

**INDEPENDENT AUDITOR'S REPORT**

To the Members of **MEDIA MATRIX HOLDINGS PRIVATE LIMITED (formerly Digicall Holdings Private Limited)**

**Report on the Financial Statements**

We have audited the accompanying financial statements of **M/s MEDIA MATRIX HOLDINGS PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2014, 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 Management is responsible for 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 Standards notified under the Companies Act, 1956 ('the Act') read with the General Circular 15/2013 Dated 13<sup>th</sup> September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control 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 Management, 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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:


- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2014;
- (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, 2003("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
  - (a) We have 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 notified under the Companies Act, 1956 ('the Act') read with the General Circular 15/2013 Dated 13<sup>th</sup> September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013.
  - (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

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

  
(CA Amit Nowlakhia)  
NEW DELHI  
Partner  
M. No.: 513504

Place: New Delhi  
Dated: 26 MAY 2014



**ANNEXURE TO THE AUDITORS' REPORT**

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

- 1 The Company is not having any owned Fixed Asset during the year under review hence the Para 4(i) of the said Order is not applicable to the Company
- 2 As the Company has not purchased/ sold goods during the audit year nor there is any opening/ closing stocks, requirement of reporting on physical verification of stocks or maintenance of inventory records, in our opinion, does not arise.
- 3 In respect of the Loans, secured or unsecured, granted or taken by the Company to/ from companies, firms or other parties covered in the register maintained u/s 301 of the companies Act 1956:
  - (a) the Company has granted unsecured loans to three parties covered in the register maintained under section 301 of the Act. The amount involved in the transactions is Rs. 27.96 crores and year-end balance is Rs. 11.92 crore.
  - (b) In our opinion, the rate of interest, if applicable, and other terms and conditions of loans given by the Company are prima facie not prejudicial to the interest of the Company; and
  - (c) The aforesaid loans are repayable on demand and there is no repayment schedule.
  - (d) The Company has taken interest free, unsecured loan from two party covered in the register maintained under section 301 of the Act. The amount involved in the transaction is Rs. 26.60 crores and year-end balance is Rs. 4.09 crore;
  - (e) In our opinion, the terms and conditions of interest free loan taken by the Company are prima facie not prejudicial to the interest of the Company; and
  - (f) The aforesaid loan is long term and hence not yet due for repayment.
- 4 According to the information and explanations given to us, the Company has neither purchased any item of Inventory and Fixed Assets nor made any sale of goods or services during the year hence the question of adequate internal control procedure for purchase of Inventory and fixed assets and for the sale of goods or services does not arise.
- 5
  - a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements that need to be entered in the register maintained under section 301 of the Companies Act, 1956 have been so entered.
  - b) In our opinion and according to the information and explanations given to us, except for transactions in respect of which the management has informed us that the transactions are of specialized nature for which comparative prices are not available, the transactions made in pursuance of contracts or arrangements entered in the register required to be maintained under section 301 of the Companies Act, 1956 and exceeding the value of Rs. five lacs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- 6 The Company has not accepted any deposits from public within the meaning of section 58A and 58AA and the rules framed there under and any other relevant provisions of the Act with regard to deposits accepted from the public. We have been informed that no 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 in this regard.
- 7 In our opinion, the Company has an internal audit system commensurate with the size of the Company and the nature of its business.



- 8 The Central Government has not prescribed maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956 in respect of the products of the Company.
- 9
- (a) According to the records of the Company, the Company is generally regular in depositing undisputed statutory dues including Income Tax other material statutory dues to the extent applicable with the appropriate authorities and there are no undisputed statutory dues payable for a year of more than six months from the date they become payable as at 31<sup>st</sup> March 2014.
- (b) According to the records and information and explanations given to us, there are no dues in respect of income tax, service tax, wealth tax, sales tax, excise duty, custom duty and cess that have not been deposited with the appropriate authorities on account of any dispute.
- 10 The Company was incorporated on 21.02.2011 and has not completed 5 years as at 31<sup>st</sup> March, 2014, hence clause no. 4(x) of the said order is not applicable to the Company.
- 11 The Company has not taken any loan from any financial institution or bank. The Company has issued Compulsory Convertible Debenture during the year for the term of 5 years hence not yet due for payment.
- 12 According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 13 The Company is not a chit fund or a nidhi /mutual benefit fund /society, therefore, the provisions of clause 4 (xiii) of the said Order are not applicable to the Company.
- 14 On the basis of our examination of the Company's records, we are of the opinion that the Company is maintaining adequate records regarding transactions and contracts of its dealing in shares, securities and other investments and timely entries have been made in these records. The shares, securities and other investments have been held by the Company in its own name except to the extent of exemption granted under Section 49 of the Companies Act, 1956.
- 15 According to the records of the company and the information and explanation provided by the management, the company has not given any guarantee for the loans taken by others from banks or financial institutions.
- 16 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.
- 17 On the basis of information and explanations given to us and on an overall examination of the financial statements of the Company, no funds raised during the year on short-term basis have been used for long-term investment.
- 18 The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- 19 The Company has issued unsecured debentures during the year and hence requirement of reporting regarding creation of security in respect of debentures issued does not arise.
- 20 The Company has not raised any money through a public issue during the year.



- 21 Based on the audit procedure performed and on the basis of information and explanations provided by the management and to the best of our knowledge and belief, no material fraud on or by the Company has been noticed or reported during the course of our audit nor we have been informed of any such case by the management.

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



(CA Amit Nowlakha)  
Partner  
M. No.: 513504

Place: New Delhi  
Dated: 26 MAY 2014



**MEDIA MATRIX HOLDINGS PRIVATE LIMITED**  
( FORMELY DIGICALL HOLDINGS PRIVATE LIMITED)  
**BALANCE SHEET AS AT 31st MARCH 2014**

( Rupees)			
Particulars	Note No.	As at 31st March 2014	As at 31st March 2013
<b>I EQUITY AND LIABILITY</b>			
<b>Shareholders Funds</b>			
Share Capital	2	20,000,000	20,000,000
Reserves and Surplus	3	(2,358,493)	(2,981,995)
<b>Non- Current Liabilities</b>			
Long-Term Borrowings	4	151,900,000	-
<b>Current Liabilities</b>			
Short-Term Borrowings	5	189,400,000	276,197,108
Other Current Liabilities	6	813,480	121,899,200
Short-Term Provisions	7	172,557	59,214
<b>Total</b>		<b>359,927,544</b>	<b>415,173,527</b>
<b>II ASSETS</b>			
<b>Non Current Assets</b>			
Non- Current Investments	8	238,028,296	198,028,296
Long-terms Loans and Advances	9	119,192,416	216,396,416
Other Non- Current Assets	10	140,778	31,234
<b>Current Assets</b>			
Cash and Cash Equivalents	11	1,848,876	166,789
Short-Term Loans and Advances	12	717,178	550,792
<b>Total</b>		<b>359,927,544</b>	<b>415,173,527</b>
<b>Significant Accounting Policies</b>	1		
<b>Other Notes forming part of Financial Statements</b>	2 to 25		

As per our report of even date attached

For Oswal Sunil & Company

Chartered Accountants

Firm Reg no :- 016520N

CA Amit Nowlakhia  
Partner  
Membership No: 513504

For and on behalf of the Board

A K Jain  
Director

B B Chugh  
Director

Place : New Delhi


Date : 26th May 2014

**MEDIA MATRIX HOLDINGS PRIVATE LIMITED**  
( FORMELY DIGICALL HOLDINGS PRIVATE LIMITED)  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2014**

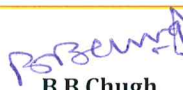
		( Rupees)	
Particulars	Note No.	Year ended 31st March 2014	Year ended 31st March 2013
<b>Revenue</b>			
Other Income	13	1,681,325	4,050,172
<b>Total Revenue</b>		<b>1,681,325</b>	<b>4,050,172</b>
<b>Expenses</b>			
Finance Cost	14	903,868	-
Administrative and Other Expenses	15	150,356	3,964,405
<b>Total Expenses</b>		<b>1,054,224</b>	<b>3,964,405</b>
<b>Profit before exceptional items and extraordinary items and tax</b>		<b>627,101</b>	<b>85,767</b>
Exceptional Items		-	-
<b>Profit before extraordinary items and tax</b>		<b>627,101</b>	<b>85,767</b>
Extraordinary Items		-	-
<b>Profit before tax</b>		<b>627,101</b>	<b>85,767</b>
Tax Expense			
Current tax		123,555	26,502
Less : Mat Credit		(119,956)	-
<b>Profit (Loss) for the period from continuing operation(after tax)</b>		<b>623,502</b>	<b>59,265</b>
<b>Profit (Loss) for the Period</b>		<b>623,502</b>	<b>59,265</b>
<b>Earning per share (Face value of Rs.10/- each)</b>	19		
Basic (Rs.)		0.31	0.04
Diluted (Rs.)		0.04	0.04
<b>Significant Accounting Policies</b>	1		
<b>Other Notes forming part of Financial Statements</b>	2 to 25		

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 Nowlakhia**  
**Partner**  
 Membership No: 513504

  
**AK Jain**  
**Director**

  
**B B Chugh**  
**Director**

Place : New Delhi  
 Date : 26th May 2014

**MEDIA MATRIX HOLDINGS PRIVATE LIMITED**  
**( FORMELY ,DIGICALL HOLDINGS PRIVATE LIMITED)**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014**

Particulars		Year ended 31st March 2014	Year ended 31st March 2013
<b>A</b>	<b>Cash flows from Operating activities</b>		
	Profit before tax	627,101	85,767
	Adjusted for:		
	Depreciation and amortisation		-
	Interest expense	903,868	-
	Interest income	(1,589,816)	(2,512,057)
	Dividend on non-trade investments	(84,111)	
	Profit/(Loss) on sale of investments, net	-	(1,538,115)
	<b>Operating profit before working capital changes</b>	(142,958)	(3,964,405)
	<b>Movement in working capital</b>		
	Decrease/ (increase) in sundry debtors	-	-
	Decrease/(Increase) in loans and advances	(166,386)	(246,206)
	Decrease/(Increase) in other current assets	(109,544)	10,412
	Increase/ (decrease) in current liabilities and provisions	(207,769,485)	121,835,414
	<b>Cash generated from operations</b>	(208,188,373)	117,635,215
	Direct taxes paid	(3,599)	(26,502)
	<b>Net cash from operating activities</b>	(208,191,972)	117,608,713
<b>B</b>	<b>Cash flows from Investing activities</b>		
	Purchase of investments	(40,000,000)	(1,690,899,892)
	Proceeds from sale of investments	-	1,533,891,407
	Dividend and Interest income	1,673,927	2,512,057
	<b>Net cash used for investing activities</b>	(38,326,073)	(154,496,428)
<b>C</b>	<b>Cash flows from Financing activities</b>		
	Proceeds from term loans	151,900,000	249,823,692
	Proceeds from issue of share capital/Share application money	-	-
	Term loans given	97,204,000	(212,773,000)
	Interest paid	(903,868)	-
	<b>Net cash from (used for) financing activities</b>	248,200,132	37,050,692
	Exchange differences on translation of foreign currency cash and cash equivalents	-	-
	<b>Net increase in cash and cash equivalents (A+B+C)</b>	1,682,087	162,977
	Cash and cash equivalents at the beginning of the year	166,789	3,812
	<b>Cash and cash equivalents at the end of the year</b>	<b>1,848,877</b>	<b>166,789</b>
	<b>Cash and bank balances as per Note no.11</b>	1,848,876	166,789
	Less: Fixed Deposit greater than three months	-	-
	<b>Cash and cash equivalents in cash flow statement</b>	<b>1,848,876</b>	<b>166,789</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

For and on behalf of the Board

CA Amit Nowlakha  
Partner



A K Jain  
Director

B B Chugh  
Director

Place : New Delhi

Date : 26 MAY 2014



## **MEDIA MATRIX HOLDINGS PRIVATE LIMITED**

(Formerly Digicall Holdings Private Limited)

### **NOTE-01: SIGNIFICANT ACCOUNTING POLICIES**

#### **A. Basis of Accounting**

- i) The accounts have been prepared on historical cost convention, in accordance with the Accounting Standards which have been prescribed by the Companies (Accounting Standards) Rules, 2006, and the provision of the companies Act, 1956 to the extent applicable.
- ii) The Company follows the mercantile system of accounting & recognizes the income & expenditure on accrual basis except those with significant uncertainties.

#### **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.



Particulars	As at 31st March 2014	As at 31st March 2013
<b>Note No.2</b>		
<b>Share Capital</b>		
<b>Authorised</b>		
20,00,000 (20,00,000) Equity Shares of Rs 10/- each	20,000,000	20,000,000
	<b>20,000,000</b>	<b>20,000,000</b>
<b>Issued,Subscribed &amp; Paid up</b>		
2,000,000 (20,00,000) Equity Shares of Rs 10/- each	20,000,000	20,000,000
<b>Total</b>	<b>20,000,000</b>	<b>20,000,000</b>

**Note No. 2 (a)**

**Reconciliation of Shares Outstanding**

Particulars	Numbers	
Shares Outstanding at the beginning of the period	2,000,000	10,000
Add : Shares issued during the period	-	1,990,000
Shares outstanding at the end of the year	2,000,000	2,000,000

**Note No. 2(b)**

**Shareholder(s) Holding More Than 5% Shares**

Particulars	Nos of Shares of Holding	%	Nos of Shares of Holding	%
Media Matrix Worldwide Limited ( the Holding Company) *	2,000,000		2,000,000	
	(100%)		(100%)	

\* 06 Share are held by six individuals as nominee of Media Matrix Worldwide Limited

**Note No. 3**

**Reserves and Surplus**

<b>Surplus</b>		
Opening Balance	(2,981,995)	(3,041,260)
Add : Profit/ (Loss) for the Current Period	623,502	59,265
Closing Balance	(2,358,493)	(2,981,995)
<b>Total</b>		

**Note No .4**

**Long Term Borrowings**

<b>Unsecured</b>		
0% Compulsory Convertible Debentures (CCD,s)	151,900,000	-
(Terms of repayment :- Refer Additional Note no 20.)		
<b>Total</b>	<b>151,900,000</b>	<b>-</b>

**Note No .5**

**Short Term Borrowings**

<b>Unsecured</b>		
Loans and advances from related parties	40,900,000	26,197,108
(Terms of repayment :- Repayable on demand)		
Other Loans and Advances		
Inter Corporate Deposit	148,500,000	250,000,000
(Terms of repayment :- Repayable on demand)		
	<b>189,400,000</b>	<b>276,197,108</b>

**Note No. 6**

**Other Current Liabilities**

Other Payables	-	121,899,200
Interest accrued and due on Borrowings	813,480	-
	<b>813,480</b>	<b>121,899,200</b>

**Note No. 7**

**Short Term Provisions**

Provision for Income Tax	150,057	26,502
Provision for Expenses	22,500	32,712
<b>Total</b>	<b>172,557</b>	<b>59,214</b>

**Note No. 9**

**Long-term Loans and Advances**

(Unsecured, Considered good)		
-Loans and advances to related parties	119,192,416	216,396,416
	<b>119,192,416</b>	<b>216,396,416</b>

**Note No. 10**

**Other Non Current Assets**

Miscellaneous expenditure (to the extent not written off)		
Preliminary Expenses	31,234	41,646
Less : Amount written off	(10,412)	(10,412)
	20,822	31,234
Mat Credit Entitlement	119,956	-
<b>Total</b>	<b>140,778</b>	<b>31,234</b>

**Note No. 11**

**Cash & Cash Equivalents**

Balance with banks		
- Balances in Short term accounts	1,848,876	166,789
<b>Total</b>	<b>1,848,876</b>	<b>166,789</b>

**Note No. 12**

**Short Term Loans and Advances**

(Unsecured, Considered good)		
-Other Advances		
TDS Recoverable	717,178	550,792
<b>Total</b>	<b>717,178</b>	<b>550,792</b>





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

( Rupees)

PARTICULARS	Face Value	As at 31st March 2014		As at 31st March 2013	
		NO. OF SHARE/UNITS	AMOUNT RUPEES	NO. OF SHARE/UNITS	AMOUNT RUPEES
<b><u>INVESTMENTS IN EQUITY INSTRUMENTS (AT COST)</u></b> <b><u>(IN FELLOW SUBSIDIARIES- UNQUOTED)</u></b>					
DigiVive Services Private Limited	10/-	2,015,000	20,200,400	2,015,000	20,200,400
Digicall Teleservices Private Limited	10/-	6,899,960	138,346,200	6,899,960	138,346,200
<b>( OTHER INVESTMENTS- QUOTED )</b>					
Network 18 Media and Investment Limited	5/-	720,000	39,471,696	720,000	39,471,696
<b>Total 'A '</b>			<b>198,018,296</b>		<b>198,018,296</b>
<b><u>INVESTMENTS IN 0% UNSECURED OPTIONALLY FULLY CONVERTIBLE DEBENTURES (OFCDS), FULLY PAID UP ( AT COST , UNQUOTED)</u></b>					
One Click Technologies Private Limited ( Refer Additional Note No 21.)	1000/-	40,000	40,000,000	-	-
<b>Total 'B'</b>			<b>40,000,000</b>		-
<b><u>OTHER NON CURRENT INVESTMENTS **</u></b> <b>( OTHER INVESTMENTS-UNQUOTED)</b>					
Contribution-MS Digiventures LLP (10% Of the total Contribution)		-	10,000	-	10,000
<b>Total 'C'</b>		-	<b>10,000</b>	-	<b>10,000</b>
<b>Total 'A' + 'B' + 'C'</b>		-	<b>238,028,296</b>	-	<b>198,028,296</b>

Particular	Market Value	Book Value	Market Value	Book Value
Aggregate amount of Quoted Investment	24,408,000	39,471,696	21,096,000	39,471,696
Aggregate amount of Unquoted Investment	-	198,556,600	-	158,556,600
<b>Total</b>	<b>24,408,000</b>	<b>238,028,296</b>	<b>21,096,000</b>	<b>198,028,296</b>

\*\*

Investment in MS Digiventures LLP		
Name of the Designated Partners	As at 31st March 2014	As at 31st March 2013
<b>Designated Partner 1 : Mr Sunil Batra</b>	90,000	90,000
<b>Designated Partner 2 : Media Matrix Holdings Pvt Ltd</b> (Formerly Digicall Holdings Pvt Ltd)	10,000	10,000
<b>Total Contribution</b>	<b>100,000</b>	<b>100,000</b>



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

( Rupees)

PARTICULAR	Year ended 31st March 2014	Year ended 31st March 2013
<b>Note No. 13</b>		
<b>Other Income</b>		
Interest (Tax deducted at source Rs.1,66,386/- ; PY Rs.2,51,205/-)	1,589,816	2,512,057
Divident Income	84,111	-
Short Term Capital Gain	7,398	-
Profit on Sale of Current Investments (Net)	-	1,538,115
<b>Total</b>	<b>1,681,325</b>	<b>4,050,172</b>
<b>Note No. 14</b>		
<b>Finance Cost</b>		
Interest on Loan	903,868	-
<b>Total</b>	<b>903,868</b>	<b>-</b>
<b>Note No. 15</b>		
<b>Administrative and Other Expenses</b>		
Payment to Auditors		
As Auditors	22,500	22,500
for Other Services	-	10,000
Depository Charges	2,203	-
Preliminary Expenses W/Off	10,412	10,412
Consultancy Charges	-	3,850,000
Legal and Professional Charges	22,281	49,048
Rates & Taxes	2,635	22,445
Travelling Expenses	90,325	-
<b>Total</b>	<b>150,356</b>	<b>3,964,405</b>



## ADDITIONAL NOTES

16. Contingent Liability (Not provided for)- NIL

17. 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, 2014. 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	-

18. The Company does not have any item resulting into timing differences as at March 31, 2014 and therefore no provision for deferred taxes is required.

19. **Basic Earnings Per Share**

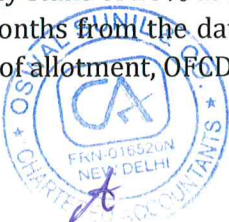
	As at March 31, 2014	As at March 31, 2013
Profit (Loss) after Tax (Rs)	623,502	59,265
Weighted Average No of Equity Shares	2,000,000	1,672,877
Weighted Average No of Equity Shares for diluted EPS	17,190,000	1,672,877
Nominal Value of Share	10/-	10/-
Earnings per Share (Basic EPS)	0.31	0.04
Earnings per Share (Diluted EPS)	0.04	0.04

20. During the year, 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.

21. During the year, 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. 10 each shall be as follows:

- In case the conversion option is exercised by MMHPL, 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;
- 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 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.

## 22. 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  
Eminent Networks Services Private Limited  
***(Cease to be fellow subsidiaries from 2.10.2013)***  
Digicall Global Services Private Limited

### B) Transactions with Related Parties

Name of the Party	Description	Volume of transactions during the year	Amount as on 31.03.2014
Digivision Holdings Private Ltd	Loan Received	- (26,197,108/-)	- (26,197,108/-)
Media Matrix Worldwide Ltd	Allotment of Equity Shares	- (1,99,00,000/-)	- (NA)
Media Matrix Worldwide Ltd	Receipt of Loan	40,900,000/- (-)	40,900,000/- (-)
	Issue of CCD,s	151,900,000/- (-)	151,900,000/- (-)
	Interest on Loan	903,868/- (-)	813,480/- (-)



Digicall Teleservices Private Ltd	Loan Given	-94,074,000/- (172,566,416/-)	78,492,416/- (172,566,416/-)
DigiVive Services Private Ltd	Loan Given	16,550,000/- (28,000,000/-)	40,700,000 (24,150,000/-)
	Debit Note Received	- (-3,850,000/-)	- (NA)
Nexg Devices Private Limited	Loan Given	- (24,300,000/-)	- (19,680,000/-)

**Note:** Figures in bracket represent previous year/period figures

23. In the opinion of the Board, Current Assets and Loan & Advances are of the value stated, if realized in the Ordinary course of business.
24. 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.
25. 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:0165201

**CA Amit Nowlakhia**


Partner

Membership No.513504



For and on behalf of the Board

  
**AK Jain**  
Director

  
**B B Chugh**  
Director

Place: New Delhi

Date : 26<sup>th</sup> May 2014

**DIGICALL HOLDINGS PRIVATE LIMITED**  
**Calculation of Weighted Number of Shares**

					Basic
Date	No of shares	From	To	No of days	Weighted shares
	10 000	04/01/12	03/31/13	365	10 000
	19 90 000	05/31/12	03/31/13	305	16 62 877
	<b>20 00 000</b>				<b>16 72 877</b>
	NO OF DAYS		365		
Diluted					
CCD	1 51 90 000				
	<b>1 71 90 000</b>				<b>16 72 877</b>
	0.04				0.04

