

KHANDELWAL JAIN & CO.

CHARTERED ACCOUNTANTS

BRANCH OFFICE:
GF-8 & 9, HANS BHAWAN,
1, BAHADUR SHAH ZAFAR MARG,
NEW DELHI-110 002

Tel.: 23370091, 23378795,
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INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF DIGICALL TELESERVICES PRIVATE LIMITED

1. Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **DIGICALL TELESERVICES PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2017, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

2. Management's Responsibility for the Standalone 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 standalone 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditor's Responsibility

Our responsibility is to express an opinion on these standalone 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 there under.

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 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



CHARTERED ACCOUNTANTS

policies used and the reasonableness of the accounting estimates made by 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 standalone financial statements.

4. 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 31st March, 2017 and its profit and its cash flows for the year ended on that date.

5. 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 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 Act, 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 Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under 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 March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of subsection (2) of Section 164 of the Companies Act, 2013.
 - (f) With respect to the adequate internal financial controls over financial reporting of the company and operating effectiveness of such controls, refer to our separate report in "Annexure-B"; and
 - (g) With respect to the other matters to be included in the Auditor's report in accordance with the 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 has disclosed the impact, if any, of pending litigations on its financial position in its financial statements-Refer note 22 to the financial statements;
 - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses -Refer note 22 to the financial statements;



- iii. There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv. The Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes ('SBN') during the period from 8th November 2016 to 30th December 2016 and these are in accordance with the books of accounts maintained by the Company. Refer note 29 to the financial statements.

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



Naveen Jain
Partner
Membership No: 511596



Place: New Delhi
Dated: 22nd May, 2017

KHANDELWAL JAIN & CO.

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ANNEXURE "A" TO THE AUDITORS' REPORT

Annexure referred to in paragraph 5(1) of the Independent Auditor's Report of even date to the Members of **DIGICALL TELESERVICES PRIVATE LIMITED** on the standalone financial statements for the year ended 31st March, 2017, we report that:

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

(b) All fixed assets have not been physically verified by the management during the year but there is a regular program of verification which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets and as informed, no material discrepancies were noticed on such verification.

(c) Company has not owned any immovable property. Accordingly, paragraph 3 (I) (c) of the order is not applicable.
- II. As the company does not have any inventory. Accordingly, paragraph 3 (II) (a), (b) and (c) of the order is not applicable.
- III. As per the information furnished, the company has not granted any loans, secured or unsecured to companies, firms and other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, paragraphs 3(iii) (a) and (b) of the order are not applicable.
- IV. In our opinion and according to the information and explanations given to us, the company has, in respect of loans, investments, guarantees, and security, complied with the provisions of section 185 and 186 of the Companies Act, 2013.
- V. According to the information and explanation given to us, the Company has not accepted any deposits.
- VI. According to the information and explanation given to us, the Central Government has not prescribed the maintenance of cost records u/s 148(1) of the Companies Act, 2013 for the products of the Company.
- VII. (a) According to the information and explanation given to us and records examined by us undisputed statutory dues including provident fund, employees' state insurance, Income-tax, Sales tax, Service Tax, Cess and other material statutory dues have not been regularly deposited with the appropriate authorities and there have been delays in large number of cases during the year ended 31st March 2017. According to information and explanation given to us, and as per the records examined by us, there are no undisputed amounts payable in respect of such statutory dues at the year end, for a period of more than six months from the date they became payable.

(b) According to the records of the company, there are no dues which have not been deposited on account of disputes.
- VIII. In our opinion and according to the information and explanations given to us and the books of accounts verified by us, the company has not defaulted in repayment of dues to financial institutions, banks, Government or dues to debenture holders.



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- IX. As per information given to us, no money was raised by way of initial public offer or further public offer (including debt instruments). Term loans taken during the year by the company has been prima facie used for the purpose for which it has been taken.
- X. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.
- XI. According to the information and explanation given to us and the books of accounts verified by us, the Managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with the Schedule V to the Companies Act.
- XII. The Company is not a Nidhi Company. Accordingly, paragraphs 3(xii) of the order is not applicable.
- XIII. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of Companies Act, 2013 where applicable and details of such transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.
- XIV. According to information and explanations given to us, the Company during the year has not made any preferential allotment as private placement of shares or fully or partly convertible debentures. Accordingly, paragraph 3(xiv) is not applicable.
- XV. According to the information and explanation given to us and certified by the management the company has not entered into any non-cash transaction with directors or persons connected with him.
- XVI. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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



Naveen Jain

Partner
Membership No: 511596



Place: New Delhi
Dated: 22nd May, 2017

KHANDELWAL JAIN & CO.

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ANNEXURE "B" TO THE AUDITOR'S REPORT

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

TO THE MEMBERS OF DIGICALL TELESERVICES PRIVATE LIMITED

We have audited the internal financial controls over financial reporting of **DIGICALL TELESERVICES PRIVATE Limited** ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone 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 control over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 the 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.

Auditor's 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 as specified 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 Institute of Chartered Accountants of India. 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 were 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 control 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 judgment, including the assessment of the risks of material misstatement of the standalone 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 internal financial controls system over financial reporting.



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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 standalone 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, 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 the 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; (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 at March 31, 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 KHANDELWAL JAIN & CO.
Chartered Accountants
Firm Registration No. 105049W



Naveen Jain
Partner
Membership No: 511596




Place: New Delhi
Dated: 22nd May, 2017

DIGICALL TELESERVICES PRIVATE LIMITED
(Formerly known as Pagepoint Services (India) Private Limited)
BALANCE SHEET AS AT MARCH 31, 2017

Particulars	Note No.	As at 31.3.2017	As at 31.3.2016
		Rs.	Rs.
I. EQUITY AND LIABILITIES			
1. Shareholders' Funds			
(a) Share Capital	1	545,000,000	270,000,000
(b) Reserve and Surplus	2	(222,125,223)	(226,669,982)
2. Non-Current Liabilities			
(a) Long Term Borrowings	3	9,345,314	279,561,619
(b) Long Term Provision	4	10,945,525	10,250,394
3. Current Liabilities			
(a) Short Term Borrowings	5	201,342,488	227,615,651
(b) Trade Payables	6	55,743,355	64,016,242
(c) Other Current Liabilities	7	176,342,896	184,663,573
(d) Short Term Provision	8	1,542,480	1,419,210
		778,136,835	810,856,707
II. ASSETS			
1. Non Current Assets			
(a) Fixed Assets			
- Tangible	9	157,433,583	162,448,362
- Intangible		7,111,265	6,261,310
(b) Non Current Investment	10	55,000,000	78,000,000
(c) Long Term Loans and Advances	11	88,549,642	92,474,847
2. Current Assets			
(a) Inventories		-	-
(b) Trade Receivable	12	147,912,622	221,843,357
(c) Cash and Bank Balances	13	6,193,661	1,836,632
(d) Short Term Loans & Advances	14	223,196,208	156,119,474
(e) Other Current Assets	15	92,739,854	91,872,725
		778,136,835	810,856,707
Significant Accounting Policies & Other Notes	1-36		

As per our report of even date attached
For Khandelwal Jain & Co
Chartered Accountants
Firm Regn. No. 105049W

For and on behalf of the Board


Naveen Jain
Partner
M.No. 511596




B.B. Chugh
Director
(DIN -472532)


Sunil Batra
Director
(DIN -02188254)


Sanjeet Kumar Sharma
Chief Finance Officer


Shubham Vedi
Company Secretary

Place : New Delhi
Date: 22nd May, 2017

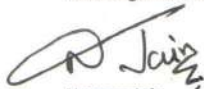
Place : New Delhi
Date: 22nd May, 2017

DIGICALL TELESERVICES PRIVATE LIMITED
(Formerly known as Pagepoint Services (India) Private Limited)
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2017

Particulars	Note No.	For the year ended 31.03.2017	For the year ended 31.03.2016
		Rs.	Rs.
1. Revenue from Operations	16	1,089,605,348	1,061,624,742
2. Other Income	17	2,090,652	4,566,964
3. Total Revenue (1+2)		1,091,696,000	1,066,191,706
4. Expenses			
Employees Benefit Expenses	18	635,656,921	642,111,428
Finance Cost	19	34,370,053	33,970,095
Depreciation & Amortization	9	54,572,172	90,607,309
Other Expenses	20	362,552,095	293,307,641
		1,087,151,241	1,059,996,473
5. Profit/ (Loss) before Extraordinary Items and Tax		4,544,759	6,195,233
6. Extraordinary Items		-	-
7. Profit/ (Loss) before Tax		4,544,759	6,195,233
8. Tax Expense		-	-
9. Profit/ (Loss) after tax		4,544,759	6,195,233
10. Earning per Equity Share			
Basic (Face value of Rs.10/- each)		0.11	0.23
Diluted (Face value of Rs.10/- each)		0.11	0.11
Significant Accounting Policies & Other Notes	1-36		


As per our report of even date attached
For Khandelwal Jain & Co
Chartered Accountants
Firm Regn. No. 105049W

For and on behalf of the Board


Naveen Jain
Partner
M.No. 511596




B.B. Chugh
Director
(DIN -472532)


Sunil Batra
Director
(DIN -02188254)


Sanjeet Kumar Sharma
Chief Finance Officer


Shubham Vedi
Company Secretary

Place : New Delhi
Date: 22nd May, 2017

Place : New Delhi
Date: 22nd May, 2017

DIGICALL TELESERVICES PRIVATE LIMITED
(Formerly known as Pagepoint Services (India) Private Limited)
CASH FLOW STATEMENT
for the year ended 31st March 2017

Particulars	2016-17	2015-16
	Rs.	Rs.
A. Cash flow from Operating Activities		
Net Profit before taxes	4,544,759	6,195,233
Adjustments for:		
Depreciation	54,572,172	90,607,309
Interest and Finance charges	33,049,655	32,270,887
Interest Income	(2,015,585)	(1,481,386)
Excess Provision W/ back	-	(1,833,235)
Amount Written Off	2,404,184	-
Net off Profit/ (Loss) on sale of assets	100,629	(911,454)
Loss on sale/Discard of assets	-	-
Prior period items	4,406,860	(191,925)
Bad debts written off	44,180,214	-
Operating Profit before working capital changes	141,242,888	124,655,429
Adjustments for:		
Trade and other receivables	(33,272,465)	(69,657,068)
Trade payables and other Current Liability	(16,796,250)	82,400,329
Gratuity and leave encashment Provision	818,401	707,561
Cash generated from operations	91,992,574	138,106,251
Prior period adjustment	(4,406,860)	191,925
Net cash from (used) in operating activities- (A)	87,585,714	138,298,176
B. Cash flow from investing activities		
Purchase of Fixed Assets	(61,630,323)	(37,058,097)
Change in Capital Advance	6,972,490	(42,541,433)
Purchase of ZOFCO	-	(23,000,000)
Sales of ZOFCO	23,000,000	-
Proceeds from sale and insurance claim of fixed assets	750,000	3,752,201
Change in Capex Creditors	-	-
Proceeds from sale of investment	-	-
Other Loans & advances and deposits	-	-
Interest Received	2,015,585	1,481,386
Net cash from (used) in investing activities - (B)	(28,892,248)	(97,365,943)
C. Cash from financing activities		
Share Capital	275,000,000	-
Proceeds from Long Term Borrowings	-	-
Proceeds from Short Term Borrowings	-	-
Repayment of Long Term Borrowings	(270,216,304)	46,658,550
Repayment of Short Term Borrowings	(26,273,163)	(76,508,740)
Interest Paid (Net)	(32,846,969)	(33,111,705)
Net cash from (used) in financing activities - (C)	(54,336,436)	(62,961,895)
Net increase in cash & cash equivalents (A+B+C)	4,357,029	(22,029,662)
Cash & Cash equivalent (Opening balance)	1,836,632	23,866,294
Cash & Cash equivalent (Closing balance)	6,193,661	1,836,632

Notes:-

- 1) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard - 3 Cash Flow Statement
- 2) Figures in brackets indicate cash outflow
- 3) Cash & Cash Equivalents represents:

Cash in Hand
Balances with Scheduled Banks
- In Current Accounts

Figure as at March 31,	Figure as at March 31,
2017	2016
130,611	427,179
6,063,050	1,409,453
6,193,661	1,836,632

As per our report of even date attached
For Khandelwal Jain & Co
Chartered Accountants
Firm Regn. No. 105049W

Naveen Jain
Naveen Jain
Partner
M.No. 511596



Place : New Delhi
Date : 22nd May, 2017

For and on behalf of the Board

BB Chugh
BB Chugh
Director
(DIN -472532)

Sanjit Kumar Sharma
Sanjit Kumar Sharma
Chief Finance Officer

Shubham Vedi
Shubham Vedi
Company Secretary

DIGICALL TELESERVICES PRIVATE LIMITED
(Formerly known as Pagepoint Services (India) Private Limited)

1. 'Share Capital'	As at 31.3.2017	As at 31.3.2016
	Rs.	Rs.
Authorised:		
55,000,000 (Previous year 44,000,000) Equity shares of Rs. 10/- each	550,000,000	440,000,000
1,000,000 (Previous year - 1,000,000) Redeemable Preference shares of Rs. 10/- each	10,000,000	10,000,000
	560,000,000	450,000,000
Issued, Subscribed and Paid up:		
54,500,000 (Previous year 27,000,000) Equity shares of Rs. 10/- each fully paid up	545,000,000	270,000,000
Nil(Previous year - 10,000) 7% Redeemable Preference Shares of Rs. 10/- each fully paid up		
Total	545,000,000	270,000,000

1.1 Reconciliation of Number of Equity Shares

Particulars	As at 31.3.2017 (No.)	As at 31.3.2016 (No.)
Opening No. of Equity Shares	27,000,000	27,000,000
Add: Additions	27,500,000	-
Closing No. of Equity Shares	54,500,000	27,000,000

1.2 Shareholders holding more than 5% Equity shares

Particulars		As at 31.3.2017	As at 31.3.2016
Media Matrix World Wide Limited	No. of Shares	47,599,900	20,099,900
	% of Holding	87.34%	74.44%
Media Matrix Holdings Pvt Ltd (Previously known as Digicall Holdings Pvt Ltd)*	No. of Shares	6,900,095	6,900,095
	% of Holding	12.66%	25.56%

* Media Matrix Holdings Pvt Ltd is 100% subsidiary of Media Matrix World Wide Limited. Accordingly, Company becomes 100% subsidiary of Media Matrix World Wide Limited

2. 'Reserves and Surplus'	As at 31.3.2017 (Rs.)	As at 31.3.2016 (Rs.)
Capital Reserve:		
Opening Balance	1,144,735,861	1,144,735,861
Changes during the year	-	-
Closing Capital Reserve	1,144,735,861	1,144,735,861
Profit & Loss Account:		
Opening Balance	(1,371,405,843)	(1,377,601,076)
Add : Carrying amount of the assets where the remaining useful life is NIL, as per schedule II of Companies Act, 2013	-	-
Add: Net Profit/(Loss) during the year	4,544,759	6,195,233
Closing Profit & Loss	(1,366,861,084)	(1,371,405,843)
Total	(222,125,223)	(226,669,982)



DIGICALL TELESERVICES PRIVATE LIMITED
(Formerly known as Pagepoint Services (India) Private Limited)

3. 'Long Term Borrowings'	As at 31.3.2017 (Rs.)	As at 31.3.2016 (Rs.)
Secured, From Bank		
Vehicle Loans (Refer Note 3.1 below)	137,374	1,178,003
Term Loan From Andhra Bank (Refer Note 3.2 below)	-	3,383,616
Secured, From Other		
Term Loan From Cisco Systems Capital India Pvt Ltd (Refer Note 3.2A below)	7,989,146	-
Unsecured		
Nil (Previous Year - 202,157) 0% Compulsarily Convertible Debentures of Rs.1,000 each (Refer Note 3.3 below)	-	275,000,000
Term Loan From Tata Capital Financial Services Ltd (Refer Note 3.4)	1,218,794	-
Total	9,345,314	279,561,619

3.1 Vehicle Loans

Vehicle Loan from ICICI Bank @ 10.49 % P.A. is secured by way of hypothecation of car. Loan is repayable on 36 monthly installments of Rs.49,280/- each.

Repayment Schedule

Financial Year	As at 31.3.2017 (Rs.)	As at 31.3.2016 (Rs.)
2016-17	-	739,369
2017-18	502,121	824,102
2018-19	137,374	353,901

3.2 Andhra Bank Term (Rate of Interest -13.00%)

Term Loan from Bank is secured by way of hypothecation of fixed assets acquired from term loan. First charge on the entire fixed assets of the Company present & future excluding Vehicle & lease hold Improvemnts financed by other Banks and Pledge of Videocon shares belonging to M/s Infotel Telecom Infrastructure Pvt Ltd., and proposed additional shares of Media Matrix World Wide Ltd (Holding Company). Further secured by Corporate Guarantee of Media Matrix Worldwide Limited and Infotel Telecom Infrastructure Private Limited.

Repayment Schedule

Financial Year	As at 31.3.2017 (Rs.)	As at 31.3.2016 (Rs.)
2016-17	-	11,904,443
2017-18	3,068,923	3,383,616

3.2A Cisco System Capital India Private Limited (Term Loan) (Rate of Interest -10.646%)

Term Loan from Cisco System India Private Limited is secured by Fixed assets financed by Cisco Systems India Limited together with the all records, documents and instruments which represents such fixed assets together with all benefits, rights and incidentals attached thereto as security for repayment.

Repayment Schedule

Financial Year	As at 31.3.2017 (Rs.)
2017-18	6,113,579
2018-19	6,787,324
2019-20	1,201,823

3.3 CCD

- a) The CCDs will be compulsarily converted into equity shares after 9 years from the date of allotment at Book Value or Face Value of Equity Shares at the time of conversion, whichever is higher.
- b) The CCDs shall remain unsecured throughout and shall not carry any rights of a lender against the company.

3.4 Tata Capital Finance Services Limited (Term Loan) (Rate of Interest -18%)

Term Loan from Tata Capital Finance Services Limited is unsecured Business Loan payable in eighteen monthly installments of Rs. 255,223.

Repayment Schedule

Financial Year	As at 31.3.2017 (Rs.)
2017-18	2,570,605
2018-19	1,218,794

4. 'Long Term Provision'	As at 31.3.2017 (Rs.)	As at 31.3.2016 (Rs.)
Provision for employee benefit		
Gratuity	8,652,095	8,143,329
Leave Encashment	2,293,430	2,107,065
Total	10,945,525	10,250,394



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5. 'Short Term Borrowings'	As at 31.3.2017 (Rs.)	As at 31.3.2016 (Rs.)
Secured Loan from Bank		
Working Capital Facility(Refer Note 5.1)	173,989,760	153,575,093
Short Term Loan From Andhra Bank (Refer Note 5.2)	-	30,000,000
Unsecured Loan from Others		
Loans from Holding Company	-	-
Loans from Bodies Corporate ((Refer Note 5.3)	27,352,728	44,040,558
Total	201,342,488	227,615,651

5.1 Working Capital facility from Bank @ 13.25% interest rate and secured by Hypothecation of Book Debts, First charge on the entire fixed assets of the Company present & future excluding Vehicle & lease hold Improvemnts financed by other Banks and Pledge of Videocon shares belonging to M/s Infotel Telecom Infrastructure Pvt Ltd. Further secured by Corporate Guarantee of Media Matrix Worldwide Limited and Infotel Telecom Infrastructure Private Limited.

5.2 Short Term Loan from Andhra Bank @ 13.75% interest rate and secured by Hypothecation of Current Assets of the Company and TDS Receivables, First charge on the entire fixed assets of the Company present & future excluding Vehicle & lease hold Improvemnts financed by other Banks and pledge of Videocon shares belonging to M/s Infotel Telecom Infrastructure Pvt Ltd. Further secured by Corporate Guarantee of Media Matrix Worldwide Limited and Infotel Telecom Infrastructure Private Limited.

5.3 Unsecured Loans from Bodies Corporate are repayable on demand and having interest @ 0% to 12% p.a..

Parties	As at 31.3.2017 (Rs.)	As at 31.3.2016 (Rs.)
Kamlesh Mercantile Credit Private Limited	-	12,500,000
Ivory Consultants Private Limited	5,000,000	5,000,000
Shreshth Builders Private Limited	-	10,000,000
Express Vanijya Private Ltd	5,000,000	5,000,000
Ritesh Nirman Pvt Ltd	5,000,000	5,000,000
Parmesh Finlease Limited	-	-
Mpurse services private limited (Formerly Known as HotlineCall Centre Solution Private Limited)	-	4,187,830
Rupali Trade Holdings India Pvt Ltd	5,000,000	-
Charisma Enclave Pvt Ltd	5,000,000	-
Tribhuvan Finance Pvt Limited	2,352,728	2,352,728
Total	27,352,728	44,040,558

6. 'Trade Payables'	As at 31.3.2017 (Rs.)	As at 31.3.2016 (Rs.)
Micro, Small and Medium Enterprises*	-	-
Other	55,743,355	64,016,242
Total	55,743,355	64,016,242

* Under the Micro, Small and Medium Enterprises Development Act, 2006, which came into force from October 02, 2006, certain disclosures are required to be made relating to Micro, Small and Medium Enterprises. Based on the information available with the Company there are no principal / interest amounts due to micro, small and medium enterprises.



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Note - 9 - Fixed Assets

Particulars	Original Cost			Depreciation			Net Book Value	
	As at	Additions	Deletions/ Adjustments*	As at	For the Year	Deletions/ Adjustments	As at	As at
	01.04.2016 Rs.	Rs.	Rs.	31.03.2017 Rs.	Rs.	Rs.	31.03.2017 Rs.	31.03.2016 Rs.
Tangible Assets								
Plant and Machinery	168,082,492	-	-	168,082,492	-	-	168,082,492	-
Office Equipment	238,039,093	42,973,484	1,850,935	279,161,642	29,641,058	887,769	219,611,704	59,549,938
Computers	218,494,283	1,741,950	15,597,516	204,638,717	9,850,509	13,637,629	191,469,387	23,237,776
Furniture and Fixtures	143,060,468	14,267,688	11,232,312	146,095,844	12,842,445	2,932,390	64,054,124	88,916,400
Leasehold Improvements	22,690,373	-	-	22,690,373	-	-	22,690,373	-
Vehicles	4,042,376	-	-	4,042,376	440,914	-	1,369,781	2,672,595
Total Tangible Assets	794,409,085	58,983,122	28,680,763	824,711,444	52,774,926	17,457,788	157,433,583	162,448,362
Intangible Asset								
Computer Software	8,246,402	2,647,201	-	10,893,603	1,797,246	-	3,782,338	6,261,310
Total Intangible Assets	8,246,402	2,647,201	-	10,893,603	1,797,246	-	3,782,338	6,261,310
Grand Total	802,655,487	61,630,323	28,680,763	835,605,047	54,572,172	17,457,788	671,060,199	168,709,672
Previous Year	779,136,725	37,058,097	13,539,335	802,655,487	90,607,309	10,698,588	633,945,815	225,099,631

* During the year on 10th June, 2016 fire took place in the Company and Fixed Assets of Gross Block Rs. 2,86,80,763 having Book Value Rs. 1,12,22,975 was destroyed against which Insurance Claim was received for Rs. 1,03,72,346 resulting into loss of Rs. 1,00,629.



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7. 'Other Current Liabilities'	As at 31.3.2017 (Rs.)	As at 31.3.2016 (Rs.)
Current Maturities of Long Term Debts		
- Vehicle Loans	502,121	739,369
- Term Loan Andhra Bank	3,068,923	11,904,443
- Term Loan Cisco Capital	6,113,579	-
- Term Loan Tata Capital	2,570,605	-
Book Overdraft	2,481,216	2,612,125
Interest accrued and due*	267,778	65,096
Statutory Liabilities	97,745,240	106,993,792
Salary and other payable to employees	40,731,799	49,004,357
Expenses Payable	10,034,391	7,042,147
Capex Creditors	12,827,244	6,302,244
Total	176,342,896	184,663,572

* Interest amounting to 2,67,778 (Previous year Rs. 65,096/-) due on 31.03.2017 has not been paid till date.

8. 'Short Term Provision'	As at 31.3.2017 (Rs.)	As at 31.3.2016 (Rs.)
Provision for employee benefit		
Gratuity	442,001	281,057
Leave Encashment	1,100,479	1,138,153
Total	1,542,480	1,419,210

10. 'Non-Current Investments'	As at 31.3.2017 (Rs.)	As at 31.3.2016 (Rs.)
Trade Investment - Unquoted (at Cost)		
In Wholly owned Subsidiary		
Digicall Global Private Limited	55,000,000	55,000,000
- 55,00,000 (Previous year 55,00,000 shares) fully paid up equity shares of Rs. 10/- each.		
In Fellow Subsidiary		
NexG Devices Private Limited *	-	23,000,000
- 230,000 (Previous year 230,000) fully paid up ZOFC D of Rs. 100/- each.		
Total	55,000,000	78,000,000

* During the year ZOFC Ds were redeemed at par by the Company.

11. 'Long Term Loans & Advances'	As at 31.3.2017 (Rs.)	As at 31.3.2016 (Rs.)
Unsecured but considered good		
Capital Advance	35,568,943	42,541,433
Security Deposits	52,980,699	49,933,414
Total	88,549,642	92,474,847

12. 'Trade Receivable'	As at 31.3.2017 (Rs.)	As at 31.3.2016 (Rs.)
Unsecured Debts outstanding for a period exceeding six months		
Considered good	12,380,929	51,939,190
Considered Doubtful	-	1,387,484
Others		
Considered good	135,531,693	169,904,167
Considered Doubtful	-	-
	147,912,622	223,230,841
Less Provision for Doubtful Debts	-	1,387,484
Total	147,912,622	221,843,357



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13. 'Cash and Bank Balance'	As at 31.3.2017 (Rs.)	As at 31.3.2016 (Rs.)
Cash and cash Equivalents'		
Cash on Hand	130,611	427,179
Balance with Scheduled Banks in Current Accounts	6,063,050	1,409,453
Total	6,193,661	1,836,632

14. 'Short Term Loans & Advances'	As at 31.3.2017 (Rs.)	As at 31.3.2016 (Rs.)
Unsecured, goods Advances		
-To Related parties (Refer Note No. 14.1)	26,582,499	-
-To Bodies Corporate (Refer Note No. 14.2)	54,110,281	76,186,948
Advances to Vendor	7,010,468	6,633,316
Advances recoverable in cash or kind	2,653,351	3,118,977
Insurance Claim Recoverable*	10,372,346	-
Balances with Service Tax Authorities	6,415,517	917,508
Advance Tax- TDS	116,051,746	69,262,725
Total	223,196,208	156,119,474

*Same has been approved by the Authority and subsequently received on 4th April.

14.1 Advances to Related parties	As at 31.3.2017 (Rs.)	As at 31.3.2016 (Rs.)
Subsidiary Company		
Digicall Global Private Limited	26,582,499	-
Total	26,582,499	-

14.2 Advances to Bodies Corporate	As at 31.3.2017 (Rs.)	As at 31.3.2016 (Rs.)
Infotel Business Solutions Ltd	-	20,549,195
Infotel Technologies Pvt Ltd	25,646,732	21,495,083
Digivision Entertainment Pvt Ltd	-	13,803,402
Parmesh Finlease Limited	12,549,281	-
Smart Digivision Pvt Limited	15,914,268	20,339,268
Total	54,110,281	76,186,948

15. 'Other Current Assets'	As at 31.3.2017 (Rs.)	As at 31.3.2016 (Rs.)
Unbilled Revenue	92,739,854	91,872,725
Total	92,739,854	91,872,725



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16. 'Revenue from Operation'	For the year ended 31.3.2017 Rs.	For the year ended 31.3.2016 Rs.
Service charges from call center	1,089,605,348	1,061,624,742
Total	1,089,605,348	1,061,624,742

17. 'Other Income'	For the year ended 31.3.2017 Rs.	For the year ended 31.3.2016 Rs.
Interest on fixed deposit	-	15,511
Interest on Income tax refund	-	-
Other Interest	2,015,585	1,465,875
Other Non Operating Income:		
Sundry Balances written back (net)	-	1,833,235
Sale of Scrap	75,067	148,964
Prior Period Items	-	191,925
Profit on Sale of Fixed Assets (net)	-	911,454
Total	2,090,652	4,566,964

18. 'Employees Benefit Expenses'	For the year ended 31.3.2017 Rs.	For the year ended 31.3.2016 Rs.
Salaries & Wages	568,862,365	575,760,976
Contribution to provident and other funds		
Provident Fund	16,634,481	18,306,582
ESI	18,948,525	19,880,682
Gratuity	2,449,166	1,088,049
Leave Encashment	1,055,294	975,517
Staff Welfare & other benefits	27,707,090	26,099,622
Total	635,656,921	642,111,428

19. 'Finance Cost'	For the year ended 31.3.2017 Rs.	For the year ended 31.3.2016 Rs.
Interest Expense		
'-On Bank	25,240,473	23,943,941
'-On Others	7,809,182	8,326,946
Bank charges	1,320,398	1,699,208
Total	34,370,053	33,970,095

20. 'Other Expenses'	For the year ended 31.3.2017 Rs.	For the year ended 31.3.2016 Rs.
Payments to auditors:		
-Statutory Audit Fees	675,000	525,000
-Tax Audit Fees	125,000	125,000
-Other Services Fees	100,000	100,000
-Out of Pocket Expenses	62,944	19,013
Advances / deposit written off	2,404,184	-
Prior Period Items	4,406,860	-
Electricity & Water charges	58,321,131	64,208,638
Rent & hiring charges	75,544,114	83,121,838
Rates & taxes	10,798,051	8,888,273
Recruitment Expenses	2,066,017	4,616,664
Insurance charges	334,986	194,885
Repair & maintenance		
- Equipment	15,754,754	16,825,910
- Building	39,466	1,860,676
- Others	13,805,314	10,129,377
Communication expenses	8,454,730	9,435,748
Travelling, conveyance & vehicle expenses	11,017,566	17,234,594
Printing & stationery	2,324,362	2,952,870
Legal & professional charges	75,941,597	39,089,178
Service Charges	29,679,845	25,095,909
Bad Debts	44,180,214	-
Provision for Doubtful Debts	-	1,387,484
Sales Incentive/ Commission	-	30,000
Business Promotion/Advertisement	1,080,440	1,010,985
Port rental charges	4,731,530	5,643,616
Other expenses	603,361	811,983
Loss on Sale of assets	100,629	-
Total	362,552,095	293,307,641



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21. Significant Accounting Policies

The financial statements are prepared under the historical cost convention on the accrual basis of accounting and comply with the mandatory accounting standards and statements issued by the Institute of Chartered Accountants of India. The significant accounting policies followed by the Company are set out below.

a) Fixed assets and depreciation

Fixed assets are stated at cost less accumulated depreciation. The cost of fixed assets includes the cost of purchase/construction of the assets and all incidental expenditure incurred in bringing the assets to their working condition for intended use. Fixed assets purchased in foreign currency are recorded at the actual rupee cost incurred.

Depreciation on fixed assets other than leasehold improvements is provided on the straight line method at the rates and in the manner specified in Schedule II to the Companies Act, 2013. Leasehold improvements are written off over the primary period of the lease.

b) Impairment

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

c) License fees

The license fee payable to the Department of Telecommunications (DOT) to set up and operate radio paging services in limited areas for a limited period of time was representative of a valuable right and such payments made to acquire the right were capitalised by the Company until 31 March 1999 and amortised over the remaining period of the license.

The DOT vide its letter dated 25 January 2000, revised the license fees for the years IV and V. The license fees from IVth year onwards has been provisionally fixed by the DOT as a percentage of revenue earned and consequently the fees for these years are being charged to revenue in the respective year.

d) Inventories

Inventories are valued at lower of cost and net realizable value. Cost refers to the actual cost of purchase of inventories calculated on a first in first out basis and is inclusive of all duties and taxes.

e) Foreign Currency Transactions

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

Monetary items denominated in foreign currency at the year-end are translated at the year-end rate.

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



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f) Revenue recognition

The Company drives its revenue primarily from business process services, which are provided on both time and fixed-price and call basis. Such revenues are recognized as the services are provided. The Company recognizes revenue and unbilled receivables for the services rendered between the last billing date and the Balance Sheet Date.

g) Investments

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

Long term investments are shown at cost. Provision for diminution is made only if; in the opinion of the management such a decline is other than temporary.

h) Lease Assets

Finance lease or similar arrangements, which effectively transfer to the company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized and disclosed as leased assets. Finance charges are charged directly against income.

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

i) Short Term Employee Benefits

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

j) Long Term Employee Benefits

Defined Contribution plan

i. Provident Fund and employees' state insurance schemes

All employees of the Company are entitled to receive benefits under the Provident Fund, which is a defined contribution plan. Both the employee and the employer make monthly contributions to the plan at a predetermined rate (presently 12%) of the employees' basic salary. These contributions are made to the fund administered and managed by the Government of India. In addition, some employees of the Company are covered under the employees' state insurance schemes, which are also defined contribution schemes recognized and administered by the Government of India.

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



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ii. Gratuity

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

Other long term benefit

iii. Leave Encashment

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

k) Borrowing Costs

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

l) Taxation

Tax expense comprises of current and deferred. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. If the Company has carry forward of unabsorbed depreciation and tax losses, deferred tax assets are recognised only if there is virtual certainty that such deferred tax assets can be realised against future taxable profits. Unrecognised deferred tax assets of earlier years are re-assessed and recognised to the extent that it has become reasonably certain that future taxable income will be available against which such deferred tax assets can be realised.

m) Earnings Per Share

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

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.



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n) Provision, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is provable that there will be a out flow of resources. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the Financial Statements.

o) Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

22. Contingent Liabilities not provided for in respect of

S. No.	Particulars	As at 31.03.2017	As at 31.03.2016
(a)	Guarantees given by the bank on behalf of the company	100,000	100,000
(b)	Liability of licence fees	30,282,000	30,282,000
(c)	Interest on licence fees	38,831,040	35,197,200
(d)	Claims against Company not acknowledge as Debt	27,00,000	27,00,000
(e)	Capital Commitment (Net off Advances)	65,11,090	23,614,564

Notes:

- a. DoT vide its letter No 843-26/99-BS-III dated 26.4.2004 has offered a relief package to all Radio Paging Service Operators. Under the relief package the fixed licence fee regime for city radio licence paging is waived off from the third payment year i.e. after expiry of two calendar years from the date of delivery of services. From such date of commencement of third year, the licence fee will be charged @ 5% of Adjusted Gross Revenue (AGR). Licence period after accepting relief package is automatically extended to next 10 years as per relief package. The Company has given a proposal for accepting of the relief package on 24.8.2004 to DoT. While accepting relief package, company had conveyed to retain the paging licence for Bangalore city only. The DoT has refused to accept the conditional acceptance of relief package for Mumbai /Pune/ Hyderabad as the company had shown their reluctance to retain the licence for these cities. However in the absence of acceptance of DoT for Bangalore circle, the Company has taken the legal opinion and as per legal opinion since the conditional acceptance for Mumbai, Pune and Hyderabad is not accepted by DOT it may be treated as acceptance of relief package by DOT for Bangalore city. Accordingly effect of the relief package is taken in to account in respect of Bangalore city. Further, the Company vide their letter dated 27.11.2009 has informed DoT that the Company has surrendered their Paging licence w.e.f. 1st Jan 2010. In absence of any demand from DOT towards payment of liability the Company has reversed licence fees liability of Rs. 302.82lacs along with interest liability of Rs. 224.79 lacs and shown as contingent liability. The interest liability will increase by 12% per annum. Demand arising if any, in future for payment of licence fee shall be accounted for on actual settlement.



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- b. The suit filed by M/s Grace Foundation Trust the landlord, is pending against the company for recovery of damages for the tenant premises 1501, Hemkunt Chamber, Nehru Place New Delhi, which we had vacated in July 2010. The landlord is claiming damages for the period of 01/12/2007 to 31/07/2010, amounting to Rs. 1,30,80,000/- after adjusting the rent paid by the company. However, we are contesting the case having taken many legal objections and strong defense supported by documents. We will bring to the notice of the court the clause 27 of the registered Lease Agreement dated 27/02/2005 wherein the landlord is entitled to claim only Rs. 1,50,000/- p.m. as market rent/ damages. Thus, even as per the maximum damages for the period 01/12/2007 to 31/07/2010 i.e. for 30 months the landlord can claim only Rs. 48,00,000/- which after adjusting the amount of Rs. 21,00,000/- already paid, only a sum of Rs. 27,00,000/- would be payable.
- c. The Company's pending litigations comprise of claims against the Company and proceedings pending with Tax Authorities / Statutory Authorities. The Company has reviewed all its pending litigations and proceedings and has made adequate provisions, wherever required and disclosed the contingent liabilities, wherever applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a material impact on its financial position.
- d. 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.
- e. As at March 31, 2017 the Company did not have any outstanding long term derivative contracts.
23. The Company has carried out Impairment Test on its Fixed Assets as on 31.3.2017 and the Management is of the opinion that there is no asset for which impairment is required to be made as per Accounting Standard-28 on Impairment of Assets issued by ICAI . (Previous year Rs. Nil).

24. Operating Lease

The Company has entered into operating lease arrangements for certain facilities and office premises. The leases are non-cancellable and are for a period of 1 to 9 years and may be renewed for a further period based on mutual agreement of the parties. Some of these lease agreements have price escalation clauses.

Future Minimum Lease Payments

Period	As at 31.03.2017 (Rs.)	As at 31.03.2016 (Rs.)
Not later than 1 year	54,415,388	51,284,783
Later than 1 year and not later than 5 years	189,643,565	21,799,723
Later than 5 years	-	7,141,500

Lease payments recognised in the Statement of Profit and Loss **Rs.75,544,114/-** (PY Rs. 83,121,838/-).

25. Deferred tax Assets/Liabilities

In view of there not being any certainty at this stage of realizing the unabsorbed depreciation and carried forward losses, the net deferred tax assets computed in accordance with Accounting Standard (AS)-22 on " Accounting for taxes on income" issued by the Institute of Chartered Accountants of India has not been recognized in these accounts.



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26. Earnings per Share

Particulars	Amount(Rs.) Year ended 31.3.2017	Amount(Rs.) Year ended 31.3.2016
Profit / (Loss) as per Statement of Profit & loss attributable to ordinary Share Holders	4,544,759	6,195,233
Weighted average number of ordinary shares	41,013,699	27,000,000
Nominal value of ordinary share	10	10
Basic Earnings (Loss) per Share	0.11	0.23
Diluted Earnings (Loss) per Share*	0.11	0.11

* Potentially equity shares are anti-dilutive when their conversion to equity shares would increase earnings per share from continuing ordinary activities or decrease loss per share from continuing ordinary activities. The effects of anti-dilutive potential equity shares are ignored in calculating diluted earnings per share. For diluted EPS, CCD considered as to be converted at face value of equity share.

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

Defined Contribution Plan

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

Particulars	Year ended 31.3.2017 Amount (Rs.)	Year ended 31.3.2016 Amount (Rs.)
Employer's Contribution to Provident Fund	16,634,481	18,306,582
Employer's Contribution to Employees State Insurance	18,948,525	19,880,682

Defined Benefit Plan

The employees' gratuity fund scheme managed by the Company itself. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises 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 matter as gratuity.



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A. GRATUITY

Particulars	Year ended 31.3.2017 (Amount in Rs.)	Year ended 31.3.2016 (Amount in Rs.)
a. Changes in Present Value of Obligations		
i. Present Value at the beginning of the year	8,424,386	7,649,207
ii. Interest Cost	631,829	613,613
iii. Current Service Cost	3,271,826	2,923,941
iv. Benefits Paid	(1,779,456)	(312,870)
v. Actuarial (gain)/loss on obligations	(1,454,489)	(2,449,505)
vi. Present Value at the end of the period	9,094,096	8,424,386
b. Actuarial gain/loss recognized		
i. Actuarial (gain)/loss for the period – obligation	(1,454,489)	(2,449,505)
ii. Actuarial (gain)/loss for the period –plan asset	Nil	Nil
iii. Total (gain)/loss for the year	(1,454,489)	(2,449,505)
iv. Actuarial (gain)/loss recognized in the period	(1,454,489)	(2,449,505)
v. Unrecognized actuarial (gains)/losses at the end of the year	Nil	Nil
c. Amounts to be recognized in the Balance Sheet and Statement of Profit & Loss		
i. Present Value at the end of the period	9,094,096	8,424,386
ii. Fair value of plan assets at the end of the period	Nil	Nil
iii. Difference (Funded Status)	(9,094,096)	(8,424,386)
iv. Unrecognized Actuarial (Gains)/Losses	Nil	Nil
v. Net Asset/(Liability) recognized in the Balance Sheet	(9,094,096)	(8,424,386)
d. Expenses recognized in the Statement of Profit & Loss		
i. Current Service Cost	3,271,826	2,923,941
ii. Past Service Cost	Nil	Nil
iii. Interest Cost	631,829	613,613
iv. Expected return of plan assets	Nil	Nil
v. Curtailment cost / (credit)	Nil	Nil
vi. Settlement cost / (credit)	Nil	Nil
vii. Net Actuarial (gain) / loss recognized in the period	(1,454,489)	(2,449,505)
viii. Expenses recognized in the Statement of Profit & Loss	2,449,166	1,088,049



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B. LEAVE ENCASHMENT

Particulars	Year ended 31.3.2017 (Amount in Rs.)	Year ended 31.3.2016 (Amount in Rs.)
a. Changes in Present Value of Obligations		
i. Present Value at the beginning of the year	3,245,218	3,312,836
ii. Interest Cost	243,391	265,753
iii. Current Service Cost	1,048,309	1,069,970
iv. Benefits Paid	(906,603)	(1,043,134)
v. Actuarial (gain)/loss on obligations	(236,406)	(360,270)
vi. Present Value at the end of the period	3,393,909	3,245,218
b. Actuarial gain/loss recognized		
i. Actuarial (gain)/loss for the period – obligation	(236,406)	(360,270)
ii. Actuarial (gain)/loss for the period – plan asset	Nil	Nil
iii. Total (gain)/loss for the year	(236,406)	(360,270)
iv. Actuarial (gain)/loss recognized in the period	(236,406)	(360,270)
v. Unrecognized actuarial (gains)/losses at the end of the year	Nil	Nil
c. Amounts to be recognized in the Balance Sheet and Statement of Profit & Loss		
i. Present Value at the end of the period	3,393,909	3,245,218
ii. Fair value of plan assets at the end of the period	Nil	Nil
iii. Difference (Funded Status)	(3,393,909)	(3,245,218)
iv. Unrecognized Actuarial (Gains)/Losses	Nil	Nil
v. Net Asset/(Liability) recognized in the Balance Sheet	(3,393,909)	(3,245,218)
d. Expenses recognized in the Statement of Profit & Loss		
i. Current Service Cost	1,048,309	1,069,970
ii. Past Service Cost	Nil	Nil
iii. Interest Cost	243,391	265,753
iv. Expected return of plan assets	Nil	Nil
v. Curtailment cost / (credit)	Nil	Nil
vi. Settlement cost / (credit)	Nil	Nil
vii. Net Actuarial (gain) / loss recognized in the period	(2,36,406)	(360,207)
viii. Expenses recognized in the Statement of Profit & Loss	1,055,294	975,516



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C. ACTUARIAL ASSUMPTIONS

Particulars	YEAR ENDED 31.3.2017		YEAR ENDED 31.3.2016	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Discount Rate	7.50%	7.50%	8.00%	8.00%
Rate of increase in compensation levels	5.50%	5.50%	5.50%	5.50%
Average remaining working lives of employees (years)	33.3	33.3	33.7	33.7

28. As required by Accounting Standard 18 "Related Party Disclosures"

i) Name of related parties and description of relationship are given below:-

Name	Relationship
Digivision Holding Private Limited	Ultimate Holding Company
Media Matrix World Wide Limited	Immediate Holding Company
Digicall Global Private Limited	Subsidiary Companies
Media Matrix Enterprises Private Limited (Formerly known as Media Matrix Holding Private Limited)	Fellow Subsidiary Companies
Digivive Services Private Limited	Fellow Subsidiary Companies
NexG Devices Private Limited	Fellow Subsidiary Companies
Digivision Wireless Private Limited	Fellow Subsidiary Companies
Mr. Sunil Batra, Managing Director	Key Management Personnel *
Mr. Sanjeet Kumar Sharma, Chief Finance Officer	Key Management Personnel *

ii) Nature of transactions: -The transactions entered into with the related parties during the year along with outstanding balances as at 31st March 2016 are as under:

(In Rupees)

Particulars	Immediate Holding	Subsidiary	Fellow Subsidiary
Issue of 0% Compulsorily Convertible Debentures (CCDs)	Nil (72,843,000)	Nil (Nil)	Nil (Nil)
Conversion of 0% Compulsorily Convertible Debentures (CCDs) into Equity Share	275,000,000 (Nil)	Nil (Nil)	Nil (Nil)
Issue of Equity Share through conversion of 0% Compulsorily Convertible Debentures (CCDs)	275,000,000 (Nil)	Nil (Nil)	Nil (Nil)
Interest/Commission Exps	45,205 (Nil)	Nil (Nil)	777,741 (Nil)
Interest/Commission Income	Nil (Nil)	500,680 (938,114)	Nil (Nil)
Debit Note raised by us	Nil (25,200)	2,459,401 (5,906,121)	Nil (Nil)
Debit Note raised on us	Nil (Nil)	Nil (Nil)	Nil (60,652)
Rendering of Services	Nil (Nil)	Nil (Nil)	Nil (959,225)



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Services Taken	Nil (Nil)	15,000,000 (24,000,000)	Nil (Nil)
Loans Taken (Liability)	7,500,000 (45,535)	Nil (Nil)	123,020,000 (Nil)
Loans Repaid	7,500,000 (72,843,000)	Nil (Nil)	123,020,000 (Nil)
Loans Given (Assets)	Nil (Nil)	130,739,205 (56,125,555)	Nil (Nil)
Amount Paid against other Payable	Nil (25,200)	Nil (Nil)	60,652 (Nil)
Amount Recovered against debit note/Services	Nil (Nil)	2,459,401 (5,906,121)	Nil (2,385,714)
Amount Received against Loans and Advance Receivable	Nil (Nil)	107,116,787 (56,125,555)	Nil (Nil)
Closing Balances at the Year End			
Debtors	Nil (Nil)	Nil (Nil)	Nil (597,365)
Loans and Advances Receivable	(Nil) (Nil)	26,582,499 (Nil)	Nil (Nil)
Other Payable	(Nil) (Nil)	Nil (24,050,464)	Nil (60,652)

*Director Remuneration shown in Note No 33 below

* Chief Finance Officer Remuneration in Note No 34 Below

Figures in Bracket shown previous Year

iii) Details of Transactions:-

• **Details of Interest Paid raised by us are as follows:-**

➤ **Fellow Subsidiary Company**

NexG Devices Pvt. Limited – Rs. 777,741/- (Previous Year – Nil).

• **Details of Debit Notes raised on us are as follows:-**

➤ **Fellow Subsidiary Company**

NexG Devices Pvt. Limited – Nil (Previous Year – Rs. 60,652).

• **Details of Services rendered are as follows:-**

➤ **Fellow Subsidiary Company**

Digivive Services Private Limited – Nil (Previous Year – Rs. 959,225)

• **Details of Loans taken from Related Companies are as follows:-**

➤ **Fellow Subsidiary Company**

NexG Devices Private Limited – Rs. 123,020,000 (Previous Year – Nil)



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- **Details of Loans Repaid to Related Companies are as follows:-**
 - **Fellow Subsidiary Company**
NexG Devices Private Limited – Rs. 123,020,000 (Previous Year – Nil)
- **Details of Amount Recovered Against Debit Note and Services Rendered**
 - **Fellow Subsidiary**
Digivive Services Private Limited – Rs. 597,365 (Previous year – Rs. 2,385,714)
- **Detail of Amount Outstanding at the end of the year**
 - **Fellow Subsidiary**
Debtors Include Nil (Previous year Rs. 597,365) due from Digivive Services Private Limited.
Other Payable Include Nil (Previous year Rs. 60,652) due to NexG Devices Private Limited.

Notes: Related party relationship transactions are as identified by the company and relied upon by the auditors.

29. 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 08.11.2016	608,500	86,717	695,217
(+) Permitted receipts	-	12,94,600	12,94,600
(-) Permitted payments	-	1,116,840	1,116,840
(-) Amount deposited in Banks	608,500	350	608,850
Closing cash in hand as on 30.12.2016	-	264,127	264,127

30. Segment Reporting

(a) Primary (Business) Segment

The Company's operations primarily and only relate to providing of call centre services and there is no separate reportable segment as per Accounting Standard (AS) 17 on segment reporting.

(b) Secondary (Geographical) Segment

The Company caters only to the needs of Indian market and there is no export revenue. Hence, there are no reportable geographical segments.

- 31.** The outstanding balances of some of Trade Receivables, Trade Payables, Deposits, Advances and Other Current Assets/ Liabilities are subject to confirmation and reconciliation, if any. However, in the opinion of the management, adjustment, if any, will not be material.



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32. In the opinion of the Board, the value on realization of Current Assets, Loans and Advances in the ordinary course of the business would not be less than amount at which they are stated in the Balance Sheet and the provision for all known and determined liabilities is adequate and not in excess of the amount reasonably required.

33. Directors' remuneration

Particulars	Amount(Rs.) Year ended 31.3.2017	Amount(Rs.) Year ended 31.3.2016
Basic Salary & Other Allowance	5,016,183	64,98,302
Employer Contribution to PF etc.	441,000	605,265
Total	5,457,183	7,093,567

34. Chief Finance Officer's remuneration

Particulars	Amount(Rs.) Year ended 31.3.2017	Amount(Rs.) Year ended 31.3.2016
Basic Salary & Other Allowance	794,274	749,423
Employer Contribution to PF etc.	32,270	29,265
Total	826,544	778,688

35. Particulars of Income/ expenditure in foreign currency:

Particulars	Amount(Rs.) Year ended 31.3.2017	Amount(Rs.) Year ended 31.3.2016
Earning	NIL	NIL
Expenses	33,852,000	NIL

36. Previous year's figures have been regrouped, reclassified and restated wherever considered necessary.

As per our report of even date attached
For Khandelwal Jain & Co
Chartered Accountants
Firm Registration No. 105049W

For and on behalf of the Board



Naveen Jain
Partner
Membership No. 511596




B.B. Chugh
Director
(DIN -472532)


Sunil Batra
Director
(DIN -02188254)

Place: New Delhi
Dated: 22-05-2017


Sanjeet Kumar Sharma
Chief Finance Officer


Shubham Vedi
Company Secretary