

**INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS**

To the Members of Digicall Global Private Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Digicall Global 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

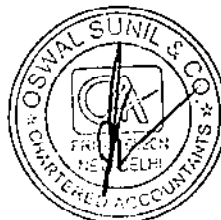
The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in 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 Profit and its cash flows for the year ended on that date:

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

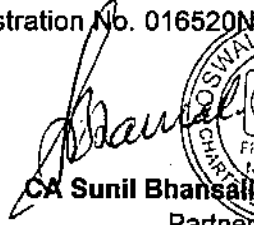
Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ('the Order') issued by the Central Government in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Companies Act, 2013, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of the written representations received from the directors as on 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 Sunil Bhansali
Partner
Membership No. 054645



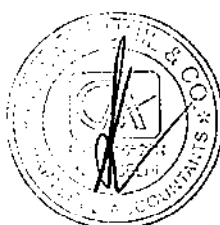
Place: New Delhi

Date: 25 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.
 - 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.
- ii. As the Company has not purchased/ sold goods during the year, nor is there any opening/ closing stocks, requirement of reporting on physical verification of stocks or maintenance of inventory records, in our opinion, does not arise.
- 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 fixed assets and with regard to the rendering of services. 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/services of the Company.
- vii.
 - a. The Company is generally *not 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. The Company incorporated on 24th March, 2011, has been registered for a period less than five years. Accordingly, the provisions of clause 3(viii) of the Companies (Auditor's Report) Order 2015, regarding losses, etc. are not applicable to the Company.
- 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 Sunil Bhansali
Partner



Membership No. 054645

Place: New Delhi

Date: 25 MAY 2015

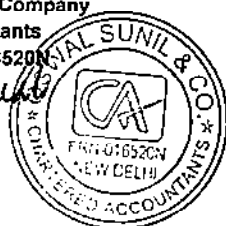
DIGICALL GLOBAL PRIVATE LIMITED
BALANCE SHEET AS AT MARCH 31, 2015

DESCRIPTION	Note No.	As at 31.3.2015	As at 31.3.2014
		Rs.	Rs.
EQUITY AND LIABILITIES			
1. Shareholders' Funds			
(a) Share Capital	2.1	55,000,000	5,000,000
(b) Reserves and Surplus	2.2	(20,676,227)	(24,106,012)
2. Non-Current Liabilities			
(a) Long Term Borrowings	2.3	-	50,000,000
(b) Deferred Tax Liabilities (Net)		-	1,419,743
(c) Long Term Provisions	2.4	1,089,661	897,849
3. Current Liabilities			
(a) Trade Payables	2.5	1,868,281	3,244,381
(b) Short Term Borrowings	2.6	-	15,426,116
(c) Other Current Liabilities	2.7	6,968,597	8,563,544
(d) Short Term Provisions	2.8	20,517	27,618
TOTAL		44,270,829	60,473,239
ASSETS			
1. Non Current Assets			
(a) Fixed Assets	2.9		
i. Tangible Assets		5,634,403	10,322,306
ii. Intangible Assets		11,501,977	20,128,459
(b) Other Non-Current Assets	2.10	23,035	46,069
2. Current Assets			
(a) Trade Receivable	2.11	19,742,761	24,674,487
(b) Cash and Cash Equivalents	2.12	2,774,739	304,815
(c) Short Term Loans and Advances	2.13	4,593,914	4,997,103
TOTAL		44,270,829	60,473,239
Significant Accounting Policies	1		
Notes on Financial Statements	2		

The notes referred above form an integral part of the Financial Statements

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

CA Sunil Bhansali
Partner
M.No. 054645



For and on behalf of the Board

Sunil Batra
Sunil Batra
Director

Bharat Bhushan Chugh
Bharat Bhushan Chugh
Director

Place : New Delhi
Dated: 25 MAY 2015

DIGICALL GLOBAL PRIVATE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2015

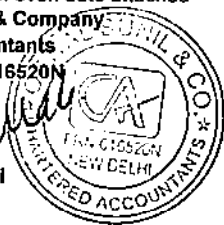
DESCRIPTION	Note No.	For the Year Ended 31.3.2015	For the Year Ended 31.3.2014
		Rs.	Rs.
1. Revenue			
Revenue From Operations	2.14	103,945,319	116,934,640
Other Income	2.15	165,683	288,578
		104,111,002	117,223,218
2. Expenses			
Employees Benefit Expenses	2.16	46,985,786	54,732,035
Finance Cost	2.17	92,816	5,251,622
Depreciation	2.9	13,340,478	9,505,075
Other Expenses	2.18	41,681,879	44,082,589
		102,100,960	113,571,321
Profit/ (Loss) Before Tax		2,010,042	3,651,897
Less: Tax Expense (Deferred Tax)		(1,419,743)	(641,093)
Profit/ (Loss) for the Year		3,429,785	4,292,990
Earning Per Equity Share (Face value of Rs.10/- each)			
Basic / Diluted (Rs.)		6.50	8.59
Significant Accounting Policies	1		
Notes on Financial Statements	2		

The notes referred above form an integral part of the Financial Statements

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

CA Sunil Chansali
Partner
M.No. 054645

Place : New Delhi
Dated: 25 MAY 2015



For and on behalf of the Board

Sunil Babu
Sunil Babu
Director

Bharat Bhushan Chugh
Bharat Bhushan Chugh
Director

DIGICALL GLOBAL PRIVATE LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

	For the Year Ended 31.3.2015 Rs.	For the Year Ended 31.3.2014 Rs.
A. Cash flow from Operating Activities		
Net Profit before taxes	2,010,042	3,651,897
Adjustments for:		
Depreciation	13,340,478	9,505,075
Interest and Finance charges	-	5,251,622
Amount written back	863,149	(252,012)
Preliminary Expenses w/off	23,034	23,034
Operating Profit Before Working Capital Changes	16,236,703	18,179,616
Adjustments for:		
Trade and Other Receivables	4,931,727	(15,203,500)
Other Current Assets	403,189	(1,466,481)
Trade payables & Other Current Liabilities	(3,834,197)	3,955,805
Long-term Provisions	184,711	(222,772)
Cash Generated from Operations	17,922,133	5,242,668
Net Cash used in Operating Activities	17,922,133	5,242,668
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	(26,093)	(1,354,819)
Capital Advances, Other Long Term Advances & Deposits	-	106,667
Net Cash Used in Investing Activities	(26,093)	(1,248,152)
C. Cash from Financing Activities		
Unsecured Loan from Others	(15,426,116)	484,337
Interest and Finance charges	-	(5,251,622)
Net cash from Financing Activities	(15,426,116)	(4,767,285)
Net Increase in Cash & Cash Equivalents	2,469,924	(772,770)
Cash & Cash Equivalent (Opening Balance)	304,815	1,077,584
Cash & Cash Equivalent (Closing Balance)	2,774,739	304,815

As per our report of even date attached
For Oswal Sunil & Company
Chartered Accountants
Firm Regn. No. 16520N

CA Sunil Bhansali
Partner
M.No. 054645



Place : New Delhi

Dated: 25 MAY 2015

For and on behalf of the Board

Sunil Batra
Sunil Batra
Director

Bharat Bhushan Chugh
Bharat Bhushan Chugh
Director

DIGICALL GLOBAL PRIVATE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 2.1	Share Capital	As at 31.3.2015 (Rs.)	As at 31.3.2014 (Rs.)
	Authorised: 1,00,00,000 (Previous year 5,00,000) Equity shares of Rs. 10 each	100,00,000	5,00,000
		100,00,000	5,00,000
	Issued, Subscribed and Paid up: 55,00,000 (Previous year 500,000) Equity shares of Rs. 10/- each fully paid up with voting rights	55,00,000	5,00,000
		55,00,000	5,00,000

Reconciliation of Number of Equity Shares	As at 31.3.2015 (No.)	As at 31.3.2014 (No.)
Opening No. of Equity Shares	500,000	500,000
Add: Additions during the year (on conversion of OFCDs)	5,00,000	-
Closing No. of Equity Shares	5,50,000	500,000

Shareholders holding more than 5% Shares:-		
Name of the Share Holder	As at 31.3.2015	As at 31.3.2014
Digicall Teleservices Private Limited (Holding Company)* - No. of Shares	5,50,000	500,000
- % of Holding	(100%)	(100%)

* Including Nominees holding shares on behalf of Digicall Teleservices Private Limited

Note 2.2	Reserves and Surplus	As at 31.3.2015 (Rs.)	As at 31.3.2014 (Rs.)
	Surplus		
	Opening Balance	(24,106,012)	(28,389,002)
	Add: Net Profit/(Loss) for the Year	3,429,785	4,292,990
		(20,676,227)	(24,106,012)

Note 2.3	Long Term Borrowings	As at 31.3.2015 (Rs.)	As at 31.3.2014 (Rs.)
	Unsecured Bonds/Debentures Nil (Previous Year - 50,000) 0% Optionally Fully Convertible Debentures (OFCDs) of Rs.1000 each **	-	50,00,000
	** the Company had issued 0% 50,000 OFCDs to M/s Digicall Teleservices Private Limited (the holding company) of Rs.1000/- each. The OFCDs were redeemable on completion of 10 years from the date of allotment. The subscriber had option of redeeming or converting OFCDs into equity shares any time after 12 months from date of allotment at a price mutually agreed.		
		-	50,00,000

Note 2.4	Long Term Provisions	As at 31.3.2015 (Rs.)	As at 31.3.2014 (Rs.)
	Provision for Employee Benefits Gratuity (Unfunded) Leave Encashment (Unfunded)	780,696 308,965	657,338 240,513
		1,089,661	897,849

Note 2.5	Trade Payables	As at 31.3.2015 (Rs.)	As at 31.3.2014 (Rs.)
	Trade Payables (other than MSME) (Refer Note No. 2.27)	1,868,281	3,244,381
		1,868,281	3,244,381



DIGICALL GLOBAL PRIVATE LIMITED
Note - 2.9 - Fixed Assets

Particulars	Original Cost			Accumulated Depreciation			Net Book Value	
	As at 1 Apr 2014 Rs.	Additions Rs.	Deletions Rs.	As at 31st March 2015 Rs.	As at 1 Apr 2014 Rs.	Additions * Rs.	Deletions Rs.	As at 31st March 2015 Rs.
Tangible Assets								
Office Equipment	9,221,040	15,750	-	9,236,790	1,066,968	3,411,036	-	8,154,072
Computers	2,792,874	10,343	-	2,803,217	1,048,493	1,248,626	-	1,744,381
Furniture and fixtures	510,000	-	-	510,000	86,147	54,334	-	423,853
Intangible Assets								
Business Rights & Goodwill	43,132,412	-	-	43,132,412	23,003,953	8,626,482	-	20,128,459
Total	55,656,326	26,093	-	55,682,419	25,205,561	13,340,478	-	30,450,765
PREVIOUS YEAR	54,301,507	1,354,819	-	55,656,326	15,700,486	9,505,075	-	38,601,021

* Depreciation is charged on the basis of useful life of fixed assets. The Company has adopted useful life of fixed assets as given in Part 'C' of Schedule II of the Companies Act, 2013 in respect of all tangible fixed assets.



DIGICALL GLOBAL PRIVATE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 2.6	Short Term Borrowings	As at 31.3.2015 (Rs.)	As at 31.3.2014 (Rs.)
	Unsecured Loan Loan and Advances from Related Parties (Holding Company)	-	15,426,116
		-	15,426,116

Note 2.7	Other Current Liabilities	As at 31.3.2015 (Rs.)	As at 31.3.2014 (Rs.)
	Bank Overdraft (by issue of cheques)	-	765,510
	Interest accrued and due	-	1,014,753
	Statutory Liabilities Payable	588,340	1,549,889
	Expenses Payable	6,400,257	5,233,392
		8,988,597	8,563,544

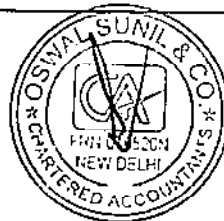
Note 2.8	Short Term Provisions	As at 31.3.2015 (Rs.)	As at 31.3.2014 (Rs.)
	Provision for Employee Benefits Gratuity (Unfunded)	9,449	17,245
	Leave Encashment (Unfunded)	11,068	10,373
		20,517	27,618

Note 2.10	Other Non-Current Assets	As at 31.3.2015 (Rs.)	As at 31.3.2014 (Rs.)
	Unamortised Expenses Preliminary Expenses (to the extent not written-off)	23,035	46,069
		23,035	46,069

Note 2.11	Trade Receivable	As at 31.3.2015 (Rs.)	As at 31.3.2014 (Rs.)
	Unsecured, Considered Doubtful Debts Outstanding for a Period Exceeding Six Months	6,816,432	-
	Unsecured, Considered Good Debts Outstanding for a Period Exceeding Six Months	2,107,201	524,267
	Other Debts	11,500,771	24,150,220
	Less: Provision for Doubtful Debts	20,424,404 681,643	24,674,487 -
		19,742,761	24,674,487

Note 2.12	Cash and Cash Equivalents	As at 31.3.2015 (Rs.)	As at 31.3.2014 (Rs.)
	Cash in hand	11,145	5,020
	Balance with Banks In Current Accounts	2,548,928	99,385
	In Fixed Deposit Account (Maturity period of less than 12 Months) **	214,666	200,410
	** Pledged as margin money with HDFC Bank for Bank Guarantee		
		2,774,739	304,815

Note 2.13	Short Term Loans and Advances	As at 31.3.2015 (Rs.)	As at 31.3.2014 (Rs.)
	Unsecured, Considered Good Advances to Suppliers	12,300	1,001,500
	Staff Loans & Advances	300,000	721,780
	Prepaid Expenses	265,393	287,331
	Service Tax Refundable	3,290,101	2,329,595
	TDS Recoverable	1,844	1,158
	Security Deposits	721,941	855,741
	Interest Accrued But Not Due on Fixed Deposit	2,335	-
		4,593,914	4,997,103



DIGICALL GLOBAL PRIVATE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 2.14	Revenue from Operations	For the Year	For the Year
		Ended 31.3.2015 (Rs.)	Ended 31.03.2014 (Rs.)
	Service Charges from Call Center Operations (Foreign)	103,945,319	116,934,640
		103,945,319	116,934,640

Note 2.15	Other Income	For the Year	For the Year
		Ended 31.3.2015 (Rs.)	Ended 31.03.2014 (Rs.)
	Amount Written Back	43,910	252,012
	Interest on Fixed Deposit	18,434	11,566
	Sales of Scrap	8,130	25,000
	Other Income	95,209	-
		165,683	288,578

Note 2.16	Employees Benefit Expenses	For the Year	For the Year
		Ended 31.3.2015 (Rs.)	Ended 31.03.2014 (Rs.)
	Salaries and Incentives	45,375,845	53,701,818
	Contribution to Provident and Other Funds	1,125,881	799,937
	Other Employees Benefits	483,960	230,280
		46,985,786	54,732,035

Note 2.17	Finance Cost	For the Year	For the Year
		Ended 31.3.2015 (Rs.)	Ended 31.03.2014 (Rs.)
	Interest Expense	-	4,242,208
	Bank Charges	92,816	1,009,414
		92,816	5,251,622

Note 2.18	Other Expenses	For the Year	For the Year
		Ended 31.3.2015 (Rs.)	Ended 31.03.2014 (Rs.)
	Payment to auditors:		
	-Statutory Audit Fees	175,000	175,000
	-Tax Audit Fees	25,000	25,000
	Provision for Doubtful Debts	681,643	-
	Amount Written Off	907,059	-
	Electricity & Water Charges	4,315,939	3,661,183
	Rent & hiring Charges	6,480,000	6,761,320
	Rates & Taxes	1,121,401	3,331
	Repair & Maintenance		
	- Equipment	99,502	543,587
	- Others	400,383	684,331
	Communication Expenses	7,534,037	11,186,887
	Travelling, Conveyance & Vehicle Expenses	9,812,669	11,117,488
	Printing & Stationery	77,883	54,687
	Legal & Professional Charges	1,738,582	2,281,944
	Housekeeping & Security Service Charges	2,606,180	1,534,109
	Recruitment Expenses	440,511	1,020,803
	Call/Data Charges	3,437,666	-
	Sales Promotion and Advertisement Expenses	101,361	2,892,440
	General Expenses	366,221	286,649
	Exchange Fluctuation	1,237,828	1,750,817
	Preliminary Expenses Written Off	23,034	23,034
		41,681,879	44,082,589



DIGICALL GLOBAL PRIVATE LIMITED

NOTE 1- SIGNIFICANT ACCOUNTING POLICIES

i. Basis of Accounting

- i) Financial Statements have been prepared under the historical cost convention in accordance with the generally accepted accounting principles and to comply with Accounting Standards referred to in section 133 of the companies Act 2013 read with Rule 7 of Company (Accounts) Rules 2014, to the extent applicable.
- ii) The company follows the mercantile system of accounting and recognizes the income & expenditure on accrual basis.
- iii) All assets and liabilities have been classified as Current or Non- current as per Company's normal operating cycle. Based on the nature of products and time between acquisition of assets/materials of processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle being a period of one year for the purpose of classification of assets and liabilities as current and non-current.

ii. Use of Estimates

The preparation of the financial statements requires the management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent assets and liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Examples of such estimates include provisions for doubtful debts, income taxes and intangible assets.

The management periodically assesses using external and internal sources, whether there is an indication that an asset may be impaired. Impairment occurs where the carrying value exceeds the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. The impairment loss to be expensed is determined as the excess of the carrying amount over the higher of the asset's net sales price or present value as determined above. Contingencies are recorded when it is probable that a liability will be incurred, and the amount can be reasonably estimated. Where no reliable estimate can be made; a disclosure is made as contingent liability. Actual results could differ from those estimates.

iii. Fixed Assets and Depreciation

- i) Fixed assets are stated at cost, less accumulated depreciation. Costs directly attributable to the purchase of fixed assets are capitalized until fixed assets are ready for use.

An Intangible asset is recognized, where it is probable that the future economic benefits attributable to the assets will flow to the enterprise and where its cost can be reliably measured.

- ii) Depreciation on Tangible fixed assets for the year ended 31st March 2014 is provided on a pro-rata basis on the Straight Line Method at the rates and in the manner prescribed under Schedule XIV to the Companies Act, 1956.

Effective from 1st April 2014, depreciation is charged on the basis of useful life of fixed assets. The Company has adopted useful life of fixed assets as given in Part 'C' of Schedule II of the Companies Act, 2013 in respect of all fixed assets.

- iii) Intangible assets i.e. Business Rights & Goodwill are depreciated over the period of five years.
- iv) An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount.



iv. **Revenue Recognition**

The Company derives its revenue primarily from Call Centre Operations, which are provided on both time and fixed-price and call basis. Revenue from Services is recognized when respective service is rendered and accepted by the customer. Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable. Revenue is shown net of sales tax; Value Added Tax, Service Tax and applicable discounts and allowances.

v. **Foreign Currency Transactions**

Expenditure in foreign currency is accounted at the exchange rate prevalent when such expenditure is incurred. Exchange differences are recorded when the amount actually received on sales or actually paid when expenditure is incurred, is converted into Indian Rupees. The exchange differences arising on foreign currency transactions are recognized as income or expense in the period in which they arise except in respect of liabilities for acquisition of fixed assets, where such exchange difference is adjusted in the carrying cost of the respective fixed asset.

Monetary current assets and monetary current liabilities that are denominated in foreign currency are translated at the exchange rate prevalent at the date of the balance sheet. The resulting gain or loss is also recorded in the Statement of Profit and Loss.

vi. **Borrowing Costs**

Interest and other costs in connection with the borrowing of funds to the extent related/attribution to the acquisition/construction of qualifying fixed assets are capitalized upto the date when such assets are ready for its intended use and other borrowing costs are charged to Statement of Profit and Loss.

vii. **Taxation**

Tax expense for the year comprises of current tax and deferred tax.

Income tax is computed using the tax effect accounting method, where tax is accrued in the same period the related revenue and expense arises. Provision is made for income tax annually based on the tax liability computed, after considering tax allowances and exemptions.

The differences that result between the profit considered for income taxes and the profit as per the financial statements are identified, and thereafter a deferred tax asset or deferred tax liability is recorded for timing differences, namely the differences that originate in one accounting period and reverse in another, based on the tax effect of the aggregate amount being considered. The tax effect is calculated on the accumulated timing differences at the end of an accounting period based on prevailing enacted or substantially enacted regulations. Deferred tax assets are recognized only if there is reasonable certainty that they will be realized and are reviewed for the appropriateness of the respective carrying values at each balance sheet date.

viii. **Earnings per Share**

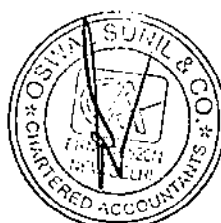
Basic Earnings Per Share is calculated by dividing the net profit after tax for the year (including the post-tax effect of extraordinary items, if any) attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

ix. **Miscellaneous Expenses**

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

x. **Contingent Liabilities**

Depending on the facts of each case, and after evaluation of relevant legal aspects, the Company makes a provision when there is a present obligation as a result of a past event where the outflow of economic resources is probable and a relevant estimate of the amount of obligation can be made. The disclosure is made for all possible or present obligations that may but probably will not require outflow of resources as contingent liability in the financial statement.



DIGICALL GLOBAL PRIVATE LIMITED

OTHER ADDITIONAL NOTES

2.19 - Contingent Liabilities

- Claims against the company, not acknowledged as debts amount to Rs. 78,941/- (Previous year-Rs. Nil).
- The Company periodically reviews all its long term contracts to assess for any material foreseeable losses. Based on such review wherever applicable, the Company has made adequate provisions for these long term contracts in the books of account as required under any applicable laws/accounting standards.
- As at March 31, 2015 the Company did not have any outstanding long term derivative contracts.

2.20 - Estimated amount of unexecuted capital contracts (net of advance) - Rs.Nil (Previous year-Rs. Nil).

2.21 - Earnings per Share (EPS)

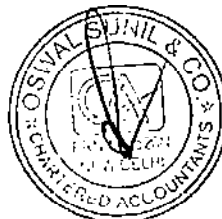
Basic and diluted Earnings Per Share [EPS] Comparison with previous year

Particulars	As at March 31, 2015	As at March 31, 2014
Basic		
Profit after tax as per accounts (Rs.)	3,429,785	4,292,990
Weighted average number of shares outstanding	5,27,397	500,000
Basic EPS (Rs.)	6.50	8.59
Diluted		
Profit after tax as per accounts (Rs.)	3,429,785	4,292,990
Weighted average number of shares outstanding	5,27,397	500,000
Add: Weighted average number of potential equity shares on account of employee stock options	-	-
Weighted average number of shares outstanding	5,27,397	500,000
Diluted EPS (Rs.)	6.50	8.59
Face Value per Share (Rs.)	10	10

2.22 - Deferred Tax

Particulars	As at March 31, 2015 (Rs.)	As at March 31, 2014 (Rs.)
Deferred Tax Assets		
Accrued Employee Costs	4,44,749	285,963
Provision for Doubtful Debts	2,10,628	
Carry Forward Business Losses	46,90,179	
Relating to Depreciation on Fixed Assets	6,26,774	
Deferred Tax Liabilities		
Relating to Depreciation on Fixed Assets	-	1,705,706
Net Deferred Tax Assets/(Liabilities)	59,72,330	(1,419,743)

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.



2.23 - Earnings in Foreign Exchange

Particulars	For the year ended March 31, 2015 (Rs.)	For the year ended March 31, 2014 (Rs.)
Call Centre Operations	103,945,319	116,934,640

2.24 - Expenditure in Foreign Currency

Particulars	For the year ended March 31, 2015 (Rs.)	For the year ended March 31, 2014 (Rs.)
Travelling Expenses	-	605,625
Consultancy Fees	598,310	1,397,633
	598,310	2,003,258

2.25 - Foreign Currency Exposure

The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:-

Particulars	As at 31 st March 2015		As at 31 st March 2014	
	Foreign Currency	INR	Foreign Currency	INR
Trade Receivable	USD 308,323.36	19,297,959	USD 370,229.80	22,217,491
	GBP 12,183.06	1,126,446	GBP 24,606.90	2,456,999
Trade payable	USD 1,335.38	83,581	USD 2,526.39	151,609

2.26 - Employee Benefits

The disclosures required under Accounting Standard 15 on "Employee Benefits", are given below:

A. 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 year ended March 31, 2015 (Rs.)	For the year ended March 31, 2014 (Rs.)
Employer's Contribution to Provident Fund*	697,078	553,014

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



B. Defined Benefit Plan

Actuarial assumptions

Particular	Gratuity		Leave Encashment	
	2014-15	2013-14	2014-15	2013-14
Discount Rate (per annum)	8.00%	9.00%	8.00%	9.00%
Rate of increase in compensation levels	5.00%	5.00%	5.00%	5.00%

Table Showing changes in present value of obligations

Particular	Gratuity (Rs.)		Leave Encashment (Rs.)	
	2014-15	2013-14	2014-15	2013-14
Present Value of obligation as at the beginning of the period	674,581	636,146	250,886	512,093
Present Value of obligation as at the end of the period	790,145	674,581	320,033	250,886

Amounts to be recognized in balance sheet

Particular	Gratuity		Leave Encashment	
	2014-15	2013-14	2014-15	2013-14
Present Value of obligation as at the end of the period	790,145	674,581	320,033	250,886
Fair value of plan assets as at the end of the period	-	-	-	-
Net asset/ (liability) recognized in Balance Sheet	790,145	674,581	320,033	250,886
Funded Status	(790,145)	(674,581)	(320,033)	(250,886)

Amounts to be recognized in Statement of Profit and Loss

Particular	Gratuity		Leave Encashment	
	2014-15	2013-14	2014-15	2013-14
Current Service Cost	353,302	234,707	199,560	146,385
Past Service Cost	Nil	Nil	Nil	Nil
Interest Cost	53,966	57,253	20,071	18,248
Expected Return on Plan Assets	Nil	Nil	Nil	Nil
Curtailment Cost/(Credit)	Nil	Nil	Nil	Nil
Settlement Cost/(Credit)	Nil	Nil	Nil	Nil
Net Actuarial (gain)/loss recognized in the period	94,814	(221,288)	175,753	23,297
Expenses recognized in the Statement of Profit & Loss	502,082	70,672	395,384	187,930

Current and Non-Current Liability:

Particulars	Current Liability		Non Current Liability		Total Liability	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
Gratuity	9,449	17,245	780,696	657,336	790,145	674,581
Leave Encashment	11,068	10,373	308,965	240,513	320,033	250,886



- 2.27 The Company has amounts due to suppliers under The Micro, Small and Medium Enterprises Development Act 2006 as at March 31, 2015. The disclosure pursuant to the said Act is as under:

Particulars	As at March 31, 2015	As at March 31, 2014
Principal amount due to suppliers under MSMED Act, 2006	-	-
Interest accrued, due to suppliers under MSMED Act on the above amount, and unpaid	-	-
Payment made to suppliers (other than interest) beyond the appointed day during the year	-	-
Interest paid to suppliers under MSMED Act (other than Section 16)	-	-
Interest due and payable towards suppliers under MSMED Act for payments already made	-	-
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act	-	-

2.28 **Segment Reporting**

The Company's operations predominantly relate to providing Call Center Services. There is thus only one reportable business segment.

2.29 **Related Party Disclosures**

Related Party Disclosures as required by Accounting Standard-18:

a. **List of Related Parties and Relationships**

Relationship	Related Party
Ultimate Holding Company	Digivision Holding Private Limited
Holding Company	Media Matrix World Wide Limited
Immediate Holding Company	Digicall Teleservices Pvt. Ltd
Fellow Subsidiary Companies	Digivive Services Private Limited Media Matrix Enterprises Private Limited (Formerly known as Media Matrix Holding Private Limited) Digivision Wireless Private Limited NexG Devices Private Limited

Key management personnel N.A.

Relatives of key management personnel N.A.

b. **Nature of transactions –**

The transactions entered into with the related parties during the year along with related balances as at 31st March 2015 are as under:

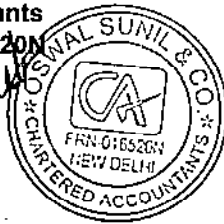
Particulars	Digicall Teleservices Private Limited	
Relationship	Immediate Holding Company	
	31-3-2015	31-3-2014
Nature of Transaction:-		
Debit Notes received (Expenses)	13,611,754	17,989,588
Payment made against Debit Notes	13,611,754	17,505,251
Loan/Advance Taken	69,297,677	484,337
Loan/Advance Repaid	84,723,793	NIL
Closing Balances		
Short Term Loan and Advance- Liabilities	NIL	15,426,116



- 2.30 Subsequent to allotment of 50,00,000 equity shares on 30th March 2015, the paid up share capital of the company stands increased to Rs. 5,50,00,000/- which requires the company to appoint a Whole time Company Secretary in accordance with the provisions of Section 203 of the Companies Act, 2013. The Company is looking for a suitable qualified Company Secretary to comply with the above provisions of the Companies Act, 2013.
- 2.31 In the opinion of the Board, the value on realization of Current / Non-Current Assets in the ordinary course of the business would not be less than the amount at which they are stated in the Balance Sheet and the provision for all known and determined liabilities is adequate and not in excess of the amount reasonably required.
- 2.32 Previous year's figures have been regrouped, rearranged and reclassified, wherever necessary to conform to current year's classification.
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As per our Audit Report of even date attached
For Oswal Sunil & Company
Chartered Accountants
Firm Reg. No : 016520N

CA Sunil Bhansali
Partner
Membership No: 054645



For and on behalf of the Board of Directors

Sunil Batra
Sunil Batra
Director

Bharat Bhushan Chug
Bharat Bhushan Chug
Director

Place: New Delhi

Date: 25 MAY 2015