	-
Exchange gain (net)			
Network18 Holdings Limited, Mauritius			
– On accounts of warrants	473,750	-	-
	(1,173,321)	-	-
– On accounts of class O preference shares	122,708	-	-
	(235,673)	-	-
Distribution to owners on extinguishment of receivable			
Network18 Holdings Limited, Mauritius			
– On accounts of warrants	19,164,846	-	-
	(2,635,626)	-	-
– On accounts of class O preference shares	4,999,821	-	-
	-	-	-

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

b. Related party transactions

I) Transactions during the year (cont'd)

(All amounts in USD)

Particulars	Holding Company	Entities exercising significant influence	Subsidiary Company
Extinguishment of liability			
Network18 Holdings Limited, Mauritius			
– On accounts of class O preference shares	10,167,640	-	-
	-	-	-
Ordinary shares			
Ordinary Shares			
GS Home Shopping Inc.	-	246,801	-
	-	-	-
Share premium			
GS Home Shopping Inc.	-	7,728,690	-
	-	-	-
Investment made in subsidiary			
Equity Shares			
TV18 Home Shopping Network Limited	-	-	9,437,614
	-	-	-
Conversion of preference share in equity shares			
TV18 Home Shopping Network Limited	-	-	30,083,288
	-	-	-

II. Balances at the year end

(All amounts in USD)

Particulars	Holding Company	Entities exercising significant influence	Subsidiary Company
Trade payable			
TV18 Home Shopping Network Limited	-	-	2,172,770
	-	-	(2,123,962)
Investment in subsidiary			
TV18 Home Shopping Network Limited			
– Equity shares	-	-	95,434,688
	-	-	(55,683,251)
– Preference shares	-	-	-
	-	-	(424,849)
Stock Appreciation Rights to employees of subsidiary company	-	-	196,171
	-	-	(224,563)

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

b. Related party transactions

II) Balances at the year end (cont'd)

(All amounts in USD)

Particulars	Holding Company	Entities exercising significant influence	Subsidiary Company
Equity			
a. Network 18 Holdings Limited			
– Ordinary shares	1,852,347	-	-
	(1,852,347)	-	-
– Class A preference shares	100	-	-
	(100)	-	-
b. SAIF II Mauritius Company Limited			
– Ordinary shares	-	200,000	-
	-	(200,000)	-
– Class A preference shares	-	1,046,801	-
	-	(1,046,801)	-
c. GS Home Shopping Inc.			
– Ordinary shares	-	246,801	-
	-	-	-
– Class G preference shares	-	541,709	-
	-	(541,709)	-
– Class O preference shares	-	5,850,869	-
	-	(7,245,071)	-
Financial Asset			
a. Network 18 Holdings Limited			
– Class O preference share	-	-	-
	(4,533,073)	-	-
– Warrants	-	-	-
	(17,512,852)		
Financial Liability			
a. Network 18 Holdings Limited			
– Class O preference shares	63,767	-	-
	(10,886,055)	-	-
		-	-
– Warrants	24,149,798		
	(10,886,055)		

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

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

18 Share based employee remuneration

a) Employee stock options

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

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

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

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

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

The following principal assumptions were used in the valuation:

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

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

b) Employee stock appreciation right

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

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

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

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

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

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

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

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

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

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

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

The Company has not recharged any cost relating to ESOP 2008 and SARs scheme to the subsidiary company.

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

In Group share based payment arrangements, if parent company issued SAR/ESOP to the employees in a subsidiary, the subsidiary does not have an obligation to settle the award, the award is treated as an equity-settled plan in the subsidiary. Accordingly, the Company recognises investment in subsidiary company as capital contribution basis the grant date fair value of the award over the vesting period with a corresponding credit to employee share based payment reserve.

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

19 Financial instruments by category

	31 March 2017		31 March 2016		1 April 2015	
	FVTPL*	**Amortised Cost**	**FVTPL***	**Amortised Cost**	**FVTPL***	**Amortised Cost**
Financial assets						
Investments (refer note a below)						
Preference shares	-	-	-	26,349,278	-	26,349,278
Employee share based transactions	196,171	-	224,563	-	378,370	-
Other financial assets	-	-	-	-	-	
Receivables from subsidiary company	-	-	3,931,746	-	3,734,010	-
Receivables from related parties pertaining to warrants	-	-	-	17,512,852	-	19,304,304
Receivables from related parties pertaining to series O preference shares	-	-	-	4,533,074	-	4,100,780
Cash and cash equivalents	-	48,084	-	44,830	-	180,734
Total financial assets	**196,171**	**48,084**	**4,156,309**	**48,440,034**	**4,112,380**	**49,935,096**
Financial liabilities						
Borrowings	16,783,782	-	28,979,500	-	31,945,999	-
Trade payables	-	20,271	-	89,859	-	1,200,592
Other financial liabilities	-	2,172,780	-	2,123,972	-	1,706,074
Total financial liabilities	**16,783,782**	**2,193,051**	**28,979,500**	**2,213,831**	**31,945,999**	**2,906,666**

*These represent financial assets and liabilities measured at recurring fair value measurements.

Note (a): Investment in equity shares of subsidiary company, TV18 Home Shopping Network Limited, have been carried at cost.

20 Financial risk management

The Company is exposed to various risks in relation to financial instruments. The Company's financial assets and liabilities by category are summarized in note 19. The main types of risks are liquidity risk and currency risk.

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

20.1 **Liquidity risk**

Liquidity risk is the risk that suitable sources of funding for the Company's business activities may not be available. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. Short term liquidity requirements comprises mainly of trade payables arising during normal course of business as on each statement of financial position date. Long term liquidity requirement is assessed by the management on periodical basis and is managed through internal accruals and through funding commitments from shareholders. As at each statement of financial

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

position date, the Company's liabilities having contractual maturities (including interest payments where applicable) are summarized as follows:

As at 1 April 2015

	Not due	Up to 1 year	Between 1 and 3 years	More than 3 years	Total
Non derivative liabilities					
Borrowings	-	-	31,945,999	-	31,945,999
Trade payables	-	1,200,592	-	-	1,200,592
Other financial liabilities	-	1,706,074	-	-	1,706,074
Total	**-**	**2,906,666**	**31,945,999**	**-**	**34,852,665**

As at 31 March 2016

	Not due	Up to 1 year	Between 1 and 3 years	More than 3 years	Total
Non derivative liabilities					
Borrowings	-	-	28,979,500	-	28,979,500
Trade payables	-	89,859	-	-	89,859
Other financial liabilities	-	2,123,972	-	-	2,123,972
Total	**-**	**2,213,831**	**28,979,500**	**-**	**31,193,331**

As at 31 March 2017

	Not due	Up to 1 year	Between 1 and 3 years	More than 3 years	Total
Non derivative liabilities					
Borrowings	-	-	16,783,782	-	16,783,782
Trade payables	-	20,271	-	-	20,271
Other financial liabilities	-	2,172,780	-	-	2,172,780
Total	**-**	**2,193,051**	**16,783,782**	**-**	**18,976,833**

20.2 **Market risk**

The Company is exposed to market risk through its use of financial instruments and specifically to currency risk which result mainly from its investing activities.

Currency risk

Most of the Company's transactions are carried out in USD. Exposure to currency exchange rates arises mainly from amount payable to subsidiary company in INR. The Company's management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

The following table illustrates the sensitivity of profit and equity in regards to the Company's financial assets and financial liabilities and the INR/USD exchange rate 'all other things being equal'. It assumes a +/- 5% change of the INR/USD exchange rate for the year ended at 31 March 2017 (31 March 2016: 6%). These percentages have been determined based on the average market volatility in exchange rates in the previous 12 months. The sensitivity analysis is based on the Company's foreign currency financial instruments held at each reporting date.

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

If the USD had strengthened against the INR by 5% (31 March 2016: 6%) then this would have had increased the profit for the year by following:

	Profit for the year	Equity
31 March 2017	108,641	108,641
31 March 2016	127,432	127,432

If the respective functional currencies had depreciated against the USD by the aforementioned percentage of market volatility, then this would have had equal and opposite effect on the basis that all other variables remain constant.

Exposures to foreign exchange rates vary depending on the volume of overseas transactions. Nonetheless, the analysis above is considered to be representative of the Company's exposure to currency risk.

20.3 **Credit risk**

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

(All amounts in USD)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Investments	95,630,860	82,257,092	82,410,899
Other financial assets	-	25,977,672	27,139,094
Cash and cash equivalents	48,084	44,830	180,734
	95,678,944	**108,279,594**	**109,730,727**

Investments

The Company has made all its investments in TV18 Home Shopping Network Limited, the subsidiary company and the management does not anticipate any significant credit risk in respect of this investments.

Other financial assets

These are amounts receivable from TV18 Home Shopping Network Limited, the subsidiary company for investments in preference shares and the amounts receivable from Network18 Holdings Limited, the holding company with respect to unpaid portion of series O preference shares and warrants. The management does not anticipate any significant credit risk in respect of these receivables.

Cash and cash equivalents

The Company considers factors such as track record, size of the institutions, market reputation and service standard to select the banks with which deposits are maintained. The Company does not maintain significant deposit balances other than those required for its day to day operations.

21 Financial instruments measured at fair value

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

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

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

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

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

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

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

As at 1 April 2015

	Level 1	Level 2	Level 3	Total
Financial liabilities				
Convertible preference shares	-	-	31,945,999	31,945,999
	-	**-**	**31,945,999**	**31,945,999**

As at 31 March 2016

	Level 1	Level 2	Level 3	Total
Financial liabilities				
Convertible preference shares	-	-	28,979,500	28,979,500
	-	**-**	**28,979,500**	**28,979,500**

As at 31 March 2017

	Level 1	Level 2	Level 3	Total
Financial liabilities				
Convertible preference shares	-	-	16,783,782	16,783,782
	-	**-**	**16,783,782**	**16,783,782**

There have been no transfers into or out of level 3 during the year ended 31 March 2017, 31 March 2016 and 1 April 2015. The Company's finance team performs valuations of financial items for financial reporting purposes, including Level 3 fair values, in consultation with third party valuation specialists for complex valuations. Valuation techniques are selected on based the characteristics of each instrument. The valuation techniques used for instruments categorized in Levels 3 are described below:

The entity has used Binomial Lattice Model to measure the fair value of the convertible preference shares. As the conversion ratio of convertible preference shares is subject to change so as to provide a fixed return to Class O preference shareholders in the case of liquidity event. Also the amount of fixed return varies depending on the nature of liquidity event. Further if no liquidity event takes place within the date of the third anniversary of the closing date, then these preference shares can be redeemed at the option of the preference shareholders at a pre-determined amount as per the share subscription agreements.

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

Accordingly the valuation technique has been used to measure the fair value of convertible preference shares in all possible events and the fair value of hybrid instrument is measured at probability based weighted average of fair values in all such possible events. The Company has estimated the probabilities of these events which are as follows:

		Probability		
	Event/ scenarios	**31 March 2017**	**31 March 2016**	**1 April 2015**
i	Third party liquidity event within 24 months for Series O – April 2013 and within 18 months for Series O – October 2013 (“Scenario 1”)	0%	0%	0%
ii	IPO liquidity event within 24 months for Series O – April 2013 and within 18 months for Series O – October 2013 (“Scenario 2”)	0%	0%	0%
iii	Any liquidity event between 24 – 36 months for Series O – April 2013 and between 18 – 30 months for Series O – October 2013 (“Scenario 3”)	0%	0%	10%
iv	No liquidity event (upto 36 months for Series O – April 2013 and upto 30 months for Series O – October 2013) and the Company has distributable profits (“Scenario 4”)	90%	85%	80%
v	No liquidity event (upto 36 months for Series O – April 2013 and upto 30 months for Series O – October 2013) and the Company does not have distributable profits (“Scenario 5”)	10%	15%	10%

Measurement inputs include an expected conversion date, equity value on date of initial recognition and subsequent measurement, expected term of the instrument, US risk free rate (as the instrument is denominated in USD), expected dividend yield and expected volatility (based on weighted average historic volatility of comparable companies). These assumptions are summarized in the table below:

	31 March 2017	**31 March 2016**	**1 April 2015**
Expected maturity date			
Series O – April	* refer below	7 November 2016	8 April 2016
Series O – October	* refer below	10 November 2016	10 April 2016
Option shares	NA	NA	10 April 2016
Volatility (based on volatility of entities in similar industry)	NA	45.11%	24.23%
Risk free interest rate (United States)	NA	0.18%	0.24%
Dividend yield	NA	0.00%	0.00%
Applicable market interest rate	18.00%	18.00%	17.10%
Required internal rate of return	20.00%	20.00%	19.00%

* For the year ended 31 March 2017, the management has assumed following probabilities for each estimated redemption date for valuation purposes:

Redemption date	**Probability**
March 31 2018	75%
March 31 2019	15%
March 31 2020	10%

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

Sensitivity of the fair value measurement to changes in inputs:

i. An increase of 5% in market interest rate would have resulted into a decrease in fair value of the liability by USD 283,782 as at 31 March 2017 (31 March 2016: USD 2,710,606, 1 April 2015: USD 358,650) and increased the profit for the year by an equal amount. "A decrease of 5% in market rate would have resulted into an increase in fair value of the asset by USD 216,218 as at 31 March 2017 (31 March 2016: USD 1,898,733, 1 April 2015: USD 386,173) and and decreased the profit for the year by an equal amount.

ii. A 5% change in volatility and risk-free interest rate would not have resulted in any significant change in the fair value of liability and profit for the year ended 31 March 2017, 31 March 2016 and 1 April 2015.

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

As at 1 April 2015

	Level 1	Level 2	Level 3	Total
Financial assets				
Investment in employee share based transactions	-	-	378,370	378,370
Receivables from subsidiary company	-	-	3,734,010	3,734,010
	-	**-**	**4,112,380**	**4,112,380**

As at 31 March 2016

	Level 1	Level 2	Level 3	Total
Financial assets				
Investment in employee share based transactions	-	-	224,563	224,563
Receivables from subsidiary company	-	-	3,931,746	3,931,746
	-	**-**	**4,156,309**	**4,156,309**

As at 31 March 2017

	Level 1	Level 2	Level 3	Total
Financial assets				
Investment in employee share based transactions	-	-	196,171	196,171
	-	**-**	**196,171**	**196,171**

There have been no transfers into or out of level 3 during the year ended 31 March 2017, 31 March 2016 and 1 April 2015. The Company's finance team performs valuations of financial items for financial reporting purposes, including Level 3 fair values, in consultation with third party valuation specialists for complex valuations. Valuation techniques are selected on based the characteristics of each instrument. The valuation techniques used for investment in equity shares of subsidiary company categorized in Levels 3 is yield method, discounting the expected cash flows from instrument using applicable market interest rate.

An increase of 5% in market interest rate would have resulted into a decrease in fair value of the asset by USD Nil as at 31 March 2017 (31 March 2016: USD 171,922, 1 April 2015: USD 364,505) and decreased the profit for the year by an equal amount.

A decrease of 5% in market rate would have resulted into an increase in fair value of the asset by USD Nil as at 31 March 2017 (31 March 2016: USD 197,427, 1 April 2015: USD 474,276) and and increased the profit for the year by an equal amount.

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

22 Capital management

The Company's capital management objectives are:

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

b) to provide an adequate return to stakeholders

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

	31 March 2017	31 March 2016	1 April 2015
Borrowings	16,783,782	28,979,500	31,945,999
Trade payables	20,271	89,859	1,200,592
Other financial liabilities	2,172,780	2,123,972	1,706,074
Less: Cash and cash equivalents	(48,084)	(44,830)	(180,734)
Net debt	**18,928,749**	**31,148,501**	**34,671,931**
Equity	2,357,451	2,060,737	2,060,737
Capital and net debt	**21,286,200**	**33,209,238**	**36,732,668**
Gearing ratio	**89%**	**94%**	**94%**

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

The applicable tax rate of the Company for the year ended 31 March 2017 is 12.5% (31 March 2016: 12.5%).

The relationship between the expected tax expense based on the domestic effective tax rate of the Company for the years ended 31 March 2017 and 31 March 2016 and respectively and the reported tax expense in statement of profit and loss can be reconciled as follows:

	Year ended 31 March 2017	Year ended 31 March 2016
Profit as before tax	4,052,814	4,997,614
Tax rate	12.50%	13.75%
Expected tax expense	**506,602**	**687,172**
Non taxable income	(597,079)	(274,508)
Allowance and income not subject to tax		
Expenses not deductible for tax purposes	80,702	-
Special defense contribution	84	-
Unabsorbed tax losses for which no deferred tax asset was recognized	9,775	-
Actual tax expense	**84**	**412,664**

24 First time adoption of Ind AS

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

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on or after 31 March 2016, together with the comparative period data as at and for the year ended 31 March 2016, as described in the

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

summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2015 which is the Company's date of transition to Ind AS. This note explains the key adjustments made by the Company in restating its Indian GAAP financial statements, including the Balance Sheet as at 1 April 2015 and the financial statements as at and for the year ended 31 March 2016 to Ind AS.

a) Exemptions applied:

(i) Share-based payment transactions

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

(ii) Investments in subsidiaries, joint ventures and associates

The Company has elected to measure investment in subsidiary company at cost.

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

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

b) Exceptions from full retrospective application:

(i) Estimates exception

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

(ii) Derecognition of financial assets and liabilities exception

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

c) Renconciliations between previous GAAP and Ind AS

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

Reconciliation of equity as at date of transition i.e. 1 April 2015				
	Notes	**Previous GAAP**	**Adjustments**	**Ind AS**
ASSETS				
Non current assets				
Financial assets				
Investments	3 & 4	85,766,538	(3,355,639)	82,410,899
Other financial assets	1, 2 & 4	-	27,139,094	27,139,094
Total non-current assets		**85,766,538**	**23,783,455**	**109,549,993**
Current assets				
Financial assets				
Cash and cash equivalents		180,734	-	180,734
Total current assets		**180,734**	**-**	**180,734**
Total assets		**85,947,272**	**23,783,455**	**109,730,727**

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

	Notes	Previous GAAP	Adjustments	Ind AS
EQUITY AND LIABILITIES				
Equity				
Equity share capital		2,060,737	-	2,060,737
Other equity	1, 2, 3 & 4	77,441,027	(8,162,544)	69,278,483
Total Equity		**79,501,764**	**\(8,162,544)**	**71,339,220**
Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings	1	-	31,945,999	31,945,999
Total non-current liabilities		**-**	**31,945,999**	**31,945,999**
Current liabilities				
Financial liabilities				
Trade payables		1,200,592	-	1,200,592
Other current liabilities		1,706,074	-	1,706,074
Provisions		200	-	200
Current tax liabilities (net)		3,538,642	-	3,538,642
Total current liabilities		**6,445,508**	**-**	**6,445,508**
Total liabilities		**6,445,508**	**31,945,999**	**38,391,507**
Total equity and liabilities		**85,947,272**	**23,783,455**	**109,730,727**

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

Reconciliation of equity as at 31 March 2016

	Notes	Previous GAAP	Adjustments	Ind AS
ASSETS				
Non current assets				
Financial assets				
Investments	3 & 4	85,766,539	(3,509,447)	82,257,092
Other financial assets	2, 3 & 4	-	25,977,671	25,977,672
Total non-current assets		**85,766,539**	**22,468,224**	**108,234,764**
Current assets				
Financial assets				
Cash and cash equivalents		44,830	-	44,830
Total current assets		**44,830**	**-**	**44,830**
Total assets		**85,811,369**	**22,468,224**	**108,279,594**

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

	Notes	Previous GAAP	Adjustments	Ind AS
EQUITY AND LIABILITIES				
Equity				
Equity share capital		2,060,737	-	2,060,737
Other equity	1, 2, 3 & 4	77,832,588	(6,511,275)	71,321,313
Total Equity		**79,893,325**	**(6,511,275)**	**73,382,050**
Liabilities				
Non-current liabilities				
Financial Liabilities				
Borrowings	1	-	28,979,500	28,979,500
Total non-current liabilities		**-**	**28,979,500**	**28,979,500**
Current liabilities				
Financial Liabilities				
Trade payables		89,859	-	89,859
Other current liabilities		2,123,972	-	2,123,972
Provisions		221	-	221
Current tax liabilities (net)		3,703,992	-	3,703,992
Total current liabilities		**5,918,044**	**-**	**5,918,044**
Total liabilities		**5,918,044**	**28,979,500**	**34,897,544**
Total equity and liabilities		**85,811,369**	**22,468,225**	**108,279,594**

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

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

	Notes	Previous GAAP	Adjustments	Ind AS
Revenue				
Other income	1 & 2	721,077	5,644,420	6,365,497
Total revenue		**721,077**	**5,644,420**	**6,365,497**
Expenses				
Finance costs		1,304	-	1,304
Other expenses	1, 2 & 4	81,764	1,284,815	1,366,579
Total expenses		**83,068**	**1,284,815**	**1,367,883**
Profit for the year before tax		**638,009**	**4,359,605**	**4,997,614**
Tax expense				
– current tax		412,664	-	412,664
– tax for earlier years		(247,313)	-	(247,313)
Profit after tax		**472,658**	**4,359,605**	**4,832,263**

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

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

	Notes	31 March 2016	1 April 2015
Total equity (shareholders' fund) as previous GAAP		79,893,325	79,501,764
Adjustments:			
Recognition of liability for class O preference shares	1	(31,945,999)	(31,945,999)
Net gain on fair valuation of class O preference shares liability	1	2,966,499	-
Recognition of receivable for class O preference shares	1	4,100,780	4,100,780
Interest income on class O preference shares receivable	1	667,967	-
Loss on reinstatement of class O preference shares receivable	1	(235,673)	-
Recognition of warrants receivable	2	19,304,304	19,304,304
Interest income on warrant receivable	2	2,017,495	-
Loss on reinstatement of warrant receivable	2	(1,173,321)	-
Distribution to owners on extension of period of receivable	2	(2,635,626)	-
Recognition of investment on account of employee share based transactions	3	224,564	378,371
Interest income on fair valuation of convertible preference shares receivable	4	197,735	-
Total adjustments		**(6,511,275)**	**(8,162,544)**
Total equity as per Ind AS		**73,382,050**	**71,339,220**

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

	Notes	31 March 2016
Profit after tax as per previous GAAP		472,658
Adjustments:		
Net gain on fair valuation of class O preference shares liability	1	2,966,500
Interest income on class O preference shares receivable	1	667,966
Loss on reinstatement of class O preference shares receivable	1	(235,674)
Interest income on warrant receivable	2	2,017,495
Loss on reinstatement of warrant receivable	2	(1,173,342)
Employee share based expense reversal	3	(81,076)
Interest income on fair valuation of convertible preference shares receivable	4	197,736
Total Adjustment		**4,359,605**
Profit after tax as per Ind AS		**4,832,263**
Other Comprehensive Income		**-**
Total Comprehensive income as per Ind AS		**4,832,263**

d) Notes to first time adoption of Ind As

1. Class O preference shares

During the year ended 31 March 2014, the Company issued 16,504,745 class O preference shares of USD 10 each in two tranches dated 8 April 2013 and 1 October 2013. These preference shares are either redeemable or convertible into shares at the option of the holder into ordinary shares in the ratio of 1:1. The conversion ratio is subject to change so as to provide a fixed return to Class O preference shareholders in case of a liquidity event. Hence, the embedded derivative (convertible option) meets

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

the definition of a liability. Management has designated the whole instrument, including the derivative, to be recognised at fair value through profit or loss. Accordingly, the aforementioned preference shares aggregating to USD 468,884 and USD 26,594,883 from share capital and securities premium under previous GAAP respectively were reclassified to Borrowings under Ind AS as at 1 April 2015.

In the year ended 31 March 2016, the Company recognised gain on fair valuation of above preference shares amounting to USD 2,966,500 which resulted into increase in profit before tax by the equal amount.

Further from total preference shares issued, 6,376,833 shares are partly paid up. Pursuant to provisions of Ind AS 109, Financial Instruments, the Company recognised amount receivables in respect of unpaid portion of preference shares amounting to USD 4,533,074 as at 31 March 2016 (1 April 2015: USD 4,100,780) with a corresponding credit to other equity.

In the year ended 31 March 2016, the Company recognised USD 667,967 as interest income on the aforementioned preference shares and loss on reinstatement of abovementioned receivable amounting to USD 235,673. This resulted into net increase in profit before tax by USD 432,293 for the year ended 31 March 2016.

25 Adoption of new and revised Ind AS

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

Amendment to Ind AS 7:

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

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

Amendment to Ind AS 102:

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

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

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

26 The financial statements were approved for issue by the Board of Directors on 14 April 2017.

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

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

Place: Noida
Date: 14th April, 2017

For and or behalf of the Board of Directors of
NW18 HSN Holdings PLC

George Flourentzou
Director

Milorad Vujnovic
Director

Place: Cyprus
Date: 14th April, 2017