

**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, 2017, 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 have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with 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 internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's 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 on the financial statements



Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2017 and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, 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 written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'.
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - 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. As at March 31, 2017 the Company did not have any outstanding long term 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.



- iv. The Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November 2016 to 30th December 2016. These are in accordance with the books of account maintained by the Company.

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



(CA Sunil Bhansali)
Partner
Membership No. 054645

Place: New Delhi
Dated: 22.05.2017

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
 - c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company does not hold any immovable property hence, question of title deeds of properties do not arise.
- ii. As the Company has not purchased/ sold goods neither there is any opening/ closing stocks during the audit year, 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, the provision of section 185 and 186 of the Companies Act, 2013 have been complied with in respect of loans, investments, guarantees, and security.
- v. The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- 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 Provident fund, employees state insurance, 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, 2017 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 Provident fund, employees state insurance, income tax, service tax, works contract tax, cess as at 31st March, 2017, which have not been deposited with the appropriate authorities on account of any dispute.
- viii. 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. The company has not issued any debentures and hence comment over repayment of dues to debenture holder does not arise.



- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Term Loan has been utilized for the purpose for which raised.
- x. According to the information and explanation given to us and based on our examination, we report that no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, there were no instances during the year where company was liable to pay managerial remuneration hence paragraph 3(xi) of the Order is not applicable to the company.
- xii. In our opinion, the Company is not a nidhi company. Therefore, the provisions of paragraph 3 (xii) of the Order are not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, in our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with him, hence question of comply with section 192 of the Companies Act, 2013 does not arise.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of paragraph 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

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


(CA Sunil Bhansali)
Partner

Membership No. 054645

Place: New Delhi
Dated: 22.05.2017

ANNEXURE B' TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2(f) under 'Report on other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of **Digicall Global Private Limited** ('the Company') as of 31st March, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with



generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

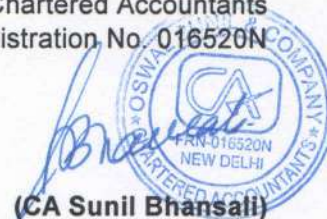
Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as on 31st March, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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



(CA Sunil Bhansali)
Partner

Membership No. 054645

Place: New Delhi
Dated: 22.05.2017

DIGICALL GLOBAL PRIVATE LIMITED
BALANCE SHEET AS AT MARCH 31, 2017

| DESCRIPTION | Note No. | As at 31.3.2017 | As at 31.3.2016 |
|---|----------|-------------------|-------------------|
| | | Rs. | Rs. |
| EQUITY AND LIABILITIES | | | |
| 1. Shareholders' Funds | | | |
| (a) Share Capital | 2.1 | 55,000,000 | 55,000,000 |
| (b) Reserves and Surplus | 2.2 | (20,358,483) | (20,394,571) |
| 2. Non-Current Liabilities | | | |
| (a) Long Term Borrowings | 2.3 | 2,953,213 | 10,659,670 |
| (b) Long Term Provisions | 2.4 | 443,293 | 759,926 |
| 3. Current Liabilities | | | |
| (a) Trade Payables | | | |
| - Outstanding Dues of Micro and Small Enterprises | | - | - |
| - Outstanding Dues of Others | | 3,136,320 | 2,640,548 |
| (b) Short Term Borrowings | 2.5 | 26,582,499 | - |
| (c) Other Current Liabilities | 2.6 | 22,595,547 | 11,342,391 |
| (d) Short Term Provisions | 2.7 | 718,908 | 642,340 |
| TOTAL | | 91,071,297 | 60,650,304 |
| ASSETS | | | |
| 1. Non Current Assets | | | |
| (a) Fixed Assets | 2.8 | | |
| i. Tangible Assets | | 4,992,574 | 5,408,332 |
| ii. Intangible Assets | | - | 2,875,495 |
| iii. Capital Work In Progress | | 11,760,000 | - |
| (b) Long Term Loans and Advances | 2.9 | - | 1,363,466 |
| 2. Current Assets | | | |
| (a) Trade Receivables | 2.10 | 15,159,950 | 42,569,304 |
| (b) Cash and Cash Equivalents | 2.11 | 895,175 | 255,109 |
| (c) Short Term Loans and Advances | 2.12 | 58,263,598 | 8,178,598 |
| TOTAL | | 91,071,297 | 60,650,304 |
| Significant Accounting Policies | 1 | | |
| Notes on Financial Statements | 2 | | |

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



Place : New Delhi
Dated: 22nd May 2017

For and on behalf of the Board

Sunil Batra
Sunil Batra
Director
(DIN -02188254)

Bharat Bishan Chugh
Bharat Bishan Chugh
Director
(DIN -472532)

DIGICALL GLOBAL PRIVATE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

| DESCRIPTION | Note No. | For the Year Ended 31.3.2017 | For the Year Ended 31.3.2016 |
|--|----------|---------------------------------|---------------------------------|
| | | Rs. | Rs. |
| 1. Revenue | | | |
| Revenue From Operations | 2.13 | 32,077,978 | 60,063,615 |
| Other Income | 2.14 | 22,250 | 648,258 |
| | | 32,100,228 | 60,711,873 |
| 2. Expenses | | | |
| Employees Benefit Expenses | 2.15 | 13,723,349 | 26,696,843 |
| Finance Cost | 2.16 | 2,601,660 | 1,308,048 |
| Depreciation | 2.8 | 4,855,778 | 12,037,359 |
| Other Expenses | 2.17 | 10,883,353 | 20,387,967 |
| | | 32,064,140 | 60,430,217 |
| Profit/ (Loss) Before Tax | | 36,088 | 281,656 |
| Less: Tax Expense (Deferred Tax) | | - | - |
| Profit/ (Loss) for the Period | | 36,088 | 281,656 |
| Earning Per Equity Share (Face value of Rs.10/- each) | | | |
| Basic / Diluted (Rs.) | | 0.01 | 0.05 |
| 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

Place : New Delhi
Dated:22nd May 2017



For and on behalf of the Board

Sunil Batra
Sunil Batra
Director
(DIN -02188254)

Bharat Bhushan Chugh
Bharat Bhushan Chugh
Director
(DIN -472532)

DIGICALL GLOBAL PRIVATE LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

| | For the Year Ended 31.3.2017 Rs. | For the Year Ended 31.3.2016 Rs. |
|--|--|--|
| A. Cash flow from Operating Activities | | |
| Net Profit before taxes | 36,088 | 281,656 |
| Adjustments for: | | |
| Depreciation | 4,855,778 | 12,037,359 |
| Provision for Doubtful Debts | 621,135 | |
| Interest and Finance charges | 2,292,325 | 1,038,676 |
| Amount written back | 328,482 | (608,403) |
| Preliminary Expenses w/off | - | 23,034 |
| Operating Profit Before Working Capital Changes | 8,133,808 | 12,772,322 |
| Adjustments for: | | |
| Trade and Other Receivables | 26,788,219 | (22,826,543) |
| Other Current Assets | -50,085,000 | (3,584,684) |
| Trade payables & Other Current Liabilities | 22,253,600 | 6,381,366 |
| Long-term Provisions | -240,065 | (334,813) |
| Cash Generated from Operations | 6,850,562 | -7,592,352 |
| Net Cash used in Operating Activities | 6,850,562 | -7,592,352 |
| B. Cash Flow from Investing Activities | | |
| Purchase of Fixed Assets | (22,794,215) | (3,184,806) |
| Capital Advances | - | (1,363,466) |
| Net Cash Used in Investing Activities | (22,794,215) | (4,548,272) |
| C. Cash from Financing Activities | | |
| Unsecured Loan from Others | 26,582,499 | - |
| Long Term Borrowing | (7,706,457) | 10,659,670 |
| Interest and Finance charges | (2,292,325) | (1,038,676) |
| Net cash from Financing Activities | 16,583,717 | 9,620,994 |
| Net Increase in Cash & Cash Equivalents | 640,065 | (2,519,631) |
| Cash & Cash Equivalent (Opening Balance) | 255,108 | 2,774,739 |
| Cash & Cash Equivalent (Closing Balance) | 895,173 | 255,108 |

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: 22nd May 2017

For and on behalf of the Board


Sunil Batra
Director
(DIN -02188254)


Bharat Bhushan Chugh
Director
(DIN -472532)

DIGICALL GLOBAL PRIVATE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

| Note 2.1 | Share Capital | As at 31.3.2017 Rs. | As at 31.3.2016 Rs. |
|----------|--|------------------------|------------------------|
| | Authorised: 1,00,00,000 (Previous year 1,00,00,000) Equity shares of Rs. 10 each | 100,00,000 | 100,00,000 |
| | | 100,00,000 | 100,00,000 |
| | Issued, Subscribed and Paid up: 55,00,000 (Previous year 55,00,000) Equity shares of Rs. 10/- each fully paid up with voting rights | 55,00,000 | 55,00,000 |
| | | 55,00,000 | 55,00,000 |

| Reconciliation of Number of Equity Shares | As at 31.3.2017 (No.) | As at 31.3.2016 (No.) |
|---|--------------------------|--------------------------|
| Opening No. of Equity Shares | 5,500,000 | 5,500,000 |
| Add: Additions during the year (on conversion of OFCDs) | - | - |
| Closing No. of Equity Shares | 5,500,000 | 5,500,000 |

| Shareholders holding more than 5% Shares:- | | |
|--|---------------------|---------------------|
| Name of the Share Holder | As at 31.3.2017 | As at 31.3.2016 |
| Digicall Teleservices Private Limited (Holding Company)* - No. of Shares - % of Holding | 5,500,000 (100%) | 5,500,000 (100%) |

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

| Note 2.2 | Reserves and Surplus | As at 31.3.2017 (Rs.) | As at 31.3.2016 (Rs.) |
|----------|-------------------------------------|--------------------------|--------------------------|
| | Surplus | | |
| | Opening Balance | (20,394,571) | (20,676,227) |
| | Add: Net Profit/(Loss) for the Year | 36,088 | 281,656 |
| | | (20,358,483) | (20,394,571) |

| Note 2.3 | Long Term Borrowings | As at 31.3.2017 (Rs.) | As at 31.3.2016 (Rs.) |
|----------|--|--------------------------|--------------------------|
| | Secured | | |
| | Term Loan From Andra Bank # | 10,453,213 | 14,444,058 |
| | Less:- Loan repayable within next 12 months (Refer Note 2.6) | (7,500,000) | (3,784,388) |
| | | 2,953,213 | 10,659,670 |

Andra Bank Term Loan @ 12.50% P.A. payable in 24 monthly instalments after six months gestation period and secured By:-

- Hypothecation of fixed assets generated by term loan including existing equipments.
- Collateral Security: pledge of 32,96,704 shares of Holding Company i.e. M/s Media Matrix Worldwide Ltd
- Gurantors: Corporate Gurantee of Holding Company M/s Digicall Teleservices Pvt Ltd. and M/s Media Matrix worldwide Limited.

Repayment Schedule

| Financial Year | As at 31.3.2017 (Rs.) | As at 31.3.2016 (Rs.) |
|----------------|--------------------------|--------------------------|
| 2016-17 | - | 3,784,388 |
| 2017-18 | 7,500,000 | 7,161,735 |
| 2018-19 | 2,953,213 | 3,497,935 |
| Grand Total | 10,453,213 | 14,444,058 |

| Note 2.4 | Long Term Provisions | As at 31.3.2017 (Rs.) | As at 31.3.2016 (Rs.) |
|----------|---------------------------------|--------------------------|--------------------------|
| | Provision for Employee Benefits | | |
| | Gratuity (Unfunded) | 332,150 | 531,631 |
| | Leave Encashment (Unfunded) | 111,143 | 228,295 |
| | | 443,293 | 759,926 |



DIGICALL GLOBAL PRIVATE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

| Note 2.5 | Short Term Borrowings | As at 31.3.2017 (Rs.) | As at 31.3.2016 (Rs.) |
|----------|--|--------------------------|--------------------------|
| | Loan repayable on Demand | | |
| | Unsecured Loan | | |
| | Loan and Advances from Related Parties (Holding Company) | 26,582,499 | - |
| | | 26,582,499 | - |

| Note 2.6 | Other Current Liabilities | As at 31.3.2017 (Rs.) | As at 31.3.2016 (Rs.) |
|----------|--|--------------------------|--------------------------|
| | Current portion of Long Term Borrowings (Refer Note 2.3) | 7,500,000 | 3,784,388 |
| | Statutory Liabilities Payable | 1,525,873 | 4,355,065 |
| | Expenses Payable | 1,766,967 | 2,233,386 |
| | Creditors for Capital Goods | 11,802,707 | 969,552 |
| | | 22,595,547 | 11,342,391 |

| Note 2.7 | Short Term Provisions | As at 31.3.2017 (Rs.) | As at 31.3.2016 (Rs.) |
|----------|---------------------------------|--------------------------|--------------------------|
| | Provision for Employee Benefits | | |
| | Gratuity (Unfunded) | 6,293 | 7,408 |
| | Leave Encashment (Unfunded) | 3,758 | 8,031 |
| | Bonus Payable | 708,857 | 626,901 |
| | | 718,908 | 642,340 |

| Note 2.9 | Long Term Loans and Advances | As at 31.3.2017 (Rs.) | As at 31.3.2016 (Rs.) |
|----------|------------------------------|--------------------------|--------------------------|
| | Unsecured, Considered Good | | |
| | Capital Advances | - | 1,363,466 |
| | | - | 1,363,466 |

| Note 2.10 | Trade Receivables | As at 31.3.2017 (Rs.) | As at 31.3.2016 (Rs.) |
|-----------|--|--------------------------|--------------------------|
| | Unsecured, Considered Doubtful | | |
| | Debts Outstanding for a Period Exceeding Six Months | 8,466,012 | 7,223,742 |
| | Unsecured, Considered Good | | |
| | Debts Outstanding for a Period Exceeding Six Months# | 6,554,485 | 7,689,955 |
| | Other Debts# | 1,482,962 | 28,377,981 |
| | | 16,503,459 | 43,291,678 |
| | Less: Provision for Doubtful Debts | 1,343,509 | 722,374 |
| | | 15,159,950 | 42,569,304 |

Debtors includes NIL (Previous Financial Year Rs. 1,440,071/-) from Digicall Teleservices Private Limited (Holding Company).

| Note 2.11 | Cash and Cash Equivalents | As at 31.3.2017 (Rs.) | As at 31.3.2016 (Rs.) |
|-----------|--|--------------------------|--------------------------|
| | Cash in hand | 17,108 | 3,944 |
| | Balance with Banks | | |
| | In Current Accounts | 628,170 | 18,564 |
| | In Fixed Deposit Account (maturity period of less than 12 Months) ** | 249,897 | 232,601 |
| | ** Pledged as margin money with HDFC Bank for Bank Guarantee | | |
| | | 895,175 | 255,109 |

| Note 2.12 | Short Term Loans and Advances | As at 31.3.2017 (Rs.) | As at 31.3.2016 (Rs.) |
|-----------|--------------------------------|--------------------------|--------------------------|
| | Unsecured, Considered Good | | |
| | Advances to Suppliers | 39,316 | 33,165 |
| | Advances against Investment | 50,000,000 | - |
| | Staff Loans & Advances | 680,196 | 730,196 |
| | Prepaid Expenses | 305,236 | 896,549 |
| | Service Tax Refundable | 2,224,696 | 3,458,934 |
| | TDS Recoverable | 3,905,857 | 2,404,013 |
| | Security Deposits | 655,741 | 655,741 |
| | Balance with Govt. Authorities | 452,556 | - |
| | | 58,263,598 | 8,178,598 |



DIGICALL GLOBAL PRIVATE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

| Note 2.13 | Revenue from Operations | For the Year Ended 31.3.2017 (Rs.) | For the Year Ended 31.3.2016 (Rs.) |
|-----------|--|--|--|
| | Service Charges from Call Center Operations (Foreign) | 17,077,978 | 36,063,615 |
| | Service Charges from Call Center Operations (Domestic) | 15,000,000 | 24,000,000 |
| | | 32,077,978 | 60,063,615 |

| Note 2.14 | Other Income | For the Year Ended 31.3.2017 (Rs.) | For the Year Ended 31.3.2016 (Rs.) |
|-----------|---------------------------|--|--|
| | Amount Written Back | - | 608,403 |
| | Interest on Fixed Deposit | 19,140 | 17,771 |
| | Other Income | 3,110 | 22,084 |
| | | 22,250 | 648,258 |

| Note 2.15 | Employees Benefit Expenses | For the Year Ended 31.3.2017 (Rs.) | For the Year Ended 31.3.2016 (Rs.) |
|-----------|---|--|--|
| | Salaries and Incentives | 13,198,186 | 25,741,806 |
| | Contribution to Provident and Other Funds | 379,193 | 724,245 |
| | Other Employees Benefits | 145,970 | 230,792 |
| | | 13,723,349 | 26,696,843 |

| Note 2.16 | Finance Cost | For the Year Ended 31.3.2017 (Rs.) | For the Year Ended 31.3.2016 (Rs.) |
|-----------|------------------|--|--|
| | Interest Expense | 2,292,325 | 1,038,676 |
| | Bank Charges | 309,335 | 269,372 |
| | | 2,601,660 | 1,308,048 |

| Note 2.17 | Other Expenses | For the Year Ended 31.3.2017 (Rs.) | For the Year Ended 31.3.2016 (Rs.) |
|-----------|--|--|--|
| | Payment to auditors: | | |
| | -Statutory Audit Fees | 176,000 | 176,000 |
| | -Tax Audit Fees | 25,000 | 25,000 |
| | Provision for Doubtful Debts | 621,135 | - |
| | Amount Written Off | 328,482 | - |
| | Electricity & Water Charges | 929,845 | 1,812,210 |
| | Rent & hiring Charges | 1,100,922 | 2,889,000 |
| | Rates & Taxes | 244,873 | 169,000 |
| | Repair & Maintenance | | |
| | - Equipment | 667,853 | 42,874 |
| | - Others | 615,902 | 522,612 |
| | Communication Expenses | 1,441,706 | 4,133,341 |
| | Travelling, Conveyance & Vehicle Expenses | 2,549,147 | 7,316,607 |
| | Printing & Stationery | 14,026 | 34,158 |
| | Legal & Professional Charges | 864,677 | 1,001,615 |
| | Housekeeping & Security Service Charges | 428,634 | 1,206,911 |
| | Recruitment Expenses | 2,500 | 447,777 |
| | Call/Data Charges | 19,402 | 727,214 |
| | Sales Promotion and Advertisement Expenses | 14,574 | 9,165 |
| | General Expenses | 39,996 | 164,325 |
| | Exchange Fluctuation | 798,679 | (312,874) |
| | Preliminary Expenses Written Off | - | 23,034 |
| | | 10,883,353 | 20,387,967 |



DIGICALL GLOBAL PRIVATE LIMITED
Note - 2.8 - Fixed Assets

| Particulars | Original Cost | | | Accumulated Depreciation | | | Net Book Value | |
|---------------------------------|-------------------------|-------------------|------------------|------------------------------|-------------------------|--------------------|------------------|------------------------------|
| | As at 1 Apr 2016 Rs. | Additions Rs. | Deletions Rs. | As at 31st March 2017 Rs. | As at 1 Apr 2016 Rs. | Additions * Rs. | Deletions Rs. | As at 31st March 2017 Rs. |
| Tangible Assets | | | | | | | | |
| Office Equipment | 10,390,932 | 1,508,926 | - | 11,899,858 | 7,647,075 | 1,597,168 | - | 2,655,615 |
| Computers | 3,326,580 | 55,600 | - | 3,382,180 | 2,464,482 | 185,587 | - | 732,111 |
| Furniture and fixtures | 2,017,301 | - | - | 2,017,301 | 214,925 | 197,528 | - | 1,604,848 |
| | | | | | | | | 4,992,574 |
| Intangible Assets | | | | | | | | |
| Business Rights & Goodwill | 43,132,412 | - | - | 43,132,412 | 40,256,917 | 2,875,495 | - | 43,132,412 |
| Total | 58,867,225 | 1,564,526 | - | 60,431,751 | 50,583,399 | 4,855,778 | - | 4,992,574 |
| Capital Work In Progress | - | 11,760,000 | - | 11,760,000 | - | - | - | 11,760,000 |
| Previous Year | 55,682,419 | 3,184,806 | - | 58,867,225 | 38,546,039 | 12,037,359 | - | 8,283,826 |
| | | | | | | | | 17,136,380 |

* 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
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 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 drives 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, 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/attributed 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

2.18 - Contingent Liabilities

- Claims against the company, not acknowledged as debts amount to Rs. Nil (Previous year Nil).
- Bonus payable for FY 2014-15 of Rs. 402,330/-.
Pursuant to enactment of The Payment of Bonus (Amendment) Act 2015 by the Ministry of Law & Justice, whereby the ceiling on bonus, which was Rs 3,500 for an employee, was doubled retrospectively from 1st April, 2014 to Rs 7,000 or the minimum wage for the scheduled employment, as fixed by the appropriate Government, whichever is higher. Upon representation from various industry bodies by way of writ petitions in various State High Court challenging the retrospective effect from FY 2014-15, several high courts have stayed the retrospectively operation temporarily. For all above stay orders, it is clarified that the amendment would take effect from FY 2015-16 onwards. Considering the above stay orders of various high courts, management is of the view that additional liability for Bonus for FY 2014-15 would not arise.
- 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, 2017 the Company did not have any outstanding long term derivative contracts.

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

2.20 - Earnings per Share (EPS)

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

| Particulars | As at March 31, 2017 | As at March 31, 2016 |
|--|----------------------|----------------------|
| Basic | | |
| Profit after tax as per accounts (Rs.) | 36,088 | 281,654 |
| Weighted average number of shares outstanding | 5,500,000 | 5,500,000 |
| Basic EPS (Rs.) | 0.01 | 0.05 |
| Diluted | | |
| Profit after tax as per accounts (Rs.) | 36,088 | 281,654 |
| Weighted average number of shares outstanding | 5,500,000 | 5,500,000 |
| Add: Weighted average number of potential equity shares on account of employee stock options | - | - |
| Weighted average number of shares outstanding | 5,500,000 | 5,500,000 |
| Diluted EPS (Rs.) | 0.01 | 0.05 |
| Face Value per Share (Rs.) | 10 | 10 |

2.21 - Deferred Tax

| Particulars | As at March 31, 2017 (Rs.) | As at March 31, 2016 (Rs.) |
|--|----------------------------|----------------------------|
| Deferred Tax Assets | | |
| Accrued Employee Costs | 359,120 | 433,300 |
| Provision for Doubtful Debts | 415,144 | 223,214 |
| Carry Forward Business Losses | 4,275,481 | 2,362,964 |
| Relating to Depreciation on Fixed Assets | 3,150,949 | 2,872,012 |
| Deferred Tax Liabilities | | |
| Relating to Depreciation on Fixed Assets | - | - |
| Net Deferred Tax Assets/(Liabilities) | 8,200,694 | 5,972,330 |

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, 2017.



2.22 - Earnings in Foreign Exchange

| Particulars | For the year ended March 31, 2017 (Rs.) | For the year ended March 31, 2016 (Rs.) |
|------------------------|---|---|
| Call Centre Operations | 17,077,978 | 36,063,615 |

2.23 - Expenditure in Foreign Currency

| Particulars | For the year ended March 31, 2017 (Rs.) | For the year ended March 31, 2016 (Rs.) |
|---------------------|---|---|
| Travelling Expenses | - | 235,306 |
| Consultancy Fees | - | - |
| | - | 235,306 |

2.22 - 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 2017 | | As at 31 st March 2016 | |
|------------------|-----------------------------------|------------|-----------------------------------|------------|
| | Foreign Currency | INR | Foreign Currency | INR |
| Trade Receivable | USD 253,240.36 | 15,646,564 | USD 231,048.10 | 15,325,420 |
| | GBP 10,594.61 | 856,892 | GBP 17,103.86 | 1,626,406 |
| Trade payable | USD 1335.38 | 86,586 | USD 1,471.08 | 97,577 |

2.23 - 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, 2017 (Rs.) | For the year ended March 31, 2016 (Rs.) |
|--|---|---|
| Employer's Contribution to Provident Fund* | 363,727 | 639,601 |

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

B. Defined Benefit Plan

Actuarial assumptions

| Particular | Gratuity | | Leave Encashment | |
|---|----------|---------|------------------|---------|
| | 2016-17 | 2015-16 | 2016-17 | 2015-16 |
| Discount Rate (per annum) | 7.50% | 8.00% | 7.50% | 8.00% |
| 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.) | |
|---|----------------|---------|------------------------|---------|
| | 2016-17 | 2015-16 | 2016-17 | 2015-16 |
| Present Value of obligation as at the beginning of the period | 539,039 | 790,145 | 236,326 | 320,033 |
| Present Value of obligation as at the end of the period | 338,443 | 539,039 | 114,901 | 236,326 |



Amounts to be recognized in balance sheet

| Particular | Gratuity | | Leave Encashment | |
|---|-----------|-----------|------------------|-----------|
| | 2016-17 | 2015-16 | 2016-17 | 2015-16 |
| Present Value of obligation as at the end of the period | 338,443 | 539,039 | 114,901 | 236,326 |
| Fair value of plan assets as at the end of the period | - | - | - | - |
| Net asset/ (liability) recognized in Balance Sheet | 338,443 | 539,039 | 114,901 | 236,326 |
| Funded Status | (338,443) | (539,039) | (114,901) | (236,326) |

Amounts to be recognized in Statement of Profit and Loss

| Particular | Gratuity | | Leave Encashment | |
|---|----------|-----------|------------------|---------|
| | 2016-17 | 2015-16 | 2016-17 | 2015-16 |
| Current Service Cost | 95,366 | 222,078 | 51,713 | 129,615 |
| Past Service Cost | Nil | Nil | Nil | Nil |
| Interest Cost | 40,426 | 63,385 | 17,724 | 25,673 |
| 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 | (96,068) | (140,361) | (54,142) | 7,015 |
| Expenses recognized in the Statement of Profit & Loss | 39,726 | 145,112 | 15,295 | 162,303 |

Current and Non-Current Liability:

| Particulars | Current Liability | | Non Current Liability | | Total Liability | |
|------------------|-------------------|---------|-----------------------|---------|-----------------|---------|
| | 2016-17 | 2015-16 | 2016-17 | 2015-16 | 2016-17 | 2015-16 |
| Gratuity | 6,293 | 7,408 | 332,150 | 531,631 | 338,443 | 539,039 |
| Leave Encashment | 3,758 | 8,031 | 111,143 | 228,295 | 114,901 | 236,326 |

- 2.24** The Company has amounts due to suppliers under The Micro, Small and Medium Enterprises Development Act 2006 as at March 31, 2017. The disclosure pursuant to the said Act is as under:

| Particulars | As at March 31, 2017 | As at March 31, 2016 |
|---|----------------------|----------------------|
| 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 | - | - |



2.25 Segment Reporting

The Company's operations predominantly relate to providing Call Center Services related services for international clients as well as domestic clients. Accordingly, segments have been identified in line with Accounting Standard on Segment Reporting 'AS-17'. Domestic Call Centre and Overseas Call Centre Services are primary business segments. Details of business segments are as follows:

| | Business Segments | | | | Total | |
|-------------------------|----------------------|---------------|----------------------|---------------|--------------|---------------|
| | Domestic Call Centre | | Overseas Call Centre | | | |
| | Current Year | Previous Year | Current Year | Previous Year | Current Year | Previous Year |
| Segment Revenue | | | | | | |
| Revenue From Operations | 15,000,000 | 24,000,000 | 17,077,978 | 36,063,615 | 32,077,978 | 60,063,615 |
| Segment Result | 9,787,916 | 17,617,616 | (9,774,077) | (17,984,218) | 13,839 | (366,602) |
| Unallocated Income | | | | | 22,250 | 648,258 |
| Profit Before tax | | | | | 36,088 | 281,656 |
| Deferred tax | | | | | - | - |
| Profit after tax | | | | | 36,088 | 281,656 |
| Other Information | | | | | | |
| Segment assets | 3,900,000 | 26,450,464 | 87,171,297 | 34,199,840 | 91,071,297 | 60,650,304 |
| Segment liabilities | 2,250,000 | 4,078,255 | 54,179,780 | 21,966,620 | 56,429,780 | 26,044,875 |
| Depreciation | - | - | 4,855,778 | 12,037,359 | 4,855,778 | 12,037,359 |
| Capital Expenditure | - | - | 1,564,526 | 3,184,806 | 1,564,526 | 3,184,806 |

2.26 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 | MN Venture 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 |
| | 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 2017 are as under:

| Particulars | Digicall Teleservices Private Limited | |
|--|---------------------------------------|------------|
| | Immediate Holding Company | |
| Relationship | 31-3-2017 | 31-3-2016 |
| Nature of Transaction:- | | |
| Interest Expenses | 500,680 | 938,114 |
| Services rendered (Income) | 15,000,000 | 24,000,000 |
| Debit Notes received (Expenses) | 2,459,401 | 5,906,121 |
| Payment made against Debit Notes | 2,459,401 | 5,906,121 |
| Loan/Advance Taken | 130,739,205 | 56,125,555 |
| Loan/Advance Repaid | 107,116,787 | 56,125,555 |
| Closing Balances | | |
| Sundry Debtors | NIL | 24,050,464 |
| Short Term Loan and Advance- Liabilities | 26,582,499 | NIL |

2.27 Disclosure on Specified Bank Notes (SBNs)

The required disclosure for specified bank notes or other denomination note held and transacted during the period from 8th November 2016 to 30th December 2016 as required in the MCA notification G.S.R 308(E) dated 30th March 2017 is as under :

| Particulars | SBNs* | Other Denomination Notes | Total |
|---|-------|--------------------------|--------|
| Closing Cash in Hand as on 8th Nov 2016 | - | 11,373 | 11,373 |
| Add: Receipts from Permitted Transactions | - | - | - |
| Less: Paid for Permitted transactions | - | - | - |
| Less: Paid for Imprest to Employees | - | 5,000 | 5,000 |
| Closing Cash in Hand as on 30th Dec 2016 | | 6373 | 6373 |

* For the purpose of this clause the term "Specified Bank Notes" shall have the same meaning as provided in the notification of Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O 3407(E) dated 8th November 2016.

- 2.28 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.



2.29 Loans & advances, trade receivables / payables and other current / non-current assets are reviewed annually and in the opinion of the Management do not have a value on realization in the ordinary course of business, less than the amount at which they are stated in the Balance Sheet.

The response to letters sent, requesting confirmation of balances has been insignificant. In the management's opinion, in the event of any disparity in the balances, any consequential adjustments required on reconciliation of the balances will not be material in relation to the financial statements of the Company and the same will be adjusted in the financial statements as and when the reconciliation is completed.

2.30 Previous year's figures have been regrouped, rearranged and reclassified, wherever necessary to conform to current year's classification.

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

Place: New Delhi

Date: 22nd May 2017



For and on behalf of the Board of Directors

Sunil Batra

Director

(DIN - 02188254)

Bharat Bhushan Chug

Director

(DIN - 00472532)