Annual Report

2011-12

Media Matrix Worldwide Ltd.

Media Matrix Worldwide Ltd.

Board of Directors

Mr. Chhattar Kumar Goushal (w.e.f. 26.01.2012)	Director
Mr. Mahesh Ranglal Jain (w.e.f. 26.01.2012)	Director
Mr. Bharat Bhushan Chugh (w.e.f. 26.01.2012)	Director (Finance)
Mr. Suresh Bohra (w.e.f. 24.02.2012)	Director
Mr. Pulkit Vimal Mehta (up to 27.05.2012)	Director
Mr. Anil Babulal Vedmehta (up to 25.01.2012)	Director
Mr. Suhas Gopinath Jadhav (up to 25.01.2012)	Director
Mr. Deepak Meghraj Doshi (up to 25.01.2012)	Director
Mr. Mohd Zafar	Company Secretary

BANKERS

HDFC Bank
Oriental Bank of Commerce
Corporation Bank

AUDITORS

M/s Khandelwal Jain & Company
Chartered Accountants
12-B, Baldota Bhawan
117, Maharshi Karve Road
Mumbai - 400020

REGISTERED OFFICE

Flat No 155, 15th Floor, Mittal Court
"A" Wing, Nariman Point
Mumbai - 400021

CORPORATE OFFICE

77B, 3rd Floor, IFFCO Road, Sector - 18
Gurgaon - 122015 (Haryana)

Contents

MEDIA MATRIX WORLDWIDE LIMITED

NOTICE

Notice is hereby given that the 27th Annual General Meeting of Media Matrix Worldwide Limited will be held on Saturday, the 29 day of September, 2012 at 9:30 A.M. at its Registered office at Flat No 155, 15th Floor, Mittal Court "A" Wing, Nariman Point, Mumbai- 400021 to transact the following business:

AS ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Accounts of the Company for the financial year ended 31st March, 2012 and the Reports of the Directors' and of the Auditors' thereon.

2. To appoint Auditors for the financial year 2012-2013 to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

   M/s Khandelwal Jain & Company, Chartered Accountants, the retiring Auditors of the Company are eligible for re-appointment.

AS SPECIAL BUSINESS:

3. Appointment of Director- Mr. Chhattar Kumar Goushal

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"**RESOLVED THAT** notice having been received from a member pursuant to Section 257 of the Companies Act, 1956 signifying his intention to propose Mr. Chhattar Kumar Goushal as a Director of the Company, Mr. Chhattar Kumar Goushal who was appointed as an Additional Director by the Board, be and is hereby appointed as a Director of the Company"

4. Appointment of Director- Mr. Mahesh Ranglal Jain

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"**RESOLVED THAT** notice having been received from a member pursuant to Section 257 of the Companies Act, 1956 signifying his intention to propose Mr. Mahesh Ranglal Jain as a Director of the Company, Mr. Mahesh Ranglal Jain who was appointed as an Additional Director by the Board, be and is hereby appointed as a Director of the Company."

5. Appointment of Director- Mr. Bharat Bhushan Chugh

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"**RESOLVED THAT** notice having been received from a member pursuant to Section 257 of the Companies Act, 1956 signifying his intention to propose Mr. Bharat Bhushan Chugh as a Director of the Company, Mr. Bharat Bhushan Chugh who was appointed as an Additional Director by the Board, be and is hereby appointed as a Director of the Company."

6. Appointment of Director- Mr. Suresh Bohra

"**RESOLVED THAT** notice having been received from a member pursuant to Section 257 of the Companies Act, 1956 signifying his intention to propose Mr. Suresh Bohra as a Director of the Company, Mr. Suresh Bohra who was appointed as an Additional Director by the Board be and is hereby appointed as a Director of the Company."

7. Appointment of Wholetime Director - Mr. Bharat Bhushan Chugh

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"**RESOLVED THAT** pursuant to the provisions of Sections 198, 269, 309 and Schedule XIII and all other applicable provisions of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof for the time being in force) and subject to the approval of the Central Government, wherever required and such other approvals as may be necessary, approval of the Company be and is hereby accorded to the appointment of Mr. Bharat Bhushan Chugh as a Wholetime Director designated as Director (Finance) of the Company for a period of three years with effect from 28th May, 2012 on the following terms and conditions :-

- **Basic Salary**

  Rs. 90,000/- (Rupees Ninety Thousand Only) per month.

- **Perquisites, allowances and other benefits**

  In addition to the basic salary, Mr. Bharat Bhushan Chugh shall be entitled to perquisites and other allowances like house rent allowance, reimbursement of expenses or allowances like medical reimbursement, fuel reimbursement, car maintenance/ car lease, contribution to provident fund, leave travel allowance, gratuity and such other perquisites and allowances under the Company's Rule.

  The total cost of the above said perquisites and allowances and other benefits shall not exceed Rs. 2,10,000/- (Rupees Two Lakh Ten Thousand Only) per month.

  The aggregate remuneration inclusive of basic salary, perquisites, allowances and other benefits payable to Mr. Bharat Bhushan Chugh shall not exceed Rs. 3,00,000/- (Rupees Three Lakh Only) per month.

  RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to vary, alter, increase, or widen the scope of remuneration, allowances and perquisites, to the extent specified in Schedule XIII and other applicable provisions, if any, of the Act as amended from time to time.

  RESOLVED FURTHER THAT where in any financial year, during the currency of the tenure of Mr. Bharat Bhushan Chugh, the Company has no profits or its profits are inadequate, the Company shall subject to the approval of Central Government wherever required and subject to the provisions of Section 198, 269, 309 of the Companies Act, 1956 and Schedule XIII of the Companies Act, 1956, pay to Mr. Bharat Bhushan Chugh, basic salary, perquisites and allowances as specified above as minimum remuneration."

  The appointment of Mr. Bharat Bhushan Chugh can be terminated with three months notice or payment of three months basic salary in lieu thereof from either side.

8. Alteration of Articles of Association of Company

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 31 and all other applicable provisions if any, of the Companies Act, 1956, or any other law for the time being in force (including any statutory modifications or amendments thereto or re-enactment thereof for the time being in force), and in terms of Article No. 82 of the Articles of Association of the Company, consent of the Company be and is hereby accorded to amend the Articles of Association of the Company in the manner set out below:-

The Existing Article No "82" of the Articles of Association of the Company be and is hereby deleted and the following new Article be and is hereby inserted after existing Article No. 81

82 "Each Non - Executive Director shall be entitled to be paid out of the funds of the Company by way of remuneration for his services in attending Board or Committee Meetings, such sums as may be fixed by the Board of Directors from time to time within such limits as may be prescribed by the Act or the Central Government from time to time for every meeting of the Board of Directors or Committee thereof attended by him."

RESOLVED FURTEHR THAT the Board of Directors of the Company be and are hereby authorised on behalf of the Company to do all such acts, deeds and things as are deemed necessary, expedient and necessary to give effect to this Resolution.

Registered Office:
Flat No 155, 15th Floor
Mittal Court "A" Wing Nariman Point
Mumbai-400021

Date : 3rd September, 2012
Place: Gurgaon

By order of the Board
For **Media Matrix Worldwide Limited**

(Mohd Zafar)
Company Secretary

NOTE(S):

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND THAT A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE SCHEDULED TIME OF THE MEETING. A BLANK PROXY FORM IS ENCLOSED.**

2. Corporate Members intending to send their authorized representative are requested to send a duly certified copy of the Board/ Governing Body resolution authorizing such representative to attend and vote at the Annual General Meeting.

3. All documents referred to in the Notice and explanatory statement are open for inspection at the Registered office of the Company on all working days between 9:30 A.M. to 1:00 P.M. up to the date of Annual General Meeting.

4. Pursuant to the provisions of Section 154 of the Companies Act, 1956 and listing agreement, Register of Members and Share Transfer Books of the Company shall remain closed from Tuesday, 25th September, 2012 to Saturday, 29th September, 2012 (both days inclusive).

5. Explanatory Statement pursuant to Section 173(2) in respect of the Special Business herein is annexed hereto and forms part of this notice.

6. **Members are requested:**

i) to notify the change of address, if any, to the Company/Share Transfer Agent/their Depository Participant.

ii) to bring their Attendance slip along with their copy of the Annual Report in the meeting.

iii) to deposit the duly completed attendance slip at the meeting.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956:

ITEM NO 3

The Board of Directors of the Company in their meeting held on 26th January, 2012 appointed Mr. Chhattar Kumar Goushal as an Additional Director of the Company. As per the provisions of Section 260 of the Companies Act 1956, he will hold office only up to this Annual General Meeting.

However, the Company has received a special notice from a shareholder of the Company signifying his intention to appoint him as a Director of the Company as required under section 257 of the Companies Act, 1956.

Mr. Chhattar Kumar Goushal is a member of Institute of Chartered Accountants of India and a practicing Chartered Accountant having experience of more than 28 years in the area of Audit, Finance and corporate advisory matters.

Mr. Chhattar Kumar Goushal is on the Board of the following Companies:-

1. Dilip Chhabria Design Private Limited
2. Arch Commodity Brokers Private Limited
3. DigiCall Holdings Private Limited

Mr. Chhattar Kumar Goushal is also active on various committees as per the details given below:-

Name of the Company	Name of the Committee	Committee Position
Media Matrix Worldwide Limited	Audit Committee	Chairman
Media Matrix Worldwide Limited	Share Transfer and Investor Grievance Committee	Chairman
Media Matrix Worldwide Limited	Remuneration Committee	Chairman

Mr. Chhattar Kumar Goushal does not hold any shares of the Company.

Your Directors, therefore, feel confident that your Company will be immensely benefited by his association with the Board.

None of the Directors except Mr. Chhattar Kumar Goushal is concerned or interested in the aforesaid resolution.

ITEM NO. 4

The Board of Directors of the Company in their meeting held on 26th January, 2012 appointed Mr. Mahesh Ranglal Jain as an Additional Director of the Company. As per the provisions of Section 260 of the Companies Act 1956, he will hold office only up to this Annual General Meeting.

However, the Company has received a special notice from a shareholder of the Company signifying his intention to appoint him as a Director of the Company as required under section 257 of the Companies Act, 1956.

Mr. Mahesh Ranglal Jain is a member of Institute of Chartered Accountants of India and a practicing Chartered Accountant having experience of more than 17 years in the area of Audit, Finance and corporate advisory matters.

Mr. Mahesh Ranglal Jain is on the Board of the following Companies:-

1. Orpheus Trading Private Limited
2. Money Tree Consultancy Services Private Limited
3. Sinewave Properties Private Limited
4. Vandan Consultancy Private Limited
5. Drisana Real Estate Private Limited
6. Nu-Tech Corporate Services Limited
7. Sea Span Shipping Limited

Mr. Mahesh Ranglal Jain is also active on various committees as per the details given below:-

Name of the Company	Name of the Committee	Committee Position
Media Matrix Worldwide Limited	Remuneration Committee	Member

Mr. Mahesh Ranglal Jain does not hold any shares of the Company.

Your Directors, therefore, feel confident that your Company will be immensely benefited by his association with the Board.

None of the Directors except Mr. Mahesh Ranglal Jain is concerned or interested in the aforesaid resolution.

ITEM NO. 5 & 7

Mr. Bharat Bhushan Chugh was appointed as an Additional Director of the Company by the Board of Directors at its meeting held on 26th January, 2012. Subsequently, the Board of Directors of the Company has appointed him as a Wholetime Director of the Company designated as Director (Finance) with effect from 28th May, 2012. As per the provisions of Section 260 of the Companies Act, 1956 he will hold office only up to this Annual General Meeting. However, the Company has received a special notice from a shareholder of the Company signifying his intention to appoint him as a Director of the Company as required under section 257 of the Companies Act, 1956.

The Remuneration Committee has also approved his appointment including terms and conditions of his appointment, remuneration and tenure at their meeting held on 29th June, 2012. The Abstract of terms and conditions of his appointment as required under Section 302 of the Companies Act, 1956 has already been mailed to shareholders on 29th June, 2012.

Mr. Bharat Bhushan Chugh is a qualified ICWA with over 25 years of experience of working in manufacturing, engineering, FMCG and service industry. Before joining the Company he was working with Digicall Teleservices Private Limited for the last 16 years, heading the finance, accounts and commercials department of the company. Prior to this, he had worked with BST, Triveni Engineering & Subros Limited.

Mr. Bharat Bhushan Chugh is on the Board of the following Companies:

1. Customised Call Center Services Private Limited
2. DigiCall Teleservices Private Limited
3. Microwave Communications Limited
4. DigiVision Communications Private Limited
5. DigiCall Holdings Private Limited
6. DigiVision Holdings Private Limited
7. MN Ventures Private Limited

Mr. Bharat Bhushan Chugh is also active on various committees as per the details given below:-

Name of the Company	Name of the Committee	Committee Position
Media Matrix Worldwide Limited	Audit Committee	Member
Media Matrix Worldwide Limited	Share Transfer and Investor Grievance Committee	Member
DigiCall Teleservices Private Limited	Audit Committee	Member

Mr. Bharat Bhushan Chugh does not hold any shares of the Company.

STATEMENT AS REQUIRED UNDER CLAUSE (C) (IV) OF SECTION II OF SCHEDULE XIII OF THE COMPANIES ACT, 1956.

I. GENERAL INFORMATION:

1. **Nature of Industry:**

   Digital Media Content, distributing of television program, films, music, handsets and dealing in related activities in media and entertainment industry.

2. **Date or expected date of commencement of commercial production:**

   Not Applicable

3. **In case of new companies , expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:**

   Not Applicable

4. **Financial performance based on given indicators (31.03.2012):**

		(in Rs.)
Turnover including other income	:	31,999,205
Total Expenditure	:	59,690,429
Profit (Loss) before tax	:	(28,898,546)
Profit (Loss) after tax	:	(29,680,292)
Earning per equity share	:	(0.37)
Dividend rate (%) on equity share capital	:	Nil

5. **Export performance & net foreign exchange collaborations:**

   FOB value of exports: Nil

6. **Foreign Investment or collaborations if any:**

   Not Applicable

II. INFORMATION ABOUT THE APPOINTEE

1. **Background details:**

   As stated above.

2. **Past Remuneration:**

   No remuneration was paid by the Company in the past.

3. **Recognitions or awards:**

   Mr. Bharat Bhushan Chugh has more than 25 years of experience in the corporate sector working in the core manufacturing industry as well as service industry in senior management positions.

4. **Job Profile and his suitability:**

   Mr. Bharat Bhushan Chugh is a qualified ICWA with over 25 years of experience of working in manufacturing, engineering, FMCG and service industry.

5. **Remuneration Proposed:**

   As mentioned in the aforesaid Resolution.

6. **Comparative remuneration profile with respect to industry, size of the Company, profile of the positions and (in case of expatriates the relevant details would be w.r.t. the country of his origin):**

   Due to losses suffered by the Company, Mr. Bharat Bhushan Chugh has opted for drawing lesser remuneration as compared to other professionals in similar position in other companies/industry though he is eligible to receive remuneration on a higher scale by virtue of his profile and experience.

7. **Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any :**

   There is no direct or indirect pecuniary relationship with the Company or with managerial personnel.

III. OTHER INFORMATION

1. **Reason for loss or inadequate profits:**

   During the year under review, Company has suffered loss due to lower sales and certain write offs of doubtful debts.

2. **Steps taken or proposed to be taken for improvement:**

   The strategy of the Company would be towards investing in the new application and/or technologies related to Mobile on account of rising demand for data services/solution in 3G/4G era, and making investments in next generation businesses including contents and Media businesses which are expected to have substantial growth over the next decade on account of rising demand from online and e-commerce businesses. The Company would be working either directly or through its subsidiaries to take up existing and/or new profitable projects.

3. **Expected increase in productivity and Profits:**

   Since the investment made/proposed to be made by the Company is expected to give returns in the long run, the Company expects to have profits from its various businesses on a long term basis. The increase in productivity is dependent upon the increase in revenue of the Company.

IV. DISCLOSURES

I. **The shareholders of the Company shall be informed of the remuneration package of the managerial person:**

As given in the Resolution.

II. The following disclosures shall be mentioned in the Board of Director's report under the heading " Corporate Governance", if any, attached to the Annual Report:

1) **All elements of remuneration package such as a salary, benefits, bonuses, stock options, pensions, etc., of all the directors:**

   This has been mentioned under the 'Corporate Governance Report'.

2) **Details of fixed component and performance linked incentive along with the performance criteria:**

   Fixed component as given in the Resolution. Presently, no performance linked incentives is given in the Company.

3) **Services contracts, notice period, severance fees:**

   There are no severance fees prescribed by the Company. The appointment of Mr. Bharat Bhushan Chugh can be terminated with three months notice or payment of three months' basic salary in lieu thereof from either side.

4) **Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable:**

   Not Applicable

Your Directors, therefore, feel confident that your Company will be immensely benefited by his association with the Board.

Members of the Company are requested to accord their approval for the appointment of Mr. Bharat Bhushan Chugh as a Wholetime Director, designated as Director (Finance) of the Company.

None of the Directors except Mr. Bharat Bhushan Chugh is concerned or interested in the Resolution.

ITEM NO 6

The Board of Directors of the Company in their meeting held on 24th February, 2012 appointed Mr. Suresh Bohra as an Additional Director of the Company. As per the provisions of Section 260 of the Companies Act 1956, he will hold office only up to this Annual General Meeting.

However, the Company has received a special notice from a Shareholder of the Company signifying his intention to appoint him as a Director of the Company as required under section 257 of the Companies Act, 1956.

Mr. Suresh Bohra is a Commerce graduate with a post graduation degree in management. He has more than 20 years of experience in the field of loan syndication, project financing, project appraisal, drafting of Prospectus and Letters of Offer, equity placement, stress asset management services, private equity and venture capital syndication since the year 1992.

Mr. Suresh Bohra is on the Board of the following Companies:-

1. Black Fox Financial Private Limited
2. Crest Comtrade Private Limited
3. Blueblood Equity Trading Private Limited
4. Dole Developers Private Limited
5. Belle Developers Private Limited

Mr. Suresh Bohra is also active on various committees as per the details given below:-

Name of the Company	Name of the Committee	Committee Position
Media Matrix Worldwide Limited	Audit Committee	Member
Media Matrix Worldwide Limited	Share Transfer and Investor Grievance Committee	Member
Media Matrix Worldwide Limited	Remuneration Committee	Member

Mr. Suresh Bohra does not hold any shares of the Company.

Your Directors, therefore, feel confident that your Company will be immensely benefited by his association with the Board.

None of the Directors except Mr. Suresh Bohra is concerned or interested in the aforesaid resolution.

ITEM NO 8

Rule 10B of the Companies (Central Government's) General Rules & Forms, 1956 as amended from time to time provides the following limits for payment of fees for attending each meeting of the Board of Directors or of Committee thereof:

(a)	Companies with a paid up share capital and free reserves of Rs. 10 Crore and above or turnover of Rs.50 Crore and above	Sitting Fees not to exceed the sum of twenty thousand Rupees
(b)	Other Companies	Sitting fees not to exceed the sum of ten thousand Rupees

As per the Article 82 of the Article of Association of the Company, Company can pay to the Non Executive Directors of the Company a sitting fees of Rs.250/- (Two Hundred Fifty only) for attending the each meeting of the Board or Committee thereof. The payment of sitting fees has not been increased in the last two decades. Considering the increase in activities of the Company, it is proposed to alter the Articles of Association of the Company so that sitting fees can be paid to the Non Executive Directors as per the limits prescribed by the Central Government from time to time.

The proposed change in Articles of Association of the Company requires the approval of the Members in General Meeting. The Members are requested to accord their approval to the Special Resolution as set out at Serial Number 8 of the Notice.

The Non - Executive Directors of the Company, namely Mr. Chhattar Kumar Goushal, Mr. Mahesh Ranglal Jain and Mr. Suresh Bohra, may be considered interested in this resolution to the extent of the sitting fees paid/payable to them. Save as aforesaid, none of the Directors is, in any way concerned or interested in the said resolution.

Registered Office:
Flat No 155, 15th Floor
Mittal Court "A" Wing
Nariman Point,
Mumbai-400021

Date : 3rd September, 2012
Place : Gurgaon

By order of the Board
For **Media Matrix Worldwide Limited**

(Mohd Zafar)
Company Secretary

CORPORATE GOVERNANCE

1. Corporate Governance from Media Matrix Worldwide Limited perspective (MMWL)

Corporate governance is about commitment to values and ethical business conduct. It is about how an organization is managed. This includes its corporate and other structures, its culture, policies and the manner in which it deals with various stakeholders. Accordingly, timely and accurate disclosure of information regarding the financial position, performance, ownership and governance of the company is an important part of corporate governance. This improves public understanding of the structure, activities and policies of the organization. Consequently, the organization is able to attract investors, and enhance the trust and confidence of the stakeholders.

Ensuring the compliance of Corporate Governance fulfills the MMWL's commitment of business philosophy. The Company believes that the implementation of good corporate practices bring positive strength among all the stakeholders of the Company, which is key to success for any corporate.

Through this, all the stakeholders of the Company are well informed with the policies and practices of the Company.

Endeavors are being made to follow the best practices in all the functional areas in discharging responsibilities towards all the Stakeholders.

2. Board of Directors

The Board composition is in compliance with the Clause 49 of the Listing Agreement. As on 31st March, 2012, Company had five Directors on the Board out of which one has ceased to be a Director w.e.f. 28th May, 2012. Presently more than fifty percent of the Board comprised of Non-Executive Directors. Out of the four Directors, three are Non-Executive Independent Directors and one is Wholetime Director.

The members on the Board possess adequate experience, expertise and skills necessary to manage the affairs of the Company in the most efficient manner.

During the financial year ended 31st March, 2012, 15 (Fifteen) Board Meetings were held on 14.05.2011, 16.08.2011, 02.09.2011, 07.09.2011, 30.09.2011, 13.10.2011, 14.11.2011, 19.12.2011, 18.01.2012 26.01.2012, 14.02.2012, 24.02.2012, 01.03.2012, 26.03.2012 and 29.03.2012. The last Annual General Meeting was held on 29th September, 2011.

The attendance of Directors at the Board Meetings held during the financial year ended 31st March, 2012 as well as in the last Annual General Meeting and the number of the other Directorships/Committee positions presently held by them are as under:-

Name of Directors	Date of Appointment	Category	Resignation	No. of Board Meetings held	No. of Board meeting attended	Attendance at the last AGM	No. of Directorship in other Companies	Committee Position		Shareholding in the Company
								Member	Chairman	
Mr. Anil Babulal Vedmehta	03.09.2011	NEPD	26.01.2012	9	9	Y	2	2	1	44897
Mr. Suhas Jadhav	31.10.2008	WD	26.01.2012	9	7	Y	1	3	1	Nil
Mr. Mendalu Chaitanya Naidu	30.04.2009	NEID	01.10.2011	9	4	Y	0	-	-	Nil
Mr. Deepak Meghraj Doshi	31.10.2008	NEID	26.01.2012	9	9	Y	2	-	-	Nil
Ms Priyanka Vedmehta	25.08.2008	MD	01.10.2011	9	0	N	1	-	-	30200
Mr. Pulkit Vimal Mehta	30.09.2011	NEID	28.05.2012	10	7	NA	2	1	-	Nil
Mr Chhattar Kumar Goushal	26.01.2012	NEID	NA	6	5	NA	0	-	3	Nil
Mr. Mahesh Ranglal Jain	26.01.2012	NEID	NA	6	3	NA	2	1	-	Nil
Mr. Bharat Bhushan Chugh	26.01.2012	WD	NA	6	4	NA	1	2	-	Nil
Mr. Suresh Bohra	24.02.2012	NEID	NA	4	3	NA	0	3	-	Nil

* NEPD- Non Executive Promoter Director, NEID- Non Executive Independent Director, WD- Wholetime Director, MD- Managing Director

* The directorship held by Directors as mentioned above does not include directorship of foreign companies, Section 25 companies and private limited companies, if any.

None of the Directors on the Board hold directorships in more than fifteen public companies and memberships in more than ten Committees and they do not act as Chairman of more than five Committees across all companies in which they are directors.

2.1 Information Placed before the Board

In addition to the matters which statutorily require Board's approval, the following matters as required under code on Corporate Governance are also regularly placed before the Board :-

- Investments and Exposures Limits.
- Compliances with statutory / regulatory requirements and review of other major legal issues.
- Adoption of Quarterly / Annual financial results.
- Minutes of Meetings of Audit Committee and other Committees of the Board.
- The information on recruitment and remuneration of senior officers just below the Board level, including appointment or removal of CFO and the Company Secretary.
- Details of any joint venture or collaboration agreement.
- Sale of material nature of investment, subsidiaries, assets which is not in normal course of business.
- Minutes of Audit Committee Meetings, Remuneration Committee Meetings and Share Transfer & Investors Grievance Committee Meetings.
- Disclosure of material related party transactions, if any, with potential for conflict of interest.
- Compliance with Regulatory and Statutory requirements including listing requirements and shareholders services.

3. Committees of the Board

In terms of the SEBI code on the Corporate Governance, the Board of the Company has constituted the following Committees: -

- Audit Committee
- Remuneration Committee
- Share Transfer & Investors Grievance Committee

3.1 Audit Committee

During the Financial Year Ended 31st March, 2012, Audit Committee met five times on 14.05.2011, 16.08.2011, 02.09.2011, 14.11.2011 and 14.02.2012.

The followings are the members and their attendance at the Committee Meetings during the financial year ended 31st March, 2012:-

Name of Directors	**Status**	**No. of Meetings**	
		Held	Attended
Mr. Suhas Gopinath Jadhav	Chairman (up to 25.01.2012)	4	4
Mr. Anil Babulal Vedmehta	Member (up to 25.01.2012)	4	4
Mr. Deepak Meghraj Doshi	Member (up to 25.01.2012)	4	4
Mr. Chhattar Kumar Goushal	Chairman (w.e.f. 26.01.2012)	1	1
Mr. Bharat Bhushan Chugh	Member (w.e.f. 26.01.2012)	1	0
Mr. Mahesh Ranglal Jain	Member (w.e.f. 26.01.2012 to 28.05.2012)	1	1
Mr. Suresh Bohra	Member (w.e.f. 28.05.2012)	0	0

The terms of reference of the Audit Committee are as follows:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

2. Recommending the appointment/re-appointment of external and internal auditors, tax auditors, fixation of statutory audit fees, internal audit fees and tax audit fees and also approval for payment of any other services.
3. Review with management the annual financial statements before submission to the Board.
4. Review quarterly un-audited/audited financial results and quarterly limited review reports.
5. To do any internal investigations either departmentally or with the help of internal auditors or any other outside agency into matters where there is suspected fraud or irregularities or a failure of internal control system of a material nature and reporting the matter to the Board.
6. Discussions with external auditors before the audit commences, the nature and scope of audit as well as to have post audit discussion to ascertain any area of concern.
7. Reviewing the Company's financial and risk management policies.

3.2 Remuneration Committee

Our Company has constituted a Remuneration Committee as required under Schedule XIII of the Companies Act, 1956 and Clause 49 of the Listing Agreement. The present composition of Remuneration Committee is as under :-

Sl. No.	Name	Designation	Nature of Directorship
1.	Mr. Chhattar Kumar Goushal	Chairman	Non Executive Independent Director
2.	Mr. Suresh Bohra	Member	Non Executive Independent Director
3.	Mr. Mahesh Ranglal Jain	Member	Non Executive Independent Director

The terms of reference of Remuneration Committee are given below:

To review, access and recommend the appointment of executives and non-executive directors from time to time, to periodically review the remuneration package of the executive directors and recommend suitable revisions to the Board, to recommend compensation to the non-executive directors in accordance with the Companies Act, 1956.

During the year under review, Company has not made any payment of Remuneration either to Wholetime Director or Non Executive Directors.

3.3 Share Transfer & Investors Grievance Committee

Our Company has constituted a Share Transfer & Investor Grievance Committee as required under Clause 49 of the listing agreement. The present composition of Share Transfer & Investors Grievance Committee is as under:

Sr. No.	Name	Designation	Nature of Directorship
1.	Mr. Chhattar Kumar Goushal	Chairman	Non Executive Independent Director
2.	Mr. Suresh Bohra	Member	Non Executive Independent Director
3.	Mr. Bharat Bhushan Chugh	Member	Executive Director

The terms of reference of Share Transfer & Investors Grievance Committee are given below:

i. Efficient transfer/transmission of shares including review of cases for refusal of transfer /transmission of shares and debentures.
ii. Overseeing the performance of Share Transfer Agent.
iii. Allotment of the Equity Shares
iv. Redressal of investors' complaints.
v. Issue of duplicate / split / consolidated share certificates.

More details on share transfers, investors' complaints, etc. are given in the shareholder information section of this report.

Company Secretary & Compliance Officer, Mr. Mohd Zafar acts as the Secretary of the aforesaid Committees.

3.4 Details of pecuniary relationship/transactions of the Non – Wholetime Directors/their Firms & Companies vis-a-vis the Company during the financial year 2011-2012

Nil

4. General Body Meetings

Location and time where General Meetings held in the last 3 years is given below:

Year	AGM	Location	Date	Time
2011-2012	EGM	Gurgaon	26.03.2012	04:00 PM
2010-2011	AGM	Mumbai	29.09.2011	10:30 AM
2009-2010	AGM	Mumbai	29.09.2010	10:30 AM
2008-2009	AGM	Mumbai	29.09.2009	10:30 AM

The following resolutions were passed as Special Resolutions in previous three years AGMs/ EGMs:

Year	AGM/EGM	Subject Matter of Special Resolution	Date	Time
2011-2012	EGM	i) Alteration of Articles of Association	26.03.2012	04:00 PM
		ii) Issue of Optionally Fully Convertible Debentures		
		iii) Issue of further shares on Right basis		
		iv) Investment in Companies		
2010-2011	AGM	Nil	29.09.2011	10:30 AM
2009-2010	AGM	Nil	29.09.2010	10:30 AM
2008-2009	AGM	Nil	29.09.2009	10:30 AM

Your Company had conducted postal ballot process for (i) alteration in objects clause of the Company and (ii) change of the name of the Company from " Media Matrix Worldwide Limited" to " New Earth Alternate Technologies Limited" by way of special resolution, the result whereof were declared on April 6, 2011, which were duly passed, However, the application for alteration of objects clause and change of name has not been approved by the Registrar of Companies and therefore the proposal have been dropped.

5. Disclosures on materially significant related party transactions with Promoters, Directors, Management, their Subsidiaries or Relatives etc., which may have potentials conflict with the interest of the Company at large

None of the materially significant transactions with any of the related parties were in conflict with the interest of the Company.

6. Penalties, strictures imposed on the Company by Stock Exchanges / Securities and Exchange Board of India (SEBI) etc. in the last 3 years

None.

7. Secretarial Audit

A Company Secretary in-Practice carried out a reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited and Central Depository Service (India) Limited ("Depositories") and the total issued and listed capital. The audit confirms that the total issued/paid-up capital is in agreement with the aggregate of the total number of shares in physical form and total number of shares in dematerialised form (held with Depositories).

8. Means of Communications

This is being done through quarterly / half yearly and annual results, which are being published in premier English and Marathi daily newspapers. The Company's website www.mmwlindia.com contains Annual Reports, Financial Results, Shareholding Pattern, etc. Management Discussions and Analysis forms part of the Directors' Report, which is posted to the shareholders of the Company.

9. Shares/Convertible Instruments held by Non- Executive Directors

Nil

10. Extent to which mandatory requirements have not been complied with

- **The Board has approved the Code of Conduct for all Board Members and Senior Management of the Company at its meeting held on 28th May, 2012. All Board Members and Senior Management will affirm compliance with the code on an Annual Basis from Financial Year 2012-2013 onwards.**
- **Risk assessment and minimization procedure is being formulated.**

11. Extent to which non mandatory requirements have been complied with

1) Remuneration Committee has been formed as reported earlier in this report.

GENERAL SHAREHOLDERS' INFORMATION

1.	**Date of Book Closing**	:	25th September, 2012 to 29th September, 2012 (both days inclusive)
2.	**AGM date, time and venue**	:	September 29th, 2012 , at 9:30 A.M at Flat No 155, 15th Floor, Mittal Court "A" Wing Nariman Point, Mumbai - 400021
3.	**Listing on Stock Exchanges**	:	Bombay Stock Exchange Limited Phiroze Jeejeebhoy Towers Dalal Street, Mumbai - 400001 Madhya Pradesh Stock Exchange Limited 201,Palika Plaza, Phase II, M.T.H. Compound, Indore - 452001
4.	**Status of Listing Fees**	:	Paid for 2012-2013
5.	**Registered Office**	:	Flat No 155, 15th Floor, Mittal Court, "A" Wing, Nariman Point, Mumbai - 400021
6.	**Corporate Office**	:	77 - B, 3rd Floor, IFFCO Road, Sector-18, Gurgaon -122015
7.	**CIN No**	:	L51900MH1985PLCO36518
8.	**Website/Email**	:	www.mmwlindia.com, compliance@mmwlindia.com
9.	**Name of News Papers in which Results are generally published**	:	Hindustan Times (English) and Nav Shakti (Marathi)
10.	**Depositories**	:	National Securities Depository Ltd. 4th Floor, 'A' Wing, Trade World Kamla Mills Compound, Senapati Bapat Marg Lower Parel, Mumbai - 400 013 Tel: +91-22-24994200 Fax: + 91-22-24972993 Central Depository Services (India) Ltd. Phiroze Jeejeebhoy Towers 28th Floor, Dalal Street, Mumbai - 400 023 Tel: +91-22-22723333 Fax: + 91-22-22723199
11.	**ISIN NO.**	:	INE200D01020

12. Registrar and Transfer Agents

Members are requested to correspond with the Company's Registrar & Transfer Agents - Sharex Dynamic (India) Private Limited quoting their folio no./DP ID & Client ID at the following address:

SHAREX DYNAMIC (INDIA) PRIVATE LIMITED

Unit-1, Luthra Ind. Premises, Safel Pool,
Andheri Kurla Road, Andheri (East)
Mumbai -400072.
Telephone Number:-022 2270 2485,
Fax Number:-022 2851 2885
Email: sharexindia@vsnl.com

13. Share Transfer System

Share Transfer in physical form can be lodged with Sharex Dynamic (India) Private Limited at the above mentioned address. Such Transfer are normally completed within 15 days from the date of receipt. The Company Secretary is duly empowered to approve transfer of shares.

The Total Number of shares transferred in physical form during the financial year 2011-2012:

Number of Transfer Deeds	84
Number of Shares	19350000

14. Investor's complaints received during the financial year 2011-2012:

Nil

There were no investor grievances remaining unattended/pending as at 31st March, 2012. The Board in its meeting held on 26th January, 2012 has designated Mr. Mohd Zafar, Company Secretary as the Compliance Officer.

15. Distribution of Shareholding as on 31st March, 2012:

No. of ordinary Shares Held	No. of Shareholders	Percentage of total Shareholders	Shares Amount (Rs)	Percentage of total Shareholdings
1 to 5,000	1821	87.506	1,677,088	2.074
5,001 to 10,000	107	5.142	818,948	1.013
10,001 to 20,000	48	2.307	709,725	0.878
20,001 to 30,000	22	1.057	534,604	0.661
30,001 to 40,000	11	0.529	391,141	0.484
40,001 to 50,000	10	0.480	464,265	0.574
50,001 to 100,000	20	0.961	1,396,989	1.727
1,00,001and above	32	1.538	74,839,021	92.548
Shares in Transit	10	0.480	33,219	0.041
Total	**2081**	**100.00**	**80,865,000**	**100.00**

16. Categories of Shareholdings as on 31st March, 2012:

S. No.	Category	Shares	%
A	**Promoters Holding**		
1	Indian Promoters	54,481,908	67.37
2	Foreign Promoters	-	-
	Sub Total	**54,481,908**	**67.37**
B	**Public Shareholding**		
1	Institutional Investors	-	-
a)	Mutual Funds & UTI	-	-
b)	Banks, Financial Institutions, Insurance Companies(Central/State Government Institutions/Non-Government Institutions)	-	-
c)	Foreign Institutional Investors	-	-
	Sub Total	**0.00**	**0.00**
2	**Non Institutional Investor**		
a)	Private Corporate Bodies	12,596,474	15.58
b)	Indian Public	13,640,525	16.86
c)	NRIs	112,873	0.14
d)	Any other		
i)	Foreign Banks	-	-
ii)	Trusts	1	0.0000
iii)	OCBs	-	-
iv)	Shares in transit	33,219	0.05
C	**Shares held by Custodian and against which depository receipts have been issued**	**-**	**-**
	GRAND TOTAL (A+B+C)	**80,865,000**	**100.00**

17. Dematerialization of Shares

Trading in the Equity Shares of the Company is only permitted in the dematerialized form as per the Securities and Exchange Board of India (SEBI) circular dated May 29, 2000.

The Company has established connectivity with both the Depositories viz. National Security Depository Ltd. (NSDL) as well as Central Depository Services (India) Ltd. (CDSL) to facilitate the demat trading. As on 31st March, 2012, 99.99% of the Company Share's Capital is in dematerialized form.

18. Market Price Information:

Month	BSE (in Rs)	
	Highest	Lowest
April 2011	3.50	2.94
May 2011	3.38	2.81
June 2011	3.79	3.05
July 2011	3.60	2.93
August 2011	3.32	2.76
September 2011	2.75	1.75
October 2011	3.21	1.76
November 2011	3.18	2.1
December 2011	2.43	1.73
January 2012	2.81	1.81
February 2012	3.55	2.44
March 2012	5.36	3.01

19. Stock Codes: BSE: 512267

20. Financial Calendar (tentative and subject to change) 2012- 2013:

Financial Reporting for the first quarter ended 30th June, 2012: **Second week of August, 2012**

Financial Reporting for the second quarter ending 30th September, 2012: **Second week of November, 2012**

Financial Reporting for the third quarter ending 31st December, 2012: **Second Week of February, 2013**

Audited Accounts for the year ending 31st March, 2013: **Last week of May, 2013**

Annual General Meeting for the year ending 31st March, 2013: **September, 2013**

CERTIFICATE ON CORPORATE GOVERNANCE

To The Members of
MEDIA MATRIX WORLDWIDE LIMITED

1. We have examined the compliance of conditions of Corporate Governance by Media Matrix Worldwide Limited ("the Company") for the year ended 31st March, 2012, as stipulated in Clause 49 of the Listing Agreement of the said with various Stock Exchanges (hereinafter referred to as "the agreement").
2. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and based on our review and to the best of our information and according to the explanations given to us and *subject to the comments given in the item no. 10 of the Corporate Governance Report,* we certify that the conditions of the Corporate Governance as stipulated in the Clause 49 of the agreement have been complied with in all material aspects by the Company.
4. As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that as per the records maintained by the Share Transfer and Investors Grievance Committee, there were no investor grievance remaining unattended/ pending for more than 30 days as at 31st March, 2012 against the Company except in cases which are constrained by disputes and legal impediments.
5. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For KHANDELWAL JAIN & CO.
Firm Registration No. 105049W
Chartered Accountants

(Akash Shinghal)
Partner
Membership No.: 103490
Place: New Delhi
Date: 3rd September, 2012

DIRECTORS' REPORT

To the Members,

The Directors have pleasure in presenting the Annual Report and Audited Accounts for the financial year ended 31st March, 2012.

(in Rs.)

FINANCIAL RESULTS	2011-12	2010-2011
Sales and Services	31,240,922	89,006,611
Other Income	758,283	9,097,943
Profit/(Loss) before depreciation, finance charges and taxation	(25,772,511)	2350207
Less: Depreciation & Amortization	1,411,677	2,040,672
Profit/ (Loss) before Exceptional Items and tax	(27,691,225)	295,523
Exceptional Items(Loss on sale of buildings)	(1,207,321)	---
Profit/ (Loss) after Exceptional Items and before Tax	(28,898,546)	295,523
Profit before Tax	(28,898,546)	295,523
Less: Tax Expense		
Current Tax	1,159,981	563,815
Deferred Tax	(378,234)	(401,069)
Profit/Loss for the year after tax	(29,680,292)	132,777

DIVIDEND

The Board of Directors do not recommend any dividend on Equity Shares for the Financial Year ended 31st March, 2012 in view of losses incurred by the Company.

MANAGEMENT DISCUSSIONS & ANALYSIS (MDA)

Financial Review

Sales during the financial year ended 31st March, 2012 stood at Rs. 31,240,922/- against the sales of Rs. 89,006,611/- in the previous financial year ended 31st March, 2011. During the Year the Company has incurred a net loss of Rs. 29,680,292/- as compared to the net profit of Rs.132,777/- in the previous financial year.

Capital Structure

During the financial year 2011 -2012 the paid up capital of the Company stood at Rs.8,08,65,000 (Eight Crore Eight Lacs Sixty Five Thousand only).

Subsequently the Board of Directors at their meeting held on 7th August, 2012 has allotted 2,00,00,000 (Two Crore) Equity Shares in lieu of conversion of 2,00,00,000 (Two Crore) Optionally Fully Convertible Debentures (OFCDs). Accordingly, as on date the paid up capital of the Company has increased to Rs. 10,08,65,000 (Ten Crore Eight Lacs Sixty Five Thousand only) Equity Shares of Re. 1/- each.

INDUSTRY OVERVIEW FOR THE COMPANY & ITS SUBSIDIARIES

1. **Mobile Handset Market**

   The overall India mobile handsets market recorded sales (unit shipments) of 183 million units in CY 2011. In the overall India mobile handsets market, Nokia retained leadership position with 31% share, followed by Samsung at No. 2 with 15% and Micromax at No. 3 with 5%, in terms of sales (unit shipments) during CY 2011.

   Smartphones contribute 6.2%, multi-SIM handsets over 57% of total shipments in CY2011. Total 3G phone shipments stood at 18 million units in CY2011. Android emerge as a preferred OS for smart phones for a growing number of vendors.

India Monthly Mobile Handset Shipments (millions of units), CY 2011

Device Type	CY 201	CY 2011	Year on Year (YoY) Growth
Featurephones	160.5	172.2	7%
Smartphones	6.0	11.2	87%
Total	**166.5**	**183.4**	**10%**

(Source: CyberMedia Research India Monthly Mobile Handsets Market Review, CY 2011, December 2011 release)

Growth of Smart phones

In 2011 the India smart phones market witnessed the launch of 150 models by over 30 vendors.

Smartphone shipments touched 11.2 million units in calendar year 2011 recording a YoY growth of 87%. Nokia emerged as the leader in the smart phones segment with a 38% share followed by Samsung with 28% share in CY 2011. RIM dropped to third place with a 15% share.

India Mobile Handsets Market: Shares of Leading Vendors in Smartphones*

Vendor Name	CY 2010	Rank in 2010	CY 2011	Rank in 2011
Nokia	72%	#1	38%	#1
RIM	13%	#2	15%	#3
Samsung	5%	#3	28%	#2

*Source: CyberMedia Research India Monthly Mobile Handsets Market Review, CY 2011, December 2011 release

The share of Android OS in the smart phones category saw tremendous growth of over 600% in CY 2011 (34% share) as compared to CY 2010 (9% share). This growth was mainly on account of an increasing number of handset vendors adopting Android as preferred OS for their smart phones.

In 2012, the proportion of smartphones with extended features like NFC and 3D gaming are likely to increase. It will be interesting to see how Microsoft and Nokia take their partnership to the next level with a new range of smart devices based on the Windows 7.5 Mango OS platform. For instance, the Nokia Lumia 610 has been announced at the Mobile World Congress 2012 at Barcelona, even as we go to press. It is expected that this phone would be aggressively priced to compete with smartphones from the Android and RIM.

Muti-Sim Mobile Handsets

Multi-SIM handset shipments accounted for 57% of the total India mobile handsets market during CY 2011, representing an year-on-year increase of 61%. Nokia was the market leader in the category with a nearly 13% share during the year.

India Mobile Handsets Market: Shares of leading Vendors in Multi-SIM Mobile Handsets*

Vendor Name	CY 2010	Rank in 2010	Vendor Name	CY 2010	Rank in 2010
G' Five	21%	#1	Nokia	13%	#1
Micromax	13%	#2	Samsung	8%	#2
Maxx	5%	#3	Micromax	8%	#3

*Source: CyberMedia Research India Monthly Mobile Handsets Market Review, CY 2011, December 2011 release

After a long wait, Nokia introduced its dual-SIM phone portfolio to the Indian market in September 2010. The innovative products in the Finnish vendor's portfolio helped Nokia become the market leader in the category. Some of the key features in Nokia's dual-SIM portfolio were 'touch-and-type' and 'easy swipe'; the latter allows customers to change their secondary SIM without powering off the phone. During CY 2011 the dual-SIM category also extended its presence to the 3G and Smartphone (Android) segments.

3G Phones

During CY 2011, close to 250 unique 3G handset models were shipped from approximately 30 different vendors. The total shipments of 3G phones in India touched nearly 18 million units, a year-on-year growth of 153%. Nokia again emerged as the market leader in this category followed by Samsung and RIM.

India Mobile Handsets Market: Shares of leading Vendors in Multi-SIM Mobile Handsets*

Vendor Name	CY 2010	Vendor Name	CY 2010
Nokia	49%	Nokia	52%
Samsung	24%	Samsung	27%
Sony Ericsson	9%	RIM	6%

*Source: CyberMedia Research India Monthly Mobile Handsets Market Review, CY 2011, December 2011 release

In anticipation of increased 3G data usage among subscribers all the major handset vendors introduced their 3G phone portfolios to the India market during CY 2011.

3G is a relatively new phenomenon in India with active subscribers estimated at only 15 million as of December 2011. This may be directly attributed to the lack of 3G network availability in many locations and the poor quality of service experienced by existing subscribers. Therefore, in many respects 2012 will be a ‘test year’ for the growth and adoption of 3G handsets and data services in the country. It will be interesting to see how new alliances and offerings emerge from handset vendors, service providers and content developers to target mobile subscribers with innovative device plus data service bundles.

2. BPO Industry

IT-BPO sector has become one of the most significant growth catalysts for the Indian economy. In addition to fuelling India’s economy, this industry is also positively influencing the lives of its people through an active direct and indirect contribution to the various socio-economic parameters such as employment, standard of living and diversity among others. The industry has played a significant role in transforming India’s image from a slow moving bureaucratic economy to a land of innovative entrepreneurs and a global player in providing world class technology solutions and business services. The industry has helped India transform from a rural and agriculture-based economy to a knowledge based economy. The efforts of the industry towards the holistic development of the Indian economy and society will continue making a positive impact and changing lives as it has done so far. Further, the industry has acted as socially responsible corporations playing an active role in regional development across India, empowerment of diverse human assets, driving technology and innovation to transform client businesses, and enhancing the overall brand image of India.

On its part, since 2009, as a result of an altered demand landscape, the sector had begun to transform itself by actively diversifying beyond core offerings and markets through new business and pricing models, specialize to provide end-to-end service offerings with deeper penetration across verticals, transform process delivery through re-engineering and enabling technology, innovate through research and development and drive inclusive growth in India by developing targeted solutions for the domestic Indian market. When demand returned in 2010, the combined effect of all these factors helped India grow faster than its competitors, accounting for almost 90 per cent of incremental growth in the global sourcing market.

Global sourcing trends

Worldwide technology products and services related spend is estimated to reach USD 1.6 trillion in 2010, a growth of 4 per cent over 2010, with emerging verticals and emerging geographies, in addition to US, driving growth. Worldwide hardware spends increased by 6.4 per cent on the back of a global refresh cycle. IT services spend increasing by 1.4 per cent in 2010, within which IT outsourcing grew by 2.4 per cent. Continuous ROI focus led to BPO growing by 4 per cent, while software products rose by 3.7 per cent led by increased focus on security, storage, and application development. Within IT outsourcing, global sourcing grew by 10.4 per cent in 2010, validating the industry’s integral position in service delivery chain. ANSASCSOSMCO SMT RSTARTEAGTIECG RICE RVIEEVWIE W20 120011

The year 2010-2011 saw wide ranging contract restructuring exercises, and deal size reductions as buyers came to terms with new business models and budgetary constraints. However, multi-sourcing saw higher adoption, precipitated by the increased maturity of Indian providers. Recent global M&A activity in the sector indicates select acquisitions by established service providers to enhance skill and scale. While cost and talent still remain essential considerations for global sourcing, savvy customers are constantly demanding more – growth markets, flexibility and innovation. With customers demanding more immediate value from IT and forward-looking strategies that support growth and innovation, service providers are adopting agile methods focusing on operational excellence through ongoing innovation, diversification, renewed partnerships/alliances and new business models.

(Source: NASSCOM Strategic review 2011)

Indian Domestic BPO Market

Our BPO industry, which started with a market value of 1.6 billion dollars, has grown to 14.7 billion dollars in ten years. This amounts to over 900 per cent growth. Next growth area of development for the industry is small cities. NASSCOM projected that India's back-office outsourcing business will post a growth of 15-16 per cent in the year to March 2011 on growing demand from overseas clients.

Despite all challenges like global economic recession, BPO industry grew 6 per cent globally in 2009-10. The growth rate has been estimated at 5.5 percent, on the back of increased cost efficiencies, utilization rates and diversification into new verticals. NASSCOM stuck to its earlier expectation of 4-7 percent growth. However, for the financial year, 2010-11, NASSCOM gave healthier projections for exports at 13-15 percent and 15-17 percent for the India market. Worldwide technology products and services spend is estimated to cross $1.5 trillion (over Rs 69 lakh crore) in 2009 – a decline of almost 3 percent.

On the hiring front, the industry remains bullish and is expected to be a net hirer, going ahead. The industry, which will continue to remain a net hirer, added 90,000 jobs in 2009-10 and is estimated to add almost 150,000 jobs in the following year. Direct employment in the Indian IT-BPO sector is estimated to cross 2.3 million, while indirect job creation is estimated to reach 8.2 million.

Greater IT adoption would follow in retail, healthcare, telecom and BFSI (the banking, financial services and insurance vertical) and 80 percent of growth to come from new areas.

BFSI will though always remain the biggest chunk, as it has the largest back office spread and is outsourced easy with the right technology support. BFSI contributes almost 41 percent to the industry's revenues.

According to the NASSCOM and Everest India report, Indian BPO industry would grow nearly five-fold from its present revenue to reach US$50B by 2012.

The sector, that has grown manifold in size and matured in terms of service delivery capability and footprint over the past decade, is now at an inflexion point. Today, it faces a unique opportunity to enhance its role as a full-service, value-adding partner. There is significant headroom in the addressable BPO opportunity for buyers and providers, and there are sizeable untapped areas across a wide spectrum of segments. Also, the Indian BPO sector is favourably positioned to benefit from its established delivery capabilities, which influence buyers' decision to expand their global sourcing exposure.

(Source: www.globalservices.com & Nasscom Report)

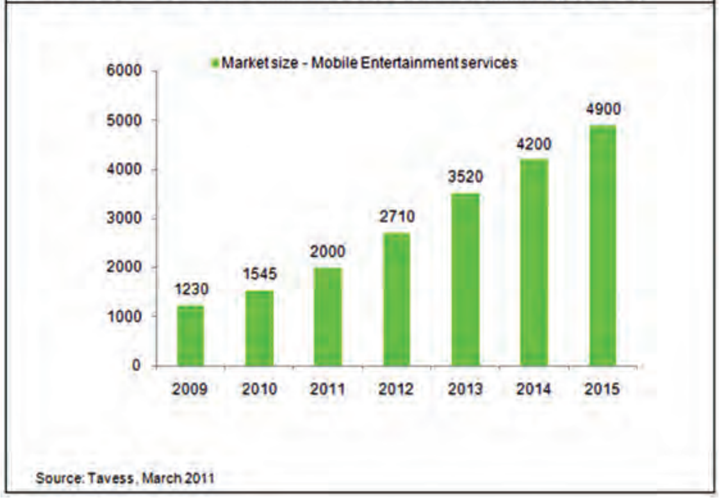
3. Mobile Television

The mobile entertainment industry in India will be worth $4.9bn (£3bn) in 2015, up from $1.2bn in 2009, growing at a CAGR (Compound Annual Growth Rate) of 26 per cent, according to new research from Tavess, the analyst.

The research firm notes that increased commoditization of voice services, with rapidly declining voice tariffs, is resulting in diminishing voice ARPU for Indian mobile operators. To address this challenge, and to earn additional revenues from existing customers, Indian mobile operators are increasing their focus on data services, primarily entertainment services such as mobile music, gaming and video/TV.

Mobile music is the most popular entertainment service among Indian consumers, with ringback tones and ringtones the most popular services, followed by single track music downloads. Mobile operators are placing great emphasis on music streaming services, with players such as Vodafone, Reliance, and Idea offering music streaming at very affordable prices. Vodafone, for example, offers subscription-based music streaming services for INR 50 ($1.09) per month. This provides subscribers with access to its music station, with 40,000 songs, and 30 music channels in nine languages.

Market Size – Mobile Entertainment Services in India in $million (2009-2015)



Source: Tavess, March 2011

Similarly, handset manufacturers are making moves to tap the opportunity presented by the Indian digital music market. Nokia has launched its Ovi music store for Nokia handset owners. This is focused on providing localized content to users, offering Indian users a choice of 3.5m tracks.

Gaming on mobile phones is also gaining traction, with leading Indian gaming companies, such as Zapak, ibibo, and Indiagames launching mobile gaming, providing users with access to multiple games, incorporating social networking functionality.

Handset makers are also tapping into this market, launching sophisticated handsets with advanced gaming functionality. Tavess expects greater adoption of multi-player mobile games, along with growth in 3D and "mythological" games.

With the launch of 3G services, the mobile TV and video landscape in India is also witnessing rapid changes. Tavess believes that India has good future potential for mobile video streaming services, especially for videos focused on cricket highlights and updates, in addition to film-based content. However, as many subscribers are not accustomed to paid, subscription-based services, the monetization of video content will be primarily through advertisements. Tavess also expects greater adoption of mobile TV, with users preferring to watch television on mobile while on the move.

In the past few years, Indian telecom operators have been focusing on localization of entertainment services, offering video, music, and gaming content in several regional languages, with regional flavour. Further, realizing the potential of market and culturally-relevant content and services, the operators have started offering a plethora of services, such as social networking, matrimonial services, astrology, mobile radio, religious chants, comic strips, and are focusing on demographically-targeted services (e.g. dedicated service launches for the younger and older demographics). While these initiatives set the platform for growth, says Tavess, it is important for all the players to continuously invest in launching new and innovative data services to keep the momentum up and gain competitive edge.

Tavess believes that mobile entertainment has huge potential in India, and that the current localization of mobile entertainment content is driving the industry in the right direction, bringing in greater usability of content. In the coming years, the mobile entertainment landscape will see several changes with respect to greater integration of mobile entertainment services with social networking; increased significance of user generated content, which will be a major focus area for telecom operators; and the growth of infotainment services. Tavess also expects a rise in mobile advertising programs focused on providing credits to users for watching ads. Mobile music will, however, continue to dominate the mobile entertainment services landscape, with significant growth potential presented by mobile video

(Source: mobile marketing magazine.co.uk)

OPPORTUNITIES AND OUTLOOK

The strategy of Company has been towards investing in the new application and/or technologies related to Mobile on account of rising demand for data services/solution in 3G/4G era, and making investments in next generation businesses including contents and Media businesses which are expected to have substantial growth over the next decade on account of rising demand from online and e-commerce businesses. The Company would be working either directly or through its subsidiaries to take up existing and/or new projects to achieve the above.

Apart from the existing businesses, the Company currently is proposing to import smartphones, tablets and other mobile devices beside GSM handsets, which in turn would be sold through nexG Devices Private Limited (NDPL). NDPL has already developed distribution network for sales and marketing of GSM handsets, tablets and other mobile devices. The Company is also looking for opportunities in value added services domain for mobile applications along with technical services and support. Further, the Company may enter into sourcing of content business for its mobile TV business either directly or through DigiVive Services Private Limited (DSPL).

THREAT, RISKS & CONCERN

The Company operates in a competitive environment. The Company faces competition from both the international as well as domestic players and within domestic industry, from both the organized and unorganized players. However, no player in the industry is an integrated player, which is one of the focus areas of MMWL going forward.

The trading of the mobile handsets is a low margin segment and the overall profitability depends upon the scale of operations and competition in the segment. To counter this, MMWL has plans to enter into high volume and high margin segments of mobile devices. Further, considering the uncertainty associated with the roll out of 4G and various associated technologies by players, there could be risk associated with the cash flow of content business.

ADEQUACY OF INTERNAL CONTROL

The Company has a well laid out internal control system for the various agencies. M/s Oswal Sunil & Company, Chartered Accountants, Delhi has been appointed as an Internal Auditor of the Company w.e.f. 14th February, 2012. The internal control system is so designed to ensure that there is adequate safeguard, maintenance and usage of assets of the Company.

HUMAN RESOURCES

The Company currently has a strong technical team of more than 30 employees with experience in developing new applications and technologies required for supporting the Mobile Content distribution platform and we would like to thank each and every member of the MMWL family for their role and continuous contribution towards the Company's performance.

OUR SUBSIDIARIES

nexG Devices Private Limited (NDPL)

Our wholly owned Subsidiary, NDPL is currently engaged in procurement and distributorship of Mobile Handsets of various brands including Samsung, Akai and Alcatel. NDPL has distribution arrangement with these brands for distribution and marketing of handsets in the Indian markets. NDPL has marketing offices and warehouses located at various cities in India and have established a nationwide network of over 350 super-stockiest and distributors to handle the distribution business all over India. NDPL was acquired by the Company on March 5, 2012 from DSPL, which also later on became our Subsidiary.

The Mobile Handsets market in India has grown significantly in the last 10 years following the exponential growth of mobile phone services. The growth segments are Smart Phone, Tablets, 3G Phones, Dual SIMs phones, etc.

DigiVive Services Private Limited (DSPL)

DSPL has become subsidiary of the Company on March 31, 2012 by way of subscription to additional Equity Shares of DSPL by us. Further, it has been made a wholly owned subsidiary of MMWL on May 28, 2012 by acquiring the remaining stake of 20.15% through DigiCall Holdings Private Limited (DCHPL) from its erstwhile promoter shareholders.

DSPL is in the business of running next generation mobile value added services. It developed a Mobile TV application "nexGTv" in May 2011. nexGTv offers a bouquet of over 100 Television channels to a current subscriber base of 10 Lakh+ customers and the nexGTv app has been downloaded by more than 3 million users from the various app stores. NexGTv also has a large VOD library of TV content and movies. The delivery mechanisms for nexGTv include Native Client, WAP and Video IVR (VIVR).

DSPL has entered into operator tie-ups with BSNL, MTNL, MTS and Idea in India and Etisalat in Sri Lanka, and is in the process of tying-up with other leading telcos in India and Overseas.

DigiCall Teleservices Private Limited (DTPL)

DTPL has become our subsidiary on March 31, 2012 when we invested in it by way of subscription to the additional Equity Shares of DTPL. Further, it has been made our wholly owned subsidiary on May 28, 2012 when we acquired the remaining stake of 34.5% through DCHPL from its erstwhile promoter shareholders.

DTPL, operating in the BPO segment, was set up primarily as an ITES organization and supports a wide range of service offering. It was incorporated as Pagepoint Services (India) Private Limited in 1992 for providing Radio Paging services. DTPL discontinued the Paging business in 2004-05, given the declining use of paging services and closure of the paging industry internationally. DTPL started the business of domestic call center in 1999 and since then has been developing this business. The name of the company had been recently changed to DigiCall Teleservices Private Limited vide fresh Certificate of Incorporation dated March 28, 2011. DTPL today employees around 3900 people nationwide in its various centres located in some of the major cities across India.

DigiCall Holdings Private Limited (DHPL)

Digicall Holdings Private Limited has been incorporated with a view to make investments in existing/new projects to be undertaken by us jointly or severally. It has been incorporated in the recent past and currently is looking for investment in content solutions business. The Company has been acquired by us on March 5, 2012 and is at present our wholly owned subsidiary, by virtue of 100% equity share holding held by our Company.

DigiCall Global Private Limited (DGPL)

DigiCall Global Private Limited is a subsidiary of DigiCall Teleservices Private Limited which itself is a subsidiary of the Company. By virtue of subsidiary of subsidiary, DGPL has also become subsidiary of the Company. DGPL is also in the BPO operations and caters to the need of international markets and primarily to the global clients based out in UK and US through global delivery network and a comprehensive outsourcing services infrastructure.

The Ministry of Corporate Affairs (MCA) vide its General Circular No. 2/2011 dated 8th February, 2011 has granted general exemption to all companies from attaching the annual accounts of the subsidiaries with the Annual Report of holding company, subject to compliance of conditions specified therein. As required under the said Circular, the Board of Directors of the Company at its meeting held on 28th May, 2012 has given its consent for not attaching the annual accounts of above subsidiary companies to the annual accounts of the Company. Accordingly, annual accounts of the subsidiary companies are not annexed to the annual accounts of the Company. The Central Government has however, prescribed specified information on the subsidiary companies, to be disclosed as part of its consolidated financial statements. Such information is appearing at page no. 72 & 73 of this Annual Report. The Company has annexed audited consolidated financial statements of the Company and all its subsidiaries in the Annual Report.

Any shareholder desirous of obtaining the Annual Accounts and related information of the above subsidiary companies may write to the Company Secretary of Media Matrix Worldwide Limited at 77B, 3rd Floor, IFFCO road, Sector -18, Gurgaon 122015 and the same shall be sent by post.

The annual accounts of the above subsidiary companies and the related information shall be made available to the Shareholders of the Company as well as to the Shareholders of the subsidiary companies seeking such information at any point of time. The annual accounts of the above subsidiary companies shall also be kept open for inspection for any member of the Company at the Registered office and Corporate office of the Company as well as at the Registered office of concerned subsidiary companies between 09:30 A.M. to 1:00 P.M. on all working days up to the date of AGM.

CAUTIONARY STATEMENT

Statement in the management's discussions and analysis describing the Company's projections, estimates, expectations or predictions may be 'forward looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that would make a difference to the Company's operations include demand-supply conditions, changes in government regulations, tax regimes and economic developments within the country and abroad and such other factors.

ACQUISITIONS OF THE COMPANY BY M/S DIGIVISION HOLDINGS PRIVATE LIMITED

During the year under review, M/s DigiVision Holdings Private Limited (DHPL) has acquired 67.37% of total Equity Share Capital of the Company through Share Purchase Agreements and Open Offer made pursuant to Regulations 10 and 12 of SEBI(Substantial Acquisitions of Shares and Takeovers) Regulations 1997. With Acquisition of 67.37% Shareholding, DHPL has taken over the management control of the Company from its erstwhile promoters.

RIGHT ISSUE

As approved by the shareholders at their Extra Ordinary General Meeting held on 26th March 2012, the Board of Directors of the Company has filed a Draft Letter of Offer for issue of further shares on rights basis with SEBI and Stock Exchanges on 29th August, 2012. The Final size of the Right Issue, right entitlement ratio and issue price shall be decided by the Board of Directors of the Company at the time of filling the Final Letter of Offer with Stock Exchanges.

DIRECTORS

Mr. Chhattar Kumar Goushal, Mr. Mahesh Ranglal Jain and Mr. Bharat Bhushan Chugh were appointed as Additional Directors of the Company w.e.f. 26th January, 2012. Mr. Suresh Bohra has also been appointed as an Additional Director of the Company w.e.f. 24th February, 2012. Subsequently Mr. Bharat Bhushan Chugh was appointed as a Wholetime Director designated as Director (Finance) w.e.f 28th May, 2012. The term of aforesaid Directors will come to an end with the conclusion of ensuing Annual General Meeting. The Company has received necessary notices from the shareholders signifying their intention to appoint the aforesaid person as Directors of the Company as required under section 257 of the Companies Act 1956. Further, Mr. Anil Babulal Vedmehta, Mr. Suhas Gopinath Jadhav and Mr. Deepak Meghraj Doshi resigned from the directorship of the Company w.e.f. 26th Januray,2012. Mr. Pulkit Vimal Mehta also resigned and ceased to be the Director of the Company w.e.f. 28th May, 2012.

AUDITORS

During the year under review, M/s Khandelwal Jain & Company, Chartered Accountant, Mumbai, were appointed as Joint Statutory Auditors along with existing Statutory Auditors M/s NS Bhatt & Associates to conduct the Statutory Audit for the Financial Year

2011-2012. One of Joint Auditors, M/s N S Bhatt & Associates has resigned on June 19, 2012 on account of their preoccupation. M/s Khandelwal Jain & Company, Chartered Accountants, Statutory Auditors of the Company retires at the conclusion of the ensuing Annual General Meeting and being eligible have offered themselves for re-appointment.

AUDITORS' REPORT

The information and explanation, qualifications/observations in the Auditors' Report are given in Annexure – I to this report.

PUBLIC DEPOSITS

The Company has not accepted any deposits from the public during the year.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to the Directors' Responsibility statement, it is hereby confirmed:

1. That in the preparation of the annual account for the Financial Year 2011- 2012, the applicable accounting standards have been followed along with proper explanations relating to material development;

2. That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and loss of the Company for the year under review;

3. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the asset of the Company and for preventing and detecting fraud and other irregularities;

4. That the Directors have prepared the annual accounts for the financial year ended 31st March, 2012 on a going concern basis.

PARTICULARS OF EMPLOYEES

The provisions of Section 217(2A) of the Companies Act, 1956 does not apply, as there was no employee drawing salary above the limits prescribed therein.

DEMATERIALIZATION OF SHARES

Trading in the Equity Shares of the Company is only permitted in the dematerialized form as per the Securities and Exchange Board of India (SEBI) circular dated May 29, 2000.

The Company has established connectivity with both the Depositories viz. National Security Depository Ltd. (NSDL) as well as Central Depository Services (India) Ltd. (CDSL) to facilitate the demat trading . As on 31st March, 2012, 99.99% of the Company's Share Capital is in dematerialized form.

The Company's shares are regularly traded on Bombay Stock Exchange. The Company's shares are also listed at Madhya Pradesh Stock Exchange Limited where no trading take place. The Company has filed an Application with Madhya Pradesh Stock Exchange Limited under Amnesty Scheme to regularize the listing status of the Company.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information pursuant to Section 217(1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the report of the Board of Directors) Rules, 1988 is as under:

Part A and Part B relating to conservation of energy and technology absorption are not applicable to the Company as your Company is not a manufacturing company.

FOREIGN EXCHANGE EARNINGS AND OUTGO

Total foreign exchange earnings and outgo	2011-2012	2010- 2011
FOB Value of Exports	Nil	Nil
CIF Value of Imports	Nil	Nil
Expenditure in foreign currency	Nil	Nil

CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing agreement with BSE and MPSE, the Corporate Governance report together with a certificate from the Company's Auditors on its compliance is made part of the Annual Report.

ACKNOWLEDGEMENT

The Directors of the Company are grateful to all the stakeholders including the customers, bankers, suppliers and employees of the Company for their co-operation and assistance.

For and on behalf of the Board

Place : Gurgaon
Date : 3rd September, 2012

(B.B. Chugh)
Director (Finance)

(C.K. Goushal)
Director

ANNEXURE –I TO THE DIRECTOR'S REPORT

INFORMATION AND EXPLANATION ON QUALIFICATIONS/OBSERVATIONS IN THE AUDITOR'S REPORT

A. OBSERVATION IN THE MAIN AUDITOR'S REPORT

Nil

B. OBSERVATION IN ANNEXURE TO THE AUDITOR'S REPORT

1. IX (a)

As per the information and explanations given by the management, the company is not regular in depositing with the appropriate authorities, undisputed statutory dues including Income Tax, Sales Tax, Wealth Tax, Provident Fund, custom duty and other statutory dues applicable to it. According to the information and explanations given to us, there are no undisputed amounts payables in respect of such statutory dues, except fringe benefit tax for assessment year 2006-07 to 2008-09 of Rs.2, 13,493/- which has remained outstanding for more than six months as at 31 March, 2012.

Reply:

The management will take immediate steps to deposits the outstanding dues related to fringe benefit tax.

2. X

The Company's accumulated losses at the end of the financial year are not more than fifty percent of its net worth. *The Company has incurred cash loss in the current year.* In the immediate preceding financial year the Company has not incurred cash losses.

Reply:

The cash loss during the year under review has mainly arisen due to lower sales and certain write offs of doubtful debts.

For and on behalf of the Board

Place : Gurgaon
Date : 3rd September, 2012

(B.B. Chugh)
Director (Finance)

(C.K. Goushal)
Director

AUDITORS' REPORT ON NBFC

To,

The Board of Directors,
Media Matrix Worldwide Limited
Mumbai.

We have audited the accounts of Media Matrix Worldwide Limited for the year ended 31st March, 2012. As required by the Non Banking financial Companies Auditor's Report (Reserve Bank) Directions, 2008 dated 18th September 2008, we give below our report on the matters specified in the above mentioned directions and state that:

1. The Company has obtained a Certificate of Registration (No. 13.01287) on the 13th August 1999 from Reserve Bank of India. However, as referred in Note No. 21 II (B) of Financial Statement of the Company for the year ended 31st March 2012, the Company has filed an application with the Reserve Bank of India (RBI) for de-registration as a NBFC on 13th September 2011.
2. The Board of Directors had passed a resolution for non acceptance of any public deposit in their meeting held on Sept 7, 2011.
3. In our opinion and to the best of our information and according to the explanations given to us, the Company has not accepted any public deposits during the relevant year 2011-2012.
4. The Company has complied with the norms of Income recognition, accounting standards etc., as applicable to it.

For N.S. Bhatt & Associates	**For Khandelwal Jain & Co.**
Chartered Accountants	Chartered Accountants
Firm Registration No: 130891W	Firm Registration No: 105049W
(Brijesh Dutt Chaturvedi)	**(Akash Shinghal)**
Partner	Partner
Membership No 135871	Membership No 103490

Place**:** Gurgaon
Date **:** 28th May, 2012

AUDITORS' REPORT

To,
The Members of
M/s. **Media Matrix Worldwide Limited**

1. We have audited the attached Balance Sheet of M/s. **Media Matrix Worldwide Limited** as at 31st March 2012, the Statement of Profit and Loss and Cash Flow Statement of the Company for the year ended on that date annexed thereto. These Financial Statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We have conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Companies (Auditor's Report) Order, 2003 (hereinafter referred to as the 'Order') issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 and on the basis of such checks as considered appropriate and according to information and explanations given to us during the course of the audit, we enclose in the Annexure hereto a statement on the matters specified in the paragraphs 4 and 5 of the said Order.

4. Further to our comments in the Annexure referred to paragraph 3 above, 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 appears from our examination of such books;

   c) The Balance Sheet, Statement of Profit and Loss and Cash Flow statement dealt with by this report are in agreement with the books of account.

   d) In our opinion, the Balance Sheet and Statement of Profit & Loss and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956.

   e) On the basis of written representations received from the directors as on March 31, 2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2012 from being appointed as director in terms of clause (g) of sub Section (1) of section 274 of the Companies Act, 1956;

   f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the significant accounting policies and notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India

      i. In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2012.

      ii. In the case of the Statement of Profit and Loss, and the loss of the Company for the year ended on that date.

      iii. In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For N.S. Bhatt & Associates
Chartered Accountants
Firm Registration No: 130891W

(Brijesh Dutt Chaturvedi)
Partner
Membership No 135871

For Khandelwal Jain & Co.
Chartered Accountants
Firm Registration No: 105049W

(Akash Shinghal)
Partner
Membership No 103490

Place : Gurgaon
Date : 28th May, 2012

ANNEXURE TO THE AUDITORS' REPORT

Annexure referred to in paragraph 3 of the Auditors' Report of even date to the Members of **Media Matrix Worldwide Limited** on the accounts for the period ended 31st March, 2012;

I. (a) The Company has maintained proper records showing full particulars including quantitative details and situations of its Fixed Assets.

(b) All the assets have been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets and as informed, no material discrepancies were noticed on such verification.

(c) During the year, the Company has disposed of building. Based on the information and explanation given by the management and on the basis of audit procedure performed by us, we are of the opinion that the sale of said asset has not affected the going concern status of the Company.

II. The Company does not maintain any inventory and therefore provisions of clause 4(ii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the company.

III. (a) The Company had granted advances to one company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year aggregated to Rs.1,10,71,000/- (to Mobile Telecommunication Limited).

(b) In our opinion, considering the explanation given to us, in this regard the rate of interest and other terms and conditions, wherever stipulated are not prima facie, prejudicial to the interest of the Company.

(c) As per the information made available to us, the aforesaid advances including interest wherever stipulated, given by the Company were repayable on demand.

(d) In respect of the aforesaid advances, there is no overdue amount as at the year end, this party ceased to be covered under Section 301 as at March 31st 2012.

(e) As per the information furnished, the Company has taken unsecured loan from two parties covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year aggregated to Rs. 1,65,41,883/- (from Anil Babulal Vedmehta) and Rs. 12,20,000/- (from Mobile Telecommunication Limited).

(f) In our opinion, considering the explanation given to us, in this regard the rate of interest and other terms and conditions, wherever stipulated are not prima facie, prejudicial to the interest of the Company.

(g) As per the information made available to us, the aforesaid advances including interest wherever stipulated, taken by the Company were repayable on demand and in respect of the aforesaid advances, there is no overdue amount as at the year end, these parties ceased to be covered under Section 301 as at March 31st 2012.

IV. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods. During the course of our audit no major weaknesses has been noticed in the internal controls system in respect of these areas. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system of the Company.

V. (a) Based on the audit procedure applied by us and according to the information and explanations provided by the management, during the year, there has been no contract or arrangement that needed to be entered into the register maintained under Section 301 of the Companies Act, 1956 and accordingly the clause (b) is not applicable.

VI. The Company has not accepted any deposits from the public within the meaning of Section 58A and 58AA of the Companies Act, 1956 and the rules framed there under.

VII. In our opinion, the Company has internal audit system commensurate with the size of the Company and nature of its business.

VIII. According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956 for the products of the company.

IX. *(a)As per the information and explanations given by the management, the Company is not regular in depositing with the appropriate authorities, undisputed statutory dues including Income Tax, Sales Tax, Wealth Tax, Provident Fund, Custom Duty and other statutory dues applicable to it. According to the information and explanations given to us, there are no undisputed amounts payables in respect of such statutory dues, except fringe benefit tax for assessment year 2006-07 to 2008-09 of Rs.2,13,493/- which has remained outstanding for more than six months as at 31st March, 2012.*

(b)According to the information and explanation given to us, there are no dues of Sales Tax, Income Tax, Custom Duty, Wealth Tax, Excise Duty and Cess which have not been deposited on account of any dispute.

X. The Company's accumulated losses at the end of the financial year are not more than fifty percent of its net worth. *The Company has incurred cash loss in the current year.* In the immediately preceding financial year the Company has not incurred cash losses.

XI. According to the records produced before us and the information and explanation given to us, the Company has not defaulted in the repayment of due to any financial institution or bank or Debenture holders.

XII. According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

XIII. In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Hence, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.

XIV. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, Clause 4 (xiv) of the said Order is not applicable.

XV. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks and financial institutions.

XVI. Based on our examinations of the records and information and explanations given to us during the period no term loan with repayment period beyond 36 months has been obtained.

XVII. According to the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company as at the end of the year, funds raised on short term basis have not been used for long term investments.

XVIII. The Company has not made any preferential allotment of shares during the year to parties and Companies covered in the Register maintained under Section 301 of the Act.

XIX. The Company has not issued any secured debentures during the year.

XX. The Company has not raised money by public issues during the year ended March 31, 2012.

XXI. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For N.S. Bhatt & Associates
Chartered Accountants
Firm Registration No: 130891W

(Brijesh Dutt Chaturvedi)
Partner
Membership No 135871

For Khandelwal Jain & Co.
Chartered Accountants
Firm Registration No: 105049W

(Akash Shinghal)
Partner
Membership No 103490

Place : Gurgaon
Date : 28th May, 2012

BALANCE SHEET AS AT 31st March 2012

(Amount in Rs.)

	Particulars	Note No.	As at 31st Mar, 2012 (Rs.)	As at 31st Mar, 2011 (Rs.)
I	**EQUITY AND LIABILITIES**			
(1)	**Shareholders Funds**			
	(a) Share Capital	1	80,865,000	80,865,000
	(b) Reserve & Surplus	2	(17,944,758)	11,735,535
(2)	**Non- Current Liabilities**			
	(a) Long Term Borrowings	3	500,000,000	-
	(b) Deferred Tax Liabilities		38,841	417,075
	(c) Other Long Term Liabilities		-	-
	(d) Long Term Provision	4	1,092	-
(3)	**Current Liabilities**			
	(a) Short Term Borrowings	5	13,731,257	20,501,882
	(b) Trade Payables	6	17,881,758	19,120,103
	(c) Other Current Liabilities	7	1,314,382	1,755,264
	(d) Short Term Provision	8	3,431,097	1,997,393
			599,318,669	**136,392,252**
II	**ASSETS**			
(1)	**Non Current Assets**			
	(a) Fixed Assets			
	(i) Tangible Assets	9	614,342	4,233,341
	(ii) Intangible Assets		-	-
	(iii) Capital-Work-In-Process		-	-
	(iv) Intangible Assets under Development		-	-
	(b) Non- Current Investments	10	465,949,000	52,470,640
	(c) Deferred tax Assets (net)		-	-
	(d) Long Term Loans & Advances		-	-
	(e) Other Non-Current Assets		-	-
(2)	**Current Assets**			
	(a) Current Investments		-	-
	(b) Inventories		-	-
	(c) Trade Receivables	11	17,664,607	44,291,033
	(d) Cash & Cash Equivalents	12	17,014,796	8,790,687
	(e) Short-term Loans & Advances	13	92,516,935	23,100,000
	(f) Other Current Assets	14	5,558,989	3,506,551
			599,318,669	**136,392,252**
	See other accompanying notes to the financial statements	21		

As per our report of even date

For N.S. Bhatt & Associates
Chartered Accountants
Firm Regn. No.130891W

(Brijesh Dutt Chaturvedi)
Partner
Membership No. 135871

For Khandelwal Jain & Co.
Chartered Accountants
Firm Regn. No. 105049W

(Akash Shinghal)
Partner
Membership No. 103490

For and on Behalf of the Board of Directors

(B.B. Chugh)
Director (Finance)

(C.K. Goushal)
Director

(Mohd Zafar)
Company Secretary

Place : Gurgaon
Date : 28.05.2012

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st March 2012

(Amount in Rs.)

	Particulars	Note No.	For the year ended on 31st Mar, 2012	For the year ended on 31st Mar, 2011
I	**Revenue From Operation**	15	31,240,922	89,006,611
II	**Other Income**	16	758,283	9,097,943
III	**Total Revenue**		**31,999,205**	**98,104,554**
IV	**Expenditure**			
	Purchase of Stock-in -trade	17	15,597,297	95,413,315
	Employee Benefits Expenses	18	5,397,712	22,200
	Finance Cost	19	507,037	14,012
	Depreciation and Amortization Expenses	9	1,411,677	2,040,672
	Administrative,Selling and Other Expenses	20	36,776,706	318,832
	Total Expenses		**59,690,429**	**97,809,031**
V	**Profit before Exceptional items, Extraordinary items and Tax (III- IV)**		**(27,691,225)**	**295,523**
VI	**Exceptional Items (Loss on sale of Building)**		**(1,207,321)**	**-**
VII	**Profit before Extraordinary items and Tax (V- VI)**		**(28,898,546)**	**295,523**
VIII	**Extraordinary Items**		**-**	**-**
IX	**Profit before Tax (VII- VIII)**		**(28,898,546)**	**295,523**
X	**Less: Tax Expense:**			
	Current Tax		1,159,981	563,815
	Deferred Tax		(378,234)	(401,069)
XI	**Profit /(Loss) for the year (after tax)(IX- X)**		**(29,680,292)**	**132,777**
XII	**Earning per share (Face value of Rs.1/- each)**			
	Basic/Diluted (Rs.)		**(0.37)**	**0.002**
	See other accompanying notes to the financial statements	**21**		

As per our report of even date

For N.S. Bhatt & Associates
Chartered Accountants
Firm Regn. No.130891W

(Brijesh Dutt Chaturvedi)
Partner
Membership No. 135871

For Khandelwal Jain & Co.
Chartered Accountants
Firm Regn. No. 105049W

(Akash Shinghal)
Partner
Membership No. 103490

Place : Gurgaon
Date : 28.05.2012

For and on Behalf of the Board of Directors

(B.B. Chugh)
Director (Finance)

(C.K. Goushal)
Director

(Mohd Zafar)
Company Secretary

NOTES FORMING PART OF THE ACCOUNTS

NOTE "1" - SHARE CAPITAL	As at 31st Mar, 2012 (Rs.)	As at 31st Mar, 2011 (Rs.)
AUTHORISED		
1,500,000,000 (Previous Year: 85,000,000) Equity shares of Re. 1/- each	1,500,000,000	85,000,000
ISSUED, SUBSCRIBED & PAID UP		
80,865,000 (Previous Year: 80,865,000) Equity shares of Re. 1/- each	80,865,000	80,865,000
TOTAL	**80,865,000**	**80,865,000**

1.1 75,00,000 Equity Shares of Re. 1/- each fully paid up allotted for consideration other than cash against acquisition of business and 5,39,10,000 Equity shares of Re.1/- each issued as bonus shares by capitalisation of Share Premium.

1.2 Shareholders holding more than 5 percent shares

Name of Shareholder		As at 31st Mar, 2012 (Rs.)	As at 31st Mar, 2011 (Rs.)
Unitel Software Ltd	No. of Shares		4,800,000
	% of Holding		(5.94%)
Vimochan Pictures Ltd	No. of Shares		20,988,722
	% of Holding		(25.96%)
Anil Babulal Vedmehta	No. of Shares		8,371,553
	% of Holding		(10.35%)
DigiVision Holdings Pvt Ltd	No. of Shares	54,481,908	
	% of Holding	(67.37%)	

1.3 The reconciliation of the number of shares is set out below:

Particulars	As at 31st Mar, 2012 (Rs.)	As at 31st Mar, 2011 (Rs.)
Number of shares at the beginning	80,865,000	80,865,000
Add: Shares issued during the year	-	-
Number of shares at the end	80,865,000	80,865,000

NOTE "2" - RESERVES & SURPLUS	As at 31st Mar, 2012 (Rs.)	As at 31st Mar, 2011 (Rs.)
Securities Premium		
Opening balance	15,840,000	15,840,000
Add: Addition During the year	-	-
Less:Utilised during the year	-	-
Closing Balance	**15,840,000**	**15,840,000**
Profit & Loss Account:		
Opening balance	(4,104,465)	(4,237,242)
Add: Transfer from Profit & Loss Statement	(29,680,292)	132,777
Closing Balance	**(33,784,758)**	**(4,104,465)**
TOTAL	**(17,944,758)**	**11,735,535**

NOTE "3" - LONG TERM BORROWINGS	As at 31st Mar, 2012 (Rs.)	As at 31st Mar, 2011 (Rs.)
Unsecured		
0% Optionally Fully Convertible Debentures (OFCDs)		
144,092,219 (Previous Year : Nil) 0% OFCDs of Rs 3.47 each	500,000,000	-
Refer note no. 21 (II) C		
TOTAL	**500,000,000**	**-**

NOTE "4" - LONG TERM PROVISIONS	As at 31st Mar, 2012 (Rs.)	As at 31st Mar, 2011 (Rs.)
Provision for employee benefits		-
Gratuity	479	
Leave Encashment	613	
TOTAL	**1,092**	**-**

NOTE "5" - SHORT TERM BORROWINGS	As at 31st Mar, 2012 (Rs.)	As at 31st Mar, 2011 (Rs.)
Unsecured		
Short Term Loans from Corporates	3,731,257	3,960,000
Short Term Loans from Directors & their relatives	-	16,541,882
Loans and Advances from Holding Company	10,000,000	-
TOTAL	**13,731,257**	**20,501,882**

NOTE "6" - TRADE PAYABLE	As at 31st Mar, 2012 (Rs.)	As at 31st Mar, 2011 (Rs.)
Due to Micro, Small, & Medium Enterprises*	-	-
Others	17,881,758	19,120,103
TOTAL	**17,881,758**	**19,120,103**

* The Disclosure in respect of amount payable to the Company covered under the definition of Micro, Small and Medium Entreprises Development Act, 2006 (MSMEDA) as at 31.03.2012 has been made in the Financial Statement based on the information received and available with the Company.

NOTE "7" - OTHER CURRENT LIABILITIES	As at 31st Mar, 2012 (Rs.)	As at 31st Mar, 2011 (Rs.)
Other Payables		
TDS Payable	1,117,701	19,039
Service tax Payable	159,650	1,736,225
Employees Payable	37,031	-
TOTAL	**1,314,382**	**1,755,264**

NOTE "8" - SHORT TERM PROVISIONS	As at 31st Mar, 2012 (Rs.)	As at 31st Mar, 2011 (Rs.)
Provision for Fringe Benefit Tax	213,493	213,493
Provision for Income Tax	2,943,881	1,783,900
Provision for Redemption Premium	273,723	-
TOTAL	**3,431,097**	**1,997,393**

NOTES FORMING PART OF THE ACCOUNTS AS AT 31st March 2012

NOTE NO 9. FIXED ASSETS (AT COST DEPRECIATION)

(Amount in Rs.)

Description	GROSS BLOCK			DEPRECIATION				NET BLOCK	
	Cost as at 1.04.2011	Sales during the period	**Cost as at 31.03.2012**	As at 1.04.2011	For the year	Deduction	**As at 31.03.2012**	**As at 31.03.2012**	**As at 31.03.2011**
Office Building	2,668,413	2,668,413	-	439,345	21,748	461,093	-	**-**	2,229,068
Plant & Machinery	63,943	-	63,943	57,801	3,037	-	60,838	**3,105**	6,142
Computer	11,833,344	-	11,833,344	10,522,418	1,310,926	-	11,833,344	**-**	1,310,926
Furniture & Fixtures	695,200	-	695,200	407,330	44,006	-	451,336	**243,864**	287,870
Other Equipments	412,000	-	412,000	192,683	19,571	-	212,254	**199,745**	219,317
Air Conditioners	260,600	-	260,600	80,583	12,389	-	92,972	**167,628**	180,017
Film Projects Server	72,751,039	-	72,751,039	72,751,039	–	-	72,751,039	**-**	-
Total	**88,684,539**	**2,668,413**	**86,016,126**	**84,451,199**	**1,411,677**	**461,093**	**85,401,783**	**614,342**	**4,233,341**
Previous Year	**88,684,539**	**-**	**88,684,539**	**82,410,526**	**2,040,672**	**-**	**84,451,198**	**4,233,341**	**6,274,013**

NOTES FORMING PART OF THE ACCOUNTS AS ON 31st March 2012

NOTE NO 10 : NON CURRENT INVESTMENTS

PARTICULARS	Face Value	2011-12		2010-11	
		NO. OF SHARE/ DEBENTURE	AMOUNT RUPEES	NO. OF SHARE/ DEBENTURE	AMOUNT RUPEES
INVESTMENTS (AT COST)					
LONG TERM INVESTMENTS :					
(A) In Shares (Unquoted)					
Proximus Knowledge and Technologies Private Limited	10	-	-	5,207,164	52,071,640
Electra Financial Services Limited	10	-	-	39,900	399,000
Total ' A '		**-**	**-**	**5,247,064**	**52,470,640**
(B) Shares of Subsidiary Companies (Unquoted)					
DigiCall Teleservices Private Limited	10	13,099,900	130,999,000	-	-
DigiVive Services Private Limited	10	7,985,000	79,850,000	-	-
DigiCall Holding Private Limited	10	10,000	100,000		
NexG Devices Private Limited	10	10,000	100,000	-	-
Total 'B'		**21,104,900**	**211,049,000**	**-**	**-**
(C) Shares Application Money in Subsidiary Company (Unquoted)					
DigiCall Holding Private Limited		**-**	**19,900,000**	**-**	**-**
(D) Investments in 0% optionally fully Convertible Debentures (OFCDs) in Subsidiary Companies- At Cost, (Unquoted) (Refer Note No. 21 (II) D)					
DigiCall Teleservices Pvt Ltd.	1000	70,000	70,000,000	-	-
DigiVive Services Pvt Ltd.	1000	165,000	165,000,000	-	-
Total 'D'		**235,000**	**235,000,000**	**-**	**-**
Total 'A' + 'B' + 'C'+'D'		**21,339,900**	**465,949,000**	**5,247,064**	**52,470,640**

NOTE "11" -TRADE RECEIVABLES	As at 31st Mar, 2012 (Rs.)	As at 31st Mar, 2011 (Rs.)
Unsecured, considered good		
Debts outstanding for a period exceeding six month	-	-
Others	17,664,607	44,291,033
TOTAL	**17,664,607**	**44,291,033**

NOTE "12" -CASH & CASH EQUIVALENTS	As at 31st Mar, 2012 (Rs.)	As at 31st Mar, 2011 (Rs.)
Balance with Scheduled Banks		
in Current Accounts	8,009,334	37,435
Fixed Deposit Accounts *		
Bank Deposit with more than 12 months maturity	8,797,920	8,718,666
Cash in Hand	207,542	34,586
TOTAL	**17,014,796**	**8,790,687**

*Balances with banks to the extent held as margin money is of Rs.8,795,300/- (P.Y. 8,795,300/-)

NOTE "13" - SHORT TERM LOANS AND ADVANCES	As at 31st Mar, 2012 (Rs.)	As at 31st Mar, 2011 (Rs.)
(Unsecured, Considered good unless otherwise stated)		
Loans and advance to related parties	70,379,427	-
Other Loans and Advances	16,751,131	22,400,000
Advances recoverable in cash or in kind or for value to be received	627,668	700,000
Advance to supplier	4,758,709	-
TOTAL	**92,516,935**	**23,100,000**

NOTE "14" - OTHER CURRENT ASSETS	As at 31st Mar, 2012 (Rs.)	As at 31st Mar, 2011 (Rs.)
Prepaid Expenses	7,685	-
Interest accrued but not due	1,262,788	1,078,169
Service tax recoverable	103,221	-
TDS recoverable	4,185,296	2,428,383
TOTAL	**5,558,989**	**3,506,551**

NOTE "15" -REVENUE FROM OPERATIONS	For the year ended 31st Mar, 2012 (Rs.)	For the year ended 31st Mar, 2011 (Rs.)
Sales of Product	16,125,922	89,006,611
Other Operating Income	15,115,000	-
TOTAL	**31,240,922**	**89,006,611**

NOTE "16" -OTHER INCOME	For the year ended 31st Mar, 2012 (Rs.)	For the year ended 31st Mar, 2011 (Rs.)
Interest Income Gross	758,283	665,945
(TDS Rs 89,727/- (Previous year Rs. 66,595/-)		
Dividend on Investment	-	295,000
Sundry Balance written up	-	8,136,998
TOTAL	**758,283**	**9,097,943**

NOTE "17" -PURCHASES OF STOCK-IN-TRADE	For the year ended 31st Mar, 2012 (Rs.)	For the year ended 31st Mar, 2011 (Rs.)
Opening Balance	**-**	**-**
Add : Purchases during the year	15,597,297	95,413,315
Less: Closing Stock	-	-
TOTAL	**15,597,297**	**95,413,315**

NOTE "18" -EMPLOYEE BENEFIT EXPENSES	For the year ended 31st Mar, 2012 (Rs.)	For the year ended 31st Mar, 2011 (Rs.)
Salaries and Wages	5,372,995	22,200
Gratuity Expenses	479	-
Welfare expenses	23,625	-
Leave Encashment	613	-
TOTAL	**5,397,712**	**22,200**

NOTE "19" -FINANCE COST	For the year ended 31st Mar, 2012 (Rs.)	For the year ended 31st Mar, 2011 (Rs.)
Bank Charges	233,314	14,012
Redemption Premium	273,723	-
TOTAL	**507,037**	**14,012**

NOTE "20" OTHER EXPENSES	For the year ended 31st Mar, 2012 (Rs.)	For the year ended 31st Mar, 2011 (Rs.)
Administrative,Selling and Other Expenses		
Payment to the Auditor		
As Auditor	180,000	75,000
Electricity and Water	1,186,141	-
Postage, Telex and Telephones	1,397	28,788
Printing and Stationery	20,878	6,824
Rates & Taxes	10,036,992	-
Office Rent	2,318,953	-
Commission Charges	283,871	-
Advertisement, Publicity & Sales Promotion	20,904	-
Travelling Expenses	262,382	60,246
Interest on Statutory Dues	304,150	-
Legal & Professional Expenses	1,548,598	74,926
Office Expenses	77,061	-
Security Charges	111,280	-
Sundry Balance w/ off	20,423,510	-
Miscellaneous Expenses	589	73,048
TOTAL	**36,776,706**	**318,832**

ADDITIONAL NOTE NO. 21

I. SIGNIFICANT ACCOUNTING POLICIES

A. Method of Accounting

a) The financial statements are prepared on the historical cost convention and in accordance with generally accepted accounting principles ('GAAP')

b) The Company follows accrual system of accounting in the preparation of accounts unless otherwise stated.

c) 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 as of date of the financial statements. Examples of such estimates include provisions for doubtful debts, provisions for doubtful loans and advances, provisions for diminution in value of investments, estimated period of utility of software package, provisions for value of obsolete/non moving inventories etc. Actual results may differ from these estimates.

B. Revenue Recognition

a) Revenue is recognized on accrual basis.

b) Revenue from Services rendered is recognized as and when the services are performed.

c) Sale of goods is recognized on dispatch to the customer.

d) Insurance claims are accounted for as and when admitted by the concerned authority.

e) Interest income is recognized as and when accrued.

C. Fixed Assets

a) Owned Assets

Fixed Assets are stated at cost, which includes freight, installation cost, duties, taxes and other incidental expenses but net of CENVAT.

b) Capital Work-in-progress

All expenses incurred for acquiring, erecting and commissioning of fixed assets including interest on long term loans utilized for meeting capital expenditure and incidental expenditure incurred during construction of projects are shown under capital work-in-progress and are allocated to the fixed assets on the completion of the respective projects.

c) Intangible Assets

Cost of software and expenses on development of new products are accounted for as intangible assets.

D. Lease

a) Fixed assets acquired on lease / hire purchase for an agreed period has been recognized as an asset and liability. Such recognition is at an amount equal to the fair value of leased asset at the inception of lease or present value of minimum lease payment, whichever is less.

b) Lease payment is apportioned between finance charge and reductions of the outstanding liability.

c) Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items are classified as operating leases. Operating leases payments are recognized as an expense in the profit & loss account or on a basis, which reflect the time pattern of such payments appropriately.

E. Depreciation and Amortisation

a) Depreciation is provided for all the assets on straight line method, at the rates prescribed in the Schedule XIV of the Companies Act, 1956.

b) Depreciation due to increase or decrease in the liability on account of exchange fluctuation or on account of rollover charges on forward exchange contract is provided prospectively over the residual life of the assets.

c) Intangible assets are amortised over a period of five years or life of product considered at the end of each financial year whichever is earlier. Amortisation commences when the asset is available for use.

F. Impairment of Assets

The fixed assets or group of assets (cash generating unit) are reviewed for impairment at each Balance Sheet date. In case of such any indication, the recoverable amount of these assets or group of assets is determined and if such recoverable amount of the assets or cash generating unit to which the assets belong is less than its carrying amount, the impairment loss is recognized by writing down such assets to their recoverable amount. An impairment loss is reversed if there is change in the recoverable amount and such loss either no longer exists or has decreased.

G. Investments

a) The cost of an investment includes incidental expenses like brokerage, fees and duties incurred prior to acquisition.

b) Non-current investments are carried at cost. Provision for diminution in value is made to recognize a decline other than temporary.

c) Investments which are intended to be held for less than one year are classified as current investments and are carried at lower of cost and fair value determined on an individual investment basis.

d) Advance against share application money are classified under the head "Investments".

H. Inventories

Inventories are valued at lower of cost or net realizable value.

I. Foreign Currency Transactions

a) Transactions denominated in foreign currency are normally recorded at the exchange rate prevailing at the time of the transaction.

b) Monetary items denominated in foreign currency at the year end and not covered under forward exchange contracts are translated at the year end rates.

c) Any income or expense on account of exchange difference between the date of transactions and on settlement or on translation is recognized in the profit and loss account as income or expense.

J. Employees Retirement Benefits

The relevant policies for 'Employee Benefits' in accordance with Revised Accounting Standard – 15 are as under:

Short Term Employee Benefits

Short term employee benefits are recognized in the period during which the services have been rendered.

Long Term Employee Benefits

a) Defined Contribution plan

i. Provident Fund and employees' state insurance schemes

All employees of the Company are entitled to receive benefits under the Provident Fund, which is a defined contribution plan. Both the employee and the employer make monthly contributions to the plan at a predetermined rate (presently 12%) of the employees' basic salary.

The Company's contributions to both these schemes are expensed in the Profit and Loss Account.

ii. Gratuity

The Company provides for gratuity obligations through a defined benefit retirement plan (the 'Gratuity Plan') covering all employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement or termination of employment based on the respective employee salary and years of employment with the Company. The Company provides for the Gratuity Plan based on actuarial valuations in accordance with Accounting Standard 15 (revised), "Employee Benefits'. The Company makes annual contribution to the Life Insurance Corporation of India for the Gratuity Plan in respect of employee. The present value of obligation under gratuity is determined based on actuarial valuation using Project Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

b) Other long term benefit

i. Leave Encashment

The Company has provided for the liability at period end on account of unavailed earned leave as per the actuarial valuation as per the Projected Unit Credit Method.

Actuarial gains and losses are recognized as and when incurred.

K. CENVAT Credit

The CENVAT Credit available on raw materials, other eligible inputs and capital goods is adjusted against excise duty payable on clearance of goods produced. The unadjusted Cenvat credit is shown in note "Short Term Loans and Advances".

L. Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of the qualifying assets, if any, are capitalized as a part of cost of such asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

M. Income Tax

Tax expense comprises both current and deferred taxes. Current tax is provided for on the taxable profits of the year at applicable tax rates. Deferred income taxes reflect the impact of timing differences between taxable income and accounting income for the year and reversal of timing difference of earlier years.

Deferred Tax is measured based on the tax rates and tax laws enacted or substantially enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that sufficient future taxable income will be available against which deferred tax assets can be realized. Unrecognized deferred tax assets of the earlier years are re-assessed and recognized to the extent it has become reasonably certain that future taxable income will be available against which such deferred tax assets can be realized.

N. Earning Per Share

In determining earning per share, the Company considers the net profits after tax and includes the post tax effects of any extra-ordinary items. The number of shares used in computing basic earning per share is the weighted average number of shares outstanding during the period.

O. Segment Reporting

Segments are identified in line with the Accounting Standard on Segment Reporting (AS-17) taking into account the organization structure as well as the differential risk and returns of the segments. The unallocable items include income and expenses items which are not directly identifiable to any segment and therefore not allocated to any business segment.

P. Contingent Liabilities

A provisions is recognized when the company has present obligation as a result of past events and it is probable that an outflow of resources will be required to settle such obligation, in respect of which a reliable estimate can be made.

Contingent liabilities not provided for in the accounts are disclosed in the accounts by way of notes specify the nature and quantum of such liabilities.

II. NOTES TO ACCOUNTS

A. Media Matrix Worldwide Limited (**'MMWL'** or **'the Company'**), a public limited company, was incorporated on June 07, 1985 in the State of Maharashtra. MMWL made its maiden public issue of Equity Shares in the year 1985 and got its Equity Shares listed at the Bombay Stock Exchange Ltd, Mumbai (BSE). Till March 31, 2012, the Company has been doing trading of Software/Contents and mobile handsets.

DigiVision Holdings Private Limited (DHPL), the new promoter, on October 12, 2011 acquired 1,13,21,100 Equity Shares constituting 14% of the Paid-up Capital by way of market purchases. DHPL also entered into a Share Purchase Agreements with erstwhile promoters of MMWL for acquisition of 12,767,148 equity shares of Re. 1 each representing 15.79% (SPA1), as well as with one of the public shareholders i.e. Vimochan Pictures Limited for acquisition of 96, 67,622 equity shares of Re. 1 each representing 11.96% (SPA2), both SPAs at a price of Rs. 1.90 per equity share, payable in cash.

Pursuant to acquisition of more than 15% equity shareholding in MMWL, DHPL made an Open Offer under Securities Exchange Board of India (Substantial Acquisition of the Shares and Takeover) Regulations, 1997, to the public Shareholders of Media Matrix Worldwide Limited to acquire 21,024,900 equity shares representing 26% of the paid up and voting equity shares capital of the Company at Rs. 1.90 fully paid equity shares of face value of Re. 1/-. Accordingly, DHPL acquired 20,726,038 equity shares of Re. 1/- each representing 25.63% of the paid up share capital. As at March 31, 2012, the shareholding of DHPL in the Company was 67.37%.

B. The Company was originally engaged in trading activities. The Company was registered with Reserve Bank of India (RBI) as NBFC vide registration No. 13.01287 dated 13th August 1999. The Company is currently engaged in media and entertainment business. Since the Company has not carried on NBFC activities nor it has intention of carrying on said activities in the future, the Company has, on September 13, 2011 submitted an application to RBI, seeking to de-register it as an NBFC. The process of de-registration is in advances stage and is expected to be completed in financial year 2013.

C. The Company has taken an amount of Rs. 50 crore from M/s V & A Ventures LLP on March 29, 2012 in the form of OFCD. The salient features of OFCDs is as follows:

i. 14,40,92,219 OFCDs to be issued of Rs.3.47 each aggregating to Rs.50.00 crore;

ii. In case the conversion option is exercised, each OFCD would be converted into one Equity Share of Re. 1/- each at a price of Rs.3.47 per equity share;

iii. After 4 months from the date of allotment of OFCDs and within 18 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 18 months, the OFCDs would be redeemable by the Company at redemption premium of 15% of face value i.e. Rs.3.47 per OFCD;

iv. Coupon on the OFCD is 0% p.a. payable annually;

v. Tenure of the OFCDs is 18 months from the date of allotment.

D. Investment

a. The Company has made an investment of Rs.1,00,000 each in 10,000 equity shares each of M/s nexG Devices Private Limited and M/s DigiCall Holdings Private Limited respectively. Pursuant to the aforesaid investments made by the Company, M/s nexG Devices Private Limited and M/s DigiCall Holdings Private Limited have become the wholly owned subsidiaries of the Company w.e.f.05/03/2012.

b. The Company has also made an investment of Rs. 1,650 Lacs and Rs. 700 Lacs by way of Optionally Fully Convertible Debentures(OFCDs) into DigiVive Services Private Limited and DigiCall Teleservices Private Limited respectively, on March 31, 2012 with the following terms and conditions:

i. Face Value: The face Value of OFCDs shall be Rs.1000/-.

ii. Coupon rate : 0%

iii. Redemption: The OFCDs may be redeemable on or after two months from the date of allotment. The Company has the option of redeeming the OFCD anytime by giving seven day's notice to the OFCD holder provided the OFCD holder has not exercised the conversion option. The same, if not redeemed earlier, shall be compulsorily redeemed after 5 years from the date of allotment.

iv. Conversion: The option to convert OFCDs into equity shares can be exercised after 1 month from the date of allotment of OFCDs at a price mutually to be agreed between the Company and OFCD holder.

v. Usage of Funds: The amount received by the Company on issue of OFCDs shall be at the exclusive disposal of the Board of Directors of the Company and may be utilized by the Company for any bona-fide purpose and in any manner as it may deem fit. The OFCD Holder shall not have any right to claim and/or question anything in this regard.

vi. Security and Rights: The OFCDs shall remain unsecured throughout and shall not carry any rights of a lender against the Company, other than the right to seek conversion as per clause iv above.

E. Business Segment

(a) Primary (Business) Segment

The Company is mainly engaged in the business of digital media content, distributing of television program, film, music, mobile handsets and dealing in related activities in media and entertainment industry and there is no separate reportable segment as per Accounting Standard (AS) 17 on segment reporting.

(b) Secondary (Geographical) Segment

The Company caters mainly to the needs of Indian market and the export turnover being Nil of the total turnover of the Company, there are no reportable geographical segments.

F. In the opinion of the Board, current assets, loan and advances have a value on realization at least equal to the amount at which they are stated in the books of accounts and provisions for all known liabilities have been made, except as mentioned otherwise.

G. Auditors Remuneration: (in Rs.)	**31/03/2012**	**31/03/2011**
a. Statutory Audit Fees	150,000	60,000
b. Tax Audit Fees	30,000	15,000
Total	**180,000**	**75,000**

H. Earning Per Share

Computation of earning per share is as under:

	31/03/2012	**31/03/2011**
Profit after Taxation (Rs.)	(29,680,292)	132,777
Weighted average number of shares (Basic)	80,865,000	80,865,000
Weighted average number of shares (Diluted)	81,654,546	8,08,65000
Basic/ EPS (Rs.)	(0.37)	0.002
Nominal Value per share (Re.)	1/-	1/-

I. Deferred Tax

The Company estimates deferred tax Assets/ Liabilities using the applicable rate of taxation based on the impact of timing difference between financial statements and estimated taxable income for the current year related to depreciation on fixed assets. Deferred tax liability/ (assets) for the year aggregating to Rs. (378,234) (Previous year Rs. (401,069) has been recognised in Profit & Loss Account and net deferred tax liability as at 31st March, 2012 is Rs. 38,841.

J. Related Party Disclosures

(a) Name of Related parties and its relationship:

Holding Company:

- DigiVision Holdings Private Limited

Subsidiary Companies:

- DigiCall Holdings Private Limited

- DigiVive Service Private Limited
- DigiCall Teleservices Private Limited
- nexG Devices Private Limited

Fellow Subsidiary Companies:

- DigiCall Global Private Limited
- DigiVision Wireless Private Limited

In addition to the above, the following were the additional Related Parties which have been ceased to be Related Parties with effect from January 26, 2012 on account of the change in control and management of the Company:

- Mr. Anil Vedmehta (Director)
- M/s Mobile Telecommunication Limited (Director was Managing Director)
- M/s Quantum E-Services Private Limited (Director was Director)

(b) Transactions with Related Parties

(Amount in Rs.)

PARTICULAR	DigiCall Telesevices Services Pvt. Ltd. (Subsidiary)		DigiCall Holdings Pvt. Ltd. (Subsidiary)		nexG Devices Pvt. Ltd. (Subsidiary)		DigiVive Services Pvt. Ltd. (Subsidiary)		DigiVision Holdings Pvt. Ltd. (Holding Company)	
Nature of Transaction	31-Mar-12	31-Mar-11	31-Mar-12	31-Mar-11	31-Mar-12	31-Mar-11	31-Mar-12	31-Mar-11	31-Mar-12	31-Mar-11
Income /Receipt										
Sale of Services	-	-	-	-	-	-	-	-	-	-
Sale of Goods	-	-	-		-		-		-	
Debit Note Raised by Us (Expenses)	-	-	-	-	-	-	-	-	-	-
Expenses/Payments										
Payments made towards Investment	200,999,000	-	19,900,000	-	-	-	244,949,800	-	-	-
Debit Notes raised on Company (Expenses)	8,011,264	-	-	-	-	-	200,309		2,853,640	
Purchase	-	-	-		-	-	-	-	-	-
Assets										
Purchase of Equity Shares	130,999,000	-	-	-	-	-	79,949,800	-	-	-
Advance for Share Application Money			19,900,000		-		-		-	
Purchase of 0% OFCD	70,000,000						165,000,000		-	
Payments Received towards Investment	-	-	-	-	-	-	-	-	-	-
Payment made by Us	9,001,000	-	100,000	-	64,340,000	-	6,650,000	-	1,370,000	-
Balance- Receivable	989,736	-	100,000	-	64,340,000	-	4,949,691	-	-	-
Liabilities										
Issue of Equity Shares	-	-	-	-	-	-	-	-	-	-
Issue of 0% OFCD	-			-	-	-	-	-	-	-
Payments received by us	-	-	-	-	-	-	1,500,000	-	10,000,000	-
Balance-Payable	-	-	-	-	-	-	-	-	11,483,640	-

Beside the above, during the year, the Company has entered into financial transactions amounting to Rs. 18,704,418, Rs. 26,203,470 and Rs. 1,810,002 with Mr. Anil Vedmehta, Director of the Company, M/s Mobile Telecommunication Limited (Director was Managing Director) and M/s Quantum E-Services Private Limited (Director was Director), respectively. All of these have ceased to be Related Parties with effect from Jan 26, 2012.

K. Contingent liabilities not provided for:

Sl. No.	Particulars	Year ended	
		March 31, 2012	March 31, 2011
		Rs.	Rs.
I	Unexpired Letters of Credit (Margin money paid Rs. 35,813,901 (provided by third party); (Previous Year Rs. NIL)	32,558,092	NIL
II	Guarantees given by banks on behalf of the Company (Margin Money kept by way of Fixed deposits Rs8,795,300; (Previous Year Rs 8,795,300/-)	8,795,300	8,795,300
III	**Income Tax matters** There has been a pending litigation related to income tax for the assessment year 2003-04 related to disallowance of revenue expenditure related to software. The Assessing officer has passed an order demanding tax/penalty of Rs. 8,55,135 which has been upheld by the CIT (Appeal), Mumbai vide its order dated Feb 16, 2012. The Company had filed an appeal with Income Tax Appellate Tribunal against the order of CIT (Appeal) on April 12, 2012.	855,135	NIL

L. Disclosure required by Clause 32 of the Listing Agreement
Amount of loans/advances in nature of loans outstanding from Subsidiaries and Associates during 2011-2012

Sr. No.	Name of the Company	Outstanding as of March 31, 2012	Outstanding as of March 31, 2011	Maximum amount outstanding during FY 12
1.	**Subsidiaries**			
(a)	DigiCall Holdings Private Limited	100,000	NIL	100,000
(b)	DigiVive Services Private Limited	4,949,691	NIL	4,949,691
(c)	DigiCall Teleservices Private Limited	989,736	NIL	989,736
(d)	nexG Devices Private Limited	64,340,000	NIL	64,340,000
	Total	**70,379,427**		**70,379,427**

Notes :

The above-referred loans are interest free and repayable on demand.

M. Schedule to the Balance Sheet of a non-deposit taking non-banking financial company (as required in terms of paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007).

	Particulars	Amount in Rs.	
	Liabilities side :	**Amount outstanding**	**Amount Overdue**
1	**Loans and advances availed by the non- banking financial company inclusive of interest accrued thereon but not paid:**		
	(a) Debentures : Secured	-	-
	Unsecured : 0% Optionally fully Convertible Debentures (OFCDs) (refer note no. C above)	50,00,00,000	-
	(other than falling within the meaning of public deposits*)	-	-
	(b) Deferred Credits	-	-
	(c) Term Loans	-	-
	(d) Inter-corporate loans and borrowing	-	-
	(e) Commercial Paper	-	-
	(f) Other Loans (specify nature)		
	Secured Loans against hypothecation of Motor Car	-	-
	Loans against HP of vehicles	-	-
	(b) Loans other than (a) above	-	-
	Asset Side :		**Amount outstanding in Rs.**
2	**Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :**		
	(a) Secured		-
	(b) Unsecured (refer note no. L above)		70,379,427
3	**Break up of Leased Assets and stock on hire and other assets counting towards AFC activities**		
	(i) Lease assets including lease rentals under sundry debtors :		
	(a) Financial lease		
	(b) Operating lease		
	(ii) Stock on hire including hire charges under sundry debtors:		
	(a) Assets on hire		'
	(b) Repossessed Assets		
	(iii) Other loans counting towards AFC activities		
	(a) Loans where assets have been repossessed		
	(b) Loans other than (a) above		

4. Break-up of Investments: **(Amount in Rs.)**

Current Investments :	
1. Quoted :	-
(i) Shares : (a) Equity	-
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others (please specify)	-

2. Un Quoted :	
(i) Shares : (a) Equity (b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others (please specify)	-
Long Term Investments :	
1. Quoted :	
(i) Shares : (a) Equity (Net of Provision)	-
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others (please specify)	-
2. UnQuoted :	
(i) Shares : (a) Equity of subsidiary companies (refer note no. 10) (b) Preference	211,049,000 -
(ii) 0% Optionally Fully Convertible Debentures of subsidiary companies (refer note no. 10)	235,000,000
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others -Share Application Money in subsidiary (refer note no. 10)	19,900,000

5. Borrower group-wise classification of assets financed as in (2) and (3) above :**	**Amount Net of Provision**		
Category	**Secured**	**Unsecured**	**Total**
1. Related Parties			
(a) Subsidiaries	-	70,379,427	70,379,427
(b) Companies in the same group	-	-	-
(c) Other related parties	-	-	-
2. Other than related parties	-	-	-
Total	-	70,379,427	70,379,427

6. Investor group-wise classification of all Investments (current and long term) in shares and securities (both quoted and unquoted):	**Market Value / Breakup or fair value or NAV**	**Book Value (Net of Provisions)**
1. Related Parties***		
(a) Subsidiaries#	465,949,000	465,949,000
(b) Companies in the same group	-	-
(c) Other related parties	-	-
2. Other than related parties	-	-
Total	465,949,000	465,949,000

7. Other information	
Particulars	*Amount*
Gross Non-Performing Assets	
(a) Related parties	-
(b) Other than related parties	-
Non-Performing Assets	
(a) Related parties	-
(b) Other than related parties	-
Assets acquired in satisfaction of debt	-

Notes:

* As defined in paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.

** Provisioning norms shall be applicable as prescribed in Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007

*** All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/fair value/NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in (4) above.

considering the long term nature, fair value of investment in subsidiaries companies are shown at cost.

N. Value of imports on CIF basis : Rs. 6,508,510 (Previous Year : NIL)

O Employee Benefits

The Company, during the period has adopted Accounting Standard 15 (Revised) “Employees Benefits prescribed by the Companies (Accounting Standard) Rules, 2006. During the period, Company has recognized the following amounts in the financial statements

Defined Benefits Plans

The Present value of Obligation is determined based on actuarial valuation using Project Unit Credit Method, which recognizes each period of services as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment is recognized in the same manner as gratuity.

Actuarial assumptions

Particulars	Gratuity	Leave Encashment
Discount Rate (per annum)	8.75%	8.75%
Rate of increase in compensation levels	5.00%	5.00%

Table Showing changes in present value of obligations

Particulars	Gratuity	Leave Encashment
Present Value of obligation as at the beginning of the period	-	-
Present Value of obligation as at the end of the period	479	613

Amounts to be recognized in balance sheet

Particulars	Gratuity	Leave Encashment
Present value of the obligation at the end of the period	479	613
Fair value of plan assets at end of period	-	-
Net liability/(asset) recognized in Balance Sheet and related analysis	479	613
Funded Status	479	613

Expenses recognized in Statement of Profit and Loss:

Particulars	Gratuity	Leave Encashment
Interest Cost	-	-
Current service cost	479	613
Expected return on plan assets	-	-
Net Actuarial (gain)/ loss recognized in the period	-	-
Expenses/(Income) recognized in the statement of Profit and Loss	479	613

P. Expenditure in foreign currency (on payment basis): NIL (Previous Year: NIL)

Q. Sales and Purchase under broad heads

Particulars	Sale for the Year ended 31.3.2012	Purchase for the year ended 31.3.2012
Traded Goods Mobile Handsets	16,125,922/-	15,597,297/-
Total (Rs)	16,125,922/-	15,597,297/-

R. Earnings in foreign currency: NIL

S. The previous year figures are regrouped, rearranged or recast, wherever required, to make them comparable.

As per our report of even date

For N.S. Bhatt & Associates
Chartered Accountants
Firm Regn. No.130891W

(Brijesh Dutt Chaturvedi)
Partner
Membership No. 135871

For Khandelwal Jain & Co.
Chartered Accountants
Firm Regn. No. 105049W

(Akash Shinghal)
Partner
Membership No. 103490

Place : Gurgaon
Date : 28.05.2012

For and on Behalf of the Board of Directors

(B.B. Chugh)
Director (Finance)

(C.K. Goushal)
Director

(Mohd Zafar)
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2012

	Particulars	31.3.2012 (Rupees)	31.3.2011 (Rupees)
A	**Cash flow from operating activities:**		
	Profit/(Loss) for the year before Prior Year Expenditure and Tax	(28,898,546)	295,523
	Adjustments to reconcile net income to net cash provided by operating activities		
	Depreciation and amortisation	1,411,677	2,040,672
	Loss/ (Gain) on Sold/Discarded Fixed Assets	1,207,321	-
	Finance Cost	507,037	14,012
	Interest income/non operating income	(758,283)	(9,097,943)
	Operating profit before working capital changes (i)	**(26,530,793)**	**(6,747,736)**
	Changes in current assets and current liabilities		
	(Increase)/Decrease in sundry debtors	26,626,426	41,312,368
	Increase/(Decrease) in sundry Creditors	(1,238,345)	(9,124,138)
	(Increase)/Decrease in current assets	(71,469,373)	(2,002,050)
	Increase/(Decrease) in current liabilities & Provisions	1,317,123	-
	Cash provided by operating activities (ii)	**(44,764,169)**	**30,186,180**
	Tax Paid (iii)	(1,756,913)	-
	Net cash provided by operating activities (i)+(ii)+(iii)	**(73,051,875)**	**23,438,444**
B	**Cash flows from Investing Activities:**		
	Proceeds from Sale of Fixed Assets	999,999	-
	Proceeds from Sale of investments	52,470,640	5,000,000
	Purchase of Investment	(465,949,000)	-
	Interest received	758,283	9,097,943
	Net cash used in investing activities	**(411,720,078)**	**14,097,943**
C	**Cash flows from Financing Activities**		
	Increase /Decrease in Long Term Loan	500,000,000	(37,492,566)
	Proceeds from Short Term Loan	(6,770,624)	-
	Finance Cost Paid	(233,314)	(14,012)
	Net cash (used in) provided by financing activities	**492,996,061**	**(37,506,578)**

Net (decrease)/increase in cash and cash equivalents during the year (A+B+C)	**8,224,108**	**29,809**
Cash and cash equivalents at the beginning of the year	8,790,687	8,760,878
Cash and cash equivalents at the end of the year	17,014,796	8,790,687

Notes:-

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

2) Figures in brackets indicate cash outflow

3) Cash & Cash Equivalents represents:	**31.3.2012 (Rs.)**	**31.3.2011 (Rs.)**
Cash in Hand	207,542	34,586
Cheques in Hand	-	-
Balances with Scheduled Banks		
- In Current Accounts	8,009,334	37,435
- In Fixed Deposits	8,797,920	8,718,666
	17,014,796	**8,790,687**

As per our report of even date

For N.S. Bhatt & Associates
Chartered Accountants
Firm Regn. No.130891W

(Brijesh Dutt Chaturvedi)
Partner
Membership No. 135871

For Khandelwal Jain & Co.
Chartered Accountants
Firm Regn. No. 105049W

(Akash Shinghal)
Partner
Membership No. 103490

Place : Gurgaon
Date : 28.05.2012

For and on Behalf of the Board of Directors

(B.B. Chugh)
Director (Finance)

(C.K. Goushal)
Director

(Mohd Zafar)
Company Secretary

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To,
The Board of Directors,
M/s. **Media Matrix Worldwide Limited**

1. We have audited the attached Consolidated Balance Sheet of **M/s. Media Matrix Worldwide Limited (the Company) and its subsidiaries** as at 31st March 2012, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement of the Company for the year ended on that date annexed thereto. This Consolidated Financial Statements (CFS) is the responsibility of the Company's management. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.

2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. Financial statements / consolidated financial statements of DigiCall Teleservices Private Limited, one of the subsidiary, which reflect total assets of Rs. 689,067,170 and total liability of Rs. 4 87,970,737 as at 31st March, 2012, total revenue of Rs. 473,420,731 and total expenditure of Rs.525, 651,619 and cash flow arising there from for the year ended on that date, have been audited by one of us.

4. We did not audit the financial statements of certain subsidiaries, whose financial statements reflect total assets of Rs. 401,004,844 and total liability of Rs. 449,574,384 as at 31st March, 2012, total revenue of Rs. 275,395,168 and total expenditure of Rs. 416,834,643 and cash flow arising there from for the year ended on that date. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on the report of other auditors.

5. We report that CFS have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements and AS 23, Accounting for Investments in Associates in Consolidated Financial Statements and AS 27, Financial Reporting of Interests in Joint Ventures, as notified by the Companies (Accounting Standards) Rules, 2006 and on the basis of the separate audited financial statements of Media Matrix Worldwide Limited and its subsidiaries included in CFS.

6. On the basis of the information and explanations given to us and on the consideration of the separate audit reports on individual audited financial statements of Media Matrix Worldwide Limited and its aforesaid subsidiaries, in our opinion, the CFS together with notes thereon, give a true and fair view in conformity with the accounting principles generally accepted in India:

   I. in the case of the Consolidated Balance Sheet, of the consolidated state of affairs of the Company and its subsidiaries as at 31st March, 2012;

   II. in the case of the Consolidated Statement of Profit and Loss, of the loss for the year ended on that date; and

   III. in the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

As per our report of even date

For N.S. Bhatt & Associates
Chartered Accountants
Firm Regn. No.105049W

(Brijesh Dutt Chaturvedi)
Partner
Membership No. 135871

For Khandelwal Jain & Co.
Chartered Accountants
Firm Regn. No. 105049W

(Akash Shinghal)
Partner
Membership No. 135871

Place **:** Gurgaon
Date **:** 28.05.2012

Consolidated Balance Sheet as at 31 March, 2012

Particulars	Note No.	As at 31st Mar, 2012 (Rs.)
A EQUITY AND LIABILITIES		
1 Shareholders' funds		
(a) Share capital	1	80,865,000
(b) Reserves and surplus	2	(20,210,232)
(c) Money received against share warrants		
		60,654,768
2 Minority Interest		**71,186,876**
3 Non-current liabilities		
(a) Long-term borrowings	3	526,538,036
(b) Deferred tax liabilities (net)		3,850,753
(c) Other long-term liabilities		-
(d) Long-term provisions	4	8,253,013
		538,641,802
4 Current Liabilities		
(a) Short-term borrowings	5	181,843,701
(b) Trade payables	6	164,839,303
(c) Other current liabilities	7	122,027,952
(d) Short-term provisions	8	4,117,886
		472,828,842
TOTAL		**1,143,312,288**
B ASSETS		
1 Non-current assets		
(a) Fixed assets	9	
(i) Tangible assets		298,294,281
(ii) Intangible assets (Including Goodwill)		54,155,004
(iii) Capital work-in-progress		37,839,881
(v) Goodwill (on consolidation of Subsidiary)		132,752,716
		523,041,882
(b) Non-current investments	10	40,203,136
(c) Long-term loans and advances	11	81,412,167
		644,657,185
2 Current assets		
(a) Current investments		-
(b) Inventories	12	50,530,685
(c) Trade receivables	13	191,793,950
(d) Cash and cash equivalents	14	97,514,002
(e) Short-term loans and advances	15	61,237,620
(f) Other current assets	16	97,578,845
		498,655,102
TOTAL		**1,143,312,288**

See accompanying notes forming part of the financial statements

As per our report of even date

For N.S. Bhatt & Associates
Chartered Accountants
Firm Regn. No.130891W

(Brijesh Dutt Chaturvedi)
Partner
Membership No. 135871

For Khandelwal Jain & Co.
Chartered Accountants
Firm Regn. No. 105049W

(Akash Shinghal)
Partner
Membership No. 103490

Place : Gurgaon
Date : 28.05.2012

For and on Behalf of the Board of Directors

(B.B. Chugh)
Director (Finance)

(C.K. Goushal)
Director

(Mohd Zafar)
Company Secretary

Consolidated Statement of Profit and Loss for the year ended 31st March, 2012

	Particulars	Note No.	For the year ended 31 March, 2012 (Rs.)
1	Revenue from operations	17	102,952,912
	Less: Excise duty		0
	Revenue from operations		102,952,912
2	Other income	18	768,103
3	**Total revenue (1+2)**		**103,721,015**
4	**Expenses**		
	(a) Cost of materials consumed		
	(b) Purchases of stock-in-trade	19	103,367,395
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade		(23,781,992)
	(d) Employee benefits expense	20	10,935,422
	(e) Finance costs	21	544,768
	(f) Depreciation and amortisation expense	9	1,434,659
	(g) Admin and Selling & Distribution expenses	22	41,193,439
	Total expenses		**133,693,691**
5	**Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)**		(29,972,676)
6	Exceptional items (Loss on sale of Building)		1,207,321
7	**Profit / (Loss) before extraordinary items and tax (5-6)**		(31,179,997)
8	Extraordinary items		-
9	**Profit / (Loss) before tax (7-8)**		(31,179,997)
10	**Tax expense:**		
	Current Tax		1,159,981
	Deferred Tax		(394,212)
11	**Profit / (Loss) for the year after tax (9-10)**		**(31,945,766)**
12	**Earnings per share (of Re 1/- each):**		
	Basic/Diluted (Rs.)		(0.40)
	See accompanying notes forming part of the financial statements		

As per our report of even date

For N.S. Bhatt & Associates
Chartered Accountants
Firm Regn. No.130891W

(Brijesh Dutt Chaturvedi)
Partner
Membership No. 135871

For Khandelwal Jain & Co.
Chartered Accountants
Firm Regn. No. 105049W

(Akash Shinghal)
Partner
Membership No. 103490

Place : Gurgaon
Date : 28.05.2012

For and on Behalf of the Board of Directors

(B.B. Chugh)
Director (Finance)

(C.K. Goushal)
Director

(Mohd Zafar)
Company Secretary

Notes Forming Part of the Consolidated Financial Statements

NOTE "1" -SHARE CAPITAL	As at 31st Mar, 2012 (Rs.)
AUTHORISED	
1,500,000,000 (Previous Year: 85,000,000) Equity shares of Re. 1/- each	1,500,000,000
ISSUE, SUBSCRIBED & PAID UP	
80,865,000 (Previous Year: 80,865,000) Equity shares of Re. 1/- each	80,865,000
TOTAL	**80,865,000**

1.1 75,0 0,000 Equity Shares of Re. 1/- each fully paid up allotted for consideration other than cash against acquisition of business and 5,39,10,000 Equity shares of Re.1/- each issued as bonus shares by capitalisation of Share Premium.

1.2 The reconcilation of the number of shares as at 31st March, 2012 is set out below:

Particulars	As at 31st Mar, 2012 (Rs.)
Number of shares at the beginning	80,865,000
Add: Shares issued during the year	-
Number of shares at the end	80,865,000

NOTE "2" -RESERVES & SURPLUS	As at 31st Mar, 2012 (Rs.)
Securities Premium	
Opening balance	15,840,000
Add: Addition During the year	-
	15,840,000
Less:Utilised during the year	-
Closing Balance (i)	15,840,000
Profit & Loss Account:	
Opening balance	(4,104,466)
Add: Transfer from Profit & Loss Account	(31,945,766)
Closing Balance (ii)	**(36,050,232)**
TOTAL (i)+(ii)	**(20,210,232)**

NOTE "3" - LONG TERM BORROWINGS	As at 31st Mar, 2012 (Rs.)
Secured	
Deferred Payment Liabilities	164,620
Unsecured	
0% Optionally Fully Convertible Debentures (OFCDs)	
144,092,219 (Previous Year : Nil) 0% OFCDs of Rs 3.47 each	500,000,000
Refer note no. 23 (C) 3	
Loan and advances from related parties.	10,000,000
Refer note no. 23 (C) 12 C	
Other Loans and Advances	
Inter Corporate Deposit	16,373,416
Refer note no. 23 (C) 12 C	
TOTAL	**526,538,036**

3.1 Deferred payment Liability is secured by hypothecation of vehicles

3.2 Repayment Schedule of Secured term Loans

(Amount in Rs.)

Year	Principal	Interest
2012-13	124,120	24,975
2013-14	116,934	12,294
2014-15	47,687	931
Total	**288,741**	**38,200**

NOTE "4" - LONG TERM PROVISIONS	As at 31st Mar, 2012 (Rs.)
Provision for employee benefits	
Gratuity	5,182,699
Leave Encashment	3,070,314
TOTAL	**8,253,013**

NOTE "5" - SHORT TERM BORROWINGS	As at 31st Mar, 2012 (Rs.)
Unsecured	
Unsecured Loan from Banks	60,574,133
Short Term Loans from Corporates	110,269,568
Loans and Advances from related parties	11,000,000
TOTAL	**181,843,701**

5.1 Loan from Bank (HDFC Bank) taken against lien of fixed deposit of Rs.5 Crore given by Infotel Business Solutions Ltd (Previous year - Rs. 50 lacs)

NOTE "6" - TRADE PAYABLE	As at 31st Mar, 2012 (Rs.)
Due to Micro, Small, & Medium Enterprises*	-
Others	164,839,303
TOTAL	**164,839,303**

* The Disclosure in respect of amount payable to the Company covered under the definition of Micro, Small and Medium Entreprises Development Act , 2006 (MSMEDA) as at 31.03.2012 has been made in the Financial Statement based on the information received and available with the Company.

NOTE "7" - OTHER CURRENT LIABILITIES	As at 31st Mar, 2012 (Rs.)
Other Payables	
Bank overdraft	6,834,286
Advance from customers	3,798,953
Current Maturities of Long Term Debts	124,120
Interest accrued but not due	2,768,511
Statutory Liabilities	47,181,247
Employees Payable	37,799,034
Expense Payable	23,521,800
TOTAL	**122,027,952**

NOTE "8" - SHORT TERM PROVISIONS	As at 31st Mar, 2012 (Rs.)
Provision for employee benefits	
Leave Encashment- Short Term	350,966
Gratuity- Short Term	335,823
Provision for Other Expenses	
Provision for Fringe Benefit Tax	213,493
Provision for Income Tax	2,943,881
Provision for Redemption Premium	273,723
TOTAL	**4,117,886**

NOTES FORMING PART OF THE CONSOLIDATE FINANCIAL STATEMENT

NOTE "9" - FIXED ASSETS (AT COST DEPRECIATION)

(Amount in Rs.)

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK
	Cost as at 1.04.2011	Addition	Sales during the period	**Cost as at 31.03.2012**	As at 1.04.2011	For the year	Deduction	**As at 31.03.2012**	**As at 31.03.2012**
TANGIBLE ASSETS									
Office Building	2,668,413	-	2,668,413	-	439,345	21,748	461,093	**-**	**-**
Plant & Machinery	63,943	25,053,518	-	25,117,461	57,801	3,037	-	**60,838**	**25,056,623**
Computer	11,833,344	81,426,902	-	93,260,246	10,522,418	1,330,449	-	**11,852,867**	**81,407,379**
Furniture & Fixtures	695,200	38,685,477	-	39,380,677	407,330	44,006	-	**451,336**	**38,929,341**
Other Equipments	412,000	128,423,609	-	128,835,609	192,683	23,030	-	**215,713**	**128,619,894**
Air Conditioners	260,600	-	-	260,600	80,583	12,389	-	**92,972**	**167,628**
Film Projects Server	72,751,039	-	-	72,751,039	72,751,039		-	**72,751,039**	**-**
Leasehold improvements	-	22,386,721	-	22,386,721	-	-	-	**-**	**22,386,721**
Vehicles	-	1,726,695	-	1,726,695	-	-	-	**-**	**1,726,695**
Total	88,684,539	297,702,921	2,668,413	383,719,047	84,451,199	1,434,659	461,093	85,424,765	298,294,281
INTANGIBLE ASSETS									
Software		16,773,580	-	16,773,580	-	-	-	**-**	**16,773,580**
Business Rights		37,381,424	-	37,381,424	-	-	-	**-**	**37,381,424**
Sub Total	**-**	**54,155,004**	**-**	**54,155,004**	**-**	**-**	**-**	**-**	**54,155,004**
Capital work in Progress		37,839,881	-	37,839,881	-	-	-	**-**	**37,839,881**
Goodwill on consolidation	-	-	-	-	-	-	-	**-**	**132,752,716**
Grand Total	**88,684,539**	**389,697,806**	**2,668,413**	**475,713,932**	**84,451,199**	**1,434,659**	**461,093**	**85,424,765**	**523,041,882**

NOTE "10" - NON-CURRENT INVESTMENTS (AT COST)	Face Value (Rs.)	As at 31st Mar, 2012 (Rs.)
INVESTMENTS IN EQUITY INSTRUMENTS (AT COST) (QUOTED)		
Network 18 Media and Investment Limited (7,20,000 share)	5/-	39,471,696
(UNQUOTED)		
Customised Call Center Services Private Ltd (9,995 shares)	10/-	721,440
Contribution-MS Digiventures LLP* (10% Of the total Contribution)	-	10,000
TOTAL		**40,203,136**

Particular	As at 31st Mar, 2012 (Rs.)
Aggregate amount of Quoted Investment (Market Value Rs 26,460,000/-)	39,471,696
Total	**39,471,696**

*Investment in MS Digiventures LLP	
Name of the Desginated Partners	**Share Capital**
Desginated Partner 1 : Mr Sunil Batra	90,000
Desginated Partner 2 : DigiCall Holdings Private Limited	10,000
Total Contribution	**100,000**

NOTE "11" - LONG TERM LOANS AND ADVANCES	As at 31st Mar, 2012 (Rs.)
(Unsecured, consider good)	
Security Deposit	58,035,935
Capital Advances	23,376,232
TOTAL	**81,412,167**

NOTE "12" - INVENTORY	As at 31st Mar, 2012 (Rs.)
Inventory of Handsets	50,530,685
TOTAL	**50,530,685**

NOTE "13" -TRADE RECEIVABLES	As at 31st Mar, 2012 (Rs.)
(Unsecured, considered good)	
Debts outstanding for the period exceeding six months	31,353,031
Others	160,440,920
TOTAL	**191,793,950**

NOTE "14" -CASH & CASH EQUIVALENTS	As at 31st Mar, 2012 (Rs.)
Cash in Hand	355,190
Balance with Scheduled Banks	
in Current Accounts	32,232,665
Fixed Deposit Accounts *	
Bank Deposit with more than 12 months maturity	10,449,557
Bank Deposit with less than 12 months maturity	54,476,591
TOTAL	**97,514,002**

*Balances with banks to the extent held as margin money, bank and Govt. authorities Rs. 64,923,528/-

NOTE "15" - SHORT TERM LOANS AND ADVANCES	As at 31st Mar, 2012 (Rs.)
(Unsecured, Considered good unless otherwise stated)	
Loans and advance to related parties	27,604,158
Other Loans and Advances	16,751,131
Advances recoverable in cash or in kind or for value to be received	2,410,971
Others	
Advance to supplier	13,856,832
Advance to employees	614,528
TOTAL	**61,237,620**

NOTE "16" - OTHER CURRENT ASSETS	As at 31st Mar, 2012 (Rs.)
Prepaid Expenses	12,609,599
Interest accrued but not due	1,278,483
Interest accrued and due	47,724
Duties & Taxes Recoverable	83,643,038
TOTAL	**97,578,845**

NOTE “17” -REVENUE FROM OPERATIONS	For the year ended 31st Mar, 2012 (Rs.)
Sales of Product	86,198,776
Sales of services	1,306,419
Other Operating Income	15,447,717
TOTAL	**102,952,912**

NOTE “18” -OTHER INCOME	For the year ended 31st Mar, 2012 (Rs.)
Interest Income (Gross)	768,103
TOTAL	**768,103**

NOTE “19” -Cost of Goods Traded	For the year ended 31st Mar, 2012 (Rs.)
Purchase of Stock in trade	103,367,395
Changes in Inventories of Stock-in-Trade	(23,781,992)
TOTAL	**79,585,404**

NOTE "20" -EMPLOYEE BENEFIT EXPENSES	For the year ended 31st Mar, 2012 (Rs.)
Salaries & Wages	10,647,729
Employer's Contribution to Provident and Other funds	206,704
Payroll Processing fee	23,625
Staff Welfare Expenses	57,364
TOTAL	**10,935,422**

NOTE "21" -FINANCE COST	For the year ended 31st Mar, 2012 (Rs.)
Bank Charges	271,045
Redemption Premium	273,723
TOTAL	**544,768**

NOTE "22" OTHER EXPENSES	For the year ended 31st Mar, 2012 (Rs.)
Administrative,Selling and Other Expenses	
Payment to the Auditor	191,066
Electricity and Water	1,192,989
Communication	98,720
Postage, Telex and Telephones	1,397
Printing and Stationery	36,569
Rates & Taxes	10,066,997
Spares & consumables	154,100
Office Rent	2,535,392
Insurance	3,952
Commission Charges	283,871
Advertisement, Selling & Distribution expenses	2,802,504
Travelling Expenses	1,180,737
Repair & maintenance expenses	36,299
Interest on Statutory Dues	304,150
Legal & Professional Expenses	1,691,402
Office Expenses	77,061
Security Charges	111,280
Sundry Balance w/ off	20,423,510
Preliminary expenses w/ off	761
Miscellaneous Expenses	681
TOTAL	**41,193,439**

23. Notes forming part of Consolidated Financial Statements

A. Principles of Consolidation

1. The Consolidated Financial Statements relate to Media Matrix Worldwide Limited (hereinafter referred to as the "Parent Company") and its subsidiaries (these group entities and the Parent Company hereinafter collectively referred to as "the group"). In the preparation of these Consolidated Financial Statements, investments in Subsidiaries have been accounted for in accordance with AS 21 (Consolidated Financial Statements) issued by the ICAI. The Consolidated Financial Statements are prepared on the following basis-

   I. Subsidiary companies are consolidated on a line-by-line basis by adding together the book values of the like items of assets, liabilities, income and expenses after eliminating all significant intra-group balances and intra-group transactions and also unrealized profits or losses, except where cost cannot be recovered.

   II. The results of operations of a subsidiary with which Parent – Subsidiary relationship cease to exist are included in the consolidated statement of profit and loss until the date of cessation of the relationship.

   III. All the Subsidiary Companies, the Companies, in which Media Matrix Worldwide Limited has an ownership of more than one half of voting power or otherwise has power to exercise control over the operations to obtain economic benefits are considered for consolidation except where the control is intended to be temporary because the subsidiary is acquired and held exclusively with a view to its subsequent disposal in the near future. Where a subsidiary is acquired and held exclusively with a view to its subsequent disposal, the investment in the subsidiary is accounted for in accordance with Accounting Standard 13."Investments" which require that current investments should be valued at lower of cost or their fair value.

   IV. The difference between the cost to the Company of investment in Subsidiaries and the proportionate share in the equity of the subsidiaries as at the date of acquisition of stake is recognized in the consolidated financial statements as Goodwill or Capital Reserve, as the case may be. Goodwill has been recorded to the extent that the cost of acquisition, comprising purchase consideration and transaction costs, exceeds the book value of net assets in each acquired company.

   V. Minorities' interest in net profits of consolidated subsidiaries for the year ended March 31, 2012 is identified and adjusted against the income in order to arrive at the net income attributable to the shareholders of the Company. Their share of net assets is identified and presented in the Consolidated Balance Sheet separately.

   VI. In case of associate where the Company directly or indirectly through subsidiary hold 20% or more of the equity, it is presumed that the investor has the significant influence, unless it can be clearly demonstrated that this is not the case. Investments in Associates are accounted for using equity method in accordance with Accounting Standard (AS-23) "Accounting of Investment in Associates in Consolidated Financial Statements" issued by ICAI.

   VII. The company account for its share in the change of net assets of the associates, post-acquisition, after eliminating unrealized profit and loss resulting from transaction between the company and its associates to the extent of its share, through its profit and loss account to the extent such change is attributable to the associates' profit and loss account and through its reserves for the balance, based on available information.

   VIII. As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company's stand-alone financial statements. Differences in accounting policies are disclosed separately.

   IX. The financial statements of the entities used for the purpose of consolidation are drawn up to reporting date as that of the Company i.e. March 31, 2012.

   X. A per Accounting Standard Interpretation (ASI)-15 on Notes to the Consolidated Financial Statements, only the notes involving items which are material need to be disclosed. Materiality for this purpose is assessed in relation to the information contained in the consolidated financial statements. Further, additional statutory information disclosed in separate financial statements of the subsidiary and/or a parent having no bearing on the true and fair view of the consolidated financial statements need not be disclosed in the consolidated financial statements.

2. Significant Accounting Policies and notes to these consolidated financial statements are intended to serve as a means of informative disclosure and guide to better understanding the consolidated position of the companies. Recognizing this purpose, only such policies and notes from the individual financial statements, which fairly present the needed disclosures have been

disclosed. Lack of homogeneity and other similar consideration made it desirable to exclude some of them, which in the opinion of the management, could be better viewed, when referred from the individual financial statements.

B. Significant Accounting Policies

i. Method of Accounting

a) The financial statements are prepared on the historical cost convention and in accordance with generally accepted accounting principles ('GAAP')

b) The Company follows accrual system of accounting in the preparation of accounts unless otherwise stated.

c) 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 as of date of the financial statements. Examples of such estimates include provisions for doubtful debts, provisions for doubtful loans and advances, provisions for diminution in value of investments, estimated period of utility of software package, provisions for value of obsolete/non moving inventories etc. Actual results may differ from these estimates.

ii. Revenue Recognition

a) Revenue is recognized on accrual basis.

b) Revenue from Services rendered is recognized as and when the services are performed.

c) Sale of goods is recognized on dispatch to the customer.

d) Insurance claims are accounted for as and when admitted by the concerned authority.

e) Interest income is recognized as and when accrued.

iii. Fixed Assets

a) Owned Assets

Fixed Assets are stated at cost, which includes freight, installation cost, duties, taxes and other incidental expenses but net of CENVAT.

b) Capital Work-in-progress

All expenses incurred for acquiring, erecting and commissioning of fixed assets including interest on long term loans utilized for meeting capital expenditure and incidental expenditure incurred during construction of projects are shown under capital work-in-progress and are allocated to the fixed assets on the completion of the respective projects.

c) Intangible Assets

Cost of software and expenses on development of new products are accounted for as intangible assets.

iv. Lease

a) Fixed assets acquired on lease / hire purchase for an agreed period has been recognized as an asset and liability. Such recognition is at an amount equal to the fair value of leased asset at the inception of lease or present value of minimum lease payment, whichever is less.

b) Lease payment is apportioned between finance charge and reductions of the outstanding liability.

c) Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items are classified as operating leases. Operating leases payments are recognized as an expense in the profit & loss account or on a basis, which reflect the time pattern of such payments appropriately.

v. Depreciation and Amortisation

a) Depreciation is provided for all the assets on straight line method, at the rates prescribed in the Schedule XIV of the Companies Act, 1956.

Except as follows:

1. **DigiVive Services Private Limited**

Depreciation is provided pro-rata to the period of use on straight-line method based on the estimated useful life of the assets, as follows

Assets	Useful life (in Years)
Computers	5 years
Plant & Machinery (Mobile Phone)	2 years
Plant & Machinery (Other)	5 years
Software & Licenses	3 years
Furniture & Fixture	10 years

2. **Digicall Global Private Limited**

Depreciation of Fixed Assets is provided on a pro-rata basis on the written down value method at the rates and in the manner prescribed under Schedule XIV to the Companies Act, 1956.

3. **NexG Devices Private Limited**

a) Depreciation Charged as follows:

Sr. No.	Head	Life Assumed	Rate of Depreciation
1	Office Equipment (Mobile Phones)	2 Years (24 Months)	50%
2	Office Equipment (Others)	5 Years (60 Months)	20%
3	Computers	3 Years (36 Months)	33.33%

b) Depreciation due to increase or decrease in the liability on account of exchange fluctuation or on account of rollover charges on forward exchange contract is provided prospectively over the residual life of the assets.

c) Intangible assets are amortised over a period of five years or life of product considered at the end of each financial year whichever is earlier. Amortisation commences when the asset is available for use.

vi. Impairment of Assets

The fixed assets or group of assets (cash generating unit) are reviewed for impairment at each Balance Sheet date. In case of such any indication, the recoverable amount of these assets or group of assets is determined and if such recoverable amount of the assets or cash generating unit to which the assets belong is less than its carrying amount, the impairment loss is recognized by writing down such assets to their recoverable amount. An impairment loss is reversed if there is change in the recoverable amount and such loss either no longer exists or has decreased.

vii. Investments

a) The cost of an investment includes incidental expenses like brokerage, fees and duties incurred prior to acquisition.

b) Non-current investments are carried at cost. Provision for diminution in value is made to recognize a decline other than temporary.

c) Investments which are intended to be held for less than one year are classified as current investments and are carried at lower of cost and fair value determined on an individual investment basis.

d) Advance against share application money are classified under the head "Investments".

viii. Inventories

Inventories are valued at lower of cost or net realizable value.

ix. Foreign Currency Transactions

a) Transactions denominated in foreign currency are normally recorded at the exchange rate prevailing at the time of the transaction.

b) Monetary items denominated in foreign currency at the year end and not covered under forward exchange contracts are translated at the yearend rates.

c) Any income or expense on account of exchange difference between the date of transactions and on settlement or on translation is recognized in the profit and loss account as income or expense.

x. Employees Retirement Benefits

The relevant policies for 'Employee Benefits' in accordance with Revised Accounting Standard – 15 are as under:

Short Term Employee Benefits

Short term employee benefits are recognized in the period during which the services have been rendered.

Long Term Employee Benefits

a) Defined Contribution plan

i. Provident Fund and employees' state insurance schemes

All employees of the Company are entitled to receive benefits under the Provident Fund, which is a defined contribution plan. Both the employee and the employer make monthly contributions to the plan at a predetermined rate (presently 12%) of the employees' basic salary.

The Company's contributions to both these schemes are expensed in the Profit and Loss Account.

ii. Gratuity

The Company provides for gratuity obligations through a defined benefit retirement plan (the 'Gratuity Plan') covering all employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement or termination of employment based on the respective employee salary and years of employment with the Company. The Company provides for the Gratuity Plan based on actuarial valuations in accordance with Accounting Standard 15 (revised), "Employee Benefits'. The Company makes annual contribution to the Life Insurance Corporation of India for the Gratuity Plan in respect of employee. The present value of obligation under gratuity is determined based on actuarial valuation using Project Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

b) Other long term benefit

i. Leave Encashment

The Company has provided for the liability at period end on account of unavailed earned leave as per the actuarial valuation as per the Projected Unit Credit Method.

Actuarial gains and losses are recognized as and when incurred.

xi. CENVAT Credit

The CENVAT Credit available on raw materials, other eligible inputs and capital goods is adjusted against excise duty payable on clearance of goods produced. The unadjusted Cenvat credit is shown in note "Short Term Loans and Advances".

xii. Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of the qualifying assets, if any, are capitalized as a part of cost of such asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

xiii. Income Tax

Tax expense comprises both current and deferred taxes. Current tax is provided for on the taxable profits of the year at applicable tax rates. Deferred income taxes reflect the impact of timing differences between taxable income and accounting income for the year and reversal of timing difference of earlier years.

Deferred Tax is measured based on the tax rates and tax laws enacted or substantially enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that sufficient future taxable income will be available against which deferred tax assets can be realized. Unrecognized deferred tax assets of the earlier years are re-assessed and recognized to the extent it has become reasonably certain that future taxable income will be available against which such deferred tax assets can be realized.

xiv. Earning Per Share

In determining earning per share, the company considers the net profits after tax and includes the post tax effects of any extra-ordinary items. The number of shares used in computing basic earning per share is the weighted average number of shares outstanding during the period.

xv. Segment Reporting

Segments are identified in line with the Accounting Standard on Segment Reporting (AS-17) taking into account the organization structure as well as the differential risk and returns of the segments. The unallocable items include income and expenses items which are not directly identifiable to any segment and therefore not allocated to any business segment.

xvi. Contingent Liabilities

A provisions is recognized when the company has present obligation as a result of past events and it is probable that an outflow of resources will be required to settle such obligation, in respect of which a reliable estimate can be made.

Contingent liabilities not provided for in the accounts are disclosed in the accounts by way of notes specify the nature and quantum of such liabilities.

C. OTHER NOTES

1. Information of Subsidiary companies

The following is the list of all subsidiary companies along with the proportion of voting power held. Each of them is incorporated in India.

Subsidiary	Holding	Country of incorporation and other particulars
DigiCall Holdings Private Limited	100%	A company registered under the Companies Act, 1956 of India and subsidiary of the Company since March 5, 2012.
nexG Devices Private Limited	100%	A company registered under the Companies Act, 1956 of India and subsidiary of the Company since March 5, 2012.
DigiCall Teleservices Private Limited	65.5%*	A company registered under the Companies Act, 1956 of India and subsidiary of the Company since March 31, 2012.
DigiVive Services Private Limited	79.85%*	A company registered under the Companies Act, 1956 of India and subsidiary of the Company since March 31, 2012.
DigiCall Global Private Limited	100%	A company registered under the Companies Act, 1956 of India and subsidiary of the DigiCall Teleservices Private Limited (subsidiary of the Company since February 22, 2012).

*These subsidiaries have been made wholly owned subsidiaries with effect from May 28, 2012.

2. Contingent liabilities not provided for:

Sl. No.	Particulars	March 31, 2012 (Rs.)
I	Unexpired Letters of Credit	32,558,092
II	Others -Income Tax matters	855,135
III	Liability of License Fees	30,282,000
IV	Interest on License Fees	20,661,840
V	Bank Guarantee	50,695,300

3. The Company has taken an amount of Rs. 50 crore from M/s V&A Ventures LLP on March 29, 2012 in the form of OFCD. The salient features of OFCDs is as follows:

i. 14,40,92,219 OFCDs to be issued of Rs.3.47 each aggregating to Rs.50.00 crore;

ii. In case the conversion option is exercised, each OFCD would be converted into one Equity Share of Re. 1/- each at a price of Rs.3.47 per equity share;

iii. After 4 months from the date of allotment of OFCDs and within 18 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 18 months, the OFCDs would be redeemable by the Company at redemption premium of 15% of face value i.e. Rs.3.47 per OFCD;

iv. Coupon on the OFCD is 0% p.a. payable annually;

v. Tenure of the OFCDs is 18 months from the date of allotment.

4. Depreciation is provided for all the fixed assets on straight line method at the rates prescribed in the Schedule XIV of the Companies Act, 1956 except in case of DigiCall Global Private Limited, DigiVive Services Private Limited and nexG Devices Private Limited. Had the depreciation been provided based on straight line method, depreciation could have been lower by Rs. 12,865 for nexG Devices Private Limited.

5. Business Segment

(a) Primary (Business) Segment

The Company is mainly engaged in the business of digital media content, distributing of television program, film, music, mobile handsets and dealing in related activities in media and entertainment industry and there is no separate reportable segment as per Accounting Standard (AS) 17 on segment reporting.

(b) Secondary (Geographical) Segment

The Company caters mainly to the needs of Indian market and the export turnover being Nil of the total turnover of the Company, there are no reportable geographical segments.

6. Directors' remuneration

	Year ended 31st March 2012 (Rs.)
Basic salary	2,306,183
Employer Contribution to PF etc.	86,119
Total	23,92,302

7. In the opinion of the Board, current assets, loan and advances have a value on realization at least equal to the amount at which they are stated in the books of accounts and provisions for all known liabilities have been made, except as mentioned otherwise.

8. Earning Per Share

Computation of earning per share is as under:

	31/03/2012
Profit after Taxation (Rs.)	(31,945,766)
Weighted average number of shares (Basic)	80,865,000
Weighted average number of shares (Diluted)	81,654,546
Basic / Diluted EPS (Rs.)	(0.395)
Nominal Value per share (Re.)	1/-

9. AS-15

The disclosures required under Accounting Standard 15 on "Employee Benefits" notified in the Companies (Accounting Standards) Rule 2006, are given below:

Defined Contribution Plan

Contribution to Defined Contribution Plan, maintained under the Employees Provident Fund Scheme by the Central Government, is charged to Statement of Profit and Loss Account as under:

Particulars	For the period ended March 31, 2012 (Rs.)
Employer's Contribution to Provident Fund*	72,302

*Included in Employer's Contribution to Provident and other Funds

Defined Benefit Plan

Acturial Assumptions

Particular	Gratuity	Leave Encashment
Discount Rate (per annum)	8.75%	8.75%
Rate of increase in compensation levels	5.00%	5.00%

Table Showing changes in present value of obligations

Particular	Gratuity (Rs.)	Leave Encashment (Rs.)
Present Value of obligation as at the beginning of the period	-	-
Present Value of obligation as at the end of the period	5,518,522	3,421,280

Amounts to be recognized in balance sheet

Particular	Gratuity (Rs.)	Leave Encashment (Rs.)
Present Value of obligation as at the end of the period	5,518,522	3,421,280
Fair value of plan assets as at the end of the period FY 2011	-	-
Net asset/ (liability) recognized in Balance Sheet	-	-
Funded Status	5,518,522	3,421,280

Expenses recognized in Statement of Profit and Loss:

Particular	Gratuity (Rs.)	Leave Encashment (Rs.)
Current service cost	27,743	14,325
Past service cost	Nil	Nil
Interest Cost	Nil	Nil
Expected return on plan assets	Nil	Nil
Curtailment and settlement cost /(credit)	Nil	Nil
Net Actuarial (gain)/ loss recognized in the period	Nil	Nil
Expenses/(Income) recognized in the statement of Profit and Loss	27,743	14,325

Current and Non-Current Liability:

(Amount in Rs.)

Particulars	Current Liability	Non Current Liability	Total Liability
Gratuity	335,823	5,182,699	5,518,522
Leave Encashment	350,966	3,070,314	3,421,280

10. Deferred Tax

The Company estimates deferred tax Assets/ Liabilities using the applicable rate of taxation based on the impact of timing difference between financial statements and estimated taxable income for the current year related to depreciation on fixed assets. Deferred tax liability/ (assets) for the year aggregating to Rs. (394,212) has been recognised in Profit & Loss Account and net deferred tax liability as at 31st March, 2012 are Rs. 3,850,753.

11. Related Party Disclosures

(a) Name of Related parties and its relationship:

Holding Company:

- DigiVision Holdings Private Limited

Fellow Subsidiary Company:

- Digivision Wireless Private Limited

Key Management Personnel:

- Mr. B.B. Chugh, Director
- Mr. Sunil Batra, Managing Director

Companies under Common Control of Key Management Personnel (KMP):

- Microwave Communications Limited
- Smart Digivision Private Limited
- Digivision Entertainment Private Limited
- Smart Broadband Services Private Limited

In addition to the above, the following were the additional Related Parties which have been ceased to be Related Parties with effect from January 26, 2012 on account of the change in control and management of the Company:

- Mr. Anil Vedmehta (Director)
- M/s Mobile Telecommunication Limited (Director was Managing Director)
- M/s Quantum E-Services Private Limited (Director was Director)

(b) Transactions with Related Parties

(Amount in Rs.)

PARTICULARS	Holding Company	Fellow Subsidiary	KMPs	Companies under KMPs*
Nature of Transaction	**31-March 2012**	**31-March 2012**	**31-March 2012**	**31-March 2012**
Debit note raised on Company (Expenses)	2,853,640	-	-	-
Debit note raised by Company	-	3,270,373	-	18,531,401
Payment made by us	1,370,000	-	-	-
Loan received by us	10,000,000	-	-	-
Loan Given	-	-	-	9,448,341
Advance Given	-	198,799	-	-
Closing Balances:				
Loans Payable	10,000,000	-	-	-
Loans Receivable	-	-	-	3,380,347
Other Payables	1,483,640	-	-	-
Advance recoverable	-	198,799	-	31,333,469

* Debit note raised by Company includes Rs. 8,437,950/- issued on Smart Broadband Services Private Limited and Rs. 10,093,457/- issued on Microwave Communications Limited, Loan given Rs. 6,118,916/- to Smart Digivision Private Limited and Rs. 3,329,425/- to Microwave Communications Limited. Closing balance of Loan Receivable Rs. 3,380,347 from Smart Digivision Private Limited, Closing balance of Advance receivable includes Rs. 8,437,950/- from Smart Broadband Services Private Limited and Rs. 22,895,519/- from Microwave Communications Limited.

Beside the above, during the year, the Company has entered into financial transactions amounting to Rs. 18,704,418, Rs. 26,203,470 and Rs. 1,810,002 with Mr. Anil Vedmehta, Director of the Company, M/s Mobile Telecommunication Limited (Director was Managing Director) and M/s Quantum E-Services Private Limited (Director was Director), respectively. All of these have ceased to be Related Parties with effect from Jan 26, 2012.

12. In the cases of Subsidiary Companies

A. DigiCall Teleservices Private limited

DoT vide its letter No 843-26/99-BS-III dated 26.4.2004 has offered a relief package to all Radio Paging Service Operators. Under the relief package the fixed license fee regime for city radio license paging is waived off from the third payment year i.e. after expiry of two calendar years from the date of delivery of services. From such date of commencement of third year, the license fee will be charged @ 5% of Adjusted Gross Revenue (AGR). License period after accepting relief package is automatically extended to next 10 years as per relief package. The company has given a proposal for accepting of the relief package on 24.8.2004 to DoT. While accepting relief package, company had conveyed to retain the paging license for Bangalore city only. The DoT has refused to accept the conditional acceptance of relief package for Mumbai / Pune/ Hyderabad as the company had shown their reluctance to retain the licenses for these cities. However in the absence of acceptance of DoT for Bangalore circle, the Company has taken the legal opinion and as per legal opinion since the conditional acceptance for Mumbai, Pune and Hyderabad is not accepted by DOT it may be treated as acceptance of relief package by DOT for Bangalore city. Accordingly effect of the relief package is taken in to account in respect of Bangalore city. Further, the company vide their letter dated 27.11.2009 has informed DoT that the company has surrendered their Paging license w.e.f. 1st Jan 2010. In absence of any demand from DOT towards payment of liability the Company has reversed license fees liability of Rs. 302.82 lacs along with interest liability of Rs. 206.62 lacs and shown as contingent liability. The interest liability will increase by 12% per annum. Demand arising if any in future for payment of license fee shall be accounted for on actual settlement.

B. DigiCall Global Private limited

The company acquired the entire Call Centre Business Undertaking of M/s Cleave Global E-Services Private Limited on August 1, 2011, as a going concern on a slump sale basis for a lump sum consideration of Rs. 500 Lacs. Accordingly, the company has recognized Assets and Liabilities acquired under this Slump Sale Agreement based on Valuation report obtained by the company.

C. Digicall Holdings Private Limited

The company had received an Interest free Convertible loan of Rs 26,373,416/-. At the option of the lender, the loan can be converted into equity shares at any time during the period of 10 years from the date of receipt of loan.

13. This is first year of consolidation, so corresponding previous year figures are not given.

As per our report of even date

For N.S. Bhatt & Associates
Chartered Accountants
Firm Regn. No.130891W

(Brijesh Dutt Chaturvedi)
Partner
Membership No. 135871

For Khandelwal Jain & Co.
Chartered Accountants
Firm Regn. No. 105049W

(Akash Shinghal)
Partner
Membership No. 103490

Place : Gurgaon
Date : 28.05.2012

For and on Behalf of the Board of Directors

(B.B. Chugh)
Director (Finance)

(C.K. Goushal)
Director

(Mohd Zafar)
Company Secretary

Consolidated Cash Flow Statement for the Year Ended March, 2012

		For the year ended 31st Mar, 2012 (Rs.)
A	**Cash flow from operating activities:**	
	Profit/(Loss) for the year before Prior Year Expenditure and Tax	**(31,179,997)**
	Adjustments to reconcile net income to net cash provided by operating activities	
	Depreciation and amortisation	1,434,659
	Loss/ (Gain) on Sold/Discarded Fixed Assets	1,207,321
	Finance Cost	544,768
	Interest income/other income	(768,103)
	(i) Operating profit before working capital changes	**(28,761,353)**
	Changes in current assets and current liabilities	
	Decrease/(increase) in inventories	(50,530,685)
	(Increase)/Decrease in trade and other receivable	(359,368,086)
	Increase/(Decrease) in trade and other payable	278,759,580
	Cash provided by operating activities before tax	**(131,139,190)**
	Less tax paid	(1,756,913)
	(ii) Cash provided by operating activities after tax	**(132,896,103)**
	Net cash provided by operating activities (i)+(ii)	**(161,657,456)**
B	**Cash flows from Investing Activities:**	
	Purchase/increase in Fixed Assets	(522,450,522)
	Proceeds from Sale of Fixed Assets	999,999
	Proceeds from sale of investments	52,470,640
	Increase in investment	(40,203,136)
	Interest received	768,103
	Net cash used in investing activities	**(508,414,916)**
C	**Cash flows from Financing Activities**	
	Proceeds/increase in Long Term Loan	526,538,036
	Proceeds/increase in Short Term Loan	161,341,820
	Increase/(Decrease) in Minority Interest	71,186,876
	Finance Cost Paid	(271,045)
	Net cash (used in) provided by financing activities	**758,795,688**

Net (decrease)/increase in cash and cash equivalents during the period	**88,723,316**
Cash and cash equivalents at the beginning of the year	**8,790,687**
Cash and cash equivalents at the end of the year	**97,514,002**

Notes:-

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

2) Figures in brackets indicate cash outflow.

3) Cash & Cash Equivalents	(Rs.)
Cash in Hand	355,190
Cheques in Hand	
Balances with Scheduled Banks	
- In Current Accounts	32,232,665
- In Fixed Deposits	64,926,148
Total	**97,514,002**

As per our report of even date

For N.S. Bhatt & Associates
Chartered Accountants
Firm Regn. No.130891W

(Brijesh Dutt Chaturvedi)
Partner
Membership No. 135871

For Khandelwal Jain & Co.
Chartered Accountants
Firm Regn. No. 105049W

(Akash Shinghal)
Partner
Membership No. 103490

Place : Gurgaon
Date : 28.05.2012

For and on Behalf of the Board of Directors

(B.B. Chugh)
Director (Finance)

(C.K. Goushal)
Director

(Mohd Zafar)
Company Secretary

Summary of Financial information of Subsidiary Companies for Financial Year 2011-12

(Amount in Rs.)

Particulars	Name of the Subsidiary Companies				
	nexG Devices Private Limited	DigiCall Holdings Private Limited	DigiCall Teleservices Private Limited	DigiVive Services Private Limited	Digicall Global Private Limited*
Share Capital	100,000	100,000	200,000,000	100,000,000	5,000,000
Reserves	(45,994,390)	(3,041,260)	9,208,908	(99,733,890)	(13,112,475)
Total Assets	139,089,703	43,455,156	632,417,336	218,459,985	56,649,834
Total Liabilities	139,089,703	43,455,156	632,417,336	218,459,985	56,649,834
Investment other than Investment in Subsidiary	0.00	39,481,696	721,440	0.00	0.00
Turnover	200,389,934	0.00	411,187,179	55,011,706	41,381,923
Profit Before Taxation	(46,099,507)	(3,041,260)	(39,118,412)	(90,698,106)	(11,378,563)
Provision for Taxation					
-Current Tax	0.00	0.00	0.00	0.00	(1,733,912)
-Deferred Tax	(105,117)	0.00	0.00	1,705,719	0.00
Profit after Taxation	(45,994,390)	(3,041,260)	(39,118,412)	(92,403,825)	(13,112,475)
Proposed dividend	0.00	0.00	0.00	0.00	0.00

* 100% subsidiary of DigiCall Teleservices Private Limited

For and on behalf of the Board

(B.B. Chugh)
Director (Finance)

(C.K. Goushal)
Director

Place : Gurgaon
Date : 28.05.2012

(Mohd Zafar)
Company Secretary

Statement pursuant to Section 212 of the Companies Act, 1956 Relating to company's interest in Subsidiary Companies

(Amount in Rs.)

Name of the Subsidiary Companies		**Name of the Subsidiary Companies**				
		nexG Devices Private Limited	**DigiCall Holdings Private Limited**	**DigiCall Teleservices Private Limited**	**DigiVive Services Private Limited**	**Digicall Global Private Limited***
1	The Financial Year of the Subsidiary ended on	31.03.2012	31.03.2012	31.03.2012	31.03.2012	31.03.2012
2	Shares of the Subsidiary held by the Company on the above date					
	(a) Number and face value	10,000	10,000	13099900	7,985,000	5,00,000
	(b) Extent of Holding	100%	100%	65.5%	79.85%	100%
3	Net aggregate of profits /(losses) of the subsidiary for the above financial year so far as they concern members of the Company	(2,258,470)	(2,928)	NIL	NIL	NIL
	(a) Dealt with in the accounts of the Company for the year ended 31st March 2012	(2,258,470)	(2,928)	NIL	NIL	NIL
	(b) Not dealt with in the accounts of the Company for the year ended 31st March 2012	(43,735,920)	(3,038,332)	(39,118,412)	(92,403,825)	(13,112,475)
4	Net aggregate of profits /(losses) of the subsidiary for the previous financial year ,since it became a subsidiary so far as they concern members of the Company	NA	NA	NA	NA	NA
	(a) Dealt with in the accounts of the Company for the year ended 31st March 2011	NA	NA	NA	NA	NA
	(b) Not dealt with in the accounts of the Company for the year ended 31st March 2011	NA	NA	NA	NA	NA

** 100% subsidiary of DigiCall Teleservices Private Limited*

For and on behalf of the Board

(B.B. Chugh)
Director (Finance)

(C.K. Goushal)
Director

Place : Gurgaon
Date : 28.05.2012

(Mohd Zafar)
Company Secretary

Notes

MEDIA MATRIX WORLDWIDE LIMITED

Regd. Office: Flat No. 155, 15th Floor, Mittal Court "A" Wing, Nariman Point, Mumbai - 400021

ATTENDANCE SLIP

27th Annual General Meeting

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE VENUE.

I/We hereby record my/our presence at the Annual General Meeting of the Company held on Saturday, the 29th day of September, 2012 at 09:30 A.M. at Flat No. 155, 15th Floor, Mittal Court "A" Wing, Nariman Point, Mumbai - 400021

Folio No.		
DP ID No.		
Client ID No.		
Full name of the Shareholder (In Block Letters)		Signature
Full Name of Proxy (in Block Letters)		Signature

PROXY

MEDIA MATRIX WORLDWIDE LIMITED

Regd. Office: Flat No. 155, 15th Floor, Mittal Court "A" Wing, Nariman Point, Mumbai - 400021

I/We ____________________

of __________ **being a member / members of Media Matrix Worldwide Limited, hereby appoint**

____

of __________ **or failing him** __________

of __________ **or failing him** __________

of __________ **as my / our proxy in my / our absence to attend and vote for me / us on my / our behalf at the Annual General Meeting of the Company to be held on Saturday, the 29th day of September, 2012 at 09:30 A.M.**

Signed this __________ **day of September, 2012**

Affix Revenue Stamp

Folio No.:	
DP ID No.:	
Client ID No.:	
No. of Shares.:	

Note:

The proxy form must be deposited at the Registered Office of the Company at Flat No. 155, 15th Floor, Mittal Court "A" Wing, Nariman Point, Mumbai 400021, not less than 48 hours before the time fixed for holding the Meeting.