

**INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS**

**To the Members of Media Matrix Enterprises Private Limited (Formerly Media Matrix Holdings Private Limited)**

**Report on the Financial Statements**

We have audited the accompanying financial statements of **Media Matrix Enterprises Private Limited** ('the Company'), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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.

**Auditors' Responsibility**

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

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

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



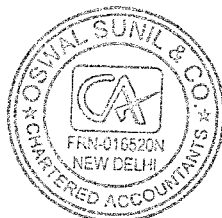
### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31<sup>st</sup> March, 2015, its profit and its cash flows for the year ended on that date:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2015;
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date, and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.


### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ('the Order') issued by the Central Government in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Companies Act, 2013, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c. The Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e. On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2015 from being appointed as a director in terms of sub-section (2) of section 164 of the Companies Act, 2013.
  - f. In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:
    - i. The Company does not have any pending litigations which would impact its financial position.
    - ii. The Company did not have any long-term contracts including derivative contracts, as such the question of commenting on any material foreseeable losses thereon does not arise.



- iii. There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise.

For **Oswal Sunil & Company**  
Chartered Accountants  
Firm Registration No. 016520N

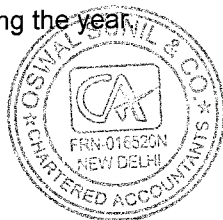
  
**CA Amit Nowlakha**  
Partner  
Membership No. 513504

Place: New Delhi  
Dated: 25.05.2015

**ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT**


(Referred to in paragraph 1 under 'Report on other Legal and Regulatory Requirements' section of our report of even date)

- i. Having regard to the nature of the Company's business/activities/result, clause 3(i) regarding Fixed Assets and clause 3(ii) regarding Inventory of the Order are not applicable.
- ii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
- iii. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for sale of services. We have neither come across nor have been informed of any continuing failure to correct major weaknesses in internal control system.
- iv. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits during the year from the public to which the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under apply, or an order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.
- v. As informed to us, the Central Government has not prescribed maintenance of cost records under Section 148 of the Companies Act, 2013 in respect of the products of the Company.
- vi.
  - a. The Company is generally regular in depositing with appropriate authorities, undisputed statutory dues including income tax, service tax, works contract tax, cess and other material statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts were in arrears as at 31st March, 2015 for a period of more than six months from the date they become payable.
  - b. According to the information and explanations given to us, there are no dues in respect of, Sales Tax/Vat, Income Tax, Wealth Tax, Service Tax, Custom Duty and Cess as at 31st March, 2015, which have not been deposited with the appropriate authorities on account of any dispute.
  - c. According to the information and explanations given to us, no amount was required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 2013.
- vii. The Company incorporated on 21<sup>st</sup> February, 2011, has been registered for a period less than five years. Accordingly, the provisions of clause 3(viii) of the Companies (Auditor's Report) Order 2015, regarding losses, etc. are not applicable to the Company.
- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or banks.
- ix. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions. Accordingly, the provisions of clause 3(x) of the Order are not applicable to the Company.
- x. In our opinion and on the basis of information and explanations given to us, no term loan has been taken by the Company during the year.



- xi. During the course of our examination of the books and records of the Company, carried in accordance with the auditing standards generally accepted in India, we have neither come across any instance of fraud on or by the Company noticed or reported during the course of our audit nor have we been informed of any such instance by the Management.

For **Oswal Sunil & Company**  
Chartered Accountants  
Firm Registration No. 016520N

  
*Amit Nowlakha*  
**Amit Nowlakha**  
Partner  
Membership No. 513504

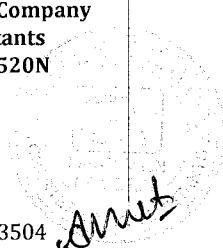
Place: New Delhi  
Dated: 25.05.2015

**MEDIA MATRIX ENTERPRISES PRIVATE LIMITED**  
(FORMELY MEDIA MATRIX HOLDINGS PRIVATE LIMITED)  
**BALANCE SHEET AS AT 31st MARCH 2015**

				( Rupees)
Particulars	Note No.	As at 31st March 2015	As at 31st March 2014	
<b>I EQUITY AND LIABILITY</b>				
<b>Shareholders Funds</b>				
Share Capital	2	200,00,000	200,00,000	
Reserves and Surplus	3	(23,38,073)	(23,58,493)	
<b>Non- Current Liabilities</b>				
Long-Term Borrowings	4	1519,00,000	1519,00,000	
<b>Current Liabilities</b>				
Short-Term Borrowings	5	384,50,000	1894,00,000	
Other Current Liabilities	6	33,165	8,35,980	
Short-Term Provisions	7	1,56,208	1,50,057	
<b>Total</b>		<b>2082,01,300</b>	<b>3599,27,544</b>	
<b>II ASSETS</b>				
<b>Non Current Assets</b>				
Non- Current Investments	8	2070,56,600	2380,28,296	
Long-term Loans and Advances	9	-	1191,92,416	
Other Non- Current Assets	10	1,36,338	1,40,778	
<b>Current Assets</b>				
Trade Receivables	11	1,08,000	-	
Cash and Cash Equivalents	12	4,38,714	18,48,876	
Short-Term Loans and Advances	13	4,61,648	7,17,178	
<b>Total</b>		<b>2082,01,300</b>	<b>3599,27,544</b>	
<b>Significant Accounting Policies</b>	<b>1</b>			
<b>Other Notes forming part of Financial Statements</b>	<b>2 to 28</b>			

As per our report of even date attached  
For Oswal Sunil & Company  
Chartered Accountants  
Firm Reg no :- 016520N

CA Amit Nowlakha  
Partner  
Membership No: 513504



For and on behalf of the Board

A K Jain  
Director

B B Chugh  
Director

Place : New Delhi

Date : 25.05.2015

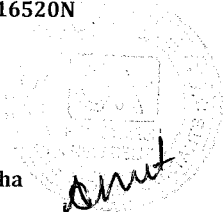
**MEDIA MATRIX ENTERPRISES PRIVATE LIMITED**  
(FORMELY MEDIA MATRIX HOLDINGS PRIVATE LIMITED)  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2015**

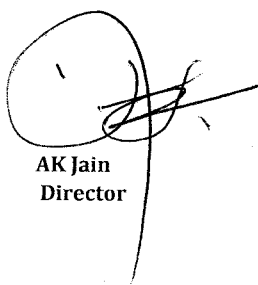
Particulars	Note No.	Year ended 31st March 2015	Year ended 31st March 2014
<b>( Rupees)</b>			
<b>Revenue</b>			
Revenue from Operations	14	1,20,000	-
Other Income	15	17,440	16,81,325
<b>Total Revenue</b>		<b>1,37,440</b>	<b>16,81,325</b>
<b>Expenses</b>			
Finance Cost	16	8,988	9,06,071
Administrative and Other Expenses	17	1,07,853	1,48,153
<b>Total Expenses</b>		<b>1,16,841</b>	<b>10,54,224</b>
<b>Profit before exceptional items and extraordinary items and tax</b>		<b>20,599</b>	<b>6,27,101</b>
Exceptional Items		-	-
<b>Profit before extraordinary items and tax</b>		<b>20,599</b>	<b>6,27,101</b>
Extraordinary Items		-	-
<b>Profit before tax</b>		<b>20,599</b>	<b>6,27,101</b>
Tax Expense		-	-
Current tax		6,152	1,23,555
Less : Mat Credit		(5,972)	(1,19,956)
<b>Profit (Loss) for the period from continuing operation(after tax)</b>		<b>20,419</b>	<b>6,23,502</b>
<b>Profit (Loss) for the Period</b>		<b>20,419</b>	<b>6,23,502</b>
<b>Earning per share (Face value of Rs.10/- each)</b>	21		
Basic (Rs.)		0.01	0.31
Diluted (Rs.)		0.001	0.04
<b>Significant Accounting Policies</b>	1		
<b>Other Notes forming part of Financial Statements</b>	2 to 28		

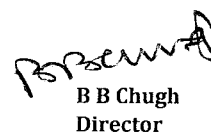
As per our report of even date attached  
For Oswal Sunil & Company  
Chartered Accountants  
Firm Reg no :- 016520N

For and on behalf of the Board

CA Amit Nowlakha  
Partner  
Membership No: 513504



  
AK Jain  
Director

  
B B Chugh  
Director

Place : New Delhi

Date: 25.05.2015

**MEDIA MATRIX ENTERPRISES PRIVATE LIMITED**  
 (FORMELY MEDIA MATRIX HOLDINGS PRIVATE LIMITED)  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2015**

Particulars		Year ended 31st March 2015	Year ended 31st March 2014
<b>A</b>	<b>Cash flows from Operating activities</b>		
	Profit before tax	20,599	6,27,101
	Adjusted for:		
	Depreciation and amortisation	-	9,03,868
	Interest expense	-	(15,89,816)
	Interest income	-	(84,111)
	Dividend on non-trade investments	-	-
	Profit/(Loss) on sale of investments, net	(10,535)	-
	<b>Operating profit before working capital changes</b>	10,064	(1,42,958)
	<b>Movement in working capital</b>		
	Decrease/ (increase) in trade receivables	(1,08,000)	-
	Decrease/(Increase) in loans and advances	2,55,530	(1,66,386)
	Decrease/(Increase) in other current assets	4,440	(1,09,544)
	Increase/ (decrease) in current liabilities and Short term provisions	(1517,46,664)	(2077,69,485)
	<b>Cash generated from operations</b>	(1515,84,630)	(2081,88,373)
	Direct taxes paid	(179)	(3,599)
	<b>Net cash from operating activities</b>	(1515,84,809)	(2081,91,972)
<b>B</b>	<b>Cash flows from Investing activities</b>		
	Purchase of investments	(85,00,000)	(400,00,000)
	Term loan received back	1191,92,416	972,04,000
	Proceeds from sale of investments	394,82,231	-
	Dividend and Interest income	-	16,73,927
	<b>Net cash used for investing activities</b>	1501,74,647	588,77,927
<b>C</b>	<b>Cash flows from Financing activities</b>		
	Proceeds from term loans	-	1519,00,000
	Proceeds from issue of share capital/Share application money	-	-
	Interest paid	-	(9,03,868)
	<b>Net cash from (used for) financing activities</b>	-	1509,96,132
	Exchange differences on translation of foreign currency cash and cash equivalents	-	-
	<b>Net increase in cash and cash equivalents (A+B+C)</b>	(14,10,162)	16,82,087
	Cash and cash equivalents at the beginning of the year	18,48,876	1,66,789
	<b>Cash and cash equivalents at the end of the year</b>	<b>4,38,715</b>	<b>18,48,877</b>
	<b>Cash and bank balances as per Note no.12</b>	4,38,714	18,48,876
	Less: Fixed Deposit greater than three months	-	-
	<b>Cash and cash equivalents in cash flow statement</b>	<b>4,38,714</b>	<b>18,48,876</b>

**Notes:-**

1) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard - 3 Cash Flow Statement

As per our report of even date attached  
 For Oswal Sunil & Company  
 Chartered Accountants  
 Firm Reg no :- 016520N

CA Amit Nowlakra  
 Partner

*Amit*

For and on behalf of the Board

*[Signature]*

A K Jain  
 Director

*[Signature]*

B B Chugh  
 Director

Place : New Delhi

Date : 25.05.2015



**MEDIA MATRIX ENTERPRISES PRIVATE LIMITED**  
(FORMELY MEDIA MATRIX HOLDINGS PRIVATE LIMITED)  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

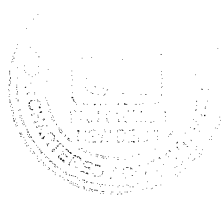
(Rupees)

Particulars	As at	
	31st March 2015	31st March 2014
<b>Note No.2</b>		
<b>Share Capital</b>		
<b>Authorised</b>		
20,00,000 (20,00,000) Equity Shares of Rs 10/- each	200,00,000	200,00,000
	<b>200,00,000</b>	<b>200,00,000</b>
<b>Issued,Subscribed &amp; Paid up</b>		
20,00,000 (20,00,000) Equity Shares of Rs 10/- each	200,00,000	200,00,000
<b>Total</b>	<b>200,00,000</b>	<b>200,00,000</b>
<b>Note No. 2 (a)</b>		
<b>Reconciliation of Shares Outstanding</b>		
	<b>Numbers</b>	
Shares Outstanding at the beginning of the period	20,00,000	20,00,000
Add : Shares issued during the period	-	-
Shares outstanding at the end of the year	20,00,000	20,00,000
<b>Note No. 2(b)</b>		
<b>Shareholder(s) Holding More Than 5% Shares</b>		
	<b>Nos of Shares % of Holding</b>	<b>Nos of Shares % of Holding</b>
Media Matrix Worldwide Limited ( the Holding Company) *	2,000,000 (100%)	2,000,000 (100%)
<i>* 06 Shares are held by six individuals as nominee of Media Matrix Worldwide Limited</i>		
<b>Note No. 3</b>		
<b>Reserves and Surplus</b>		
<b>Surplus</b>		
Opening Balance	(23,58,493)	(29,81,995)
Add : Profit/ (Loss) for the Current year	20,419	6,23,502
Closing Balance	<b>(23,38,073)</b>	<b>(23,58,493)</b>
<b>Total</b>		
<b>Note No. 4</b>		
<b>Long Term Borrowings</b>		
<b>Unsecured</b>		
0% Compulsorily Convertible Debentures (CCD,s) (Terms of repayment :- Refer Additional Note no 22.)	1519,00,000	1519,00,000
<b>Total</b>	<b>1519,00,000</b>	<b>1519,00,000</b>
<b>Note No. 5</b>		
<b>Short Term Borrowings</b>		
<b>Unsecured</b>		
<b>Loans and advances from related parties</b> (Terms of repayment :- Repayable on demand)	384,50,000	409,00,000
<b>Other Loans and Advances</b> Inter Corporate Deposit (Terms of repayment :- Repayable on demand)	-	1485,00,000
	<b>384,50,000</b>	<b>1894,00,000</b>
<b>Note No. 6</b>		
<b>Other Current Liabilities</b>		
TDS Payable	4,000	-
Interest accrued and due on Borrowings	-	8,13,480
Provision for Expenses	29,165	22,500
	<b>33,165</b>	<b>8,35,980</b>
<b>Note No. 7</b>		
<b>Short Term Provisions</b>		
Provision for Income Tax	1,56,208	1,50,057
<b>Total</b>	<b>1,56,208</b>	<b>1,50,057</b>
<b>Note No. 9</b>		
<b>Long-term Loans and Advances</b> (Unsecured, Considered good)		
-Loans and advances to related parties	-	1191,92,416
	-	<b>1191,92,416</b>
<b>Note No. 10</b>		
<b>Other Non Current Assets</b>		
Mat Credit Entitlement	1,25,928	1,19,956
<b>Miscellaneous expenditure (to the extent not written off)</b>		
Preliminary Expenses	20,822	31,234
Less : Amount written off	(10,412)	(10,412)
	10,410	20,822
<b>Total</b>	<b>1,36,338</b>	<b>1,40,778</b>
<b>Note No. 11</b>		
<b>Trade Receivables</b> Unsecured,Considered good		
Debts Outstanding for a period exceeding six month	-	-
Others	1,08,000	-
<b>Total</b>	<b>1,08,000</b>	<b>-</b>
<b>Note No. 12</b>		
<b>Cash &amp; Cash Equivalents</b>		
Cash on Hand	50,000	-
<b>Balance with banks</b> - Balances in Short term accounts	3,88,714	18,48,876
<b>Total</b>	<b>4,38,714</b>	<b>18,48,876</b>
<b>Note No. 13</b>		
<b>Short Term Loans and Advances</b> (Unsecured, Considered good)		
<b>Other Advances</b> TDS Recoverable	4,61,648	7,17,178
<b>Total</b>	<b>4,61,648</b>	<b>7,17,178</b>

**MEDIA MATRIX ENTERPRISES PRIVATE LIMITED**  
 ( FORMELY MEDIA MATRIX HOLDINGS PRIVATE LIMITED)  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

( Rupees)

PARTICULAR	Year ended 31st March 2015	Year ended 31st March 2014
<b>Note No. 14</b>		
<b>Revenue from operations</b>		
Consultancy Income (Tax deducted at Source Rs 12,000/-;PY Nil)	1,20,000	-
<b>Total</b>	<b>1,20,000</b>	<b>-</b>
<b>Note No. 15</b>		
<b>Other Income</b>		
Interest (Tax deducted at source Nil; PY Rs.1,66,386/-)	17,440	15,89,816
Dividend Income	-	84,111
Short Term Capital Gain	-	7,398
<b>Total</b>	<b>17,440</b>	<b>16,81,325</b>
<b>Note No. 16</b>		
<b>Finance Cost</b>		
Bank Charges	8,988	2,203
Interest on Loan	-	9,03,868
<b>Total</b>	<b>8,988</b>	<b>9,06,071</b>
<b>Note No. 17</b>		
<b>Administrative and Other Expenses</b>		
Payment to Auditors		
-As Auditors	22,500	22,500
-for Other Services	10,000	-
Preliminary Expenses W/Off	10,412	10,412
Loss on Sale of Non-Current Investments (Net)	10,535	-
Legal and Professional Charges	33,448	22,281
Rates & Taxes	20,958	2,635
Travelling Expenses	-	90,325
<b>Total</b>	<b>1,07,853</b>	<b>1,48,153</b>



**MEDIA MATRIX ENTERPRISES PRIVATE LIMITED**  
 ( FORMELY MEDIA MATRIX HOLDINGS PRIVATE LIMITED)  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**  
**NOTE NO.8 :- NON CURRENT INVESTMENTS**

( Rupees)

PARTICULARS	Face Value	As at 31st March 2015		As at 31st March 2014	
		NO. OF SHARE/UNITS	AMOUNT RUPEES	NO. OF SHARE/UNITS	AMOUNT RUPEES
<b>INVESTMENTS IN EQUITY INSTRUMENTS (AT COST)</b> <b>(IN FELLOW SUBSIDIARIES- UNQUOTED)</b>					
DigiVive Services Private Limited	10/-	20,15,000	2,02,00,400	20,15,000	2,02,00,400
Digicall Teleservices Private Limited	10/-	69,00,100	13,83,46,200	69,00,100	13,83,46,200
<b>( OTHER INVESTMENTS- QUOTED )</b>					
Network 18 Media and Investment Limited	5/-	-	-	7,20,000	3,94,71,696
<b>Total 'A'</b>			<b>15,85,46,600</b>		<b>19,80,18,296</b>
<b>INVESTMENTS IN 0% COMPULSORILY CONVERTIBLE DEBENTURES (CCDS), FULLY PAID UP IN FELLOW SUBSIDIARIES ( AT COST , UNQUOTED)</b>					
DigiVive Services Private Limited ( Refer Additional Note No 23.)	1000/-	8,500	85,00,000	-	-
<b>INVESTMENTS IN 0% UNSECURED OPTIONALLY FULLY CONVERTIBLE DEBENTURES (OFCDs), FULLY PAID UP ( AT COST , UNQUOTED)</b>					
One Click Technologies Private Limited ( Refer Additional Note No 24.)	1000/-	40,000	4,00,00,000	40,000	4,00,00,000
<b>Total 'B'</b>			<b>4,85,00,000</b>		<b>4,00,00,000</b>
<b>OTHER NON CURRENT INVESTMENTS **</b> <b>( OTHER INVESTMENTS-UNQUOTED)</b>					
Contribution-MS Digiventures LLP <b>(10% Of the total Contribution)</b>		-	10,000	-	10,000
<b>Total 'C'</b>		-	<b>10,000</b>	-	<b>10,000</b>
<b>Total 'A' + 'B' + 'C'</b>		-	<b>20,70,56,600</b>	-	<b>23,80,28,296</b>

Particular	Market Value	Book Value	Market Value	Book Value
Aggregate amount of Quoted Investment	-	-	2,10,96,000	3,94,71,696
Aggregate amount of Unquoted Investment	-	19,85,56,600	-	19,85,56,600
<b>Total</b>	-	<b>19,85,56,600</b>	<b>2,10,96,000</b>	<b>23,80,28,296</b>

\*\*

Investment in MS Digiventures LLP		As at	As at
Name of the Designated Partners		31st March 2015	31st March 2014
<b>Designated Partner 1</b> : Mr Sunil Batra		90,000	90,000
<b>Designated Partner 2</b> : Media Matrix Enterprises Pvt Ltd	(Formerly Media Matrix Holdings Pvt Ltd)	10,000	10,000
<b>Total Contribution</b>		<b>1,00,000</b>	<b>1,00,000</b>



**MEDIA MATRIX ENTERPRISES PRIVATE LIMITED**  
(Formerly Media Matrix Holdings Private Limited)

**NOTE-01: SIGNIFICANT ACCOUNTING POLICIES**

**A. Basis of Accounting**

- i) The financial statements are prepared in accordance with Indian Generally Accepted Accounting principles ("GAAP") under the historical cost convention on an accrual basis. GAAP comprises mandatory Accounting Standards referred to in section 133 of the companies Act 2013 read with Rule 7 of Company (Accounts) Rules 2014, to the extent applicable. The Management evaluates all recently issued or revised accounting standards on an ongoing basis.
- ii) The preparation of the Financial Statements in conformity with GAAP requires that the management of the Company makes estimates and assumptions that affect the reported accounts of income and expenses of the period, reported values of assets and liabilities and disclosures relating to contingent assets and liabilities as of date of the financial statements. Examples of such estimates include provision for doubtful debts, provision for doubtful loans and advances, estimated period of utility of tangible / intangible assets. Actual results may differ from these estimates.

**B. Revenue Recognition**

- i) Revenue from services is recognized as services are rendered, in accordance with the terms of contracts with concerned parties.
- ii) Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

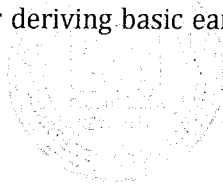
**C. Income-Tax**

- i) Current Tax: Provision for current tax is made on the estimated taxable income at the rate applicable to the relevant assessment year,
- ii) Deferred Tax: In accordance with the Accounting Standard 22 - Accounting for taxes on Income, prescribed by Companies (Accounting Standard) Rules, 2006, the deferred tax for the timing differences is accounted for using the tax rates and laws that have been enacted or substantially enacted by the Balance Sheet date, Deferred tax assets arising from the timing differences are recognized only on the consideration of prudence,

**D. Earnings Per Share**

Basic earnings per share are calculated by dividing the net earnings for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For calculating diluted earnings per share, the number of shares comprise the weighted average shares considered for deriving basic earnings per share, and also the weighted



average number of shares, if any which would have been used in the conversion of all dilutive potential equity shares. The number of shares and potentially dilutive equity shares are adjusted for the bonus shares and the sub-division of shares, if any.

**E. Investments**

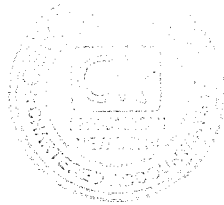
Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investment is classified as Non-Current investment. Non Current investment is stated at cost. Current investment are carried at lower of cost and fair value and determined on an individual investment basis.

**F. Preliminary Expenses**

Preliminary Expenses are amortized over a period of five years from the year of commencement of operations.

**G. Contingent Liabilities**

No provision is made for a liability which is contingent in nature but if material, the same is disclosed by way of note to the accounts.



## ADDITIONAL NOTES

18. Contingent Liability (Not provided for)- NIL
- i) The Company's pending litigations comprise of claims against the Company and proceedings pending with Tax Authorities / Statutory Authorities. The Company has reviewed all its pending litigations and proceedings, if any and has made adequate provisions, wherever required and disclosed the contingent liabilities, wherever applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a material impact on its financial position
- ii) The Company periodically reviews all its long term contracts to assess for any material foreseeable losses. Based on such review wherever applicable, the Company has made adequate provisions for these long term contracts in the books of account as required under any applicable laws/accounting standards.
- iii) As at March 31, 2015 the Company did not have any outstanding long term derivative contracts.
19. There are no Micro, Small Enterprises to whom the Company owes dues, which are outstanding for more than forty five days as at 31<sup>st</sup> March, 2015. The identification of Micro, Small Enterprises and information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined on the basis of information available with the Company.

The disclosure pursuant to the said Act is as under:	Rs.
(i) Principal amount and the interest thereon	-
(ii) Interest paid (along with payment made to Suppliers) beyond the appointed day during the Period	-
(iii) Interest due and payable for delay in making the payment	-
(iv) Interest accrued and remaining unpaid at the end of the Period	-
(v) Further interest remaining due and payable in succeeding years	-

20. The Company does not have any item resulting into timing differences as at March 31, 2015 and therefore no provision for deferred taxes is required.

### 21. **Basic Earnings Per Share**

	As at March 31, 2015	As at March 31, 2014
Profit (Loss) after Tax (Rs)	20,419	623,502
Weighted Average No of Equity Shares	2,000,000	2,000,000
Weighted Average No of Equity Shares for diluted EPS	17,190,000	17,190,000
Nominal Value of Share	10/-	10/-
Earnings per Share (Basic EPS)	0.01	0.31
Earnings per Share (Diluted EPS)	0.001	0.04

22. Company had issued unsecured 0% Compulsorily Convertible Debentures (CCDs) to its holding company amounting to Rs 151,900,000/- . The said CCDs will be compulsorily converted into equity shares after 9 years from the date of allotment at Book Value or Face Value of Equity Shares at the time of conversion, whichever is higher.
23. During the year, Company had invested in unsecured 0% Compulsorily Convertible Debentures (CCDs) of its fellow Subsidiary Digivive Services Private Limited amounting to Rs 8,500,000/- . The said CCDs will be compulsorily converted into equity shares after 9 years from the date of allotment at Book Value or Face Value of Equity Shares at the time of conversion, whichever is higher
24. Company had invested in Optionally Fully Convertible Debentures (OFCD,s) of One Click Technologies Private Limited amounting to Rs 40,000,000/- with following terms and conditions:
- a) The terms of the OFCD of Rs. 1,000 each shall be as follows:
- i. In case the conversion option is exercised by MMEPL, each OFCD would be converted into such number of Equity Share of Re. 10/- each which would give MMHPL effective equity stake of 26% at the time of conversion;
  - ii. At any time after 3 months from the date of allotment of OFCDs and within 24 months from the date of allotment, OFCDs can be converted into equity shares at the option of the OFCD Holder. If the conversion option is not exercised by the OFCD holder within 24 months, the OFCDs would be redeemable by the Company at redemption premium of 15% of face value i.e. Rs.11.50 per OFCD;
  - iii. Coupon on the OFCD is 0% p.a. payable annually;
  - iv. Tenure of the OFCDs is 24 months from the date of allotment.
  - v. MMHPL shall have veto rights to vote on any matter of material significance.
- b) Investment to give MMHPL fixed stake of 26% in the Company post conversion of OFCDs based on post money valuation of the Company of Rs. 153.84 million.
- c) MMHPL shall have the right to increase its stake to 51% at any-time during the period of two years from the date of conversion of OFCD into equity shares, and to have control over the operations by making additional investment at the purchase consideration to be agreed between MMHPL and the Promoter based on the valuation prevailing at that time of additional investment.
25. Related Party Disclosure (AS-18) :
- A) Related Parties Disclosures, as identified by the Management**

**Related Parties where Control exists:**

Digivision Holdings Private Limited. (Ultimate holding company)  
Media Matrix Worldwide Limited. (Immediate holding company)

**Fellow Subsidiaries:**

Digicall Teleservices Private Limited.  
Nexg Devices Private Limited.  
DigiVive Services Private limited.  
Digivision Wireless Private Limited  
Digicall Global Services Private Limited



**B) Transactions with Related Parties**

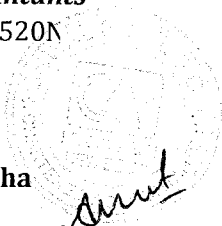
Name of the Party	Description	Volume of transactions during the year	Amount as on 31.03.2015
Media Matrix Worldwide Ltd	Receipt of Loan	-24,50,000 (40,900,000/-)	38,450,000/- (40,900,000/-)
	Issue of CCD,s	- (151,900,000/-)	151,900,000/- (151,900,000/-)
	Interest on Loan	- (903,868/-)	- (813,480/-)
Digicall Teleservices Private Ltd	Loan Given	-78,492,416/- (-94,074,000/-)	- (78,492,416/-)
DigiVive Services Private Ltd	Loan Given	-40,700,000/- (16,550,000/-)	- (40,700,000/-)
	Investment in CCDs	8,500,000/- (-)	8,500,000/- (-)

*Note: Figures in bracket represent previous year figures*

26. In the opinion of the Board, Current Assets and Loan & Advances are of the value stated, if realized in the Ordinary course of business.
27. The Company has made investments which are of long term in nature. In the opinion of the management, the investments are strategic in nature and hence any current diminution in value of the investments are considered temporary, and therefore, no provision in value of investment has been made.
28. The previous year figures have been regrouped, rearranged or recast, wherever necessary, to make them comparable.

As per our report of even date attached  
For **Oswal Sunil & Company**  
**Chartered Accountants**  
Firm Reg No:016520N

CA Amit Nowlakha  
Partner  
Membership No.513504



For and on behalf of the Board

  
AK Jain  
Director

  
B B Chugh  
Director

Place: New Delhi  
Date :