

nexG Devices Private Limited
(INCORPORATED ON 15.03.2011)

CIN: U32300DL2011PTC215856

**4th ANNUAL REPORT
FOR THE YEAR 2014-2015**

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

DIRECTORS : SH. SURENDRA LUNIA (W.E.F. 15.03.2011)
SH. BHARAT BHUSHAN CHUGH (W.E.F. 26.07.2013)
SH. GURDIAL SINGH KHANDPUR (CEASED W.E.F. 26.07.2013)
SH. SUNIL BATRA, MANAGING DIRECTOR (W.E.F. 21.07.2011)

AUDITORS : OSWAL SUNIL & COMPANY
CHARTERED ACCOUNTANTS

BANKERS : CORPORATION BANK
HDFC BANK LTD
KOTAK MAHINDRA BANK LTD

**INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS**

To the Members of nexG Devices Private Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **nexG Devices 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.

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 did not have any long-term contracts including derivative contracts, as such the question of commenting on any material foreseeable losses thereon does not arise.



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

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


CA Amit Nowlakhia

Partner

Membership No. 513504

Place: New Delhi
Dated: 22.05.2015

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

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

- i.
 - 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.
 - a. As explained to us, the inventory has been physically verified at reasonable intervals by the Management.
 - b. As per the information, the procedures of physical verification of inventory followed by management are, in our opinion, reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c. The Company is maintaining proper records of inventory. 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. The Company incorporated on 15th 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 Amit Nowlakhia
Partner
Membership No. 513504



Place: New Delhi
Dated: 22.05.2015

nexG Devices Private Limited
Balance Sheet as at 31st March 2015

		(Rs.)	
Particulars	Note No.	As at 31st March 2015	As at 31st March 2014
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	49,900,000	49,900,000
Reserves and Surplus	3	(228,037,116)	(220,324,180)
Non-current Liabilities			
Long Term Borrowings	4	172,836,000	172,836,000
Long Term Provisions	5	190,130	55,225
Current Liabilities			
Short-Term Borrowings	6	20,585,900	33,455,136
Trade payables (to be read with reference to Note 22 (iii))		3,370,543	51,035,441
Other Current Liabilities	7	8,075,782	16,722,183
Short-Term Provisions	8	2,005	619
Total		26,923,244	103,680,424
ASSETS			
Non-current Assets			
Fixed Assets	9		
Tangible Assets		437,580	1,067,314
Deferred Tax Assets (net)		884,156	606,585
Long-term Loans and Advances	10	211,500	179,000
Other Non Current Assets	11	1,797,903	1,681,689
Current Assets			
Inventories	12	1,743,350	9,964,151
Trade Receivables	13	471,685	9,551,459
Cash and Bank Balances	14	710,943	23,290,506
Short-term Loans and Advances	15	20,660,974	51,853,612
Other Current Assets	16	5,153	5,486,108
Total		26,923,244	103,680,424

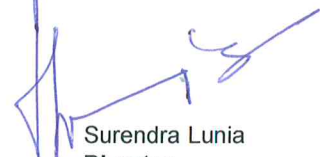
Significant Accounting Policies 1
Additional Information 22
The notes referred to above form an integral part of the Financial Statements

As per our report of even date attached
For Oswal Sunil & Company
Chartered Accountants
Firm Registration Number: 016520N


CA Amit Nowlakhia
Partner
Membership No: 513504

For and on behalf of the Board


Sunil Batra
Managing Director
DIN NO. 02188254


Surendra Lunia
Director
DIN NO. 00121156

Place: New Delhi
Date: 22nd May, 2015



nexG Devices 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	17		362,452,082	278,571,716
Other Income	18		650,457	8,195,136
Total Revenue			363,102,539	286,766,852
Expenses				
Purchases of Stock-in-Trade			313,030,044	263,008,431
Changes in Inventories of Stock-in-Trade			8,220,802	(5,003,494)
Employee Benefits Expense	19		5,657,548	16,045,332
Finance Cost	20		1,394,374	4,091,802
Depreciation and Amortization Expense	9		805,924	206,785
Other expenses	21		41,870,223	52,384,994
Total Expenses			370,978,915	330,733,850
Profit/ (Loss) before Exceptional and Extraordinary items and Tax			(7,876,376)	(43,966,998)
Profit/ (Loss) before Extraordinary items and Tax			(7,876,376)	(43,966,998)
Extraordinary Items			-	-
Depreciation Written Back			-	-
Profit/ (Loss) before Tax			(7,876,376)	(43,966,998)
Tax Expense:				
Current tax / Current Tax (MAT)			-	-
Deferred tax			(277,571)	(486,806)
Profit/ (Loss) for the year from continuing operations			(7,598,805)	(43,480,192)
Profit/ (Loss) for the year			(7,598,805)	(43,480,192)
Earnings per equity share (Face Value ` 10/- each):				
Basic			(1.52)	(8.71)
Diluted			(1.52)	(8.71)

Significant Accounting Policies

1

Additional Information

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

As per our report of even date attached

For Oswal Sunil & Company

Chartered Accountants

Firm Registration Number: 016520N

CA Amit Nowlakhia

Partner

Membership No: 513504

Place: New Delhi

Date: 22nd May, 2015

For and on behalf of the Board

Sunil Batra

Managing Director

DIN NO. 02188254

Surendra Lunia

Director

DIN NO. 00121156



nexG Devices Private Limited
Cash Flow Statement for the year ended 31st March 2015

(Rs.)

Particulars		Year ended 31st March 2015	Year ended 31st March 2014
A	Cash flows from Operating activities		
	Profit before tax	(78,76,376)	(439,66,998)
	Adjusted for:		
	Depreciation and amortisation	8,05,924	2,06,785
	Interest expense	12,53,634	22,66,619
	Interest income	(1,78,529)	(2,87,370)
	Loss/(profit) on sale of fixed assets, net	(25,730)	-
	Debts/advances written off	-	282,01,868
	Provision for doubtful debts and advances	(38,728)	27,57,366
	Excess Provision Written back	-	76,13,599
	Balances Written off/back (net)	4,46,198	2,94,168
	Provisions for staff benefits	1,36,291	-
	Operating profit before working capital changes	(54,77,316)	(29,13,962)
	Movement in working capital		
	Decrease/ (increase) in Trade Receivables	91,18,502	429,55,178
	Decrease/(Increase) in loans and advances	323,88,063	(332,83,170)
	Decrease/(Increase) in other current assets	54,80,955	5,155
	Decrease/(increase) in inventories	82,20,802	9,82,906
	Increase/ (decrease) in current liabilities and provisions	(567,57,497)	(66,87,843)
	Decrease/(Increase) in other non current assets	(1,16,216)	(1,10,717)
	Cash generated from operations	(71,42,707)	9,47,548
	Direct taxes paid (net of refunds)	(11,95,424)	(1,67,284)
	Net cash from operating activities	(83,38,131)	7,80,264
B	Cash flows from Investing activities		
	Purchase of fixed assets	(3,00,090)	(46,200)
	Proceeds from / (Investment in) Fixed Deposits (net)	-	19,00,000
	Proceeds from sale of fixed assets	35,500	-
	Interest income	1,78,529	2,87,370
	Net cash used for investing activities	(86,061)	21,41,170
C	Cash flows from Financing activities		
	Proceeds from / (Repayment) of Borrowings from holding company	(161,60,721)	162,87,671
	Borrowings from Bank	32,91,484	(359,90,796)
	Proceeds from Long Term Borrowings	-	1531,56,000
	Proceeds from / (Repayment) of Borrowings from Others	(32,500)	-
	Proceeds from/(Repayment of) Short Term Borrowings	-	(1130,50,022)
	Interest paid	(12,53,634)	(22,66,619)
	Net cash from (used for) financing activities	(141,55,371)	181,36,234
	Net increase in cash and cash equivalents (A+B+C)	(225,79,563)	210,57,668
	Cash and cash equivalents at the beginning of the year	232,90,506	22,32,838
	Cash and cash equivalents at the end of the year	7,10,943	232,90,506
	Cash and bank balances as per Note 14 (refer note 2 below)	7,10,943	232,90,506
	Less: Fixed Deposit greater than three months	-	-
	Cash and cash equivalents in cash flow statement	7,10,943	232,90,506

Notes:-

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

2) Cash and bank balance not includes the following, which are not available for use by the Company :

Fixed deposits pledged with banks	5,75,000	5,75,000
Fixed deposits pledged with sales tax authorities	7,95,000	7,95,000
	<u>13,70,000</u>	<u>13,70,000</u>

3) 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 Registration Number: 016520N

CA Amit Nowlakhia

Partner

Membership No: 513504

For and on behalf of the Board

Sunil Batra
Sunil Batra
Managing Director
DIN NO. 02188254

Surendra Lunia
Surendra Lunia
Director
DIN NO. 00121156

Place: New Delhi

Date: 22nd May, 2015



(Rs.)

2	Share Capital	As at 31st March 2015		As at 31st March 2014	
		Number	Rs.	Number	Rs.
	Authorised				
	Equity Shares of Rs.10 each	100,00,000	1000,00,000	100,00,000	1000,00,000
	Issued				
	Equity Shares of Rs.10 each	49,90,000	499,00,000	49,90,000	499,00,000
	Subscribed & Paid up				
	Equity Shares of Rs.10 each	49,90,000	499,00,000	49,90,000	499,00,000
	Total	49,90,000	499,00,000	49,90,000	499,00,000

a	Shares outstanding	As at 31st March 2015		As at 31st March 2014	
		Number	Rs.	Number	Rs.
	Shares outstanding at the beginning of the year	49,90,000	499,00,000	49,90,000	499,00,000
	Shares Issued during the year	-	-	-	-
	Shares bought back during the year	-	-	-	-
	Shares outstanding at the end of the year	49,90,000	499,00,000	49,90,000	499,00,000

b 4,990,000 (Previous year 4,990,000) Equity Shares are held by Media Matrix Worldwide Limited, the Holding Company and its nominees

c	Shareholder(s) holding more than 5% shares	As at 31st March 2015		As at 31st March 2014	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding
	Media Matrix Worldwide Limited* (Including its nominees)	49,90,000	100.00%	49,90,000	100.00%

* 6 Shares are held by six individuals (jointly with Media Matrix Worldwide Limited) as nominees of Holding Company

3	Reserves and Surplus	As at 31st March 2015	As at 31st March 2014
		Rs.	Rs.
	Surplus		
	Opening balance	(2203,24,180)	(1768,43,988)
	(+) Net Profit/(Loss) for the year	(75,98,804)	(434,80,192)
	(+) Adjustment for Accumulated Depreciation*	(1,14,131)	-
	* Refer Note No. 22 (xv)		
	Total	(2280,37,115)	(2203,24,180)

4	Long Term Borrowings	As at 31st March 2015	As at 31st March 2014
		Rs.	Rs.
	Unsecured Debentures		
	0% Compulsorily Convertible Debentures (CCDs)	1728,36,000	1728,36,000
	[The Company has issued 172,836 Zero% Compulsorily Convertible Debentures (CCDs) {134,336 issued on 30th June, 2013 & 38,500 issued on 31st March, 2014} of Face Value of Rs. 1,000/- each, compulsorily convertible into equity shares after 9 years from the date of allotment, i.e., at Book Value or Face Value of Equity Shares at the time of conversion, whichever is higher]		
	Total	1728,36,000	1728,36,000

5	Long Term Provisions	As at 31st March 2015	As at 31st March 2014
		Rs.	Rs.
	Provision for employee benefits		
	Gratuity (Unfunded)	1,02,578	31,986
	Leave Encashment (Unfunded)	87,552	23,239
	Total	1,90,130	55,225



6	Short Term Borrowings	As at 31st March 2015	As at 31st March 2014
		Rs.	Rs.
	Secured		
	Overdraft from Corporation Bank (Secured against Fixed Deposit pledged by Holding Company)	205,85,900	172,94,415
	Unsecured		
	Loans and advances from related parties (includes from Holding Company Rs. Nil; P.Y. Rs. 16,160,721/-)	-	161,60,721
	Total	205,85,900	334,55,136

7	Other Current Liabilities	As at 31st March 2015	As at 31st March 2014
		Rs.	Rs.
	Other Payables		
	For Expenses	49,43,624	114,35,653
	For Statutory Liabilities	5,79,467	12,21,597
	Advances from Customers	25,52,691	40,64,933
	Total	80,75,782	167,22,183

8	Short Term Provisions	As at 31st March 2015	As at 31st March 2014
		Rs.	Rs.
	Provision for employee benefits		
	Gratuity (Unfunded)	218	78
	Leave Encashment (Unfunded)	1,787	541
	Total	2,005	619

10	Long Term Loans and Advances	As at 31st March 2015	As at 31st March 2014
		Rs.	Rs.
	Security Deposits		
	Unsecured, considered good	2,11,500	1,79,000
	Total	2,11,500	1,79,000

11	Other Non Current Assets	As at 31st March 2015	As at 31st March 2014
		Rs.	Rs.
	In Bank Deposit Accounts with maturity of more than 12 months* (including interest accrued Rs. 4,27,903/- (P. Y. Rs. 3,11,689/-)	17,97,903	16,81,689
	*Include Deposits for principal amount of Rs. 5,75,000/- pledged as Margin Money with Bank and Rs. 7,95,000/- with Commercial Tax Authorities		
	Total	17,97,903	16,81,689

12	Inventories*	As at 31st March 2015	As at 31st March 2014
		Rs.	Rs.
	Stock-in-trade (Valuation as per Note No 1(d))	17,43,350	99,64,151
	Total	17,43,350	99,64,151

*as taken, valued and certified by the Management

13	Trade Receivables (Unsecured)	As at 31st March 2015	As at 31st March 2014
		Rs.	Rs.
a	Trade Receivables outstanding for a period less than six months Considered Good	3,88,105	20,08,157
b	Trade Receivables outstanding for a period more than six months		
	Considered Good	83,580	75,43,302
	Considered Doubtful	27,18,638	27,57,366
		28,02,218	103,00,668
	Less: Provision for Doubtful Receivables	27,18,638	27,57,366
		83,580	75,43,302
	Total	4,71,685	95,51,459



14	Cash and Bank Balances	As at 31st March 2015		As at 31st March 2014	
		Rs.	Rs.	Rs.	Rs.
a	Cash In hand		1,750		22,155
b	Balances with banks				
	- Balances in short term accounts	7,09,193		197,68,351	
	- Fixed Deposit with less than 12 months maturity	-	7,09,193	35,00,000	232,68,351
	Total		7,10,943		232,90,506

15	Short-term Loans and Advances (Unsecured, considered good)	As at 31st March 2015	As at 31st March 2014
		Rs.	Rs.
a	Loans and advances to others	80,34,303	98,00,000
		80,34,303	98,00,000
b	Others		
	Advances to Employees	9,642	1,00,000
	TDS Recoverable	12,09,016	1,81,699
	VAT Recoverable	7,49,656	10,48,936
	Service Tax Recoverable	57,60,243	64,97,781
	Advances to Suppliers	45,27,661	338,99,356
	Prepaid Expenses	2,59,551	3,25,840
	Security Deposit	89,911	-
	SAD Recoverable	20,991	-
		126,26,671	420,53,612
	Total	206,60,974	518,53,612

16	Other Current Assets (Unsecured, Considered good)	As at 31st March 2015	As at 31st March 2014
		Rs.	Rs.
	Insurance Claim Recoverable	-	54,75,800
	Preliminary Expenses to the extent not Written off	5,153	10,308
	Total	5,153	54,86,108

17	Revenue from Operations	Year ended 31st March 2015	Year ended 31st March 2014
		Rs.	Rs.
	Sale of products	3504,52,082	2785,71,716
	Income from management & support services	120,00,000	-
	Total	3624,52,082	2785,71,716

18	Other Income	Year ended 31st March 2015	Year ended 31st March 2014
		Rs.	Rs.
	Interest Income (TDS Rs. 9516/-, Pr. Yr. Rs. 22371/-)	1,64,937	2,72,954
	Interest on Income Tax Refund	13,592	14,415
	Profit on Sale of Assets	25,730	-
	Excess Provision Written back	-	76,13,599
	Balances Written off/back (net)	4,46,198	2,94,168
	Total	6,50,457	81,95,136

19	Employee Benefits Expense	Year ended 31st March 2015	Year ended 31st March 2014
		Rs.	Rs.
	Salaries, Allowances and Bonus, etc.	52,60,253	160,39,842
	Contributions to -		
	- Provident Fund	2,12,714	2,55,065
	- Gratuity Fund	70,732	(2,62,161)
	Staff Welfare Expenses	1,13,849	12,586
	Total	56,57,548	160,45,332



20	Finance Cost	Year ended 31st March 2015	Year ended 31st March 2014
		Rs.	Rs.
	Interest Expenses on - Borrowings	12,53,635	31,31,105
	Other Finance Cost	1,34,438	9,46,155
	Bank Charges	6,301	14,542
	Total	13,94,374	40,91,802

21	Other Expenses	Year ended 31st March 2015	Year ended 31st March 2014
		Rs.	Rs.
	General & Administration Expenses		
	Electricity & Water Charges	1,65,172	11,10,201
	Communication Expenses	2,67,355	1,82,270
	Printing and Stationery	88,350	45,824
	Rates & Taxes	12,61,147	3,96,250
	Service Spares & Consumables	1,08,163	2,57,330
	Rent	17,87,400	95,74,446
	Insurance Expenses	3,75,786	3,33,724
	Cost of Samples Consumed	1,32,877	-
	Travel and Conveyance	10,88,878	8,01,991
	Repairs & Maintenance	-	-
	- Buildings	74,125	-
	- Others	-	12,476
	Legal & Professional Charges	28,96,423	55,20,321
	Audit Fees	75,000	75,000
	Miscellaneous Expenses	-	2,330
	Preliminary Expenses written off	5,155	5,155
	Selling & Distribution Expenses		
	Schemes on Sale of Products	9,91,440	9,33,207
	Freight, Cartage & Octroi	38,89,190	18,95,601
	Advertisement, Publicity & Sales Promotion	287,02,490	2,79,634
	Provision for Doubtful Receivables and Bad Debts	(38,728)	27,57,366
	Bad Debts Written Off	-	282,01,868
	Total	418,70,223	523,84,994



nexG Devices Private Limited
Notes on Financial Statements

Note 9		(Rs.)									
A	Fixed Assets	Gross Block				Depreciation				Net Block	
		As at 1st April 2014	Additions	Disposals	As at 31st March 2015	As at 1st April 2014	For the year	Adjustment*	On disposals	As at 31st March 2015	As at 31st March 2014
		(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
	Tangible Assets										
	Office Equipment	3,31,865	-	-	3,31,865	35,168	70,025	1,14,131	-	2,19,324	2,96,697
	Computers	12,17,984	3,00,090	1,95,400	13,22,674	4,47,366	7,35,899	-	1,85,630	9,97,635	7,70,618
	Total	15,49,849	3,00,090	1,95,400	16,54,539	4,82,534	8,05,924	1,14,131	1,85,630	12,16,959	10,67,315
											4,37,580

* Refer Note 22 (xv)



Note 1 : Significant Accounting Policies

a Accounting Basis and Convention :

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.

b Fixed Assets :

Fixed assets are stated at cost. Cost is inclusive of freight, duties (Net of cenvat as applicable), taxes and other directly attributable costs incurred to bring the assets to their working condition for intended use. Capital work in progress comprises the cost of fixed assets that are not yet ready for their intended use at the balance sheet date.

c Depreciation :

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 provided on Straight Line Method as prescribed in Schedule II to the Companies Act, 2013. On mobile phones, depreciation is being provided @50% on Straight Line Method.

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

d Inventories :

Inventories are stated at lower of cost or net realizable value. The Cost is determined using FIFO basis. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale. Provision for obsolescence is made wherever necessary.

e Investments :

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as non-current investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Non-Current investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

f Foreign Currency Transaction :

Foreign exchange transactions are recorded at the exchange rates prevailing at the date of transaction. Realized gains and losses on foreign exchange transactions during the year are recognized in the Statement of Profit and Loss. Foreign currency monetary assets and liabilities are translated at year-end rates and resultant gains/losses on foreign exchange translations are recognized in the Statement of Profit and Loss.

For forward contracts associated with forecasted transactions, gains or losses arising due to change in fair value of the forward contract is recognized in the Statement of Profit and Loss.

For forward contracts associated with underlying asset/ liability at the Balance Sheet date, the exchange differences are recognised in the Profit and Loss Account in reporting period in which exchange rate change. The premium or discount on such contracts arising at the inception are amortised as income or expense over the life of the contracts equally.

g Impairment of assets:

The carrying amount of the company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment of assets. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is greater of net selling price and value in use.

h Revenue Recognition :

Revenue from sale of products is recognized when persuasive evidence of an arrangement exists, risk and reward of ownership has been transferred to the customer, the sales price is fixed or determinable and collectability is reasonably assured. 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. Revenues are shown net of sales tax, value added tax, service tax and applicable discounts and allowances.

Commission, brokerage etc. are recognized when the right to receive the same is established.

Insurance Claims are accounted for as and when admitted by the concerned authority.

i Retirement Benefits :

i) Liability for Gratuity towards employees is provided on the basis of actuarial valuation at the year end.

ii) Liability for Leave Encashment towards employees is provided on the basis of actuarial valuation at the year end.

iii) Actuarial gains/losses are immediately taken to Statement of Profit and Loss and are not deferred.

j Taxation :

Income tax liability is ascertained on the basis of assessable profits computed in accordance with the provisions of Income-tax. Act, 1961. Deferred tax is recognized, subject to the consideration of prudence, on timing differences (other than carried forward losses), being the difference between taxable income and accounting income that originate in one period and are capable of being reversal in one or more subsequent periods.

Minimum Alternative Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

k Provisions

A provision is recognized when an enterprise has a present obligation as a result of a past event: 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 determined based on 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.



I Miscellaneous Expenditure :

Preliminary Expenses are amortized over a period of five years

m Contingent Liability:

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

Note 22 : Additional Information

(i) Contingent Liabilities and Commitments (to the extent not provided for)	As at 31st March 2015	As at 31st March 2014
	Rs.	Rs.
Contingent Liabilities		
Guarantees issued by Banks	5,75,000	5,75,000
Total	5,75,000	5,75,000

(ii) The Hon'ble Supreme Court of India vide its order dated December 17, 2014 on the judgment in case of State of Punjab vs. Nokia India Pvt. Ltd. has held that sales tax on battery charger sold along with mobile phone should be charged at sales tax rate applicable to chargers, which is higher than the sales tax rate applicable to mobile phones in few states. In the case of the Company, since there was no such dispute pending in any of the states and no demand whatsoever has been raised/received, no effect has been given in the working results on account of above judgment. The Company is currently evaluating the above judgment.

(iii) A charge for Rs. 40,000,000/- has been created on 12.07.2013 in favour of a bank, who has sanctioned Bank Guarantee limit to the Company, by way of hypothecation of all present and future movable assets including inventories, book debts and all other current assets of the Company.

(iv) In the opinion of the Board, Current Assets and Loans & Advances have a realisable value in the ordinary course of business which is not different from the amount at which it is stated

(v) The Company has no amounts due to suppliers under The Micro, Small and Medium Enterprises Development Act, 2006, [MSMED Act] as at 31st March 2015. The disclosure pursuant to the said Act is as under:

Particulars	As at 31st March 2015	As at 31st March 2014
	Rs.	Rs.
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 Period	-	-
Interest paid to suppliers under MSMED Act (other than Section 16)	-	-
Interest paid to suppliers under MSMED Act (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	-	-

Note: The information has been given in respect of such vendors to the extent they could be identified as "Micro and Small" enterprises on the basis of information available with the Company.

(vi) Major components of Deferred Tax Assets and Deferred Tax Liabilities:

Particulars	As at 31st March 2015	As at 31st March 2014
	Rs.	Rs.
Deferred Tax Assets		
Accrued employee costs	59,370	17,256
Provision for Doubtful Debts	8,40,059	8,52,026
	8,99,429	8,69,282
Deferred Tax Liabilities		
Depreciation	15,273	2,62,698
	15,273	2,62,698
Net Deferred Tax Assets/(Liabilities)	8,84,156	6,06,584

Note: For the purpose of DTA/ DTL Calculation brought forward losses are not considered.

(vii) Basic and diluted Earnings Per Share [EPS]

Particulars	As at 31st March 2015	As at 31st March 2014
Basic		
Profit/ (Loss) after tax as per accounts (Rs.)	(75,98,805)	(434,80,192)
Weighted average number of shares outstanding	49,90,000	49,90,000
Basic EPS (Rs.)	(1.52)	(8.71)
Diluted		
Profit/ (Loss) after tax as per accounts (Rs.)	(75,98,805)	(434,80,192)
Weighted average number of shares outstanding for diluted EPS	49,90,000	49,90,000
Diluted EPS (Rs.)	(1.52)	(8.71)
Face value per share (Rs.)	10.00	10.00

Note: Effect of 0% Compulsorily Convertible Debentures (CCDs) on the Earnings Per Share are anti-dilutive and hence, the same are not considered for the purpose of calculation of diluted Earnings per Share.



(viii) Employee Benefits

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

Particulars	Rs.	Rs.
Employer's Contribution to Provident Fund*	2,12,714	2,55,065

* Included in Employer's Contribution to Provident Fund

Defined Benefits 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

Actuarial assumptions

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

Table Showing changes in present value of obligations

Particular	Gratuity as at 31st March 2015	Leave Encashment as at 31st March 2015	Gratuity as at 31st March 2014	Leave Encashment as at 31st March 2014
	Rs.	Rs.	Rs.	Rs.
Present Value of obligation as at the beginning of the period	32,064	23,780	2,94,225	3,43,921
Present Value of obligation as at the end of the period	1,02,796	89,339	32,064	23,780

Amounts to be recognized in Balance sheet

Particular	Gratuity as at 31st March 2015	Leave Encashment as at 31st March 2015	Gratuity as at 31st March 2014	Leave Encashment as at 31st March 2014
	Rs.	Rs.	Rs.	Rs.
Present Value of obligation as at the end of the period	1,02,796	89,339	32,064	23,780
Fair value of plan assets as at the end of the period	-	-	-	-
Net asset/ (liability) recognised in Balance Sheet	1,02,796	89,339	32,064	23,780
Funded Status	-	-	-	-

Expenses to be recognized in Statement of Profit & Loss

Particular	Gratuity as at 31st March 2015	Leave Encashment as at 31st March 2015	Gratuity as at 31st March 2014	Leave Encashment as at 31st March 2014
	Rs.	Rs.	Rs.	Rs.
Interest Cost	2,565	1,902	26,480	30,953
Current Service Cost	66,079	58,702	15,481	11,002
Expected return on plan Asset	-	-	-	-
Net Actuarial (gain)/ loss recognized in the period	2,088	4,955	(3,04,122)	(8,851)
Expenses to be recognized in the statement of profit and loss	70,732	65,559	(2,62,161)	33,104

Current and Non-Current Liability:

Particular	Current Liability	Non Current Liability	Total Liability
Gratuity	218	1,02,578	1,02,796
Leave Encashment	1,787	87,552	89,339

(ix) Business Segment:

The Company is engaged in business of trading in mobile devices, computer peripherals & accessories and providing management & support services. There are no reportable business segments taking into account all the factors, viz., the nature of products and services, identical risks and returns, the organisation structure and the internal financial reporting system. Further, the business is carried out in India and hence, there are no reportable geographical segments. Accordingly, the segment reporting disclosure as envisaged in Accounting Standard (AS)-17 on 'Segment Reporting' is not considered necessary and applicable to the Company.

(x) Related Party Disclosures

(Related Parties are identified by the Management and relied upon by the Auditors)

Related Parties where Control exists

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



Fellow Subsidiaries

Digicall Teleservices Private Limited
Media Matrix Enterprises Private Limited (formerly Media Matrix Holdings Private Limited)
Digivive Services Private limited
Digivision Wireless Private Limited
Digicall Global Services Private Limited

Significant Influence

Intouch infotech Services Pvt Ltd

Key Management Personnel

Mr. Sunil Batra (Managing Director)

Related parties and transactions with them are given below :

Name of the Party	Nature of Transaction	Volume of Transactions (2014-15) Rs.	Volume of Transactions (2013-14) Rs.	Receivable/ (Payable) as on 31.03.2015 Rs.	Receivable/ (Payable) as on 31.03.2014 Rs.
Holding Company					
Media Matrix Worldwide Limited	0% CCDs Issued	-	(1728,36,000)	-	(161,60,721)
	Purchases	-	(51,46,000)		
	Finance Charges (net of TDS)	(1,27,950)	(4,40,065)		
	Payment made agt Finance Charge	1,27,950	-		
	Debit Note raised on us (Expenses)	-	(30,23,906)		
	Debit Note raised on us (Advances to Suppliers)	(36,12,176)	-		
	Loan Taken	-	(73,00,292)		
	Payment received agt CCDs	-	1728,36,000		
	Payment made against Debit Note	36,12,176	-		
	Payment made abgainst Purchase	-	51,46,000		
	Loan Repaid	161,60,721	588,16,592		
Fellow Subsidiary				-	-
Media Matrix Holdings Private Limited (formerly Digicall Holdings Private Limited)	Loan Taken	-	(136,00,000)	-	-
	Loan Repaid	-	332,80,000		
Digicall Teleservices Private Limited	Loan Recd	-	(400,00,000)	-	(88,25,959)
	Amount Paid	88,25,959	525,00,000		
	Goods Sold	-	-		
	Payment Made	-	8,40,619		
Enterprise over which key management personnel exercise significant influence					
Intouch infotech Services Pvt Ltd	Loan Repaid	-	75,00,000	-	-
	Payment Made	-	9,90,000		
	Professional Fee (net of TDS)	-	(8,10,000)		

Notes: 1. Related parties are disclosed with whom transactions have been carried out during the year.

2. No remuneration is paid by the Company to the Managing Director in accordance with the terms of his appointment.

(xi) Details of Sales and Purchase under broad heads

Particulars	Sales for the Year Ended 31st March 2015 Rs.	Purchase for the Year Ended 31st March 2015 Rs.	Sales for the Year ended 31st March Rs.	Purchase for the Year ended 31st March 2014 Rs.
Sale of Products				
Mobile Handsets & assessories, Dongles & Tablets	3504,52,082	3130,30,044	2785,71,716	2630,08,431
Total	3504,52,082	3130,30,044	2785,71,716	2630,08,431

(xii) Payment to the Auditors

	Year ended 31st March 2015 Rs.	Year ended 31st March 2014 Rs.
a. As auditor	75,000	75,000
b. Other Certification	31,000	19,000
Total	1,06,000	94,000

(xii) Expenditure in Foreign Currency

	2014-15 Rs.	2013-14 Rs.
Travelling Expenses	1,54,319	-
Total	1,54,319	-



- (xiv) 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.
- (xv) 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 as at 01.04.2014, the Company has adjusted the net residual value aggregating Rs. 1,14,131/- (net of deferred tax Rs. 63,200/-) 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. 5,67,428/- and loss is higher by identical amount.
- (xvi) 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 Registration Number: 016520N

CA Amit Nowlakhia

Partner

Membership No: 513504



For and on behalf of the Board

Sunil Batra

Managing Director

DIN NO. 02188254

Sunil Batra

Surendra Lunia

Director

DIN NO. 00121156

Surendra Lunia

Place: New Delhi

Date: 22nd May, 2015

