

DIGIVIVE SERVICES PRIVATE LIMITED
(INCORPORATED ON 13.03.2010)

CIN: U93000DL2010PTC200097

**5TH ANNUAL REPORT
FOR THE YEAR 2014-2015**

REGD. OFFICE : D-7, DHAWANDEEP APARTMENT
6, JANTAR MANTAR ROAD
NEW DELHI -110 001

DIRECTORS : SH. MAHENDRA NAHATA (W.E.F. 07.02.2011)
SH. SURENDRA LUNIA (W.E.F. 13.03.2010)
SH. SUNIL BATRA (W.E.F. 19.12.2012)
SH. SURESH BOTHRA (W.E.F. 26.03.2015)
SH. CHUNCHREEK SINGHVI (W.E.F. 26.03.2015)
SH. GURDIAL SINGH KHANDPUR (DIRECTOR W.E.F. 30.03.2012;
WHOLE-TIME DIRECTOR W.E.F. 25.03.2013)

COMPANY
SECRETARY : SH. MITRA KUMAR GULGULIA (W.E.F. 01.05.2015)
SH. MANISH KHANNA (UPTO 30.04.2015)

CFO : SH. SANDEEP JAIRATH (W.E.F. 26.03.2015)

AUDITORS : OSWAL SUNIL & COMPANY
CHARTERED ACCOUNTANTS

BANKERS : HDFC BANK LTD
KOTAK MAHINDRA BANK LTD
CORPORATION BANK
IDBI BANK LTD
ANDHRA BANK



INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS

To the Members of Digivive Services Private Limited

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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



Opinion

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

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

Emphasis of Matter

We draw attention to Note 16 of Notes to Accounts (Note 23) pertaining to erosion in net worth, as stated in the said Note. Our opinion is not qualified in this respect.

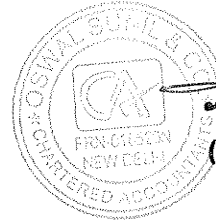
Report on Other Legal and Regulatory Requirements

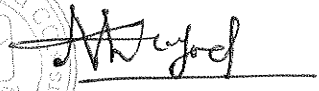
1. As required by the Companies (Auditor's Report) Order, 2015 ('the Order') issued by the Central Government in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section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



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

For **OSWAL SUNIL & COMPANY**
Chartered Accountants
Firm Registration No. 016520N




(CA Naresh Kumar Goel)
Partner
Membership No. 085238

Place: New Delhi
Dated: 26th May, 2015

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

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

- i. Having regard to the nature of the Company's business/activities/result, clause 3(ii) regarding Inventory, of 'the Order' is not applicable.
- ii.
 - a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b. According to information and explanations given to us, all the assets have been physically verified by the management during the year under the regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
- iv. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and with regard to the sale of goods. We have neither come across nor have been informed of any continuing failure to correct major weaknesses in internal control system.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits during the year from the public to which the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under apply, or an order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.
- vi. As informed to us, the Central Government has not prescribed maintenance of cost records under Section 148 of the Companies Act, 2013 in respect of the products of the Company.
- vii.
 - a. The Company is generally regular in depositing with appropriate authorities, undisputed statutory dues including income tax, service tax, works contract tax, cess and other material statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts were in arrears as at 31st March, 2015 for a period of more than six months from the date they become payable.
 - b. According to the information and explanations given to us, there are no dues in respect of, Sales Tax/Vat, Income Tax, Wealth Tax, Service Tax, Custom Duty and Cess as at 31st March, 2015, which have not been deposited with the appropriate authorities on account of any dispute.
 - c. According to the information and explanations given to us, no amount was required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 2013.
- viii. Accumulated losses of the Company at the end of the financial year are more than fifty per cent of its net worth and it has incurred cash losses in the current financial year & in the immediately preceding financial year.

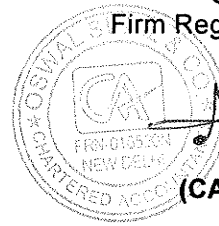


- ix. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or banks.
- x. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions. Accordingly, the provisions of clause 3(x) of the Order are not applicable to the Company.
- xi. In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were raised.
- xii. During the course of our examination of the books and records of the Company, carried in accordance with the auditing standards generally accepted in India, we have neither come across any instance of fraud on or by the Company noticed or reported during the course of our audit nor have we been informed of any such instance by the Management.

For **OSWAL SUNIL & COMPANY**

Chartered Accountants

Firm Registration No. 016520N




(CA Naresh Kumar Goel)

Partner

Membership No. 085238

Place: New Delhi

Dated: 26th May, 2015

DIGIVIVE SERVICES PRIVATE LIMITED
BALANCE SHEET AS AT 31st MARCH, 2015

(Rs.)

Particulars	Note No.	As at 31st March, 2015	As at 31st March, 2014
I EQUITY AND LIABILITY			
(1) Shareholders' Funds			
(a) Share Capital	2	100,000,000	100,000,000
(b) Reserves & Surplus	3	(836,931,689)	(608,446,179)
(2) Non-Current Liabilities			
(a) Long Term Borrowings	4	830,601,760	616,874,975
(b) Long Term Provisions	5	4,308,241	2,818,456
(3) Current Liabilities			
(a) Short Term Borrowings	6	26,050,000	-
(b) Trade Payables	7	133,186,979	116,125,749
(c) Other Current Liabilities	8	12,611,518	28,378,705
(d) Short Term Provisions	9	25,731,343	17,711,316
		295,558,152	273,463,022
II ASSETS			
(1) Non Current Assets			
(a) Fixed Assets	10		
(i) Tangible Assets		103,543,092	116,235,796
(ii) Intangible Assets		14,944,823	29,496,763
(b) Long Term Loans and Advances	11	3,864,487	3,853,987
(c) Other Non-Current Assets	12	414,395	3,684,236
(2) Current Assets			
(a) Trade Receivables	13	99,255,449	45,194,644
(b) Cash and Cash Equivalents	14	2,739,763	3,047,653
(c) Short-term Loans and Advances	15	70,796,143	71,949,943
		295,558,152	273,463,022

Significant Accounting Policies

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Additional Information

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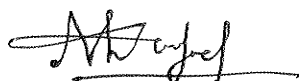
The notes referred above form an integral part of Financial Statements

As per our report of even date attached

For Oswal Sunil & Company

Chartered Accountants

Firm Regn. No.: 016520N



CA Naresh Kumar Goel

(Partner)


Membership No. - 085238

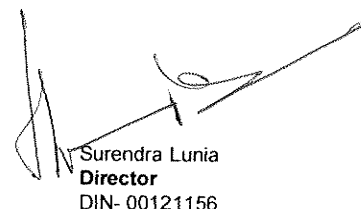


Place : New Delhi

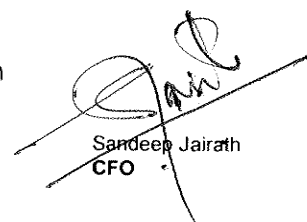
Date : 26.05.2015

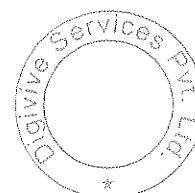
For and on Behalf of the Board of Directors


Gurdial Singh Khandpur
Whole-time Director
DIN- 00121913


Surendra Lunia
Director
DIN- 00121156


Mitra Kumari Gulgulia
Company Secretary


Sandeep Jairath
CFO



DIGIVIVE SERVICES PRIVATE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2015

		(Rs.)	
Particulars	Note No.	Year ended 31st March, 2015	Year ended 31st March, 2014
Revenue from Operations	16	261,618,366	136,655,093
Other Income	17	923,459	446,410
Total Revenue		262,541,825	137,101,503
EXPENDITURE			
Content and Bandwidth Expenses	18	154,486,505	165,609,026
Technical and Network Cost	19	28,352,933	81,173,646
Personnel Expenses	20	114,972,345	95,988,797
Administrative and Selling Expenses	21	151,328,989	126,697,062
Finance Cost	22	5,273,898	2,044,221
Depreciation and Amortization Expenses	10	34,332,385	21,815,856
Prior Period Expenses- Salaries, Wages & Bonus, etc.		-	178,764
Preliminary Expenses Written off		51,600	51,603
Total Expenses		488,798,655	493,558,975
Profit before Exceptional items, Extraordinary items and Tax (III- IV)		(226,256,830)	(356,457,472)
Extraordinary items			
Minimum Revenue Obligation Charges		1,500,000	-
Profit before Tax (VII- VIII)		(227,756,830)	(356,457,472)
Less: Tax Expense:			
Current Tax		-	-
Deferred Tax		-	-
Profit (Loss) for the year from Continuing Operation (after tax)(IX- X)		(227,756,830)	(356,457,472)
Profit (Loss) from Discontinuing Operation		-	-
Tax Expense of Discontinuing Operations		-	-
Profit (Loss) from Discontinuing Operation (after tax) (XII- XIII)		-	-
Profit (Loss) for the year (XI+ XIV)		(227,756,830)	(356,457,472)
Earning per share (Face value of Rs.10/- each)			
Basic and Diluted (Rs.)		(22.78)	(35.65)

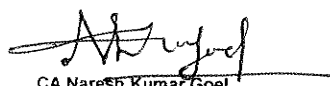
Significant Accounting Policies

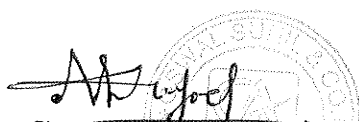
Additional Information

The notes referred above form an integral part of Financial Statements


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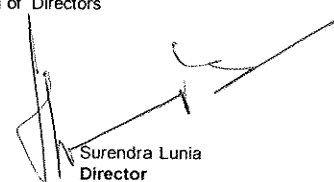
As per our report of even date attached
For Oswal Sunil & Company
Chartered Accountants
Firm Regn. No.: 016520N


CA Naresh Kumar Goel
(Partner)
Membership No. - 085238


Place : New Delhi
Date : 26.05.2015

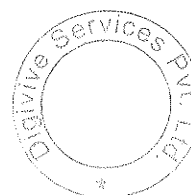
For and on Behalf of the Board of Directors


Gurdial Singh Khandpur
Whole-time Director
DIN- 00121913


Surendra Lunia
Director
DIN- 00121156


Mitra Kumar Gulgulia
Company Secretary


Sandeep Jaisrath
CFO



DIGIVIVE SERVICES PRIVATE LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2015

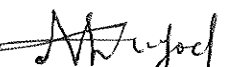
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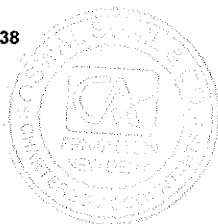
Particulars	Year ended 31st March, 2015	Year ended 31st March, 2014
A Cash flows from Operating activities		
Profit before tax	(227,756,830)	(356,457,472)
Adjusted for:		
Depreciation and amortization	34,332,385	21,815,856
Provision for doubtful debts	1,374,840	(1,667,165)
Provision for gratuity	939,493	1,215,571
Provision for leave encashment	980,371	1,281,325
Bad debts	297,815	1,971,199
Sundry balances written off	104,790	(30,550)
Profit on sale of assets	(5,159)	-
Interest income	(76,302)	(415,860)
Interest paid	5,149,144	1,878,475
Operating profit before working capital changes	(184,659,454)	(330,408,621)
Movement in working capital		
Decrease/ (increase) in trade receivables	(55,733,460)	(24,978,454)
Decrease /(Increase) in non current assets	3,269,841	(3,581,006)
Decrease/(Increase) in loans and advances	659,877	(18,966,200)
Increase/ (decrease) in long term provision	(430,079)	(292,382)
Increase/ (decrease) in current liabilities and provisions	9,314,071	85,993,336
Cash generated from operations	(227,579,203)	(292,233,327)
Direct taxes paid (net of refunds)	378,633	(7,941,475)
Net cash from operating activities	(227,200,570)	(300,174,802)
B Cash flows from Investing activities		
Purchase of fixed assets	(7,825,713)	(99,985,596)
Sales of fixed assets	14,450	-
Inter-corporate and other loans (Net)	-	753,370
Interest income	76,302	415,860
Net cash used for investing activities	(7,734,961)	(98,816,366)
C Cash flows from Financing activities		
Proceeds from issue of CCDs/ ZOFCDS	213,726,784	367,724,975
Proceeds from Short Term Loan (Net)	26,050,000	16,670,000
Interest Paid	(5,149,144)	(1,878,475)
Net cash from (used for) financing activities	234,627,640	382,516,500
Net increase in cash and cash equivalents (A+B+C)	(307,891)	(16,474,668)
Cash and cash equivalents at the beginning of the year	3,047,653	19,522,375
Cash and cash equivalents at the end of the year	2,739,763	3,047,707
Cash and bank balances as per Note-14(refer notes below)	2,739,763	3,047,653
Cash and cash equivalents in cash flow statement	2,739,763	3,047,653

Notes:-

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard - 3 Cash Flow Statement
- Cash and bank balance includes the following, which are not available for use by the Company :
Fixed deposits pledged with banks and Trade Tax authorities 414,395 3,632,636
- The Previous year's figures have been re-classified/re-grouped to conform to current year's classification

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

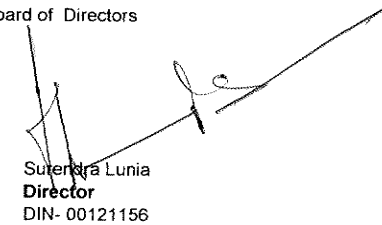

CA Naresh Kumar Goel
(Partner)
Membership No. - 085238



Place : New Delhi
Date : 26.05.2015

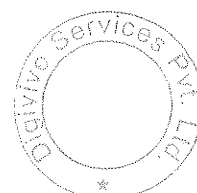
For and on Behalf of the Board of Directors


Gurdial Singh Khandpur
Whole-Time Director
DIN- 00121913


Sutertra Lunia
Director
DIN- 00121156


Mitra Kumari Gulgia
Company Secretary


Sandeep Jirath
CFO



DIGIVIVE SERVICES PRIVATE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note No.2

Share Capital	As at 31st March, 2015 (Rs.)	As at 31st March, 2014 (Rs.)
Authorised		
2,50,00,000 (2,50,00,000) Equity Shares of Rs. 10/- each	250,000,000	250,000,000
	<u>250,000,000</u>	<u>250,000,000</u>
Issued, Subscribed & Paid up		
1,00,00,000 (1,00,00,000) Equity Shares of Rs 10/- each	100,000,000	100,000,000
	<u>100,000,000</u>	<u>100,000,000</u>

Note No.2 (a)

Reconciliation of number of shares outstanding at the beginning and at the end of the year:

Particulars	Equity Shares			
	As at 31st March, 2015		As at 31st March, 2014	
	No. of Shares	Rs.	No. of Shares	Rs.
No. of shares at the beginning of the year	10,000,000	100,000,000	10,000,000	100,000,000
Add: Issue of Shares/ Calls received	-	-	-	-
Less: No of Shares Bought Back	-	-	-	-
No. of shares at the end of the year	<u>10,000,000</u>	<u>100,000,000</u>	<u>10,000,000</u>	<u>100,000,000</u>

Note No.2 (b)

79,85,000 (Previous year 79,85,000) Equity Shares are held by Media Matrix Worldwide Limited, the Holding Company and 20,15,000 Equity Shares (Previous year 20,15,000) are held by Media Matrix Holdings Pvt. Ltd., the Fellow Subsidiary Company & its nominees.

Note No.2 (c)

Detail of Shareholders holding more than 5% shares in the Company:

Particulars of Shareholders	Equity Shares			
	As at 31st March, 2015		As at 31st March, 2014	
	No of Shares	% holding	No of Shares	% holding
Media Matrix Worldwide Limited	7,985,000	79.85	7,985,000	79.85
Media Matrix Holdings Pvt. Ltd. (including its nominees) *	2,015,000	20.15	2,015,000	20.15
	<u>10,000,000</u>	<u>100.00</u>	<u>10,000,000</u>	<u>100.00</u>

* 5 Shares are held by five individuals (jointly with Media Matrix Holdings Pvt Ltd) as nominees of the Fellow Subsidiary Company.

Note No.2 (d)

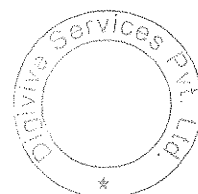
The Company during the last five years preceding the Balance Sheet date has (i) not allotted any shares for consideration other than cash and by way of bonus shares; and (ii) No shares of the Company have been bought back.

Note No.3

Reserves & Surplus

Surplus

Opening Balance	(608,446,179)	(251,988,707)
Add: Profit/ (Loss) for the year	(227,756,830)	(356,457,472)
Add: Adjustment for Accumulated Depreciation	(728,680)	-
(Refer Note No. 18)		
	<u>(836,931,689)</u>	<u>(608,446,179)</u>



DIGIVIVE SERVICES PRIVATE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	As at 31st March, 2015 Rs.	As at 31st March, 2014 Rs.
Note No.4		
Long Term Borrowings		
Secured		
Car Loan from Finance Co.	1,339,598	2,009,899
(Secured by way of hypothecation of respective Vehicle)		
Less: Current maturity of long term borrowings (refer note 8)	737,838	834,924
	601,760	1,174,975
Unsecured		
Bonds/ Debentures		
0% 5,41,500 (Previous year- 5,15,000) Compulsorily Convertible Debentures (CCDs) of Rs. 1,000/- each issued to Media Matrix Worldwide Ltd., the Holding Company	541,500,000	515,000,000
(Terms of conversion - Refer Note No 13)		
0% 8,500 (Previous year- Nil) Compulsorily Convertible Debentures (CCDs) of Rs. 1,000/- each issued to Media Matrix Holdings Pvt. Ltd., the Fellow Subsidiary Company	8,500,000	-
(Terms of conversion - Refer Note No 13)		
0% 2,20,000 (Previous year- Nil) Zero Coupon Optionally Fully Convertible Debentures (ZOFCDs) of Rs. 1,000/- each	220,000,000	-
(Terms of conversion/ redemption - Refer Note No 13)		
Loans and Advances from related parties*	60,000,000	100,700,000
	830,601,760	616,874,975
*Loan from Media Matrix Worldwide Ltd amounting to Rs. 6,00,00,000/- (Previous year Rs. 6,00,00,000/-) carries rate of interest 10% (Previous year Nil). This loan is repayable within 10 years from the last date of availability.		
*Loan of Rs. Nil (Previous year Rs. 4,07,00,000) from Media Matrix Holdings Pvt. Ltd. was interest free and repayable within 10 years from the last date of availability.		
Note No.5		
Long Term Provisions		
Gratuity (Unfunded)	2,456,244	1,528,914
Leave Encashment (Unfunded)	1,851,997	1,289,542
	4,308,241	2,818,456
Note No.6		
Short Term Borrowings		
Unsecured		
Loan repayable on demand		
Loans and Advances from other Party	26,050,000	-
	26,050,000	-
*Loan amounting to Rs. 2,60,50,000/- (Previous year Rs. Nil) carries rate of interest 10% (Previous year Nil). This loan is repayable on demand.		
Note No. 7		
Trade Payables		
Other than Micro, small and medium Enterprises		
Sundry Creditors	132,498,090	60,216,983
Creditors for capital goods	688,889	55,908,766
	133,186,979	116,125,749
Note No. 8		
Other Current Liabilities		
Current Maturity of Long Term Borrowings	737,838	834,924
Other Payable		
For Expenses	724,878	18,982,443
For Statutory Liabilities	4,465,592	4,501,446
For Salaries and Wages	5,326,842	3,795,800
Others	1,056,368	264,092
Deferred Revenue	300,000	-
	12,611,518	28,378,705



Note No. 9**Short Term Provisions****Provision for employee benefits**

Gratuity - Short Term (Unfunded)	27,883	15,720
Leave Encashment - Short Term (Unfunded)	59,995	48,903

Provision for Other Expenses

25,643,465	17,646,693
<u>25,731,343</u>	<u>17,711,316</u>

Note No. 11**Long Term Loans and Advances****(Unsecured, considered good)**

Security Deposit	3,864,487	3,853,987
	<u>3,864,487</u>	<u>3,853,987</u>

Note No. 12**Other Non-Current Assets**

Preliminary Expenses (to the extent not written off)

-

51,600

In Fixed Deposits Accounts with maturity of more than 12 months*

(includes interest accrued Rs 49,148/-; Previous year Rs. 2,93,445/-)

414,395

3,632,636

<u>414,395</u>	<u>3,684,236</u>
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* Pledged as security with banks and Trade Tax authorities

Note No. 13**Trade Receivables****(Unsecured, considered good unless otherwise stated)****Outstanding for a period**

- Exceeding Six Months

Considered good

8,071,899

3,229,364

Considered doubtful

1,471,634

96,804

- Other

<u>91,183,550</u>	<u>41,965,280</u>
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100,727,083

45,291,448

Less: Provision for doubtful debts

1,471,634

96,804

<u>99,255,449</u>	<u>45,194,644</u>
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Note No. 14**Cash and Cash Equivalents**

Cash on Hand

36,709

60,933

Balance with Banks

- In Short Term Accounts

<u>2,703,054</u>	<u>2,986,720</u>
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<u>2,739,763</u>	<u>3,047,653</u>
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Note No. 15**Short-term Loans and Advances****(Unsecured, Considered good unless otherwise stated)**

Advances to Suppliers

338,868

300,909

Advances to employees (Refer Note No 10B)

1,072,774

600,826

Balance with Service Tax Authorities

41,629,867

40,068,911

TDS Recoverable

25,369,617

25,756,298

Prepaid Expenses

2,385,017

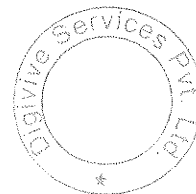
4,222,999

Capital Advances

-

1,000,000

<u>70,796,143</u>	<u>71,949,943</u>
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DIGIVIVE SERVICES PRIVATE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	Year ended 31st March, 2015 (Rs.)	Year ended 31st March, 2014 (Rs.)
Note No. 16		
Revenue from Operations		
(Net of Service Tax)		
Income from Services (TDS Rs. 1,77,81,028/-; PY Rs. 69,28,799/-)	244,070,582	125,804,541
Advertisement Income (TDS Rs. 3,47,386/-; PY Rs. 2,05,777/-)	17,547,784	10,850,552
	261,618,366	136,655,093
Note No. 17		
Other Income		
Interest on Fixed Deposits (TDS Rs. 7,630/-; PY Rs. 41,586/-)	76,302	415,860
Interest on Income Tax Refund	840,498	-
Profit on Sale of Assets	5,159	-
Miscellaneous Income	1,500	30,550
	923,459	446,410
Note No. 18		
Content and Bandwidth Expenses		
Content Expenses	149,627,374	157,999,245
Bandwidth Charges	4,859,131	7,609,781
	154,486,505	165,609,026
Note No. 19		
Technical and Network Cost		
Applications Support Charges	4,849,525	51,942,481
Billing & Support Services	12,920,150	14,555,645
EPG Data Feed	2,760,000	2,520,000
IT & Network Expenses	6,678,210	10,441,982
Testing Expenses	1,145,048	817,982
	28,352,933	80,278,090
Note No. 20		
Personnel Expenses		
Salaries, Wages and Bonus, etc.	107,629,947	89,248,498
Contribution to Provident and other Funds	3,012,599	2,899,486
Staff Welfare Expenses	4,022,806	3,264,756
Payroll Processing Fee	90,000	90,000
Recruitment & Training Expenses	216,993	486,057
	114,972,345	95,988,797



Note No. 21**Administrative and Selling Expenses****i) Administrative Expenses**

Rent	10,275,600	10,224,000
Rates & Taxes	32,800	45,328
Insurance Expenses	384,918	762,514
Travelling & Conveyance	9,280,541	6,518,242
Telephone Expenses	3,031,175	2,319,424
Printing & Stationery	655,014	95,245
Books & Periodicals	10,118	15,338
Courier Charges	76,187	121,380
Electricity & Diesel Expenses	17,862,854	19,710,771
Professional and Consultancy	12,483,741	8,720,332
Auditors Remuneration	105,000	100,000
Sundry Balances Written off	104,789	-
Repairs & Maintenance		
- Building	2,010,698	317,080
- Plant & Machinery	1,997,561	975,478
- Others	1,489,255	1,820,550
Foreign Exchange Fluctuation (Net)	474,426	252
	60,274,677	51,745,934

ii) Selling Expenses

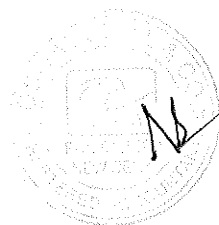
Advertisement Expenses	76,326,062	50,069,424
Marketing Expenses	10,730,596	22,024,576
Call Center Charges	917,367	894,077
Promotional Activities	592,402	442,676
Bad Debts	297,815	1,971,199
Provision for Doubtful debts	1,374,830	(1,667,165)
Rebate & Discounts	815,240	2,111,897
	91,054,312	75,846,684

Total of Administrative and Selling Expenses

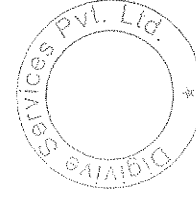
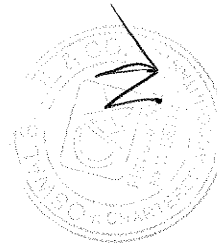
	151,328,989	127,592,618
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Note No. 22**Finance Cost**

Bank Charges	30,754	33,969
Interest Expenses	5,149,144	1,878,475
Interest on TDS	94,000	131,777
	5,273,898	2,044,221



Digivive Services Private Limited For the year ended 31.03.2015									
Particular	Gross Block			Depreciation				Net Balance As on 01.04.2014	Net Balance As on 31.03.2015
	Opening Balance as on 01.04.2014	Addition	Sale/ Deletion	Closing Balance As on 31.03.2015	Opening Balance as on 01.04.2014	Depreciation for the Period	Adjustment/ Reserve	Dep. On Sale of Assets	Closing Balance As on 31.03.2015
TANGIBLE ASSETS									
Building - other temporary structure	884,232	1,661,015	-	2,545,247	61,688	776,344	-	-	838,033
Plant and Machinery	61,266,793	-	-	61,266,793	241,400	3,886,615	-	-	4,128,016
Furniture and Fittings	482,045	426,330	-	908,375	106,806	49,662	-	-	156,468
Vehicles	2,881,340	-	-	2,881,340	86,993	345,113	-	-	432,106
Office Equipments	1,710,926	95,300	-	1,806,226	65,142	388,344	-	-	453,487
Server and networks	48,427,218	503,800	-	48,931,018	4,636,844	10,958,989	-	-	15,595,833
Mobiles	1,455,143	324,175	13,900	1,765,418	1,042,668	368,426	21,375	8,659	1,423,810
End use devices- Desktops, laptops etc.	4,847,715	1,321,869	81,000	6,088,584	1,983,274	1,721,062	707,305	76,950	4,334,691
Electrical Installations and equipment	2,741,016	2,715,000	-	5,456,016	235,815	507,665	-	-	743,481
Total	124,696,427	7,047,489	94,900	131,649,016	8,460,631	19,002,222	728,680	85,609	28,105,924
INTANGIBLE ASSETS									
Software	59,913,621	725,664	-	60,639,285	30,513,017	15,303,034	-	-	45,816,051
Trademarks	141,200	52,560	-	193,760	45,042	27,129	-	-	72,171
Total	60,054,821	778,224	-	60,833,045	30,558,059	15,330,163	-	-	45,888,222
Grand Total	184,751,248	7,825,713	94,900	192,482,061	39,018,690	34,332,385	728,680	85,609	73,994,146
Previous Year	84,765,653	99,985,596	-	184,751,248	17,202,833	21,815,856	-	-	39,018,689
									145,732,558
									118,487,915



DIGIVIVE SERVICES PRIVATE LIMITED

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES AND ADDITIONAL INFORMATION FORMING PART OF THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2015

A. SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Accounting

- i) The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards referred to in Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention
- ii) The Company follows the mercantile system of accounting & recognizes the income and expenditure on accrual basis except those with significant uncertainties.

2. Fixed Assets

- i) **Tangible Assets:** Fixed assets are stated at cost less impairment loss, if any, and accumulated depreciation. The Company capitalizes all direct costs including taxes, duty (**Net of CENVAT**), freight and incidental expenses attributable to the acquisition and installation of fixed assets.
- ii) **Intangible Assets:** The expenses incurred for development of new applications Software and Licences has been treated as Intangible Assets.
- iii) **Capital Work in Progress:** All direct expenses incurred for acquiring, erecting and commissioning of fixed assets which are not put to use till balance sheet date are shown under Capital work- in progress.

3. Depreciation & Impairment

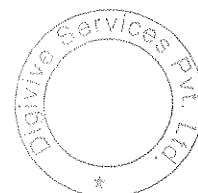
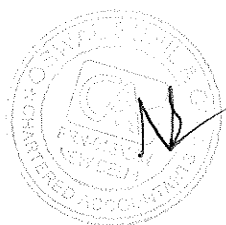
Depreciation on fixed assets for the year ended 31st March 2014:

Fixed assets are depreciated prorata from the date on which the assets are put to use applying straight-line method. Depreciation rates derived are as per the rates prescribed under Schedule XIV of the Companies Act, 1956 except in the cases mentioned below:

Asset	Useful life (in years)
Mobile Phones	2 years
Software & Licences	3 years
Leasehold Improvement	3 years

Effective from 1st April, 2014, depreciation is provided on Straight Line Method as prescribed in Schedule II to the Companies Act, 2013 except in the cases mentioned below:

Asset	Useful life (in years)
Mobile Phones	2 years
Software & Licences	3 years
Trademarks	5 years



Depreciation on additions/deletions to fixed assets is provided prorata from the date of addition/till the date of deletion.

At the Balance Sheet date, an impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount

4. Revenue Recognition

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

5. Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investment is classified as Non Current investment. Non Current investment is stated at cost. Provision for diminution is made only if in the opinion of the management such a decline is other than temporary. Current investment are carried at lower of cost and fair value and determined on an individual investment basis.

6. Income-Tax

Current Tax: Provision for current tax is made on the estimated taxable income at the rate applicable to the relevant assessment year,

Deferred Tax: In accordance with the Accounting Standard 22 - Accounting for taxes on Income, prescribed by Companies (Accounting Standard) Rules, 2006, the deferred tax for the timing differences is accounted for using the tax rates and laws that have been enacted or substantially enacted by the Balance Sheet date. Deferred tax assets arising from the timing differences are recognized only on the consideration of prudence,

7. Provisions

A provision is recognized when an enterprise has a present obligation as a result of past event where it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

8. Employees Benefit

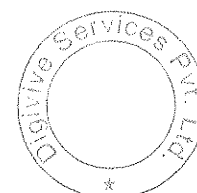
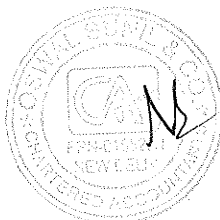
The Company has adopted the Accounting Standard – 15 (Revised – 2005) 'Employee Benefits'. The relevant policies are:

Short Term Employee Benefits

Short term employee benefits are recognized in the period during which the service has been rendered.

Long Term Employee Benefits

a) Defined Contribution Plan



Provident Fund Scheme

All the employees of the Company are entitled to receive benefits under the Provident Fund, which is a defined contribution plan. Both the employee and employer make monthly contributions to the plan at a predetermined rate of the employee's basic salary. These contributions are made to the fund administered and managed by the Government of India.

The Company's contributions to these schemes are expensed in the Statement of Profit and Loss. The Company has no further obligations under these plans beyond its monthly contributions.

b) Defined Benefit Plan

i) 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 valuation in accordance with Accounting Standard 15 (revised), "Employee benefits". The present value of obligation under gratuity is determined based on actuarial valuation at period end using Project Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employees benefit entitlement and measures each unit separately to build the final obligations.

ii) Leave Encashment

Liability in respect of leave encashment is determined using the Projected Unit Credit Method with actuarial valuations as on the balance sheet date, Actuarial gains and losses are recognized immediately in the Statement of Profit and Loss as income or expenses.

9. Foreign Currency Transaction

Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

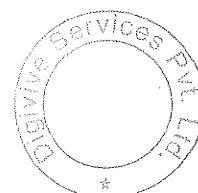
Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction, and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Exchange Differences

Exchange differences arising on the settlement or reporting of monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statement, are recognized as income or as expense in the year.

10. Earning per Share

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



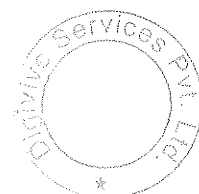
For calculating diluted earning per share, the number of shares comprise the weighted average shares considered for deriving basic earning per share, and also the weighted average number of shares, if any which would have been used in the conversion of all dilutive potential equity shares. The number of shares and potentially dilutive equity shares are adjusted for the bonus shares and the sub-division of shares, if any.

11. Preliminary Expenses

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

12. Contingent Liabilities

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



Note- 23:- NOTES TO ACCOUNTS

1. Contingent Liability (Not provided for)-

Particulars	As at March 31, 2015	As at March 31, 2014
Guarantees given by bank on behalf of the Company (100% Margin Money kept by way of Fixed deposit)	1,00,000	32,00,000
Claims against the company, not acknowledged as debt	8,00,000	35,00,000
Total	9,00,000	67,00,000

2. There are no Micro, Small Enterprises to whom the Company owes dues. The identification of Micro, Small Enterprises and information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined on the basis of information available with the Company.

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

3. **Deferred Tax (Asset) / Liability**

The breakup of net Deferred Tax Asset / (Liability) is as under:

	Particulars	As at 31st March, 2015 (Rs.)	As at 31st March, 2014 (Rs.)
(A)	Deferred Tax Asset		
	Carry Forward Losses/ Unabsorbed Depreciation	2622,60,592	1957,54,187
	Provision for Doubtful Debts	4,54,735	29,912
	Leave Encashment	5,90,806	4,13,580
	Gratuity	7,67,595	4,77,292
	Total	2640,73,728	1966,74,971
(B)	Deferred Tax Liability		
	Relating to Depreciation on Fixed Assets	68,09,375	94,85,174
	Total	68,09,375	94,85,174
(A-B)	Deferred Tax Asset / (Liability) - Net	2572,64,353	1871,89,797

The management is of the view that currently the requirement of virtual certainty and convincing evidence as enunciated in Accounting Standard 22 relating to 'Accounting for Taxes on Income' is not met and therefore, Deferred Tax Assets (Net) have not been carried in the financial statements. Accordingly, the Company has not recognized the Deferred Tax Asset as at 31st March, 2015.



4. **Basic/Diluted Earnings per Share**

Particulars	As at March 31, 2015	As at March 31, 2014
Profit after Tax (Rs.)	(2277,56,830)	(3564,57,472)
Weighted Average no. of Share	100,00,000	100,00,000
Nominal Value of Share (Rs.)	10/-	10/-
Earning per Share (Rs.)	(22.78)	(35.65)

Note: The effect of Compulsorily Convertible Debentures (CCDs) and Zero Coupon Optionally Fully Convertible Debentures (ZOFCDs) on weighted average number of shares for diluted EPS is not considered since the effect is anti-dilutive.

5. **Employees Benefits**

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

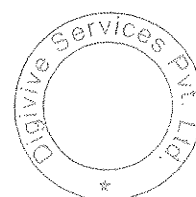
Defined Contribution Plan		
Particulars	Year ended 31st March, 2015	Year ended 31st March, 2014
Employer's Contribution to Provident Fund	30,12,599	28,99,486

Defined Benefit Plans

The present value of obligation 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. The obligation for leave encashment is recognized in the same manner as gratuity. Both the schemes are not funded and the liabilities are carried in the Balance Sheet as long term liability. Accordingly, the information regarding the plan assets is not applicable.

Actuarial Assumptions

Particulars	Gratuity	Leave Encashment
Discount rate (per annum)	8.00%	8.00%
Rate of increase in compensation levels	5.00%	5.00%



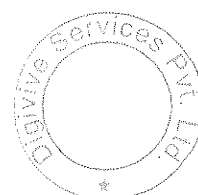
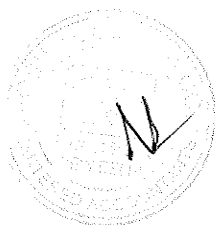
Particulars	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2015	Year ended March 31, 2014
	Gratuity	Gratuity	Leave Encashment	Leave Encashment
Present value of the obligation at the end of the period	24,84,127	15,44,634	19,11,992	23,80,420
Fair value of plan assets at end of period	-	-	-	-
Net liability/(asset) recognized in Balance Sheet and related analysis	24,84,127	15,44,634	19,11,992	23,80,420
Funded Status	(24,84,127)	(15,44,634)	(19,11,992)	(23,80,420)

Expense recognized in the statement of Profit and Loss

Particulars	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2015	Year ended March 31, 2014
	Gratuity	Gratuity	Leave Encashment	Leave Encashment
Interest cost	1,23,571	29,616	1,07,076	26,682
Current service cost	6,27,069	4,71,093	5,07,159	4,18,096
Expected return on plan asset	-	-	-	-
Net actuarial (gain)/loss recognized in the period	1,88,853	7,14,862	3,66,136	8,36,547
Expenses to be recognized in the statement of profit and loss accounts	9,39,493	12,15,571	9,80,371	12,81,325

Current and Non- current Liability

Particulars	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2015	Year ended March 31, 2014
	Gratuity	Gratuity	Leave Encashment	Leave Encashment
Current liability	27,883	15,720	59,995	48,903
Non Current Liability	24,56,244	15,28,914	18,51,997	12,89,542
Total	24,84,127	15,44,634	19,11,992	13,38,445



6. Expenditure in Foreign Currency (on Accrual basis) -

Particulars	As at March 31, 2015	As at March 31, 2014
Travelling Expenses	7,77,409	4,62,771
Professional and Consultancy	34,30,617	-
Applications Support Charges	16,96,149	293,46,000
Content Services Charges	-	21,13,750
Testing Expenses	9,15,247	-
Licence Fees/ Royalty	19,30,062	14,47,796
Advertisement	71,22,373	-
Marketing Expenses	9,88,870	1,09,260
Total	168,60,727	334,79,577

7. CIF Value of Imports -

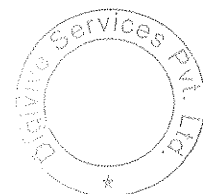
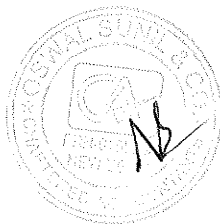
Particulars	As at March 31, 2015	As at March 31, 2014
Capital Goods	-	211,42,302
Total	-	211,42,302

8. Payments to Auditors (on accrual basis, excluding service tax) -

Particular	Year ended March 31, 2015 (Rs.)	Year ended March 31, 2014 (Rs.)
Statutory Audit Fees	60,000	60,000
Tax Audit Fees	25,000	25,000
Limited Review Fees	20,000	15,000
For Other Services	2,46,026	89,942
Total	3,51,026	1,89,942

9. Earnings in Foreign Exchange (on Accrual basis) -

Particulars	As at March 31, 2015	As at March 31, 2014
Service Revenue	7,31,525	20,41,663
Total	7,31,525	20,41,663



10. Related Party Disclosure-

A. Related Party Disclosures, as identified by the Management and relied upon by the Auditors-

Name	Relationship
Holding Company	
Digivision Holdings Private Limited	Ultimate Holding Company
Media Matrix Worldwide Limited	Holding Company
Fellow Subsidiary	
Digivision Wireless Private Limited	
nexG Devices Private Limited	
Digicall Teleservices Private Limited	
Media Matrix Holdings Private Limited	
Digicall Global Services Private Limited	
Eminent Networks Private Limited	
Key Managerial Personnel	
Gurdial Singh Khandpur (Whole-time Director)	
Manish Khanna (Company Secretary) upto 30 th April 2015	
Mitra Kumar Gulgulia (Company Secretary) w. e. f. 1 st May 2015	
Sandeep Jairath (Chief Financial Officer) w. e. f. 26 th March 2015	
Significant Influence	
Smart Digivision Private Limited	

B. Transaction with Related Parties-

Relationship	Holding Company		Fellow Subsidiary		Significant Influence		Key Managerial Personnel	
Nature of Transaction	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14
Reimbursement of Expenses (Paid)	360,96,866	192,74,236	-	-	1,84,521	19,20,000		
Loans and advances Given*	-	-	-	200,00,000	-	-	5,57,854	-
Payment received against Loans and advances			-	200,00,000	-	-		
Repayment of Loan	-	-	407,00,000					
Purchase of Services	-	-	20,23,853	107,20,790	-			
Reimbursement of Expenses (Received)	7,95,776							
Remuneration**							152,82,446	95,00,005
Loans and advances	-	600,00,000	-	165,50,000	260,50,000	-		
Payment made against Trade Payable	186,44,913	26,10,861	56,08,680	77,31,845	-	87,78,608		
Outstanding Receivables/ Payables								
Long Term Loan- Liability	600,00,000	600,00,000	-	407,00,000			-	-
Short Term Loan- Liability	-	-	-	-	260,50,000	-	-	-
Trade Payable	355,93,597	189,37,420	20,23,853	56,08,680			-	-
Loans and advances- Assets	-	-	-	-	-	-	5,57,854	-



* Advances to employees (refer Note 15 – Short-term Loans and Advances) include advance amounting to Rs. 57,854/- net (Previous year Rs. Nil) to Whole-time Director.

* *Does not include the amount payable towards gratuity and compensated absence by the Company as the same if calculated for the Company as a whole on actuarial basis.

11. Long term Operating Lease

The Company has taken office space on cancellable operating lease. The lease agreement provides for cancellation by either party thereto as per the terms and conditions of the agreement.

12. In the opinion of the management, Current Assets and Loans & Advances are of the value stated, if realized in the ordinary course of business

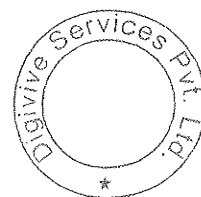
13. The Company has issued 5,15,000 (1,65,000 issued on 31.12.12, 1,75,000 on 30.06.13, 1,12,500 on 30.09.13 and 62,500 issued on 30.12.13) Zero% Compulsorily Convertible Debentures (CCDs) of Face Value of Rs. 1,000/- each, compulsorily convertible into equity shares after 9 years from the date of allotment, at Book Value or Face Value of Equity Shares at the time of conversion, whichever is higher.

The Company has issued 35,000 (16,500 issued on 29.11.14 and 18,500 on 26.12.14) Zero% Compulsorily Convertible Debentures (CCDs) of Face Value of Rs. 1,000/- each, every CCDs will be compulsorily convertible into 100 equity shares of the Company after 9 years from the date of allotment, with an option with the issuing Company to extend it up to one year.

The Company has issued 2,20,000 (1,00,000 issued on 16.02.15, 80,000 on 19.03.15 and 40,000 on 21.03.2015) Zero Coupon Optionally Fully Convertible Debentures (ZOFCDs) of Face Value of Rs. 1,000/- each, the Tenure of the ZOFCDs will be 20 years from the date of allotment with an option with the issuing Company to extend it up to one year. The ZOFCDs will be convertible into equity shares at the option of the ZOFCDs holder at any point of time till the expiry of 20 years from the date of allotment, one ZOFCDs will be converted into 100 equity shares of Rs. 10 each at par.

In case the ZOFCDs holder does not exercise the conversion option, than the outstanding ZOFCDs on the expiry of 20 years from the date of allotment shall be redeemed by the Company, at par.

14. In the absence of profits, no Debenture Redemption Reserve has been created, in respect of ZOFCDs issued by the Company.



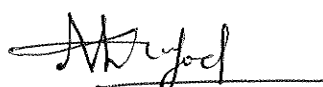
15. The Company is in the business of Mobile Value Added Services (TV and Video Streaming on Mobile), which includes income from advertisement. The business is considered and reported as a single business segment. Further, the business is carried out primarily in India and hence, there are no reportable geographical segments.
16. As at the year end, the accumulated losses exceed the paid up share capital and the net worth of the Company has been completely eroded. However, the management is confident of generating cash flows from business operations and is in process of taking all efforts including infusion of fresh funds.
17. The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:-

Amounts receivable/ payable in foreign currency on account of the following:	As at 31st March, 2015		As at 31st March, 2014	
	US Dollar	INR	US Dollar	INR
Trade Receivables	NIL	NIL	1,050	62,960
Expenses Payable	201923	1,26,49,399	1,75,000	1,04,89,500

18. With effect from April 01, 2014, the Company has revised the useful life of its fixed assets to comply with the useful life as prescribed under schedule II to the Companies Act, 2013. As per Note 7 of Part C of Schedule II to the Companies Act, 2013 the carrying amount of the asset as on the date has to be depreciated over the remaining prescribed useful life of the asset. In case of fixed assets where the useful life was nil Schedule as at 01.04.2014, the Company has adjusted the net residual value aggregating Rs. 7,28,680/- from retained earnings. Further due to change in rate of depreciation as per Schedule II of the act during the year, the depreciation for the year is higher by Rs. 91,80,985/- and loss is higher by identical amount.
19. Charges paid to Bharat Sanchar Nigam Limited (BSNL) for non-achievement of top line BSNL revenue have been disclosed as exceptional item in the Statement of Profit & Loss.
20. Previous year figures are regrouped or re-arranged, wherever necessary.

As per our report of even date attached

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




CA. Naresh Kumar Goel
(Partner)
Membership No:- 085238

Place: New Delhi
Date: 26.05.2015

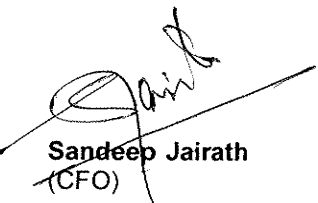


For and on Behalf of the Board of Directors


Gurdial Singh Khandpur
(Whole-time Director)


Surendra Lunia
(Director)


Mitra Kumari Gulgulia
(Company Secretary)


Sandeep Jairath
(CFO)

