

**INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS**

To the Members of Media Matrix Enterprises Private Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Media Matrix Enterprises Private Limited** ('the Company') which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, Cash Flow Statement for the year then ended, and a summary of 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.

Auditor's Responsibility

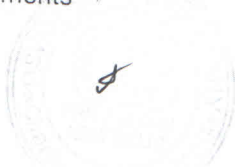
Our responsibility is to express an opinion on these financial statements based on our audit.

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.

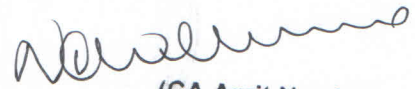
Report on Other Legal and Regulatory Requirements

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 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 purpose 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, the 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 aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, 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 did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - 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 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 Amit Nowlakha)

Partner

Membership No. 513504

Place: New Delhi
Date: 22 MAY 2017

'ANNEXURE A' 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)

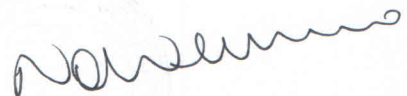
- 1) The Company is not having any Fixed Asset during the year under review. Therefore the provisions of Para 3(i) of the said order are not applicable to the company.
- 2) As the company has not purchased/ sold goods neither there is any opening/ closing stocks during the audit year, requirement of reporting on physical verification of stocks or maintenance of inventory records, in our opinion, does not arise.
- 3) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of paragraph 3 (iii) (a) to (c) of the Order are not applicable to the Company.
- 4) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013, with respect to the loans and investments, etc., as provided in paragraph 3 (iv) of the Order.
- 5) 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.
- 6) As informed to us, the Central Government has not prescribed maintenance of cost records under Section 148(1) of the Companies Act, 2013 in respect of the products of the Company.
- 7) a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as on 31st March, 2017 for a period of more than six months from the date on when they become payable.

b) According to the information and explanations given to us, there are no dues in respect of, Sales Tax/Vat, Income Tax, Wealth Tax, Service Tax, Custom Duty and Cess as at 31st March, 2017, which have not been deposited with the appropriate authorities on account of any dispute.
- 8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowing to banks. No repayments were due in case of debentures issued by the Company. The Company has not taken any loan from financial institutions or from the government.
- 9) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- 10) 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.

J

- 11) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not paid any managerial remuneration during the year. Therefore, the provisions of paragraph 3 (xi) of the Order are not applicable to the Company.
- 12) 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.
- 13) 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 sections 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- 14) According to the information and explanations given 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.
- 15) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.
- 16) 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 Amit Nowlakha)
Partner
Membership No. 513504

Place: New Delhi

Date: 22 MAY 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 **Media Matrix Enterprises 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 authorisations 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.

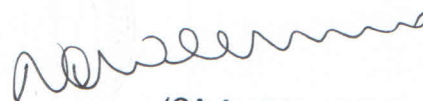
Inherent Limitations of Internal Financial Controls over Financial Reporting

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 Amit Nowlakha)
Partner
Membership No. 513504

Place: New Delhi
Date : 22 MAY 2017

MEDIA MATRIX ENTERPRISES PRIVATE LIMITED
BALANCE SHEET AS AT 31st MARCH 2017

		(Rupees)	
Particulars	Note No.	As at 31st March 2017	As at 31st March 2016
I EQUITY AND LIABILITY			
Shareholders Funds			
Share Capital	2	20,000,000	20,000,000
Reserves and Surplus	3	(2,230,014)	(2,308,087)
Non- Current Liabilities			
Long-Term Borrowings	4	190,350,000	190,350,000
Current Liabilities			
Other Current Liabilities	5	80,500	57,618
Short-Term Provisions	6	16,524	13,622
Total		208,217,010	208,113,154
II ASSETS			
Non Current Assets			
Non- Current Investments	7	207,056,600	207,056,600
Other Non- Current Assets	8	149,223	133,181
Current Assets			
Trade Receivables	9	360,000	216,000
Cash and Cash Equivalents	10	335,598	389,632
Short-Term Loans and Advances	11	315,589	317,741
Total		208,217,010	208,113,154
Significant Accounting Policies	1		
Other Notes forming part of Financial Statements	2-26		

As per our report of even date attached
For Oswal Sunil & Company
Chartered Accountants
Firm Reg no :- 016520N

CA Amit Nowlakha
Partner
Membership No: 513504

For and on behalf of the Board

Sandeep Jairath
Director
DIN 05300460

B B Chugh
Director
DIN 00472532

Place : New Delhi

Date : 22 MAY 2017

MEDIA MATRIX ENTERPRISES PRIVATE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2017

	Particulars	Note No.	Year ended 31st March 2017	(Rupees) Year ended 31st March 2016
Revenue				
Revenue from Operations		12	160,000	120,000
Other Income		13	161	230
Total Revenue			160,161	120,230
Expenses				
Finance Cost		14	615	348
Administrative and Other Expenses		15	80,991	89,677
Total Expenses			81,606	90,025
Profit before exceptional items and extraordinary items and tax			78,555	30,205
Exceptional Items			-	-
Profit before extraordinary items and tax			78,555	30,205
Extraordinary Items			-	-
Profit before tax			78,555	30,205
Tax Expense				
Current tax			16,524	7,471
Less : Mat Credit			(16,042)	(7,253)
Profit (Loss) for the period from continuing operation(after tax)			78,074	29,987
Profit (Loss) for the Period			78,074	29,987
Earning per share (Face value of Rs.10/- each)		19		
Basic (Rs.)			0.04	0.01
Diluted (Rs.)			0.00	0.00
Significant Accounting Policies		1		
Other Notes forming part of Financial Statements		2-26		

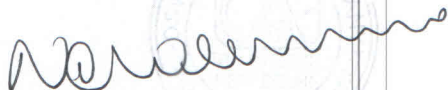
As per our report of even date attached

For Oswal Sunil & Company

Chartered Accountants

Firm Reg no :- 016520N

For and on behalf of the Board


CA Amit Nowlakhia
Partner
 Membership No: 513504


Sandeep Jatrath
Director
 DIN 05300460


B B Chugh
Director
 DIN 00472532

Place : New Delhi

Date : 22 MAY 2017

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2017

	Particulars	Year ended 31st March 2017	Year ended 31st March 2016
A	Cash flows from Operating activities		
	Profit before tax	78,555	30,205
	Adjusted for:		
	Dividend on non-trade investments	-	-
	Profit/(Loss) on sale of investments, (net)	-	-
	Operating profit before working capital changes	78,555	30,205
	Movement in working capital		
	Decrease/ (increase) in trade receivables	(144,000)	(108,000)
	Decrease/(Increase) in loans and advances	2,152	143,907
	Decrease/(Increase) in other current assets	(16,042)	3,157
	Decrease/(Increase) in current liabilities and Short term provisions	25,783	(118,133)
	Cash generated from operations	(53,552)	(48,865)
	Direct taxes paid	(481)	(218)
	Net cash from operating activities	(54,033)	(49,082)
B	Cash flows from Investing activities		
	Purchase of investments	-	(40,000,000)
	Term loan received back	-	-
	Proceeds from sale of investments	-	40,000,000
	Dividend and Interest income	-	-
	Net cash used for investing activities	-	-
C	Cash flows from Financing activities		
	Proceeds from term loans	-	-
	Proceeds from issue of share capital/Share application money	-	-
	Interest paid	-	-
	Net cash from (used for) financing activities	-	-
	Exchange differences on translation of foreign currency cash and cash equivalents	-	-
	Net increase in cash and cash equivalents (A+B+C)	(54,033)	(49,082)
	Cash and cash equivalents at the beginning of the year	389,632	438,714
	Cash and cash equivalents at the end of the year	335,598	389,632
	Cash and bank balances as per Note no.10	335,598	389,632
	Less: Fixed Deposit greater than three months	-	-
	Cash and cash equivalents in cash flow statement	335,598	389,632

Notes:-

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

As per our report of even date attached
For Oswal Sunil & Company
Chartered Accountants
Firm Reg no :- 016520N

For and on behalf of the Board

CA Amit Nowlakhia
Partner
Membership No: 513504

Sandeep Jairath
Director
DIN 05300460

B B Chugh
Director
DIN 00472532

Place : New Delhi
Date : 22 MAY 2017

MEDIA MATRIX ENTERPRISES PRIVATE LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

		(Rupees)	
Particulars		As at 31st March 2017	As at 31st March 2016
Note No.2			
Share Capital			
Authorised			
20,00,000 (20,00,000) Equity Shares of Rs 10/- each		20,000,000	20,000,000
		20,000,000	20,000,000
Issued,Subscribed & Paid up			
20,00,000 (20,00,000) Equity Shares of Rs 10/- each		20,000,000	20,000,000
	Total	20,000,000	20,000,000
Note No. 2 (a)			
Reconciliation of Shares Outstanding			
Particulars	Numbers		
Shares Outstanding at the beginning of the period	2,000,000		2,000,000
Add : Shares issued during the period	-		-
Shares outstanding at the end of the year	2,000,000		2,000,000
Note No. 2(b)			
Shareholder(s) Holding More Than 5% Shares			
Particulars	Nos of Shares of Holding	%	Nos of Shares of Holding
Media Matrix Worldwide Limited (the Holding Company) *	2,000,000		2,000,000
	(100%)		(100%)
<i>* 06 Shares are held by six individuals as nominee of Media Matrix Worldwide Limited</i>			
Note No. 3			
Reserves and Surplus			
Surplus			
Opening Balance	(2,308,087)		(2,338,073)
Add : Profit/ (Loss) for the Current year	78,074		29,986
Closing Balance	(2,230,013)		(2,308,087)
Note No. 4			
Unsecured			
0% Compulsorily Convertible Debentures (CCD,s)			
(Terms of repayment : Refer Additional Note no 20.)	190,350,000		190,350,000
	190,350,000		190,350,000
Note No. 5			
Other Current Liabilities			
TDS Payable	4,000		5,600
Provision for Expenses	76,500		52,018
	80,500		57,618
Note No. 6			
Short Term Provisions			
Provision for Income Tax	16,524		13,622
	16,524		13,622
Note No. 8			
Other Non Current Assets			
Mat Credit Entitlement	149,223		133,181
Miscellaneous expenditure (to the extent not written off)			
Preliminary Expenses	-		10,410
Less : Amount written off	-		(10,410)
	149,223		133,181
Note No. 9			
Trade Receivables			
Unsecured,Considered good			
Debts Outstanding for a period exceeding six month	189,000		108,000
Others	171,000		108,000
	360,000		216,000
Note No. 10			
Cash & Cash Equivalents			
Cash on Hand			
Balance with banks			
- Balances in Short term accounts	335,598		389,632
	335,598		389,632
Note No. 11			
Short Term Loans and Advances			
(Unsecured, Considered good)			
*Other Advances			
TDS Recoverable	315,589		317,741
	315,589		317,741

MEDIA MATRIX ENTERPRISES PRIVATE LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

(Rupees)

PARTICULAR	Year ended 31st March 2017	Year ended 31st March 2016
Note No. 12 Revenue from operations Consultancy Income	160,000	120,000
Total	<u>160,000</u>	<u>120,000</u>
Note No. 13 Other Income Interest	161	230
Total	<u>161</u>	<u>230</u>
Note No. 14 Finance Cost Bank Charges	615	349
Total	<u>615</u>	<u>349</u>
Note No. 15 Administrative and Other Expenses		
Payment to Auditors		
-As Auditors	22,500	22,500
-for Other Services	27,000	19,500
Preliminary Expenses W/Off	-	10,410
Legal and Professional Charges	4,290	30,045
Rates & Taxes	27,201	7,222
Total	<u>80,991</u>	<u>89,677</u>

MEDIA MATRIX ENTERPRISES PRIVATE LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS
NOTE NO.7 :- NON CURRENT INVESTMENTS

PARTICULARS	Face Value	As at 31st March 2017		As at 31st March 2016	
		NO. OF SHARE/UNITS	AMOUNT RUPEES	NO. OF SHARE/UNITS	AMOUNT RUPEES
<u>INVESTMENTS IN EQUITY INSTRUMENTS (AT COST)</u> <u>(IN FELLOW SUBSIDIARIES- UNQUOTED)</u>					
DigiVive Services Private Limited	10/-	2,015,000	20,200,400	2,015,000	20,200,400
Digicall Teleservices Private Limited	10/-	6,900,095	138,346,200	6,900,095	138,346,200
Total 'A'			158,546,600		158,546,600
<u>INVESTMENTS IN 0% COMPULSORILY CONVERTIBLE DEBENTURES (CCDS), FULLY PAID UP IN FELLOW SUBSIDIARIES (AT COST, UNQUOTED)</u>					
DigiVive Services Private Limited	1000/-	8,500	8,500,000	8,500	8,500,000
(Refer Additional Note No 21.)	100/-	400,000	40,000,000	400,000	40,000,000
Total 'B'			48,500,000		48,500,000
<u>OTHER NON CURRENT INVESTMENTS **</u> <u>(OTHER INVESTMENTS-UNQUOTED)</u>					
Contribution-MS Digiventures LLP (10% Of the total Contribution)		-	10,000	-	10,000
Total 'C'			10,000		10,000
Total 'A' + 'B' + 'C'			207,056,600		207,056,600

Particular	Market Value	Book Value	Market Value	Book Value
Aggregate amount of Quoted Investment	-	-	-	-
Aggregate amount of Unquoted Investment	-	207,056,600	-	207,056,600
Total	-	207,056,600	-	207,056,600

**

Investment in MS Digiventures LLP			
Name of the Designated Partners		As at 31st Mar2017	As at 31st Mar2016
Designated Partner 1 : Mr Sunil Batra		90,000	90,000
Designated Partner 2 : Media Matrix Enterprises Pvt Ltd		10,000	10,000
Total Contribution		100,000	100,000

MEDIA MATRIX ENTERPRISES PRIVATE LIMITED

NOTE-01: SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

- i) The financial statements are prepared in accordance with Indian Generally Accepted Accounting principles ("GAAP") under the historical cost convention on an accrual basis. GAAP comprises mandatory 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. The Management evaluates all recently issued or revised accounting standards on an ongoing basis.
- ii) The preparation of the Financial Statements in conformity with GAAP requires that the management of the Company makes estimates and assumptions that affect the reported accounts of income and expenses of the period, reported values of assets and liabilities and disclosures relating to contingent assets and liabilities as of date of the financial statements. Examples of such estimates include provision for doubtful debts, provision for doubtful loans and advances, estimated period of utility of tangible / intangible assets. Actual results may differ from these estimates.

B. Revenue Recognition

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

C. Income-Tax

- i) **Current Tax:** Provision for current tax is made on the estimated taxable income at the rate applicable to the relevant assessment year,
- ii) **Deferred Tax:** In accordance with the Accounting Standard 22 - Accounting for taxes on Income, prescribed by Companies (Accounting Standard) Rules, 2006, the deferred tax for the timing differences is accounted for using the tax rates and laws that have been enacted or substantially enacted by the Balance Sheet date, Deferred tax assets arising from the timing differences are recognized only on the consideration of prudence,

D. Earnings Per Share

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

For calculating diluted earnings per share, the number of shares comprise the weighted average shares considered for deriving basic earnings per share, and also the weighted average number of shares, if any which would have been used in the conversion of all

dilutive potential equity shares. The number of shares and potentially dilutive equity shares are adjusted for the bonus shares and the sub-division of shares, if any.

E. Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investment is classified as Non-Current investment. Non Current investment is stated at cost. Current investment are carried at lower of cost and fair value and determined on an individual investment basis.

F. Preliminary Expenses

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

G. Contingent Liabilities

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



NOTES

16. Contingent Liability (Not provided for)- NIL

- i) 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, if any 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
- ii) 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.
- iii) As at March 31, 2017 the Company did not have any outstanding long term derivative contracts.

17. There are no Micro, Small Enterprises to whom the Company owes dues, which are outstanding for more than forty five days as at 31st March, 2017. The identification of Micro, Small Enterprises and information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined on the basis of information available with the Company.

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

18. The Company does not have any item resulting into timing differences as at March 31, 2017 and therefore no provision for deferred taxes is required.

19. Basic Earnings Per Share

	As at March 31, 2017	As at March 31, 2016
Profit (Loss) after Tax (Rs)	78,074	29,987
Weighted Average No of Equity Shares	2,000,000	2,000,000
Weighted Average No of Equity Shares for diluted EPS	194,350,000	17,190,000
Nominal Value of Share	10/-	10/-
Earnings per Share (Basic EPS)	0.04	0.01
Earnings per Share (Diluted EPS)	0.00	0.00

20. Company had issued unsecured 0% Compulsorily Convertible Debentures (CCDs) to its holding company amounting to Nil (PY Rs 190,350,000/-). The said CCDs will be

compulsorily 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.

21. Company had invested in unsecured 0% Compulsorily Convertible Debentures (CCDs) of its fellow Subsidiary Digivive Services Private Limited amounting to Nil (PY:Rs 48,500,000/-) . The said CCDs will be compulsorily 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
22. Related Party Disclosure (AS-18) :

A) Related Parties Disclosures, as identified by the Management

Related Parties where Control exists:

MN Venture Private Limited. (Ultimate holding company)

Media Matrix Worldwide Limited. (Immediate holding company)

Fellow Subsidiaries:

Digicall Teleservices Private Limited.

Nexg Devices Private Limited.

DigiVive Services Private limited.

Digicall Global Services Private Limited.

Transactions with Related Parties

Name of the Party	Description	Volume of transactions during the Period	Amount as on 31.03.2017
Media Matrix Worldwide Ltd	Issue of CCDs	- (38,450,000/-)	(-190,350,000/-) (-190,350,000/-)
DigiVive Services Private Ltd.	Investment in CCDs	- (40,000,000/-)	48,500,000/- (48,500,000/-)

Note: Figures in bracket represent previous year figures

23. In the opinion of the Board, Current Assets and Loan & Advances are of the value stated, if realized in the Ordinary course of business.
24. The Company has made investments which are of long term in nature. In the opinion of the management, the investments are strategic in nature and hence any current diminution in value of the investments are considered temporary, and therefore, no provision in value of investment has been made.

A

25. As required by the notification of Ministry of Corporate Affairs dated 30/03/2017, detail of Specified Bank Notes (SBN) held and transacted during the period 08/11/2016 to 30/12/2016 are as under:-

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	-	-	Nil
(+) Permitted receipts	-	-	Nil
(-) Permitted payments	-	-	Nil
(-) Amount deposited in Banks	-	-	Nil
Closing cash in hand as on 30.12.2016	-	-	Nil

26. The previous year figures have been regrouped, rearranged or recast, wherever necessary, to make them comparable.

As per our report of even date attached
For **Oswal Sunil & Company**

Chartered Accountants

Firm Reg No:016520N


CA Amit Nowlakha

Partner

Membership No.513504

Place: New Delhi

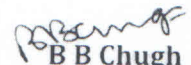
Date: 22 MAY 2017

For and on behalf of the Board


Sandeep Jairath

Director

DIN 05300460


B B Chugh

Director

DIN 00472532