LETTER OF OFFER

Media Matrix
Media Matrix Worldwide Ltd.

Dated: March 06, 2013
For Equity Shareholders of the Company only
Private and Confidential

MEDIA MATRIX WORLDWIDE LIMITED

Our Company was originally incorporated on June 07, 1985 as "Rahul Trading & Finance Limited" in the State of Maharashtra. The name of the Company was changed to "Giltfin Lease Limited" on October 20, 1992 and the name of the Company was once again changed to its current name "Media Matrix Worldwide Limited" vide fresh Certificate of Incorporation from Registrar of Companies, Maharashtra on February 16, 2001. The Corporate Identification Number of our Company is L51900MH1985PLC036518.For further details of change of name of our Company, please refer to the section titled "History and Certain Corporate Matters" beginning on Page 124 of this Letter of Offer.

Registered Office:
Flat No: 155, 15th Floor, Mittal Court "A" Wing, Nariman Point, Mumbai - 400 021
Tel: 91-22-2283 3006, Fax: 91-22-4347 3206, E-mail Id: compliance@mmwlindia.com, Website: www.mmwlindia.com,

Corporate Office:
77B, 3rd Floor, IFFCO Road, Sector - 18, Gurgaon, Haryana - 122 015,
Tel: 0124 - 4310000, Fax: 0124-4310050, E-mail ID: compliance@mmwlindia.com

Contact Person: Mr. Mohd. Zafar, Company Secretary and Compliance Officer

PROMOTER OF THE COMPANY: DIGIVISION HOLDINGS PRIVATE LIMITED

FOR PRIVATE CIRCULATION TO THE EQUITY SHAREHOLDERS OF MEDIA MATRIX WORLDWIDE LIMITED (THE "COMPANY" OR THE "ISSUER") ONLY

ISSUE OF 90,77,85,000 EQUITY SHARES WITH A FACE VALUE OF Re.1/- EACH AT A PREMIUM OF RS. 0.20 PER EQUITY SHARE FOR AN AMOUNT AGGREGATING TO RS. 10893.42 LACS ON A RIGHTS BASIS TO THE EXISTING EQUITY SHAREHOLDERS OF THE COMPANY IN THE RATIO OF 9 EQUITY SHARES FOR EVERY 1 FULLY PAID-UP EQUITY SHARE HELD BY THE EXISTING EQUITY SHAREHOLDERS ON THE RECORD DATE,THAT IS ON MARCH 19, 2013. THE ISSUE PRICE IS 1.2 TIMES OF FACE VALUE OF EQUITY SHARES. FOR FURTHER DETAILS, SEE THE SECTION TITLED "TERMS OF THE ISSUE" BEGINNING ON PAGE 249 OF THIS LETTER OF OFFER.

GENERAL RISKS

Investments in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the Risk Factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Issuer and the Issue including the risks involved. The securities have not been recommended or approved by the Securities and Exchange Board of India (SEBI) nor does SEBI guarantee the accuracy or adequacy of this document.

Investors are advised to refer to the section titled "Risk Factors" beginning on page 11 of this Letter of Offer before making an investment in this Issue.

OUR COMPANY'S ABSOLUTE RESPONSIBILITY

The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this Letter of Offer contains all information with regard to the Issuer and the Issue, which is material in the context of this Issue, that the information contained in this Letter of Offer is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Letter of Offer as a whole or any such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The Equity Shares of our Company are listed on The BSE Limited (BSE) and Madhya Pradesh Stock Exchange (MPSE). Our Company has received "in-principle" approval from BSE, which is the Designated Stock Exchange, vide its letter dated September 26, 2012, granting in-principle approval for listing the Equity Shares arising from this Issue.

LEAD MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE
FEDEX SECURITIES LIMITED SEBI Regn. No. INM 000010163 3rd Floor, Jay Chambers Service Road, Adj. Western Express Highway Vile Parle (East), Mumbai 400 057 Tel. Nos. (022) 2613 6460/61 Fax No. (022) 2618 6966 Investor Grievance E mail ID: fdxinvgr@gmail.com. E Mail ID: fedex@vsnl.com, rk@fedsec.in Website: www.fedsec.in Contact Person: **Mr. R. Ramakrishnan**	Sharex **SHAREX DYNAMIC (INDIA) PVT. LTD.** SEBI Regn. No. INR000002102 Unit -1, Luthra Ind. Premises, Safed Pool, AndheriKurla Road, Mumbai – 400 072 Tel. Nos. (022) 22702485/22641376 Fax. No. (022) 28512885 Email ID : sharexindia@vsnl.com **Website:** www.sharexindia.com Contact Person: **Mr. B S Baliga**

ISSUE PROGRAMME

ISSUE OPENS ON	LAST DATE FOR RECEIVING REQUEST OF SPLIT	ISSUE CLOSES ON
MARCH 30, 2013	**APRIL 6, 2013**	**APRIL 13, 2013**

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

All terms defined have the meaning set forth below, unless otherwise specified in the context thereof.

General Terms / Issue Related Terms

Term	Definition
Abridged Letter of Offer	The abridged Letter of Offer to be sent to the Equity Shareholders with respect to this Issue in accordance with SEBI Regulations.
Allot/Allotted/Allotment	Unless the context otherwise requires, the allotment of Equity Shares pursuant to the Issue
Allottees	Persons to whom Equity Shares of our Company are issued pursuant to the Issue.
Applicant	Any Shareholder/Renouncees/other investors who makes an application in this Issue in accordance with this Draft Letter of Offer.
Application Money	The aggregate amount payable in respect of the Equity Shares applied for in this Issue at the Issue Price
Application Supported by Blocked Amount /ASBA SCSB	An application, used by an ASBA Applicant to apply for the Equity Shares in the Issue, together with an authorization to an SCSB to block the Application Money in the Specified Bank Account maintained with such SCSB
ASBA Applicants	Eligible Equity Shareholders who intend to apply through ASBA and (a) are holding Equity Shares in dematerialized form as on the Record Date and have applied for (i) their Rights Entitlement or (ii) their Rights Entitlement and Equity Shares in addition to their Rights Entitlement, in dematerialized form; (b) have not renounced their Rights Entitlement in full or in part; (c) are not renouncees; and (d) are applying through blocking of funds in Bank accounts maintained with SCSBs
Bankers to the Issue	HDFC Bank Ltd, Mumbai and its collecting Branches, details of which are given in the CAF.
Bankers to our Company	HDFC Bank Ltd , Oriental Bank of Commerce, Corporation Bank and Kotak Mahindra Bank Ltd.
Business Day/ Working Day	Any day, other than a Saturday or a Sunday, on which Commercial Banks in Mumbai are open for business.
Composite Application Form / CAF	The form used by an Investor to make an application for the Allotment of Equity Shares in this Rights Issue.
Consolidated Certificate	In case of holding of Equity Shares in physical form, our Company would issue one Certificate for the Equity Shares allotted to one folio.
Controlling Branches	The branches of the SCSBs which shall co-ordinate with the Lead Manager, the Registrar to the Issue, and the Stock Exchanges and a list of which is available at http://www.sebi.gov.in/pmd/scsb.html
Designated Branches	Such branches of the SCSBs which shall collect application forms used by ASBA Investors and a list of which is available on http://www.sebi.gov.in/pmd/scsb.html and/or such other websites as may be prescribed by SEBI from time to time.
Designated Stock Exchange	The BSE Limited (formerly The Bombay Stock Exchange Limited)
Draft Letter of Offer	Draft Letter of Offer dated August 29, 2012 filed with SEBI for its observations
Equity Share(s) or Share(s)	Equity Shares of our Company of Face Value of Re.1/- each
Equity Shareholders / Shareholder	Means a holder of Equity Share(s) of our Company
Investor(s)	Equity Shareholders as on Record Date and/or Renouncee applying in the Issue.
Fiscal/Financial Year	The period of 12 months ended March 31 of that particular year, unless otherwise stated
Indian GAAP	Generally Accepted Accounting Principles in India
Issue / Rights Issue	Issue of 90,77,85,000 Equity shares with a Face Value of Re.1/- each at a premium of Rs. 0.20 per Equity Share for an amount aggregating to Rs. 10893.42 Lacs on a Rights basis to the existing Equity Shareholders of our Company in the ratio of 9 (nine) Equity Shares for every 1 (one) fully paid-up Equity Share held by the existing Equity Shareholders on the Record Date, that is on March 19, 2013.
Issue Opening Date	March 30, 2013
Issue Closing Date	April 13, 2013
Issue Price	Rs. 1.20 per Equity Share
IT Act	The Income Tax Act, 1961 and amendments thereto
Lead Manager	Fedex Securities Limited
Letter of Offer	The Letter of Offer dated March 06, 2013 filed with the Stock Exchanges after incorporating all the the observations received from SEBI.
Listing Agreement	The Listing Agreement entered into between our Company and The BSE Limited (formerly The Bombay Stock Exchange Limited)
MPSE	Madhya Pradesh Stock Exchange

Non-retail applicants	All applicant whose application amount exceed Rs 2,00,000/-.
Record Date	March 19, 2013
Registrar to the Issue or Registrar / Transfer Agent	Sharex Dynamic (India) Private Limited
Renouncees	The persons who have acquired Rights Entitlements from Equity Shareholders
Rights Entitlement/Entitlement	The number of Equity Shares that an Investor is entitled to in proportion to the number of Equity Shares held by the Investor on the Record Date
Rights Issue	The issue of Equity Shares on Rights basis based on terms of this Letter of Offer
Retail Applicant	All applicants whose application amount does not exceed Rs 2,00,000/-
Self Certified Syndicate Bank(s) / SCSB(s)	The Self Certified Syndicate Banks which are registered with the SEBI under the SEBI (Bankers to the Issue) Regulations, 1994, and are recognized as such by the SEBI and offer services of ASBA, including blocking of funds in Bank accounts. A list of such Banks are available at http://www.sebi.gov.in/pmd/scsb.html
SEBI Act, 1992	Securities and Exchange Board of India Act, 1992 and amendments thereto
SEBI Regulations / SEBI (ICDR) Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 issued by SEBI, as amended from time to time.
SEBI (SAST) Regulations /SAST / SEBI TakeoverCode / Takeover Code	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and/or 2011 as applicable and subsequent amendments thereto
Stock Exchange(s)	BSE and MPSE, where the Equity Shares of our Company are presently listed.

Company Related Terms

Term	Description
"Media Matrix"" or "MMWL" or "the Company" or "our Company" or "we" or "us"	Media Matrix Worldwide Limited, a public limited company incorporated under the provisions of the Companies Act, 1956, unless the context otherwise requires.
AoA / Articles / Articles of Association	Articles of Association of our Company
Auditors/Statutory Auditors	The Auditors of our Company, being Khandelwal Jain & Co, Chartered Accountants.
Board / Board of Directors / Committee of Directors	The Board of Directors of our Company or a Committee authorized to act on its behalf.
Compliance Officer	Mr. Mohd. Zafar
Corporate Office	77B, 3rd Floor, IFFCO Road, Sector -18, Gurgaon, Haryana - 122015
Group Companies	Includes those Companies, firms and ventures disclosed in the section titled "Group Entities" on page 145-157, promoted by our Promoters/Promoter Group, irrespective of whether such entities are covered under section 370(1)(B) of the Companies Act or not.
MOA / Memorandum / Memorandum of Association	Memorandum of Association of our Company.
Promoter/Promoter(s)	DigiVision Holdings Private Limited
Promoter Group Entities	Unless the context otherwise requires, refers to those Companies/entities mentioned in the section titled "Group Entities" beginning on page 145 of this Letter of Offer.
Registered Office	Flat No:155,15th Floor, Mittal Court "A" Wing, Nariman Point, Mumbai - 400 021
Subsidiaries/Subsidiaries of our Company	nexG Devices Private Limited, DigiVive Services Private Limited, DigiCall Teleservices Private Limited and Media Matrix Holdings Private Limited (formerly Digicall Holdings Private Limited), which are Subsidiaries of Media Matrix Worldwide Limited, as per definition of a Subsidiary under the Companies Act 1956
Step down Subsidiary	DigiCall Global Private Limited, which is a Subsidiary of our Subsidiary, DigiCall Teleservices Private Limited

Industry Related Terms

Term	Description
3D	Three dimensional
2G or Generation-2	Generation-2 of mobile phone telephony with limited speed between 2 mbps and 16mbps.
3G or Generation-3	Generation-3 of mobile phone telephony with limited speed between 16-20 mbps
4G or Generation-4	Generation 4 is the term used to refer to the next wave of high-speed mobile

ARPU	Average Revenue Per User
App	Application
App Store Policies	Application Store Policies
Alcatel or Alcatel-Lucent	Alcatel or Alcatel-Lucent is a global telecommunications equipment corporation
Akai	Akai is a consumer electronics brand, founded by Saburo Akai
Android	Android is a Linux-based operating system for mobile devices such as smartphones and tablet computers. It is developed by the Open Handset Alliance, led by Google, and other companies
BFSI	Banking Finance Services and Insurance Industry
BRIC(BRIC NATIONS)	It refers to the countries of Brazil, Russia, India and China
CRBT or Caller Ring Back Tone	CRBT is an audible indication that is heard on the telephone line by the caller while the phone they are calling is being rung
CDMA or Code division multiple access	CDMA or Code division multiple access is a channel access method used by various radio communication technologies.
Cloud	architecture that provides hosted services
Datacard	Datacard is a printed-circuit board, that enables computers' interaction by local network
Etisalat or Emirates Telecommunications Corporation	A UAE based telecommunications services provider, currently operating in 18 countries across Asia, the Middle East and Africa
GBES	Global Brand Enterprise Solutions Private Limited
Handset	Handset is a device the user holds to the ear to hear the audio sound
Ibibo	Ibibo which stands for iBuild, iBond, is an Indian social networking site. It is an umbrella site that offers a variety of applications under its social network.
Indiagames	Indiagames is primarily engaged in publishing and developing games across various platforms like Internet, PC, broadband, mobile phones, PDAs, handheld gaming devices and consoles.
ITES	Information Technology Enabled Services
Karbonn or Karbonn Mobiles	Karbonn or Karbonn Mobiles is a telecommunication firm in India which was founded in March 2009.
LTE	Long Term Evolution
MTS	A Telecommunication Company
NFC or Near Field Communication	a wireless communication technology
OEM	Original Equipment Manufacturers
OS	Operating System
OVI Music Store or Nokia Music Store	OVI Music Store or Nokia Music Store is part of the Ovi services portal from Nokia. It was launched on August 29, 2007
Pantel	a brand owned by Pantel Technologies Private Limited of Delhi
Reliance or Reliance Communication Limited	A Telecommunication Company
RIM	Research in Motion
Samsung or Samsung Group	Samsung or Samsung Group is a South Korean multinational conglomerate company
SAAS	Software As A Service Solution
SMB	Small and Medium Business
SIM	Subscriber Identification Module
SMS	Short Messaging Service
Tablet	a mobile computer that is primarily operated by touching the screen
Telcos or Telecommunication Companies	Telcos which provides telecommunications services such as telephony and data communications
TV	Television
VAS	Value Added Service
VOD	Video on Demand is the system which allow users to select and watch to video content on demand
VOD Library	Library of VOD

Video IVR(VIVR)	Video IVR is conceptually similar to voice Interactive voice response (IVR) but with the addition of video to enhance the experience. The user interacts with a real-time video stream by pressing Dual- tone multi-frequency signaling (DTMF) buttons on his terminal (typically a mobile handset).
Vodafone	A Telecommunication Company
WAP or Wireless Application Protocol	WAP or Wireless Application Protocol is a technical standard for accessing information over a mobile wireless network.
Zapak	Zapak or Zapak.com is a privately held, online gaming portal, with browser games in India (services provided Globally), promoted by the Anil Dhirubhai Ambani Group's subsidiary company Reliance Big Entertainment

Abbreviations

Abbreviation	Full Form
AC Nielson	A global provider of information on consumer behavior
AGM	Annual General Meeting
AS	Accounting Standards, as issued by the ICAI
BSNL	Bharat Sanchar Nigam Limited
BSE	The BSE Limited
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
CESTAT	Central Excise and Services Tax Appellate Tribunal
CIT	Commissioner of Income Tax
CISCO VNI Report	Market report issued by Cisco System Inc. using its Visual Networking Index (VNI)
Cr.PC	Code of Criminal Procedure, 1973
CY	Calendar Year
DIN	Director's Identification Number
DGFT	Director General of Foreign Trade
DP	Depository Participant
EGM	Extraordinary General Meeting
EPS	Earnings Per Share
FEMA	Foreign Exchange Management Act, 1999
FDI	Foreign Direct Investment
FII(s)	Foreign Institutional Investors registered with SEBI under applicable laws
FIPB	Foreign Investment Promotion Board, Ministry of Finance, Government of India
GDP	Gross Domestic Product
GoI	Government of India
HUF	Hindu Undivided Family
ICAI	Institute of Chartered Accountants of India
IDC	International data Corporation, a global provider of market intelligence, advisory services and events for IT, telecom and consumer products.
IFSC	Indian Financial System Code
ISIN	International Securities Identification Number allotted by the Depository
LIC	Life Insurance Corporation of India
MD	Managing Director
MICR	Magnetic Ink Character Recognition
MoU	Memorandum of Understanding
MTNL	Mahanagar Telephone Nigam Limited
NAV	Net Asset Value
NECS	National Electronic Clearing Service
NEFT	National Electronic Fund Transfer
NOC	No Objection Certificate
NR	Non Resident
NRI(s)	Non Resident Indian(s)
NSN	Nokia Siemen Network

PAN	Income Tax Permanent Account Number
NSDL	National Securities Depository Limited
RBI	The Reserve Bank of India
Regulation S	Regulation S of the Securities Act, 1933
Re./Rs./Rupees/INR	Indian Rupees
RoC	Registrar of Companies
RTGS	Real Time Gross Settlement
SAF	Split Application Form
SEBI	Securities and Exchange Board of India constituted under the SEBI Act, 1992
Securities Act	U.S. Securities Act of 1933, as amended
STT	Securities Transaction Tax
USA or US	United State of America
UK	United Kingdom

The words and expressions used but not defined herein shall have the same meaning as is assigned to such terms under the Companies Act, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and the rules and regulations made there under.

Notwithstanding the foregoing, terms in "***Main Provisions of our Articles of Association***, "***Statement of Tax Benefits***", "***Key Industry Regulations and Policies***" and "***Financial Information***" on pages 267, 90, 120, 160 respectively, shall have the meanings given to such terms in these respective sections.

NOTICE TO OVERSEAS SHAREHOLDERS

The rights and the securities of our Company have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act"), or any U.S. State securities laws and may not be offered, sold, resold or otherwise transferred within the United States of America or the territories or possessions thereof (the "United States" or "U.S."), except in a transaction exempt from the registration requirements of the Securities Act. The rights referred to in the Letter of Offer are being offered in India, but not in the United States. The offering to which the Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any Equity Shares or rights for sale in the United States or as a solicitation therein of an offer to buy any of the said Equity Shares or rights. Accordingly, the Letter of Offer or Abridged Letter of Offer and the enclosed CAF should not be forwarded to or transmitted in or into the United States at any time.

Neither our Company nor any person acting on behalf of our Company will accept subscriptions or renunciation from any person, or the agent of any person, who appears to be, or who our Company or any person acting on behalf of our Company has reason to believe is in the United States when the buy order is made. Envelopes containing a CAF should not be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer, and all persons subscribing for the Equity Shares and wishing to hold such Equity Shares in registered form must provide an address for registration of the Equity Shares in India. Our Company is making the issue of Equity Shares on a Rights basis to Equity Shareholders of our Company on the Record Date and the Letter of Offer , Abridged Letter of Offer and CAF will be dispatched only to Equity Shareholders who have an Indian address. Any person who acquires rights and the Equity Shares will be deemed to have declared, represented, warranted and agreed, (i) that it is not and that at the time of subscribing for the Equity Shares or the Rights Entitlements, it will not be, in the United States when the buy order is made, (ii) it does not have a registered address (and is not otherwise located) in the United States, and (iii) it is authorized to acquire the rights and the Equity Shares in compliance with all applicable laws and regulations.

Our Company reserves the right to treat as invalid any CAF which: (i) does not include the certification set out in the CAF to the effect that the subscriber does not have a registered address (and is not otherwise located) in the United States and is authorized to acquire the rights and the Equity Shares in compliance with all applicable laws and regulations; (ii) appears to our Company or its agents to have been executed in or dispatched from the United States; (iii) where a registered Indian address is not provided; or (iv) where our Company believes that CAF is incomplete or acceptance of such CAF may infringe applicable legal or regulatory requirements; and our Company shall not be bound to allot or issue any Equity Shares or Rights Entitlement in respect of any such CAF.

CERTAIN CONVENTIONS, PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

In this Letter of Offer, unless the context otherwise requires, all references to gender also refer to the other gender.

Certain Conventions

In this Letter of Offer, unless otherwise specified or the context otherwise indicates or implies the terms all references to "Company", "our Company", "we", "us" and "our", are to Media Matrix Worldwide Limited. All references to "India" are to the Republic of India and all references to the "Government" are to the Government of India.

Financial Data

Unless stated otherwise, the financial information used in this Letter of Offer is derived from our Company's restated financial statements as of and for the Financial Years ended March 31, 2008, 2009, 2010, 2011 and 2012 and for the period ended September 30, 2012, prepared in accordance with Indian GAAP and the Companies Act, 1956 and restated in accordance with SEBI (ICDR) Regulations, as stated in the report of our Auditors, Khandelwal Jain & Co., Chartered Accountants, in the chapter titled "Financial Information" beginning on page 160 of this Letter of Offer.

Our Fiscal Year commences on April 01 and ends on March 31 of a particular year. Unless stated otherwise, references herein to a Fiscal Year (e.g. Fiscal 2011), are to Fiscal Year ended March 31 of that particular year. In this Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off.

There are significant differences between Indian GAAP, IFRS and US GAAP. The Company has not attempted to quantify their impact on the financial data included herein and urges you to consult your own advisors regarding such differences and their impact on the Company's financial data. Accordingly, to what extent, the financial statements included in this Letter of Offer will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices / Indian GAAP. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Letter of Offer should accordingly be limited.

Any percentage amounts, as set forth in "Risk Factors", "Our Business", "Management's Discussion and Analysis of Financial Conditions and Results of Operations" and elsewhere in this Letter of Offer unless otherwise indicated, have been calculated on the basis of the Company's restated financial statements prepared in accordance with Indian GAAP.

Currency and units of Presentation

In this Letter of Offer, all references to 'Rupees'/ 'Rs.' / 'Re.' / 'INR' are to Indian Rupees, the Official Currency of the Republic of India. All references to '$'/ 'US$' / 'USD' / 'U.S. Dollar(s)' / 'US Dollar(s)' are to the United States Dollars, the Official Currency of the United States of America.

All references to 'million' / 'Million' / 'Mn' refer to one million, which is equivalent to 'ten lakhs' or 'ten lacs', the word 'Lakhs / Lacs / Lac' means 'one hundred thousand' and 'Crore' means 'ten million' and 'billion / bn. / Billion' means 'one hundred crores'.

Industry and Market Data

Unless stated otherwise, industry data/ market data used throughout this Letter of Offer has been obtained from industry publications and publicly available government documents. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Similarly, while information contained in the publicly available government documents that is relied upon for the purposes of this Letter of Offer is believed to be complete and reliable, there can be no assurance of the same.

Although we believe that the industry data/market data used in this Letter of Offer is reliable, it has not been verified by any independent source. Similarly, internal Company reports and data, while believed by us to be reliable, have not been verified by any independent source. There are no standard data gathering methodologies in the industries in which we conduct or propose to conduct our businesses, and methodologies and assumptions may vary widely among different industry sources.

Accordingly, no investment decision should be made based on such information. The extent to which the market and industry data presented in this Letter of Offer is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data.

FORWARD LOOKING STATEMENTS

All statements contained in this Letter of Offer that are not statements of historical fact constitute "forward-looking statements". All statements regarding our expected financial condition and results of operations, business, plans and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, our revenue and profitability, planned projects and other matters discussed in this Letter of Offer regarding matters that are not historical facts. These forward looking statements and any other projections contained in this Letter of Offer are predictions and involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections.

These forward-looking statements generally can be identified by words or phrases such as "aim", "anticipate", "believe", "expect", "estimate", "intend", "objective", "plan", "project", "shall", "will", "will continue", "will pursue" or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward- looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Important factors that could cause actual results to differ materially from our expectations include, but are not limited to, among others:

- Disruptions in our Company/its Subsidiaries;
- General economic and business conditions in the markets in which we operate and in the local, regional and national economies;
- Significant changes in the exchange rates of Rupee against various currencies.
- Changes in laws and regulations relating to the industry(ies) in which we or our subsidiaries operate or intend to operate;
- Increased competition in the industry(ies) in which we/our Subsidiaries operate or intend to operate;
- Our ability to successfully implement our growth strategy and expansion/deployment plans through the Issue;
- Our ability to meet our capital expenditure requirements;
- Competition from existing players;
- Changes in technology;
- Changes in political and social conditions in India or in countries that we may enter, the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
- Potential mergers, acquisitions or restructurings;
- Our ability to attract and retain qualified personnel;
- The performance of the financial markets in India and globally;
- Market fluctuations and industry dynamics beyond our control;
- Occurrence of natural disasters or calamities affecting the areas in which we have operations; and
- Any adverse outcome in the legal proceedings in which we are involved now or in future.

For a further discussion of factors that could cause our actual results to differ, please refer chapter titled "Risk Factors" beginning on page 11 of this Letter of Offer, and chapters titled ***"Industry Overview"*** and ***"Management's Discussion and Analysis of Financial Condition and Results of Operations"*** beginning on pages 98 and 218 respectively of this Letter of Offer.

By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Neither our Company or the Lead Manager, or any of its affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company and the Lead Manager will ensure that investors in India are informed of material developments until the time of grant of listing and trading permissions by the Stock Exchanges for the Equity Shares arising pursuant to this Issue.

SECTION II - RISK FACTORS

An investment in the Equity Shares involves a high degree of risk and investors should not invest any funds in this offer unless they can afford to take the risk of losing their investment. You should carefully consider all the information in this Letter of Offer, including the risks and uncertainties summarized below, before making an investment in our Equity Shares. The risks described below are relevant to the countries in which we conduct business, the industries in which our customers are engaged in, our Company and the Equity Shares. There may also be other risks, presently unknown to us or which we currently deem immaterial, which could also materially impair our business, operations or prospects. To obtain a complete understanding of our Company, you should read this section in conjunction with the chapter titled "Our Business" and "Management's Discussion and Analysis of Financial Conditions and Results of Operations" beginning on page 109 and 218 of this Letter of Offer as well as the other financial and statistical information contained in this Letter of Offer. Prior to making an investment decision, prospective investors should carefully consider all of the information contained in the chapter titled "Financial Information" beginning on page 160 of this Letter of Offer. Unless stated otherwise, the financial data in this section is as per our financial statements prepared in accordance with Indian GAAP.

If any one or more of the following risks as well as other risks and uncertainties discussed in this Letter of Offer were to occur, our business, financial condition and results of our operation could suffer material adverse effects, and could cause the trading price of our Equity Shares and the value of investment in the Equity Shares to materially decline which could result in the loss of all or part of investment. Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India, and is therefore subject to a legal and regulatory environment that may differ in certain respects from that of other countries.

This Letter of Offer also contains forward looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of many factors, including the considerations described below and elsewhere in this Letter of Offer. The Equity Shares have not been recommended or approved by SEBI nor does SEBI guarantee the accuracy or adequacy of this Letter of Offer.

These risks are not the only ones that we face. Our business operations could also be affected by additional factors that are not presently known to us or that we currently consider to be immaterial to our operations. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify financial or other implication of any risks mentioned herein.

Materiality

The Risk Factors have been determined on the basis of their materiality. The following factors have been considered for determining the materiality:

1. Some events may not be material individually but may be found material collectively.
2. Some events may have material impact qualitatively instead of quantitatively.
3. Some events may not be material at present but may be having material impacts in future.

The numbering of the risk factors has been done to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk factor over another.

INTERNAL RISK FACTORS

Risks related to Our Company and Our Business

1. **We and our Promoter Group Entities are party to certain legal proceedings which, if decided against us / them, could have an adverse effect on our reputation, business prospects and results of operations**

Litigation involving our Company

There is one outstanding material Income Tax proceeding involving us which is given below:

This is a pending appeal filed by us before the Income Tax Appellate Tribunal , details of which are furnished on Page 227 of this Letter of Offer. Should our appeal be dismissed or the decision on the appeal is against us, then the same could adversely impact our reported financial condition and results of operations. Furthermore, if significant claims such as interest are determined against us and we are required to pay all or a portion of the disputed amount, there could be a material adverse effect on our reputation and profitability.

Sr. No.	Nature of Litigation	No. of Outstanding Litigation	Amount Involved (Rs. In Lacs)
1	Civil Cases	Nil	NIL
2	Labour Cases	Nil	NIL
3	Taxation Cases	1	8.55

Litigation involving our Group Companies

There are outstanding material legal proceedings involving our Group Companies which may adversely affect their business and operations. These legal proceedings are pending at different levels before various courts and tribunals. Should any new developments arise, such as a change in law or rulings against them by courts or tribunals, they may need to make provisions in their financial statements, which could adversely impact their reported financial condition and results of operations. Furthermore, if significant claims are determined against them, our Group Companies will be required to pay all or a portion of the disputed amounts, there could be a material adverse effect on their business, reputation and profitability. None of these will have any material effect on our business, results of operations etc directly, but such adverse impact on our Group Companies could have an adverse impact on the Group to which we also belong to, affecting the Group's reputation and in turn our reputation and operations. A classification of the outstanding material legal proceedings instituted against and by our group companies and the monetary amount involved, wherever quantifiable, in these cases is mentioned in brief below:

Sr. No.	Name	Nature of Litigation	No. of Outstanding Litigation	Amount Involved (Rs. In Lacs) approx.
1	Himachal Futuristic Communications Limited	Civil	2 (Against the company) 6 (By the company)	5649.00 33044.39
2	Himachal Futuristic Communications Limited	Arbitration	2(Against the company) 2 (By the company)	91.26 9255.36
3	Himachal Futuristic Communications Limited	Income Tax	1(Against the company) 11 (By the company)	149.87 0.00
4	Himachal Futuristic Communications Limited	Debt Recovery Tribunal	2 (Against the company)	1788.00
5	Himachal Futuristic Communications Limited	Consumer Cases	1 (Against the company)	0.00
6	HTL Limited	Labour	72 (Against the company)	92.59
7	HTL Limited	Civil	7 (Against the company) 3 (By the company)	744.94 63.96
8	Microwave Communications Limited	Debt Recovery Tribunal	1 (Against the company)	330.00
9	Microwave Communications Limited	Department of Telecommunication	1 (Against the company)	56.87
	Total amount involved		**111**	**51266.24**

For further details of outstanding litigation against us and our Group Entities, please see "Outstanding Litigations" on page No. 227-238 of this Letter of Offer.

2. **Apart from the above litigations, 17 show cause notices have been received by Himachal Futuristic Communications Limited, our group Company from Excise/Service Tax authorities for disputed claims aggregating to Rs.1254.26 Lacs as on 31.12.12.**

   No assurance can be given that these show cause notices will not lead to further action against our group Company, Himachal Futuristic Communications Ltd and the same would be settled in favour of our group Company or that no further liability will arise out of these notices on our Group Company. Any adverse outcome could have a material adverse effect on our Group Company, its financials and results of operations. This may affect the reputation of our Group as a whole and thereby may affect the reputation of our Company as well.

3. **Risks associated with Acquisition of Subsidiaries**

   The Company, after change of control, has acquired five subsidiaries from unrelated parties. These subsidiaries are into unrelated businesses except for one i.e. Digivive Services Private Limited, which is in the business of media and telecom. Of the five subsidiaries, four have been incorporated in last three years and do not have any established business model or revenue generation track record. Only Digicall Teleservices Private Limited is an old Company with a track record of over 10 years in the BPO business. The details of consideration paid for acquiring equity shares of subsidiary companies is as under:

Sr. No.	Name of Subsidiary	Amount
1	nexG Devices Private limited	Rs. 1 Lac
2	Media Matrix Holdings Private Limited (formerly Digicall Holdings Private Limited)	Rs. 1 lac
3 (a)	DigiCall Teleservices Private Limited	Rs. 1310 Lac
(b)	DigiCall Teleservices Private Limited*	Rs. 1380 Lac
4 (a)	DigiVive Services Private Limited	Rs. 798.5 Lacs
(b)	DigiVive Services Private Limited*	Rs. 139 Lacs

**Acquired through Media Matrix Holdings Private Limited (formerly Digicall Holdings Private Limited)*

A major part of the funding for the investment in the subsidiaries was done from the proceeds of the preferential issue of OFCDs. Post the preferential issue of OFCDs, the Total Debt/Total Equity ratio of the Company has increased from 0.47 in FY2011 to 8.52 in FY2012 on a standalone basis, making the Company significantly more risky from debt equity ratio perspective.

The details of the ownership and control of the various subsidiaries before their acquisition by the Company are as under:

1) nexG Devices Private Limited

Sr. No	Name of the Shareholder	No. of Equity Shares	% of Shareholding
1	DigiVive Services Private Limited	9980	99.8%
2	Mr. Surendra Lunia	10	0.1%
3	Mr. Gurdial Singh Khandpur	10	0.1%
	Total	**10000**	**100%**

* Ultimate holding of DigiVive Services Private Limited is with Mr. Surendra Lunia, a Director on the Board of our holding company, DigiVision Holdings Private Limited.

2) DigiCall Teleservices Private Limited

Sr. No	Name of the Shareholder	No. of Equity Shares	% of Shareholding
1	Motorola Inc	49	0.00%
2	Himachal Futuristic Communications Limited	49	0.00%
3	Quil Trading	2	0.00%
4	Infotel Business Solutions limited	6,899,960	99.99%
5	Mr. Surendra Lunia	10	0.00%
6	Mr. Gurdial Singh Khandpur	10	0.00%
7	Mr. Kamal Kumar Sharma	10	0.00%
8	Mr. Puneet Anurag	10	0.00%
	Total	**6,900,100**	**100.00%**

* Ultimate holding of Infotel Business Solutions Limited lies with Mr. Surendra Lunia, a Director on the Board of our holding company, DigiVision Holdings Private Limited.

3) DigiVive Services Private Limited

Sr. No	Name of the Shareholder	No. of Equity Shares	% of Shareholding
1	Infotel Business Solutions Limited	1,389,996	68.98%
2	Digivision Ventures Private Limited	625,000	31.02%
3	Mr. Surendra Lunia	1	0.00%
4	Mr. Gurdial Singh Khandpur	1	0.00%
5	Mr. Kamal Kumar Sharma	1	0.00%
6	Mr. Puneet Anurag	1	0.00%
	Total	**2,015,000**	**100.00%**

* Ultimate holding of Infotel Business Solutions Limited lies with Mr. Surendra Lunia, a Director on the Board of our holding company, DigiVision Holdings Private Limited.

* Ultimate holding of Digivision Ventures Private Limited lies with Mr. Surendra Lunia, a Director on the Board of our holding company, DigiVision Holdings Private Limited.

4) Media Matrix Holdings Private Limited (formerly Digicall Holdings Private Limited)

Sr. No	Name of the Shareholder	No. of Equity Shares	% of Shareholding
1	DigiVive Holdings Private Limited	9990	99.90%
2	Mr. Surendra Lunia	10	0.10%
	Total	**10000**	**100.00%**

* Ultimate holding of DigiVive Services Private Limited is with Mr. Surendra Lunia, a Director on the Board of our holding company, DigiVision Holdings Private Limited.

4. We have invested/extended Loans aggregating to a total sum of Rs 5575.51 Lacs into our Subsidiaries as at September 30, 2012 as per details given below:

Name of the Subsidiary	Type of Investment instruments	Amount (Rs.in lacs)
DigiVive Services Private Limited	Equity Shares	798.50
DigiCall Teleservices Private Limited	Equity Shares	1309.99
nexG Devices Private Limited	Equity Shares	499.00
Media Matrix Holdings Private Limited (formerly Digicall Holdings Private Limited)	Equity Shares	200.00
DigiVive Services Private Limited	OFCDs	1650.00
DigiCall Teleservices Private Limited	OFCDs	700.00
nexG Devices Private Limited	Loans	382.40
DigiCall Teleservices Private Limited	Loans	34.62
Media Matrix Holdings Private Limited (formerly Digicall Holdings Private Limited)	Loans	1.00
Total		**5575.51**

No return is assured from the investments in Equity Capital as detailed above and to be made in future, including funds raised through this Rights Issue. We have made Equity investments at a price which is higher than the Book Value of the Equity Shares of these Subsidiaries except in case of DigiCall Teleservices Private Limited. For details regarding losses of our Subsidiaries, please refer to Risk Factor No. 13 below and the section "Profit & Loss Statement" in Consolidated Financial statements on Page no 199 of this Letter of Offer.

5 Investment in intangible assets

Out of our total assets of Rs 15837.57 lacs as on September 30, 2012 on consolidated basis, Rs 2718.14 lacs constituting 17.16% of our total assets is in intangible assets. There are no intangible assets as on Sept 30, 2012 based on standalone financials. Further out of the total issue proceeds of Rs.10893.42 Lacs from this Rights Issue, an amount of Rs. 8500 Lacs (78.02% of the Issue proceeds) is earmarked for investment in our Subsidiaries. Our Subsidiaries propose to use a significant portion of the funds to be so received by them for their long term working capital requirements/Repay unsecured loans/Fund their operations/Fund their capital expenditure. As such there will not be any significant creation of tangible fixed assets except to the extent of capital expenditure, either by our Company or our Subsidiaries from the proceeds to be raised out of this Rights Issue.

As of September 30, 2012, on a consolidated basis 17.16% of our total assets are invested in intangible assets. Further, out of the total issue proceeds, Rs. 8500 Lacs i.e. 78.02% of the Issue proceeds, is earmarked for investment in our Subsidiaries. The Subsidiaries in turn propose to utilise a substantial portion of the funds so invested in them for meeting their working capital requirements/Repay unsecured loans/Fund their operations. As such, there will not be any significant creation of tangible fixed assets out of the proceeds of this Issue either in our Company or in the Subsidiaries.

The Company and its subsidiaries operate in a business segment where creation of intangible assets over long term results in value creation for the business as well as stakeholders. The value of intangible assets generally fluctuates depending upon market perception and conditions which may in turn impact the business valuation. Low level of tangible Fixed Assets may adversely affect any future plans to raise Bank Finance for Working Capital or otherwise as lenders generally seek collateral securities in the form of fixed assets for sanctioning loan / credit facilities. Given the nature of the business of the Company and its subsidiaries there is a high degree of risk associated in realising the value of the intangible assets so created.

6. **Loss Making Group Entities**

Some of our Promoter Group entities have incurred losses in the recent past and continuous and sustained losses by our Group Companies could affect their reputation and facilities that they enjoy and this could in turn affect the credit facilities that we enjoy with our bankers and our reputation with our customers / suppliers. The incurring of losses by Group companies may put strain on the cash-flows of the Promoter which in turn may impact the equity funding for our Company and subsidiaries companies. Any adverse impact on the funding capability of the Promoters of our Company may endanger the going concern assumption of the Company, if the adequate and timely equity funding is not arranged by the Promoters to fund our operations.

Some of our Promoters Group entities have incurred losses in the recent past. The details of losses incurred by our Promoters Group entities in the last three years are set out below: (Rs. in Lacs)

Name of the Promoter Group Entity	For the period ended	For the year ended		
	Sept 30, 2012	March 31, 2012	March 31, 2011	March 31, 2010
Exicom Tele-systems Limited	(175.98)	(861.75)	(784.11)	630.45
HFCL Satellite Communications Limited	18.51	(55.03)	323.35	(11.06)
HTL Limited	(4.05)	(7468.71)	(5910.00)	(4363.68)
HFCL Dacom Infocheck Limited	(0.05)	(0.25)	(0.12)	(0.33)
Eminent Networks Private Limited	(33.11)	(100.68)	(11.86)	1.93
Microwave Communications Limited	(214.31)	(287.92)	(278.56)	(1892.32)
Westel Wireless Limited	(0.07)	(0.21)	(0.25)	(0.09)
Dragonwave HFCL India Private Limited	(107.22)	(202.56)	(31.56)	NA*
Polixel Security Systems Private Limited*	(228.92)	(210.49)	(196.93)	NA*
NextWave Communications Private Limited*	(5.23)	(0.78)	(169.27)	NA**

**The company was not in existence*

***The company has not prepared the profit and loss account for the period on account of the fact that it has no operations*

7. **We propose to carry on the activities of Mobile Television and BPO from FY13 onwards, a new business segments, through our subsidiaries in varied industries. Some of our subsidiaries are in nascent stage of growth and our Company does not have expertise in these varied industries. There has been no contribution from these activities to the revenues of our Company for the last 3 financial years ended March 31, 2012.**

Our Company has limited history of operating Mobile Television or a BPO outfit through our subsidiaries and have commenced these activities in the financial year 2012-13 only after acquiring DSPL and DTPL on March 31, 2012. Some of our subsidiaries are in nascent stage of growth and our Company does not have expertise in these varied industries. These businesses may entail substantial deployment of senior level management team and resources and we may also not be able to evaluate all the business risks associated with such ventures/business segments. The success of these activities will be dependent on various factors like maintenance of product quality, customer satisfaction, development and improvement of administrative and technical infrastructure, internal control systems, recruitment, training and retention of skilled manpower and ability to face challenges presently not foreseen and competition especially from more established players in these business segments. Any inability on the part of our Subsidiaries to manage these new activities effectively could have an adverse impact on their business and results of operations which in turn would have adverse impact on the results of operations of our Company. Further, Indian BPO industry is also very competitive in nature and domestic BPO players operate generally on very thin margins.

The Mobile TV segment as part of Value Added Services industry of telecom sector is currently at very nascent stage and growth of this segment of the industry is heavily dependent on the penetration of internet as well as increasing share of smart phones and tablets in India, which in turn depends on various macro-economic factors.

8. We have incurred a loss of Rs. 296.80 Lacs (Standalone) and Rs. 319.46 Lacs (Consolidated) for the year ended March 31,2012. Sustained losses incurred by our Company could have negative impact on our reputation and our performance and also on the relationship that we share with our Bankers, Creditors and Customers.

Our Company has, incurred losses as per the restated financials for the Financial Year ended March 31, 2012, as under: **(Amount in Rs. Lacs)**

Particulars	FY 2012 (standalone)	FY 2012 (consolidated)
Profit /(Loss) after Tax	(296.80)	(319.46)

However, the Company has made profit after tax of Rs. 121.65 Lacs on standalone basis and incurred loss of Rs. 960.41 Lacs on consolidated basis for the period ended September 30, 2012.

Continued and sustained losses could adversely affect our financial position and can be perceived adversely by external parties such as customers, bankers, and suppliers, which may affect our reputation, business and results of operations.

9. The following group entities have not commenced any commercial activity or are not carrying on any commercial activity:

Name of the Entity	*Year of Incorporation*
Westel Wireless Limited	*1995*
HFCL Bezeq Telecom Limited	*1995*
MN Ventures Private Limited	*2010*
ANM Enginnering & Works Private Limited	*2008*
Digivision Wireless Private Limited	*2008*

Failure to commence commercial operations by our Group Entities may be perceived adversely by external parties such as customers, bankers, and suppliers, which may affect our reputation also and our fund raising capacities, which could in turn affect our operations and revenue adversely. For further details of our Group Entities which have not commenced commercial operations, please refer to chapter titled “Group Entities” beginning on page 145 of this Letter of Offer.

10. Some of the promoter group entities have a negative Networth

Some of our promoter group entities, have negative Networth, the details of which are as under:

Name of the Entity	*Net worth as on September 30, 2012 (Rs. in Lacs)*
HFCL Satellite Communications Limited	(5635.31)
Microwave Communications Limited	(11365.8)
HTL Limited	(51.07)
HFCL Dacom Infocheck Limited	(55.71)
Westel Wireless Limited (completely eroded)	(116.72)

The above Group Companies have negative networth. The Negative Net Worth position of our above Group Entities may be perceived adversely by external parties such as customers, bankers, and suppliers, which may affect our reputation and our fund raising capacities, which could in turn affect our operations and revenue adversely. For further details of our Group Entities which have negative networth, please refer to chapter titled “**Group Entities**” beginning on page 145 of this Letter of Offer.

11. ACTION BY STATE BANK OF INDIA UNDER SARFAESI AGAINST ONE OF OUR GROUP COMPANIES, HTL:

One of our Group companies, HTL Limited is a Sick Company within the meaning of Sick Industrial Companies (Special Provisions) Act, 1985 but it is not under reference of the Board for Industrial and Financial Reconstruction (BIFR) since action under SARFAESI has been initiated by State Bank of India (SBI), the lending banker and is in progress. Further, HTL is not under winding up, but the company has a negative Net-worth.

12. DEFAULTS BY ONE OF OUR GROUP COMPANIES, HFCL, IN THE PAST AND CDR PACKAGE APPROVED BY ITS LENDERS:

One of our Group Company, HFCL had approached its lenders Viz., Financial Institutions and Banks for a financial restructuring package in the past, which had been approved under the Corporate Debt Restructuring (CDR) mechanism by the CDR Empowered Group (EG) in the year 2004 and subsequently by respective Lenders individually. The restructuring package, which inter-alia included funding of interest, reduction of interest rate, conversion of term loan into equity/ bond, etc. At the request of HFCL, CDR Empowered Group had further modified the CDR Package in the year 2005. However, due to continuous losses made by HFCL, it had defaulted in payment of interest and repayment of principal amount to certain lending institutions/ banks in the past and could not adhere to some of the conditions prescribed by EG. In order to tide over the difficult situation caused by the liquidity crunch, HFCL had once again approached the lending institutions/ banks for the rework of CDR Package which had been approved by CDR EG on February 9, 2011. For further details regarding the CDR Package, please refer to Page No 147 of this Letter of Offer.

13. **OUR SUBSIDIARIES HAVE INCURRED LOSS IN RECENT PAST:**

Our Subsidiaries including step down subsidiary have made losses for at least one of the previous three years, the details of which are given below: **(Rs. in Lacs)**

Name of the Subsidiary	**Period ended Sept 30, 2012**	**FY ended 31.03.12**	**FY ended 31.03.11**	**FY ended 31.03.10**
nexG Devices Private Limited	(447.25)	(459.94)	NA*	NA*
DigiVive Services Private Limited	(341.09)	(924.03)	(73.30)	NA*
DigiCall Teleservices Private Limited	(205.17)	(391.18)	(460.13)	(733.65)
Media Matrix Holdings Private Limited (formerly Digicall Holdings Private Limited)	(0.03)	(30.41)	NA*	NA*
Digicall Global Private Limited	(108.55)	(131.12)	NA*	NA*

* *These companies were either not in existence or were not operational during these periods.*

14. We have certain contingent liabilities not provided for which may adversely affect our financial condition

Our Company has the following Contingent liabilities, not provided for, as on Sept 30, 2012:

Nature of contingent liability	**Amount (Rs. In Lacs)**
Income Tax Matters	8.55
Bank Guarantees	53.14
Unexpired Letters of Credit	268.42
Total	**330.11**

For further details, please refer to Annexure VIII Contingent Liabilities, in the section on Financial Information on Page No 179 of this Letter of Offer.

15. QUALIFICATIONS BY OUR AUDITORS IN OUR FINANCIAL STATEMENTS:

Our Statutory Auditors have made the following qualification in the audited accounts for the year ended March 31, 2012:

"As per the information and explanations given by the management, the Company is not regular in depositing with the appropriate authorities, undisputed statutory dues including Income Tax, Sales Tax, Wealth Tax, Provident Fund, custom duty and other statutory dues applicable to it. According to the information and explanations given to us, there are no undisputed amounts payables in respect of such statutory dues, except fringe benefit tax for assessment year 2006-07 to 2008-09 of Rs.2,13,493/- which has remained outstanding for more than six months as at 31st March, 2012."

16. OUR COMPANY HAD NEGATIVE CASH FLOWS FROM OPERATING ACTIVITES IN FY12 AND FY10:

We have negative cash flows from operating activities in FY12 and FY10 based on standalone and for FY12 on consolidated financials in the last three years, as per the details given below.

ON A STANDALONE BASIS

(Rs. in Lacs)

Particulars	Period ended Sept 30, 2012	FY ended 31.03.12	FY ended 31.03.11	FY ended 31.03.10
Cash flow from Operating Activities	616.00	(730.52)	234.39	(223.24)
Cash flow from Investing Activities	(503.08)	(4117.20)	140.98	334.81
Cash flow from Financing Activities	(184.54)	4929.96	(375.07)	(100.46)
Net (Decrease) / Increase in Cash and Cash Equivalents	(71.62)	82.24	0.30	11.11

ON A CONSOLIDATED BASIS#

(Rs. in Lacs)

Particulars	Period ended Sept 30, 2012	Year ended March 31, 2012
Cash flow from Operating Activities	4338.87	(1616.58)
Cash flow from Investing Activities	(2218.47)	(5084.15)
Cash flow from Financing Activities	(2687.28)	7587.96
Net (Decrease) / Increase in Cash and Cash Equivalents	(566.88)	887.23

No consolidated Cash Flow Statements have been drawn for the Years ended March 31, 2010 and March 31, 2011 since the Company did not have any Subsidiaries, in those years.

Cash flow from operating activities is a key indicator to show the extent of cash generated from operations of our Company to meet capital expenditure, pay dividends, repay loans and make new investments without raising finance from external resources. Sustained negative cash flows from operating and investing activities in future would adversely affect our results of operations and financial condition. For further details regarding our cash flows, please refer to Annexure III and IIIA, Restated Cash Flow Statements under Section Financial Statements on pages 167 and 200 of this Letter of Offer.

17. Our Management will have flexibility in applying the Proceeds of the Issue and the deployment of the Proceeds is not subject to monitoring by any independent agency. The purposes for which the Proceeds of the Issue are to be utilized are based on management estimates and have not been appraised by any Bank or Financial Institution.

We intend to use the proceeds of the Issue for the purposes described in "Objects of the Issue" on page 78-86 of this Letter of Offer. Our management may revise estimated costs, fund requirements and deployment schedule owing to factors relating to our business and operations and external factors which may not be within the control of our management.

The utilization of the proceeds of the Issue and other financing will be monitored only by the Board of Directors of our Company and is not subject to monitoring by any independent agency. Proceeds of the Issue allocated to general corporate purposes will be used at the discretion of the management. Further, pending utilization of the Proceeds of the Issue, we intend to invest such proceeds in high quality interest/dividend bearing liquid instruments including investment in mutual funds, deposits with the Banks for appropriate period.

Our funding requirements and the deployment of the Proceeds of the Issue are based on management estimates and have not been appraised by any Bank or Financial Institution. In view of the highly competitive nature of the industry/ business in which we operate or intend to operate, we may have to revise our management estimates from time to time and, consequently, our funding requirements may also change.

18. Our success largely depends on our ability to attract and retain our Key Managerial Personnel. Any loss of our Key Managerial Personnel could adversely affect our business, operations and financial condition.

Our Company and its Subsidiaries are depending significantly on the expertise, experience and continued efforts of our Key Managerial Personnel. If one or more members of our Key Managerial Personnel are unable or unwilling to continue in his/her present position, it may be difficult to find a replacement, and business might thereby be adversely affected. Competition for Key Managerial Personnel in our industry/business is intense and it is possible that our Company may not be able to retain existing Key Managerial Personnel or may fail to attract/ retain new employees at equivalent positions in the future. As such, loss of Key Managerial Personnel could adversely affect our business, results of operations and financial condition. For further details on the Key Managerial personnel of our Company, please refer to the chapter titled "Our Management" beginning on page no 132 of this Letter of Offer.

19.Failure or delay in raising funds from the Rights Issue could adversely impact the implementation schedule. Any time/cost overrun may adversely affect our and our subsidiaries' growth plans and profitability.

The proposed expansion/business plan of our business and business of our subsidiaries is to be funded from the proceeds of this Issue. Our Company has not identified any alternate source of funding and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue Proceeds may delay the Implementation Schedule of our project and projects of our subsidiaries. Our Company therefore, cannot assure that it would be able to execute the proposed business plans within the given time frame, or within the costs as originally estimated. Any time overrun or cost overrun may adversely affect our and our subsidiaries' growth plans and profitability.

20.Our Company/its Subsidiaries propose to operate in a highly competitive industry/business segments and, if they are unable to adequately address factors that may adversely affect revenue and costs on account of increased competition, our business and businesses of our subsidiaries could suffer.

Our Company and/or its Subsidiaries are or are proposing to/intending to operate in very competitive industry/business segments. Increased competition may lead to revenue reductions, reduced profit margins, or a loss of market share, any one of which could harm our business and business of our subsidiaries.

Any inability to effectively compete with other participants in the industry/business segments we or our subsidiaries operate/ intend to operate, whether on the basis of pricing, services or otherwise, it might not be able to attract new customers or retain existing customers, and this could adversely affect business, financial condition and results of operations.

21.Our Corporate Office at Gurgaon, Haryana is taken on lease/arrangement with Infotel Business Solutions Limited which in turn has taken the same on lease from Mr. Naresh Kumar, an unrelated person. However, Mr. Surendra Lunia, Director of our holding Company, DHPL is promoter of and also a Director in Infotel Business Solutions Limited. For further details, please refer to Page no. 118 -119 of the Letter of Offer, under the title "Our Properties".

Our Corporate Office at Gurgaon, Haryana is taken on lease/arrangement from Infotel Business Solutions Limited. The said premises, has in turn been taken on lease by Infotel Business Solutions Ltd from Shri. Naresh Kumar and if this Lease agreement is terminated by Shri. Naresh Kumar before its term or if Infotel Business Solutions Ltd is unable to renew the Lease agreement on favourable terms or at all, we may suffer a temporary disruption in our corporate affairs and business. Further, Shri. Surendra Lunia, Promoter of Infotel Business Solutions Ltd and one of its Directors is also a Director of our holding Company, DHPL. Although we believe that this transaction has been conducted on an arm's length basis, there can be no assurance that we might not have achieved/may not achieve more favourable terms had such lease/arrangement not been entered into with the said Company. It is also possible that had we acquired some other premises with an unrelated party, we would have obtained more favourable terms.

22.CONFLICT OF INTEREST AND SIMILAR ACTIVITIES BY OUR GROUP COMPANY AND OUR SUBSIDIARY

One of the Group Companies, Microwave Communications Limited, was also engaged in BPO activity, the same activity carried out by our Subsidiary DTPL. DGPL which is a Subsidiary of DTPL is also in BPO activity even though catering to international markets. As such there is and there will continue to have conflict of interest between each of them.

Although our group Company Microwave Communications Limited was engaged in BPO activity, the company has discontinued its activity two years ago and DGPL operates in the international markets and will not be directly competing with our subsidiary, DTPL.

23.The Registered Office of our Company is taken on lease/arrangement with C K Goushal & Sons, HUF, of which Mr. Chhattar Kumar Goushal, one of our Directors, is the Karta. For further details, please refer to Page No. 118-119 of the Letter of Offer, under the title "Our Properties".

This transaction is with an entity which is related to one of Directors. We believe that this transaction has been conducted on an arm's length basis. The transaction does not pose any risk to our Company at present. However, there is no assurance that the Lessor will renew the arrangement in future or vary the terms in future.

24.One of our Joint Auditors, M/s N S Bhatt & Associates has resigned on June 19, 2012 on account of their preoccupation and M/s Khandewal Jain & Associates continues to be assoiciate with the Company as a Statutory Auditor.

One of our Joint Auditors, M/s N S Bhatt & Associates has resigned on June 19, 2012 on account of their preoccupation and M/s Khandewal Jain & Co. continued to be Statutory Auditor of the Company. The accounts have been adopted and M/s. Kandelwal Jain & Co., continute to be associated with us as the sole auditors. Considering the long association of M/s N S Bhatt & Associates, Joint Statutory Auditors, their resignation may be perceived negatively by the stakeholders of the Company.

25.There have been certain delayed filings under Regulation 6 and Regulation 8 of the SEBI (SAST) Regulations, 1997 for the years 1997 and 1998 to 2002 and again in the year 2004 and certain non compliances under Regulation 7(3) by our Company.

The filings under Regulations 6(2) & 6(4) for 1997 & 8(3) for the years 1998 to 2002 under Chapter II of the SEBI (Substantial Acquisition of Shares and takeovers) Regulations, 1997 have been done late by MMWL, on September 21, 2011 with BSE. The filings from 2003 till date have been done on time, except for the year ended March 31, 2004 for which the disclosure under 8(3) were filed on August 5, 2004. The Company has not complied with filing requirements under Reg. 7(3) due on March 30, 2006, March 31, 2006, March 27, 2010, April 5, 2010, April 6, 2010, August 09, 2010, and January 11, 2011. Erstwhile promoters of the Company had filed the consent application with SEBI in this matter on September 26, 2011 which has been rejected by SEBI vide their letter dated February 21, 2013. For the said violation of the provisions under Chapter II of the SEBI (Substantial Acquisition of Shares and takeovers) Regulations, 1997, SEBI may initiate suitable penal action against our Company at a later date, which may include, but not limited to, monetary penalties, thereby having an impact on our financials.

26.The insurance coverage may not be adequate to protect us against all potential losses to which we and our subsidiaries may be subject and this may have a material adverse effect on our and business of our subsidiaries.

We/our Subsidiaries face the risk of loss resulting from product liability, intellectual property, contractual, warranty, and other lawsuits, whether or not such claims are valid. In addition, our Subsidiaries' insurance coverage may not be adequate to cover such claims or may not be available to the extent we expect. A successful claim that exceeds or is not covered by our policies could require us to pay substantial sums.

We maintain insurance policies with independent third parties in respect of equipment and certain inventories covering losses due to fire and a wide range of natural disasters and burglary. We also maintain policies in respect of marine, air and inland transit risks for imports from outside India. We also maintain health insurance for our employees.

Although, we attempt to obtain coverage for and mitigate our liability for damages arising from negligent acts, errors or omissions through insurance policies, our liability may sometimes not be covered as a result of the limitations of liability set forth in our insurance policies. In such event, our insurance policies may not protect us from liability for damages. These may lead to financial liability and other adverse consequences.

Further, while we believe that insurance coverage will be available in the future, we cannot assure you that such coverage will be available at costs and terms acceptable to us or that such coverage will be adequate with respect to future claims that may arise. If we are not able to adequately insure against the risks we face, or the insurance coverage we have taken is inadequate to cover our losses, our business, financial condition and results of operations could be adversely affected.

For further details on insurance please refer to Chapter "Insurance" on Page 119 of this Letter of Offer.

27. We have entered into, and will continue to enter into, related party transactions. There can be no assurance that such transactions, individually or in the aggregate will not have an adverse effect on our business, financial condition and results of operations.

We have entered into certain transactions with related parties, including our Subsidiaries, Parent Company and Promoters, the details of which as on September 30, 2012 and March 31, 2012, are given below:

(Rs. in Lacs)

Nature of Transaction	**DigiVision Holdings Pvt. Ltd.**		**DigiCall Teleservices Pvt. Ltd.**		**Media Matrix Holdings Private Limited (formerly Digicall Holdings Private Limited)**		**nexG Devices Pvt. Ltd.**		**DigiVive Services Pvt. Ltd.**	
	30-Sep-12	31-Mar-12	30-Sep-12	31-Mar-12	30-Sep-12	31-Mar-12	30-Sep-12	31-Mar-12	30-Sep-12	31-Mar-12
Sale of Goods	0.00	0.00	0.00	0.00	0.00	0.00	418.32	0.00	0.00	0.00
Debit Note Raised by Us (Expenses)	0.00	0.00	0.00	0.00	0.00	0.00	1,422.42	0.00	0.31	0.00
Payment made by us towards loan	1,654.50	13.70	185.00	90.01	0.00	1.00	174.50	643.40	0.00	66.50
Payments made towards Investment	0.00	0.00	0.00	2,009.99	0.00	199.00		0.00	0.00	2,449.50
Debit Notes raised on us (Expenses)	0.00	28.54	160.27	80.11	0.00	0.00	47.23	0.00	62.09	2.00
Repayment of Loan	0.00	0.00	0.00	0.00	0.00	0.00	1,312.69	0.00	0.00	0.00
Purchase of Equity Shares	0.00	0.00	0.00	1,309.99	0.00	0.00	498.00	0.00	0.00	799.50
Advance for Share Application Money	0.00	0.00		0.00	0.00	199.00	0.00	0.00	0.00	0.00
Purchase of 0% OFCD	0.00	0.00	0.00	700.00	0.00	0.00	0.00	0.00	0.00	1,650.00
Payments received by us toward Loan	1,727.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	15.00
Closing Balance Asset										
Short Term Loan	0.00	0.00	34.63	9.90	1.00	1.00	382.41	643.40	0.00	49.50
Trade Receivable	0.00	0.00	0.00	0.00	0.00	0.00	418.32	0.00	0.00	0.00
Closing Balance Liability										
Trade Payable	14.84	14.84	0.00	0.00	0.00	0.00	0.00	0.00	12.29	
Short Term Loan	172.50	100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Nature of Transaction	**Anil Vedmehta***		**Mobile Telecommunication Limited***		**Quantum E-services Private Limited***	
	30-Sep-12	**31-Mar-12**	**30-Sep-12**	**31-Mar-12**	**30-Sep-12**	**31-Mar-12**
Payment made by us towards loan	0.00	187.04	0.00	262.03	0.00	18.10
Closing Balance Asset						
Short Term Loan	0.00	24.24	0.00	118.74	0.00	0.00
Trade Receivable	0.00	0.00	0.00	0.00	0.00	0.00
Closing Balance Liability						
Trade Payable	0.00	0.00	0.00	0.00	0.00	0.00
Short Term Loan	0.00	0.00	0.00	0.00	0.00	0.00

* All of these have ceased to be Related Parties with effect from Jan 26, 2012.

For further information on our related party transactions, see "Financial Statements-Standalone Statement of Related Parties and Related Transactions with them-Annexure XVII and "Financial Statements-Consolidated Statement of Related Parties and Related Transactions with them-Annexure XVIIA on pages 183-185 and 215-217 respectively. We may in future as well enter into related party transaction with our promoter and group companies in the ordinary course of business at arms length. While we believe that all our related party transactions have been conducted or will be conducted on an arm's length basis, there can be no assurance that we could not have achieved or will not achieve more favourable terms had such transactions been entered into with unrelated parties."

28. 22,50,000 Equity Shares of Face Value of Rs. 10/- each allotted in December 2000, and 53,91,000 Equity Shares of Face Value of Rs. 10/- each allotted as Bonus Shares in July 2001, were not listed at MPSE immediately after the Issue of Shares. We had on 23.08.2012, submitted application for Listing the said Equity Shares and regularizing the same which has been accepted by MPSE and MPSE, vide its Letter dated 18-9-2012 has confirmed the same.

22,50,000 Equity Shares of Face Value of Rs. 10/- each allotted in December 2000, and 53,91,000 Equity Shares of Face Value of Rs. 10/- each allotted as Bonus Shares in July 2001, were not listed at MPSE immediately after the Issue of Shares. We had on 23.08.2012, submitted application for Listing the said Equity Shares and regularizing the same which has been accepted by MPSE and MPSE, vide its Letter dated 18-9-2012 has confirmed the same. MPSE may initiate punitive action at a later date against us for the delayed listing of the Equity Shares and this could have an adverse impact on the reputation and financials.

29. 2,00,00,000 Equity Shares of Face Value of Re. 1/- allotted on 07.08.2012 on conversion of OFCDs are yet to get final listing and trading permission from MPSE, for which application has been submitted on 16.08.2012.

We have received listing and trading approval for the listing of 2,00,00,000 Equtiy Shares allotted on conversion of OFCDs from BSE, but we are yet to receive listing and trading permission from MPSE.

30. Our Subsidiary, nexG Devices Private Limited is also engaged in a business activity which is similar to that carried on by us.

Our subsidiary, nexG Devices Private Limited is engaged in the business of trading in mobile handsets, which is an activity similar to that conducted by us. There can be no assurance that such business activities will not have an adverse effect on our business, financial condition and results of operations.

31. The limited operating history of DSPL, one of our Subsidiaries, may make it difficult for prospective investors to evaluate its business and consequently its business.

Our subsidiary, DSPL was incorporated in March 2010 and launched its first product in May, 2011. As a result, there is limited historical financial and operating information available to help prospective investors evaluate its past performance or to make a decision about the investment. In additions, because of limited operating history, our consolidated financial results may not accurately predict our future performance, particularly as there is time lag between the launch of the product and its revenue realization. The narrow business focus on telecommunication industry may make our financial results more sensitive to changes and downturns within our industry than the companies with more diversified lines of business. The telecommunications value added service market is at nascent stage and is rapidly evolving. As a result, any evaluation of DSPL business and its prospects must be considered in light of industry in which it operate, its limited operating history and the risk and uncertainties.

32. Third parties may successfully sue us or any of our Subsidiaries for intellectual property infringement which could disrupt both our business and that of our subsidiaries or require us to pay significant damages/award which we may not succeed in recovering from others.

While we take precautions to ensure that we/our subsidiaries comply with the intellectual property rights of others and we believe that our products or products of our subsidiaries, methodologies and intellectual property rights do not infringe on the intellectual property rights of any other party, we cannot determine with certainty whether we/our subsidiaries are infringing upon any existing third party intellectual property rights which may force us to alter our technologies, obtain licenses or significantly cease some portions of our/our subsidiaries operations. We/our subsidiaries may also be susceptible to claims from third parties asserting infringement and other related claims. There are currently no material pending or threatened intellectual property claims against us. However, if we/our subsidiaries become liable to third parties for infringing their intellectual property rights, we/our subsidiaries could be required to pay substantial damages including damages based on profits that we/ our subsidiaries have obtained from the allegedly infringing technology as well as exemplary damages that a court may award and we may be forced to develop non-infringing technology, obtain a license for the infringing technology or cease selling the applications and using the products or methodologies that contain the infringing technology. We/our subsidiaries may be unable to develop non-infringing technology or to obtain a license on commercially reasonable terms. Any third party claims of intellectual property infringement may have a material adverse effect on our business, financial condition and results of operation.

33. Valuations in the information technology enabled services industry may not be sustained in future and current valuations may not be reflective of future valuations for the industry.

Generally, the IT product and services companies are sceptical to risk of changes in technologies and changes in client preferences and accordingly there is risk of changes in their valuation on account of impact of the change in market conditions on their financials. There is no standard and uniform methodology for valuation of these industries and further, the Mobile Television activity which one of our Subsidiaries operates in, is such an area, that there are no comparable listed players. Additionally, current valuations may also not be reflective of future valuations within the industry. The business plans of these subsidiaries are all based on these valuations forecasts for these activities and the funds requirement has accordingly been estimated based on these plans. Due to the economic slowdown and other factors beyond the control of our Company/its subsidiaries, if the valuations are not sustained, the financials of our Company/its subsidiaries would be affected, our/our subsidiaries' forecasts could be incorrect and our/our subsidiaries' fund requirements could exceed the estimations and this may require us/our subsidiaries to reschedule project expenditure, which could in turn have a bearing on our/our subsidiaries' expected revenue and earnings.

Further, the subsidiaries of the Company, DSPL and NDPL, which have started their operations in last three years and caters to next generation products and services, may be more prone to this risk as compared to DTPL which is running the BPO business almost for a decade now.

34. We, as well as our Subsidiaries are operating from leased premises, some of which are again taken on lease from related parties. In case the lease facility is not renewed at all or as per terms which are not favorable to us this would lead to temporary disruption of our operations. This could also lead to a negative impact on our financials.

While we believe that all the related party transactions has been conducted on an arm's length basis, there can be no assurance that we might not have achieved/may not achieve more favourable terms had these transactions been taken from some other party instead of the arrangement with the related parties. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our business, results of operations and financial condition.

35. If we are unable to protect our information technology infrastructure from security risk, our business may suffer.

We and our subsidiaries typically access and process sensitive data in connection with our services using IT Infrastructure. Although we take adequate precaution to protect the confidentiality of client data and have also implemented internal security audits of our clients, it cannot be assured that we will be able to comply with all those obligations and not incur any liability. If any person, including any of our or our subsidiary's employees breaches our network security or otherwise mismanages or misappropriates the sensitive data or bypass IT Infrastructure we would be subject to significant liability and legal proceedings from our clients or customers for breach of confidentiality. Any breach of our / our Subsidiary's network security / IT infrastructure may also have a negative impact on our reputation, which could have a material adverse effect on our business, results of operations, financial condition and cash flows.

We and our Subsidiaries use IT infrastructure to run our operations and rely heavily on it for their deliverable. In case there is deficiency or defect in IT infrastructure, our operations may get disrupted and run the security risk of losing control over the processes. If we or our subsidiaries are unable to protect their information technology infrastructure from security risk, our consolidated business may suffer.

We may also further be required to provide capital and other resources to ensure that security breaches do not occur or to alleviate problems caused by such breaches. There can further be no assurances that these measures will not be circumvented in future.

36. The accuracy or completeness of facts and other statistics with respect to India, the Indian economy and the mobile handset device industries contained in this Letter of Offer cannot be guaranteed.

While facts and other statistics in this letter of Offer relating to India, the Indian economy as well as the mobile handset device industries have been based on various publications and reports from agencies that we believe are reliable, we cannot guarantee the quality or reliability of such materials. While we have taken reasonable care in the reproduction of such information, industry facts and other statistics have not been prepared or independently verified by us or any of our respective affiliates or advisers and, therefore we make no representation as to their accuracy or completeness. These facts and other statistics include the facts and statistics included in "Industry Overview" on page 98 of this Letter of Offer. Due to possibly flawed or ineffective data collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced elsewhere and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy, as the case may be, elsewhere.

37. OUR NBFC REGISTRATION WITH THE RESERVE BANK OF INDIA

Media Matrix Worldwide Limited is currently registered with Reserve Bank of India (RBI) as a Non-deposit accepting Non- Banking Finance Company (NBFC). Since the Company hasd not carried on activities of an NBFC activities in the past nor does it have an intention of carrying on NBFC activities in the future, the Company has, on September 13, 2011 submitted an application to RBI, seeking to de-register itself as an NBFC. RBI vide its letter dated December 26, 2012 has asked the Company to lower its financials assets (representing investment in subsidiaries) as percentage of total assets to enable it to deregister as NBFC. Since the Company presently does not meet the criteria of principal business as specified by the RBI in its Press Release 1998-99/1269 dated April 8, 1999 and instead qualifies as a Core Investment Company (CIC) based on the current investment structure of the Company, the Board of the Directors of the Company has decided on February 13, 2013 to notify the same to RBI and apply for registration as and when the assets size is Rs.100 cr or above. The response of RBI in this regard is awaited. The Company may be required to pay penalty, if any, levied by RBI for past non-compliance in the past and may be required to comply with NBFC norms, if RBI decides not to de-register the company as NBFC.

Till the time our Company continues to be registered with RBI, the Company would be governed by the RBI Regulations relating to Non Banking Finance companies. In our case, the Regulations or instructions issued by RBI to Non deposit taking NBFCs would be applicable. The major RBI Regulations are those covered under Non Banking Financial (Non Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank Direction) 2007 as amended, Master Circular on Know Your Customer Guidelines, Master Circular on Anti Money Laundering Standards, etc. Other RBI regulations that are to be complied with are master circular on Miscellaneous instructions to Non Banking Finance companies, Master circular on Returns to be submitted by NBFCs and Master Circular on Fair Practises Code.

38. The acquisition of other companies, businesses or technologies could result in operating difficulties, dilution and other harmful consequences

As part of our growth strategy, we have acquired/intend to pursue acquisitions to expand our business.There can be no assurance that we will be able to identify suitable acquisition, strategic investment or joint venture opportunities at acceptable cost and on commercially reasonable terms, obtain the necessary financing to complete and support such acquisitions or investments, integrate such businesses or investments or that any business acquired or investment made will be profitable.

If we attempt to acquire non-Indian companies, we may not be able to satisfy certain Indian regulatory requirements for such acquisitions, and may need prior approval from RBI which we may not be able to obtain. In addition, acquisitions and investments involve a number of risks, including possible adverse effect on our financial results, diversion of management's attention, failure to retain key personnel, risks associated with unanticipated events or liabilities and difficulties in assimilation of the operations, technologies, systems, services and product of acquired businesses or investments. Any failure to achieve successful integration of such acquisitions or investment could adversely affect business, financial condition and results of operations. In addition, anticipated benefits of our investments or acquisitions may not materialize. Future acquisitions could result in potentially dilutive issuance of our equity securities, incurrence of debt, contingent liabilities or amortization expenses or write off goodwill, any of which could harm our financial condition and may have adverse impact on the prices of equity shares.

39. Our Company has issued OFCDs to V&A Ventures LLP, a non promoter group entity. In case V&A Ventures LLP converts 12,40,92,219 OFCDs issued to them and outstanding as on the date of this Letter of Offer, it would be able to influence the outcome of matters submitted to Shareholders for approval and our other Shareholders may not be able to affect the outcome of Shareholder voting.

We have issued 14,40,92,219 OFCDs to V&A Ventures LLP, out of which 12,40,92,219 OFCDs are still pending for conversion. The holder of the OFCDs already holds 19.83% of our paid up capital/voting rights. In case the OFCD holder opts for conversion of the remaining OFCDs in part or full, instead of redemption, they will beneficially own substantial holding in our equity share capital. As a result, there is a possibility of a change in control, they will have the ability to control or influence our decisions, various aspects of our business, including matters relating to any sale of all or substantially all of our assets, the timing and distribution of dividends and the election or termination of appointment of our officers and directors subject to the rights of any lenders to which such shares may be pledged. This control could delay, defer or prevent a change in control of our Company, impede a merger, consolidation, takeover or other business combination involving our Company, or discourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of our Company even if it is in our Company's best interest. In addition, as long as they continue to exercise significant control over our Company, they may influence the material policies of our Company in a manner that could conflict with the interests of our other Shareholders including present promoters. They may have interests that are adverse to the interests of our other shareholders and may take positions with which our present promoters or our other Shareholders do not agree.

40. There has been a change in the management of our Company in Jan 2012 which has lead to a change in our business strategies and business activities. The financials provided (except for Sept 30, 2012) also pertain to substantially to the period when the Company was under the old management and are not indicative in any manner of our future prospects or performance.

Our Company has been taken over in January 2012 by the present promoters and the new management has been undertaking new activities and business plans which are very different from the activities that were undertaken by our Company under the old management. It is not certain or there can be no assurance that these activities and strategies would yield the desired results. Further, most of the financial information included in the Letter of Offer pertains to the period when the Company was carrying on the activities as carved out by the previous management. Hence these financials are not indicative of the future plans, prospects and performance of our Company.

41. Our Company has acquired majority stake in 4 companies which have become our wholly owned subsidiaries and through them we also have acquired one step down subsidiary. Our activities are to a major extent dependent on the performance of our subsidiaries and any failure to integrate the plans of our subsidiaries into our business plans could have an adverse effect on our operations and our financials.

We have acquired 4 subsidiaries in the month of March 2012 and through them, one step down subsidiary and have also invested in acquiring all these 5 subsidiaries. We propose to invest in these subsidiaries in future also and the success of our business plans and operations are heavily dependent on the success of the business plans and operations of these subsidiaries. In case either of these or all of the subsidiaries fail to achieve any of their business targets or fail to implement any of their plans successfully or at all, it could have an adverse impact on our operations, revenue and ultimately our profitability.

42. We had not complied with the provisions of the listing agreement at Madhya Pradesh Stock Exchange in the past.

We have not complied with the provisions of the Listing Agreement with particular reference to payment of listing fees, filing of disclosures under Clause 35, 41, 47C and 49 of the Listing Agreement and have also not made disclosures under Regulation 6(2) & 6(4) for the year 1997 & 8(3) for the years 1998 to 2012 to the Madhya Pradesh Stock Exchange on time. We have, however, now regularized our non filings and delayed filings with the Madhya Pradesh Stock Exchange under the MPSE Amnesty Scheme and have also remitted the listing fee to them till the current year i.e. 2012-13. For the said non compliances, MPSE may initiate suitable penal action against us at a later date, which could include monetary penalties and this may have an adverse impact on our results of operations, reputation and financials.

43. We have not yet entered into definitive arrangements to utilize the Net Proceeds of the Issue to the extent of Rs.1500 Lacs for certain projects.

We have currently earmarked Rs.2233.42 Lacs from the proceeds of the issue for meeting any redemption of the OFCDs outstanding. In case the OFCDs are not redeemed or repaid, we intend to deploy an amount of Rs.1500 Lacs in our subsidiaries, NDPL and DTPL, who have not obtained their definitive business plans for the financial years 2014 and 2015, approved by their Board of Directors. Our inability to deploy the amounts raised in the identified projects and in accordance with our stated schedules of implementation may lead to cost overruns and impact our future profitability. This deployment may not result in adequate returns for us. For further details on the objects of the Issue please refer to section titled "Objects of the Issue" beginning on page 78 of this Letter of Offer.

44. **Our Long Term Debt Equity Ratio on a standalone basis for the year ended March 31, 2012 and period ended Sept 30, 2012 is 7.95 and 0.00 respectively and our Total Debt Equity Ratio on a standalone basis for the year ended March 31, 2012 and period ended Sept 30, 2012 is 8.52 and 5.17 respectively. On consolidated basis, our Long term debt to equity ratio for the year ended March 31, 2012 and period ended Sept 30, 2012 is 8.68 and 44.67 respectively, and our Total Debt Equity Ratio is 11.68 and 161.27 respectively. This high level of Debt could put our resources to repay the debts under stress and could also affect our cash flow position in future.**

Our Total Debt as on March 31, 2012 and Sept 30, 2012 was Rs.5363.58 Lacs and Rs. 6252.3 Lacs respectively, while our shareholder funds for the same period was Rs.629.20 Lacs and Rs. 1208.99 Lacs respectively, based on the stand alone financials and this may be subject to repayment on demand by the lenders at any time. On consolidated basis, our Total Debt as on March 31, 2012 and Sept 30, 2012 was Rs.7082.2 Lacs and Rs.15618.17 Lacs respectively, while our shareholder funds for the same period was Rs.606.55 Lacs and Rs. 96.85 Lacs respectively. Our Long Term Debt Equity Ratio on a standalone basis for the year ended March 31, 2012 and period ended Sept 30, 2012 is 7.95 and 0.00 respectively and our Total Debt Equity Ratio on a standalone basis for the year ended March 31, 2012 and period ended Sept 30, 2012 is 8.52 and 5.17 respectively. On consolidated basis, our Long term debt to equity ratio for the year ended March 31, 2012 and period ended Sept 30, 2012 is 8.68 and 44.67 respectively, and our Total Debt Equity Ratio is 11.68 and 161.27 respectively. Any failure by our Company to service such indebtedness, comply with a requirement to obtain a consent or otherwise perform our obligations under the financing agreements could lead to a termination of one or more of the credit facilities, trigger cross default provisions, pledge and other security arrangements and penalties and acceleration of amounts due under such facilities which may adversely affect our cash flow position, our business, financial condition and results of operations of our Company and /or Subsidiaries.

45. **The investments by us in the subsidiaries are neither diversified nor liquid and as on Sept 30, 2012 are to the extent of Rs. 5157.49 Lacs and the entire amount has been invested in our subsidiaries.**

As on Sept 30, 2012, we have investments to the extent of Rs.5157.49 Lacs either in the equity shares or OFCDs of our subsidiary companies which are incorporated in last three years except for DTPL. These shares/OFCDs are unquoted and do not carry any guaranteed returns. These investment in the subsidiaries are neither diversified nor their equity shares are liquid. The OFCDs are interest free. There could be a situation where in the investment could be completely eroded and this could lead to an adverse impact on our financial position at a future date.

Our subsidiaries companies, in which, we have made investment in the recent past, have incurred losses in the recent past. These Investment by us in the subsidiaries are neither diversified nor their equity shares are liquid

46. **Our Net Asset Value is less than our Shareholders' Funds on consolidated basis for the period ended September 30, 2012**

The Net Asset Value of our equity Shares of Face value Re. 1/- , on a consolidated basis was Re 0.10 for the period ended Sept 30, 2012, which is less than the Face Value of Re. 1/-. This indicates erosion in the Shareholder's funds on consolidated basis. Continuous reduction in the Net Asset Value in comparison to the shareholders' funds could indicate our inability to protect Shareholder's funds, give adequate returns to Shareholders, service our debts and could also affect our solvency position.

47. **The growing opposition to outsourcing in the United States and the host of measures announced to such companies which do not generate revenue by outsourcing their business by the United States Administration could have an impact on our business and profitability.**

Our wholly owned subsidiary DigiCall Global Private Limited is in the BPO sector which sources its revenues from the business outsourced by companies in the United States and other countries in the West. The recent opposition to outsourcing by the Administration in the United States of America has had an impact on the income generated by Indian companies and will continue to do so, if the opposition to outsourcing continues. This could have a direct impact on the profitability and revenue generated by our subsidiary DGPL and indirectly on our financials and revenue generated.

48. The members of our Company had resolved to change the name of our company on April 06, 2011, and the request for the change of name was rejected by the Registrar of Companies, for non compliance of statutory provisions.

The members of our Company, had resolved through postal ballot, by way of Special Resolution, to change the name of the Company to "New Earth Alternate Technologies Limited" , the results of which was announced on 6th April 2011. Certain alterations to the Main Objects were also approved by members by way of Special Resolution dated 6th April, 2011. However, these changes could not become effective as the relevant e-Forms filed with Ministry of Corporate Affairs were rejected and not taken on record. The reason cited for rejection was "non filing of Annual Accounts and Annual Returns of the MMWL pertaining to earlier year(s). Our Company, thereafter, decided not to pursue the matter further and as such neither the change of name nor alteration to the Objects as approved by the members of our Company on 6th April, 2011, as stated above, has been given effect to". We have however now complied with the requirement of filing of Annual Accounts and Annual Returns and there are no non compliances as on the date of this Letter of Offer.

RISKS SPECIFIC TO OUR SUBSIDIARIES

Since these risks could affect the operations, reputation and financials of our respective Subsidiaries, It could ultimately have an adverse impact on our reputation, operations and our financials.

Risks Specific to DigiCall Teleservices Private Limited, (DTPL) our wholly owned Subsidiary (BPO)

49. Our Subsidiary, DigiCall Teleservices Private Limited relies on forecast provided by clients for a large proportion of its income, and loss on account of variance in the actual vs forecast of these clients could adversely affect its profitability.

DTPL currently derives and believes that it will continue to derive a substantial portion of its income based on the forecast provided by its clients. As a result of DTPL's reliance on a forecast of clients, it may face certain issues including drop in calls projections. There are a number of factors, other than its performance, that could cause the loss of a client and such factors may not be predictable. DTPL's contracts with these clients allow them to reduce the calls offered without terminating or being in breach of their contract. The loss or significant decreases in the volumes of work from one or more of its large clients would have a material adverse effect on DTPL's business, results of operations, financial condition and cash flows.

Further, if any of its major clients become bankrupt or insolvent, DTPL may lose some or all of its business from that client and its receivables from that client may have to be written off. DTPL's business could also be adversely affected by the merger, acquisition or restructuring of its clients if the new entity chooses not to engage DTPL to provide it with services. These clients may in the future demand price reductions, develop and implement newer technologies, automate some or all of their processes or change their strategy by moving more work in-house or to other providers, any of which could reduce DTPL's profitability. Any significant reduction in or the elimination of the use of the services which DTPL provides to any of its clients, or any requirement to lower its prices would harm its business.

50. The success of the business of DTPL is dependent on its ability to anticipate and respond to client requirements.

Typically, DTPL's clients come to it with certain problems and require it to devise and implement solutions, to achieve better efficiencies in their business. Such a positioning requires a considerable understanding of DTPL's client's business, the domain and the ability to devise solutions, along with the technology to implement these solutions. As its clients continue to seek better solutions, DTPL is required to enhance its domain knowledge, its understanding of client needs and accordingly respond to the changing trends in the industry. DTPL's inability to anticipate and cater to the needs of its existing and prospective clients will affect its business and prospects.

51. Our Subsidiary, DTPL may undertake certain onerous contractual obligations with some of its clients with mutual discussion.

DTPL has, in the past, included certain covenants in the agreements with its clients with respect to rewards and penalty. Further, DTPL cannot assure that its existing or prospective customers will not demand for similar provisions in their contracts. While DTPL believes such obligations have not materially affected it in the past, there can be no assurance that they will not adversely affect it in future. Furthermore, if it refuses to enter into contracts that contain such obligations, DTPL may lose prospective clients and its business, financial condition and results of operations could be adversely affected.

52. All of the client contracts of our Subsidiary, DTPL can be terminated without cause and with little agreed notice, which could negatively impact its revenues and profitability.

All of DTPL's client contracts are on a non-exclusive basis and can be terminated with or without cause, after requisite notice period, which is typically 30-60 days and without termination-related penalties. Further, its business is dependent on the decisions and actions of its clients, and there are a number of factors relating to its clients that are outside DTPL's control that might result in the termination or non-renewal of an agreement or the loss of a client. Its clients may demand price reductions, change their strategy by moving more work in-house or to DTPL's competitors or replace their existing software with packaged software supported by licensors. Any of these factors could have a material adverse effect on DTPL's business, financial condition and results of operations.

53. Certain processes may become obsolete with the development of technology that may automate and eliminate the need for some of the services that DTPL currently provide.

The businesses of DTPL's clients, especially those in telecom, retail, manufacturing and financial services, are constantly evolving and they seek new ways to increase their efficiency, control costs and maintain high levels of service quality. In time, as newer technologies are developed and implemented, some or all of their processes may be automated or may be moved in-house, potentially reducing or eliminating the need for the services currently performed by DTPL. A significant reduction in services that DTPL provides as the result of process obsolescence and technological improvements will have a material adverse effect on its business.

54. Unauthorized disclosure of sensitive or confidential client and customer data, whether through breach of its computer systems or through employees, could expose DTPL to protracted and costly litigation and cause it to lose clients and business.

DTPL is typically required to access and process sensitive data in connection with its services, including portfolios of its clients in the telecom and financial services sectors. DTPL is also subject to the data protection laws of the jurisdictions where its clients are based. In addition, many of the agreements with its clients do not include any limitation to our liability to them with respect to breaches of DTPL's obligation to maintain confidentiality of information received from them. Although DTPL takes precautions to protect confidential of client data and have also cleared internal security audits of its clients, it cannot be assured that it will be able to comply with all those obligations and not incur any liability. If any person, including any of its employees, breaches DTPL's network security or otherwise mismanages or misappropriates the sensitive data, DTPL could be subject to significant liability and legal proceedings from its clients or their customers for breach of confidentiality. Further, DTPL may be required to expand capital and other resources to protect against the threat of security breaches or to alleviate problems caused by such breaches. There can be no assurances that measures that DTPL implement will not be circumvented in the future. Any breach of its network security may also have a negative impact on its reputation, which could have a material adverse effect on DTPL's business, results of operations, financial condition and cash flows.

55. DTPL may fail to attract and retain trained employees as competition for skilled personnel is intense and it may experience significant attrition rates.

The industry in which DTPL operates is labour intensive and its success depends in large part upon its ability to attract, hire, train and retain qualified employees, including its ability to attract employees with needed skills in the geographic areas in which DTPL operates.

There is significant competition for professionals in India with skills necessary to perform the services DTPL offers to its clients. Increased competition for these professionals could have an adverse effect on DTPL. High attrition rates among its employees could result in a loss of domain and process knowledge, which could result in poor service quality and lead to breaches by DTPL of its contractual obligations. A significant increase in the turnover rate among its employees in India would increase its recruiting and training costs and decrease DTPL's operating efficiency, productivity and profit margins and could lead to a decline in demand for its services. Although DTPL maintains a robust knowledge management and training programs to control the loss of attrition, it cannot guarantee adequacy and efficiency of such measures. In the event DTPL is not able to attract a high degree of talented employees, or experience high attrition levels which are largely out of its control or are unable to motivate and retain its existing employees, the future of its business and operations may be affected.

56. Failure of disaster recovery systems may affect business of DTPL.

DTPL also undertakes measures for disaster protection and downtime reduction which includes close monitoring of backup processes and maintenance of redundancy of all critical hardware and applications. However, in the event that such systems fail due to technical reasons or lack of efficient management of the same, DTPL could loose data critical to its business and this in turn could affect its business, operations and financial condition.

57. If DTPL causes disruptions to its clients' businesses or provides inadequate service, clients may have claims for substantial penalties against DTPL, which could have an adverse impact on the financials of DTPL.

Most of the contracts with clients of DTPL contain service level and performance requirements, including requirements relating to the quality of its services and the timing, quality and quantity of responses to the client's assignments. In some mission critical cases, the quality of services that DTPL provides is measured by quality assurance ratings and surveys which are based in part on the results of direct monitoring by its clients. Failure to meet service requirements of a client or errors made by DTPL's associates in the course of delivering services to its clients could disrupt the client's business and result in a reduction in income or a claim for substantial damages against DTPL. Some of DTPL's agreements specifically stipulate standards of service that, if not met by DTPL, will result in lower payment. In addition, a failure or inability to meet a contractual requirement could seriously damage its reputation and affect its ability to attract new business. DTPL is required to maintain active data communications between its delivery centres and its clients' offices. Although, DTPL maintains spare facilities and communications links, disruptions could result from, among other things, technical and electricity breakdowns, computer glitches and viruses and adverse weather conditions. Any significant failure of its equipment or systems, or any major disruption to basic infrastructure like power and telecommunications in the locations in which DTPL operates, could impede its ability to provide services to its clients, have a negative impact on DTPL's reputation, cause it to lose clients, reduce income and harm its business.

Most, but not all, its client contracts contain limitations on liability, but such limitations may be unenforceable or otherwise may not protect DTPL from liability for damages. In addition, certain liabilities, such as claims of third parties for which it may be required to indemnify its clients, are generally not limited under those agreements. DTPL's insurance coverage may not be available on reasonable terms or in sufficient amounts to cover one or more large claims, and its insurers may disclaim coverage as to any future claims. The successful assertion of one or more large claims against it that exceed available insurance coverage, or changes in its insurance policies and terms thereof (including premium increases or the imposition of large deductible or co-insurance requirements), could have a material adverse effect on DTPL's business, reputation, results of operations financial condition and cash flows.

58.Digicall Global Private Ltd (DGPL) is a Subsidiary of DTPL which caters to the international markets and primarily to the global clients based out in UK and US. DGPL, being in the same line of activity as DTPL, but catering to international markets, is susceptible to the same Risks as for DTPL and all or most of the Risks given above from Risk Factors No. 49 to 57 are applicable to DGPL also. Since, DGPL is extending services to international clients, it faces additional risk of Exchange rate fluctuations, effect of other global developments and uncertainties.

<u>Risks specific to nexG Devices Private Limited, (NDPL) our Wholly Ownded Subsidiary (Mobile handset Trading)</u>

59.If NDPL fails to successfully identify and respond to changing customer preferences and demands in a timely manner, it will not be able to compete effectively and its ability to generate revenues and growth will be adversely impacted.

The markets for NDPL's products are characterized by rapidly changing technologies, frequent new product introductions, short product life cycles and evolving industry standards as well as changes in consumer preferences and demand for features. The competitiveness of the product portfolio depends on its ability to introduce on a continuous and timely basis, new innovative and appealing products and upgrade the existing products with added features and to create new or address yet unidentified needs among our current and potential customers. In order to do so, it needs to identify and understand the key market trends and user segments and address its customers evolving needs in different customer segments proactively and on a timely basis. To achieve that, it must constantly obtain and evaluate feedback from its customers and distributors and suppliers on customer usage patterns. If it fails to analyze correctly or accurately anticipate technological trends or its end users needs and preferences, or if it is unable to respond to such trends by developing and offering cost effective products, NDPL' ability to retain current, as well as attract new, customers will be impaired, and the ability to generate revenues and growth will suffer.

Even if it successfully identifies and respond to changing customer preferences and demands in a timely manner, they may not gain traction in the market at all or at anticipated levels, which would adversely affect its business.

60. If NDPL is unable to successfully manage the introduction of new products, its business and financials and ultimately our business, operating cash flows and financial condition will also be adversely affected.

As NDPL introduces new or upgraded products it faces risks including, among other things, disruption in customers' ordering patterns, excessive or insufficient levels of existing product inventories, difficulties in ramping-up our sourcing arrangements, revenue deterioration in existing product lines, insufficient supplies of new products to meet customers' demand, possible product and technology defects and a potentially different sales and support environment. Failure to manage the introduction of newer products will adversely affect its business, operating cash flows and financial condition.

61. NDPL may face product recalls, product liability claims and legal proceedings if the quality of the products does not meet customers' expectations, in which case sales and operating earnings, and ultimately its reputation, could be negatively impacted.

The products of NDPL may contain quality issues or undetected errors or defects, especially when first introduced or when new models or versions are released, resulting from the design or manufacture of the product, or from the software or other components used in the product. These issues may be caused by components purchased by our OEM partners or by NDPL, on behalf of its OEM partners, from suppliers. Such quality issues can expose NDPL to product liability or recall claims in the event that its products fail to meet the required quality standards, or are alleged to cause harm to customers. NDPL has not made any recall of products in the past. However, it faces the risk of legal proceedings and product liability claims being brought against it by various entities including consumers, distributors and government agencies for various reasons including for defective products sold or services rendered. NDPL cannot assure it will not experience any product recalls or material product liability losses in the future or that it will not incur significant costs to defend any such claims. A product recall or a product liability claim may adversely affect its reputation and brand image, as well as entail significant costs in excess of its available insurance coverage, which may adversely affect its reputation, business and financial condition.

62.The products marketed by NDPL are manufactured by third parties that, in turn, rely on third-party suppliers, which present numerous risks to the ability of NDPL to receive an adequate supply of quality products.

Mobile handsets, are manufactured from a select group of OEM partners, some of whom have been working with NDPL since the commencement of its mobile handset business. NDPL relies on these OEM partners to manufacture the products and they in turn rely on third-party suppliers for many of the components used in the products. Moreover, the agreements with the OEM partners are generally not long-term or exclusive and, although NDPL works closely with our OEM partners and their third-party suppliers, it does not exercise control over their contractual arrangements. Thus, the manufacturing model presents numerous risks to the ability to receive an adequate supply of quality products at reasonable prices and meet NDPL's customers' demands, which, if it fails to do, would have a negative impact on its business, financial position, results of operations, cash flows and prospects. These risks include:

- interruptions to the manufacturing operations of OEM partners or their third-party suppliers due to strikes, lockouts, work stoppages or other forms of labour unrest, breakdown or failure of equipment, earthquakes, floods and other natural disasters as well as accidents and the need to comply with the directives of relevant governmental authorities;
- insufficient quality controls or failures in the quality controls of the OEM partners or their third-party suppliers;
- significant adverse changes in the financial or business conditions of the OEM partners or their third-party suppliers;
- performance by the OEM partners or their third-party suppliers below expected levels of output or efficiency;
- any inability of the OEM partners or their third-party suppliers to obtain timely and adequate delivery of quality materials, parts and components;
- increases in the costs of materials, parts and components;
- Any inability on NDPL's part to renew existing agreements with or find replacements for existing OEM partners and third- party suppliers, respectively;
- Risks related to the delay in making deliveries as the OEM partners and third-party suppliers are based outside India; and
- Misappropriation of intellectual property by the OEM partners or their third-party suppliers.

63. Since NDPL sources the products manufactured in China, any restrictions on foreign trade in India, particularly with respect to the import or use of mobile communication technology and equipment manufactured in China, will materially adversely affect the business of NDPL and ultimately our business operations and financial condition.

Our Company and our Subsidiary, NDPL, currently imports entire quantity of mobile handsets for trading from China. Our Company had placed orders worth US $ 131,751.20 (Approx. INR 65,08,510) for imports from China in FY 2011-2012 which constitutes 100% of its import orders placed in FY 2011-12. Our Company/NDPL shall continue to import goods for significant value from China. In case there is a restriction on the import of these handsets or any change in the regulatory framework which would lead to the Government restricting free import or trading of these handsets, our and NDPL's operations would be adversely affected. This would in turn have an impact on the financial performance of the Company and NDPL.

64. NDPL relies completely on third party agencies for the supply and transportation of its products from OEM partners in China to its distributors, which is subject to various uncertainties and risks.

NDPL relies completely on third party agencies to manage its supply chain and ensure the timely delivery of its products, who in turn rely on a combination of air and road transport to supply its products. These transportation facilities may not be adequate to support its existing and future operations. Further, disruptions of transportation services due to weather-related problems, strikes, lock-outs, inadequacies in the road infrastructure or other events could impair its ability to supply its products to its customers. Any such disruptions could materially and adversely affect the business of NDPL, its financial condition and results of operations.

NDPL cannot assure that it will be successful in continuing to receive uninterrupted service from its supply chain service providers for all its current and future products. Any disruption or inefficiencies in the supply chain network may adversely affect NDPL's business and results of operations.

65. NDPL has experienced negative cash flows from operating activities in Fiscal 2012. Any negative cash flows from operating activities in the future could adversely affect its results of operations and financial condition.

For Fiscal 2012, NDPL had negative cash flow from operating activities on account of the lower scale of operations being first year of operations. Any negative cash flows from operating and investing activities in future would adversely affect its results of operations and financial condition.

66.If NDPL does not accurately forecast demand for its products, revenues, gross profit and financial condition could be adversely impacted.

The demand for its products depends on many factors, including pricing and channel inventory levels, and is difficult to forecast due in part to variations in economic conditions, changes in customer preferences, relatively short product life cycles, changes in competition, seasonality and reliance on key sales channel partners. It is particularly difficult to forecast demand by individual product. Significant unanticipated fluctuations in demand, the timing and disclosure of new product releases or the timing of key sales orders could result in costly excess inventories, liabilities for failure to achieve minimum purchase commitments or the inability to secure sufficient, cost-effective quantities of its products. This could adversely impact the revenues, gross profit and financial condition NDPL.

67.NDPL incurs expenses in both Indian Rupees and U.S. Dollars and exchange rate movement may cause it to incur losses when hedging of its Foreign exchange exposure is not sufficient.

NDPL is exposed to Foreign Exchange rate risk on imported components and products supplied by its OEM partners based in China, which is mostly denominated in U.S. Dollars. NDPL reports its financial results in Indian Rupees, while expenses are denominated, or incurred in currencies other than Indian Rupees such as the U.S. Dollar. While NDPL may enter into hedging transaction to cover its foreign currency exchange risk, there is no assurance that this would adequately cover the risk arising from such exposure. Accordingly, any depreciation of the Rupee against the US Dollar will significantly increase the Rupee cost to NDPL for servicing and repaying its foreign currency payables, which in turn could impact its results of operations.

Risks specific to DigiVive Services Private Limited (DSPL) (Mobile TV business), Our Wholly Owned Subsidiary

68. If DSPL fails to successfully identify and respond to changing customer preferences and demands in a cost-effective and timely manner, it will not be able to compete effectively and its ability to generate revenues and growth will be adversely impacted.

The markets for DSPL's products are characterized by rapidly changing technologies, frequent new product introductions, short product life cycles and evolving industry standards as well as changes in consumer preferences and demand for features. The competitiveness of the product portfolio depends on its ability to introduce on a continuous and timely basis, new innovative and appealing products and enhance existing products with added features and to create new or address yet unidentified needs among its current and potential customers.

In order to do so, DSPL needs to identify and understand the key market trends and user segments and address its customers evolving needs in different customer segments proactively and on a timely basis. To achieve that, it must constantly obtain and evaluate feedback from its customers and its distributors and suppliers on customer usage patterns. If DSPL fails to analyze correctly or accurately anticipate technological trends or its end users needs and preferences", or if it is unable to respond to such trends by developing and offering cost effective products, its ability to retain its current, as well as attract new, customers will be impaired, and its ability to generate revenues and grow its business will suffer.

Even if the development of new products and services in a cost-effective and timely manner are completed, they may not gain traction in the market at all or at anticipated levels, which would adversely affect the business of DSPL.

69. The sales and profitability of DSPL could be harmed if it is unable to maintain and further build its brand.

DSPL believes that its future success will be partially influenced by further development of the "nexGTV" brand and the ability to communicate effectively about its products to various target customers through consistent and focused marketing tools. A number of factors, including adverse publicity regarding its brand ambassadors and unsuccessful new product introductions, may have a negative effect on its reputation and erode its brand image. Insufficient investments in marketing and brand building could also erode or impede the development of DSPL's brand. Further, its brand is relatively new and, therefore, may not have significant brand recall in all market segments in which it sells its products. Although DSPL has expanded, and expect to continue to expand including from the funds received out of the Net Proceeds of the Issue, resources on establishing and maintaining its brand, no assurance can be given that its brand will be effective in attracting and growing customer base or that such efforts will be successful and cost-effective. For further details see, "Objects of the Issue" on page 78-86 of this Letter of Offer. Any impairment of its reputation or erosion of its brand or failure to optimize its brand in the marketing of its products could have a material adverse effect on DSPL's capacity to retain its current customers and attract new customers and therefore on its business, sales volume and profitability.

70. Usage of the application and services may be difficult to predict and DSPL may not be able to adequately and quickly expand capacity and upgrade its systems to meet increased demand.

It is difficult to predict subscriber adoption of new applications or other services, particularly in new markets. As a result, while products may be launched, subscribers may not subscribe to it in the capacity in which projected, which may adversely impact the business of DSPL and ultimately financial conditions and results of operation would suffer.

71. The billing and management information systems of DSPL are critical to its ability to bill customers and realize revenue from operations

Sophisticated billing and customer management information systems are critical to protect DSPL's ability to increase revenue stream, avoid revenue loss and bill its customers accurately and in timely manner. DSPL expects new applications and technologies to create increasing demands on its billing and customer management systems. Problems such as reconciliation of payments, revenue recognition and delayed payments will occur in the complexities involved in the process of billing end user subscribers and tracking payments by these end users subscribers to its carrier customers. DSPL needs to expand and adapt its billing and credit control systems as it introduces new services and as its business expands. If adequate billing, credit control and customer relations systems are unavailable or if upgrades or new systems are delayed or not introduced or integrated in a timely manner, this could materially and adversely affect its business and results of operations.

72. The carrier customers of DSPL could develop some or all of the carrier application services on their own or otherwise bring them in-house, which could result in loss of future business and revenue.

A substantial portion of the future business and revenue is expected to be derived from the carrier application services. While to date, most of the carrier customers do not offer such application services on their own, if they began developing these application services or bring them in house, DSPL could be pressured to lower prices or reduce the revenue share to maintain business with the existing carrier customers. This could result in loss of future revenue from its carrier application services and may have a material adverse effect on the future business, financial conditions and results of operations.

73. Consolidation among or change of ownership of, DSPL's carrier customer may result in loss of carrier customer or reduce its potential customer base, which could negatively impact DSPL's financial performance

Consolidation among carriers may reduce DSPL's potential customer base or may negatively impact its ability to expand its customer base or may result in loss of current carrier customers. In addition, as fewer carrier customers gain control of the subscriber market, pricing pressure is likely to increase and consequently, a change in ownership of carrier customer could also result in loss of current customers if the new owners select another application services provider to provide value added services/solutions. All of the foregoing could have a material impact on the business of DSPL.

74. Delay or default in payments by carrier customers of DSPL may adversely affect revenue realizations.

DSPL expects to derive significant portion of its revenue in future from carrier customers, which provide for payment for services on revenue sharing basis. Typically, delay in payment by the customers will arise primarily due to delay in reconciling billing and usage records with the record prepared by the carrier customers.

75. Carrier network congestion or failures could reduce sales, increase costs or result in loss of revenue.

DSPL relies on its carrier customers' network to deliver its application to their end user subscribers. Congestion on, failure of, or technical problems with, DSPL's carrier customer delivery system or communication networks could result in inability of the subscribers to use its applications. If any of these systems fail, including as a result of an interruption in the supply of power, an earthquake, fire, flood or other natural disaster, or an act of war or terrorism, DSPL's carrier customers subscribers may not be able to access its applications. Any failure of or technical problem with, Its carrier customer network could result in loss of revenue and have a material adverse effect on DSPL's business, financial condition and results of operation.

76. Breach of contracts with its vendors, third party suppliers, or content providers may adversely affect DSPL's business, financial condition and results of operation.

DSPL depends on its vendors and third party suppliers to provide it with the hardware and software required for installation and use of its services by its customers. Further, it depends on content providers to supply contents for deployment by its customers. DSPL may be liable to its vendors, third party suppliers or content providers if it breaches the contract with them.

77. DSPL currently source and aggregate content from content providers pursuant to licensing agreement with them. If it is unable to secure a license on the terms favorable to it might be prevented from providing these services or will incur significant cost to seek alternate content, each of which could result in loss of revenue, business opportunities or reduced margins to both DSPL and our Company.

DSPL has entered into licensing agreements with several content providers to license copyrighted contents or works for use as part of the services it provides to its customers and the subscribers. Most of the licensing agreement that has been entered into have, among other things, confidentiality obligations. Some of these agreements also restrict it from entering into similar agreements with other third parties during the term of such agreements. Any failure on DSPL's part to comply with such obligations could cause it to be in breach of such contracts and could result in a claim against DSPL for substantial damages or even termination of the contract by the content provider. Further, these licensing agreements are for a short term. And if DSPL is unable to renew these licenses on terms favorable to it or at all, upon their expiration DSPL may be prevented from providing content sourced from these content providers and will have to source alternative content which may result in loss of revenue or business opportunities or reduced margins that would materially harm its business, financial condition and results of operation.

78. DSPL provides application and services to its carrier customers who operate in a regulated industry and the licenses and the regulatory environment in which they operate are subject to change, which may indirectly adversely affect DSPL's operations.

DSPL provides application and services to its carrier customers and are substantially dependent on them to market or to distribute its application or services to their end user subscribers. DSPL's carrier customers operate in the telecommunication industry which is subject to extensive government regulation and licensing requirements. The extensive regulatory structure under which they operate could constrain their flexibility to respond to market conditions, competition or changes in the cost structure. In addition, DSPL's carrier customers are required to obtain wide variety of approvals and licenses from various regulatory bodies. There can be no assurance that the approvals will be granted on a timely basis or at all. The Government of India also revises regulations or policies related to carriers in the telecommunication industry on terms which may not be favorable to carriers customers or which may result in uncertainties in their implementation. In addition, the license which DSPL's carrier customers are required to obtain to operate in the telecom industry, reserves broad discretion to the Government of India to influence the conduct of their business by giving Government of India the right to modify at any time the term and conditions of such licenses, take over the carrier customers networks and terminate, modify, revoke or suspend the license in the event of default by the carrier customers in complying with the terms and condition of the licenses. Any unfavorable changes in the regulatory environment may adversely impact the business, financial condition and prospects of DSPL's carrier customer and this may in turn have a material adverse effect on DSPL's business and result of operations.

79. Dependency on Technology, Content partnerships and network operator determine the choice of the ultimate consumer and these are governed by factors which are beyond the control of DSPL.

Dependency on vendors for various technical integrations is a potential risk for the business. Part of the services is dependent on product content as well as on infrastructure partnerships which are not easy to crack and manage. Irrespective of the best in class product and service deliveries, at the end of it, all depends on the quality of telecom network being provided by the telecom operators.

80. Changing ISP and App Store Policies will have a direct impact on the customer acquisition of the customers

The internet and application store policies of various operators and OEMs on customer acquisition, information capturing as well as charging methodologies may keep on changing and hence could have a direct impact on the business.

81.The penetration of Internet along with speed of Internet in the markets in which DSPL operates and cost of accessing Internet on mobile phones are some of majors factors impacting DSPL's business.

The penetration of Internet in the markets in which DSPL operate and cost of accessing the Internet by the user has a direct impact on DSPL's business. The improved data speed with reduced cost of internet access has a direct bearing on the penetration of Internet and thereby impacting the subscribers to be added by DSPL's application. Currently, India has more than 125 million Internet users which is projected to grow at a faster pace on account of launch of 4G services with latest technologies in the market. With more players entering into 4G, the data access is expected to further move up.

<u>Risks specific to Media Matrix Holdings Private Limited (formerly Digicall Holdings Private Limited) (MMHPL) (Investment business), Our Wholly Owned Subsidiary</u>

82. MMHPL have entered into, and will continue to enter into, related party transactions. There can be no assurance that such transactions, individually or in the aggregate will not have an adverse effect on its business, financial condition and results of operations.

MMHPL have entered into certain transactions with related parties, including its Parent company and Group companies and the amount involved in such related party transactions is Rs. 199 Lacs for the year ended March 31, 2012 For further information on MMHPL related party transactions, see "Financial Statements-Standalone Statement of Related Parties and Related Transactions with them-Annexure XVII on pages 183-185 of this Letter of Offer. While we believe that all its related party transactions have been conducted on an arm's length basis, there can be no assurance that it could not have achieved more favorable terms had such transactions been entered into with unrelated parties.

Furthermore, it is possible that MMHPL will enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on its business, financial condition and results of operations. For details, see our Our Group Entities" on page 145-157of this Letter of Offer.

83.The acquisition of other companies, businesses or technologies could result in operating difficulties, dilution and other harmful consequences.

As part of our growth strategy, we, through MMHPL, intend to pursue acquisitions to expand our business. There can be no assurance that MMHPL will be able to identify suitable acquisition, strategic investment or joint venture opportunities at acceptable cost and on commercially reasonable terms, obtain the necessary financing to complete and support such acquisitions or investments, integrate such businesses or investments or that any business acquired or investment made will be profitable.

If MMHPL attempt to acquire non-Indian companies, it may not be able to satisfy certain Indian regulatory requirements for such acquisitions, and may need prior approval from RBI which it may not be able to obtain. In addition, acquisitions and investments involve a number of risks, including possible adverse effect on its financial results, diversion of management's attention, failure to retain key personnel, risks associated with unanticipated events or liabilities and difficulties in assimilation of the operations, technologies, systems, services and product of acquired businesses or investments. Any failure to achieve successful integration of such acquisitions or investment could adversely affect business, financial condition and results of operations. In addition, anticipated benefits of its investments or acquisitions may not materialize. Future acquisitions could result in potentially dilutive issuance of its equity securities, incurrence of debt, contingent liabilities or amortization expenses or write off goodwill, any of which could harm its financial condition.

RISK FACTORS RELATED TO EQUITY SHARES

84. Our ability to pay Dividends in future will depend upon future earnings, financial condition, cash flows, working capital requirements & availability and capital expenditures and availability of resources in time to meet such capital expenditures.

Our Company has not declared any Dividend during the preceding five Financial Years. The amount of future Dividend payments, if any, will depend upon our future earnings, financial condition, cash flows, working capital requirements and capital expenditures. There can be no assurance that our Company will be able to pay Dividends in future.

85. Investments in Subsidiaries may not necessarily generate Income for our Company.

Our Company proposes to invest a significant portion of the proceeds of this Issue in its Subsidiaries. These Subsidiaries have not declared any Dividend during the preceding few Financial Years. The amount of future Dividend payments, by these Subsidiaries, if any, will depend upon their future earnings, management policy, financial condition, cash flows, working capital requirements and capital expenditures. There can be no assurance that our Company will be able to generate Income by way of Dividends from the Subsidiaries.

86. Any further issuance of Equity Shares by our Company or sale of Equity Shares by any significant Shareholders may adversely affect the trading price of the Equity Shares.

Any future issuance of Equity Shares by our Company could dilute the investors' shareholding. Any such future issuance of Equity Shares or Sale of Equity Shares by any of our significant Shareholders may also adversely affect the trading price of the Equity Shares, and could impact our ability to raise capital through an offering of securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares.

87. The price of our Equity Shares may be volatile and fluctuate significantly in response to various factors.

The trading price of our Equity Shares may fluctuate after this Issue due to a variety of factors, including our results of operations and the performance of our business, competitive conditions, general economic, political and social factors, volatility in the Indian and global securities markets, the performance of the Indian and global economy, significant developments in India's fiscal regime and other factors. There can be no assurance that an active trading market for our Equity Shares will develop or be sustained after this Issue, or that the price at which our Equity Shares are offered will correspond to the prices at which they will be traded in the market subsequent to this Issue.

88. There are Outstanding Optionally Fully Convertible Debentures (OFCDs) which upon exercise of the option to convert to Equity Shares, will significantly increase the paid up Capital and dilute all other Shareholders' holdings.

Our Company currently has 12,40,92,219 Optionally Fully Convertible Debentures (OFCDs) of Rs 3.47 each aggregating to Rs. 4306 Lacs outstanding as on date, which were allotted on a preferential basis to a Non Promoter entity i.e. V& A Ventures LLP which gives the OFCD holder an option to exercise conversion of each OFCD into one Equity Share of Re.1/- each at a premium of Rs 2.47 per Equity Share after four months from the date of allotment of OFCDs and within eighteen months from the date of allotment of the OFCDs. In the event of the allottee exercising such an option, our Company's Paid up Equity Capital will increase significantly, diluting the Shareholding of all other Shareholders of the Company.

EXTERNAL RISK FACTORS BEYOND THE CONTROL OF OUR COMPANY

Certain factors beyond the control of the Company could have a negative impact on the Company's performance, such as:

89. Risks Related to Investments in the Mobile handset Industry

Our future growth depends, in part, on the continued growth of the mobile handset industry. Our future growth depends, in part, on continued expansion of the mobile handset industry in terms of the number of new mobile subscribers, number of existing subscribers who upgrade and/or replace their handsets and increased usage and demand for value-added services. A decline in the rate of expansion of these aspects of the mobile handset industry could have a negative impact on our growth.

90. Government regulation of radio frequencies may limit the growth of the wireless communications industry or reduce barriers to entry for new competitors.

Radio frequencies are required to provide wireless services. The allocation of frequencies is regulated in India and other countries and limited spectrum space is allocated to wireless services. The growth of the wireless and personal communications industry may be affected: (i) by regulations relating to the access to allocated spectrum for wireless communication users, especially in urban areas, (ii) if adequate frequencies are not allocated, or (iii) if new technologies are not developed to better utilize the frequencies currently allocated for such use. Industry growth has been and may continue to be affected by the cost of new licenses required to use frequencies and any related frequency relocation costs. Deregulation may allow new wireless communications technologies to be developed and offered for sale, and may introduce new competition.

91.Allegations of health risks associated with electromagnetic fields and wireless communications devices, and the lawsuits and publicity relating to them, regardless of merit, could adversely impact our business, operating cash flows and financial condition.

There has been public speculation about possible health risks to individuals from exposure to electromagnetic fields from base stations and to radio signals from the use of mobile devices. Government agencies, international health organizations and other scientific bodies are currently conducting research into these issues. In addition, other mobile device companies have been named as individual plaintiff and class action lawsuits alleging that radio emissions from mobile phones have caused or contributed to brain tumors and that the use of mobile phones poses a health risk. While there has been significant scientific research by various independent research bodies that has indicated that exposure to electromagnetic fields or to radio signals, at levels within the limits prescribed by public health authority standards and recommendations, present no adverse effect to human health, we cannot assure you that other studies will not suggest or identify a link between electromagnetic fields or radio signals and adverse health effects or that we will not be the subject of future lawsuits relating to this issue. Adverse factual developments or lawsuits against us, or even the perceived risk of adverse health effects from mobile devices, could adversely impact sales, subject us to costly litigation or harm our reputation, business, operating cash flows and financial condition.

92. A whole portion of our assets and operations are located in India, and we are subject to regulatory, economic and political uncertainties in India.

Our primary operations are based in India, and a substantial majority of our assets and our professionals are located in India. We intend to continue to develop and expand our offshore facilities in India. In the early 1990s, India experienced significant inflation, low growth in gross domestic product and shortages of foreign currency reserves. The Indian government, however, has exercised and continues to exercise significant influence over many aspects of the Indian economy. India's government has provided significant tax incentives and relaxed certain regulatory restrictions in order to encourage foreign investment in specified industries of the economy. Certain of those programs, which have benefited us, include liberalized import and export duties and preferential rules on foreign investment and repatriation. We cannot assure you that liberalization policies will continue. The Government of India is considering introducing a reservation policy to the private sector in India, pursuant to which all private sector companies operating in India, including our subsidiaries, would be required to reserve a certain percentage of jobs for the economically underprivileged population in the states where such companies are incorporated. If this policy is adopted, our ability to hire employees of our choice may be affected due to restrictions on our pool of potential employees and competition for these professionals.

Furthermore, the rate of economic liberalization could change, and specific laws and policies affecting technology companies, foreign investment, currency exchange rates and other matters affecting investment in our securities could also change. Since 1996, the Government of India has changed six times. The current Indian government is a coalition of many parties, some of which are communist and other far left parties in India, some of which do not want to continue India's current economic policies. Various factors, including a collapse of the present coalition government due to the withdrawal of support of coalition members, could trigger significant changes in India's economic liberalization and deregulation policies, disrupt business and economic conditions in India generally and our business in particular. Our financial performance and the market price of our shares may be adversely affected by changes in inflation, exchange rates and controls, interest rates, Government of India policies (including taxation policies), social stability or other political, economic or diplomatic developments affecting India in the future.

93. A slowdown in economic growth in India could cause our business to suffer.

We are incorporated in India, and all of our assets and employees are located in India. As a result, we are highly dependent on prevailing economic conditions in India and our results of operations are significantly affected by factors influencing the Indian economy. A slowdown in the Indian economy could adversely affect our business, including our ability to grow our assets, the quality of our assets, and our ability to implement our strategy. Factors that may adversely affect the Indian economy, and hence our results of operations, may include:

- any increase in Indian interest rates or inflation;
- any scarcity of credit or other financing in India;
- prevailing income conditions among Indian consumers and Indian corporations;
- volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges;
- variations in exchange rates;
- changes in India's tax, trade, fiscal or monetary policies;
- political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's arious neighbouring countries;
- prevailing regional or global economic conditions, including in India's principal export markets; and
- Other significant regulatory or economic developments in or affecting India.
- Any slowdown in the Indian economy or in the growth of the sectors we/our Subsidiaries participate in or future volatility in global economic condition or business prospects could adversely affect our/our Subsidiaries businesses and financial performance and the price of our Equity Shares.

94. Our transition to IFRS reporting could have a material adverse effect on our reported results of operations or financial condition.

Our Company may be required to prepare annual and interim financial statements under IFRS in accordance with the road map for the adoption of, and convergence with, the IFRS announced by the Ministry of Corporate Affairs, Government of India through a press note dated January 22, 2010 ("IFRS Convergence Note"). The Ministry of Corporate Affairs by a press release dated February 25, 2011 has notified that 35 Indian Accounting Standards are to be converged with IFRS. The date of implementation of such converged Indian accounting standards has not yet been determined and will be notified by the Ministry of Corporate Affairs after various tax related issues are resolved. We have not yet determined with certainty what impact the adoption of IFRS will have on our financial reporting. Our financial condition, results of operations, cash flow or changes in shareholders' equity may appear materially different under IFRS than under Indian GAAP or our adoption of IFRS may adversely affect our reported results of operations or financial condition. This may have a material adverse effect on the amount of income recognized during that period.

In addition, in our transition to IFRS reporting, we may encounter difficulties in the ongoing process of implementing and enhancing our management information systems and internal controls. Moreover, our transition may be hampered by increasing competition for the relatively small number of IFRS-experienced accounting personnel available as more Indian companies begin to prepare IFRS financial statements. There can be no assurance that our adoption of IFRS will not adversely affect our reported results of operations or financial condition and any failure to successfully adopt IFRS by an agreed deadline could have a material adverse effect on the price of our Equity Shares.

95. Political instability or changes in the government could delay the liberalization of the Indian economy and adversely affect economic conditions in India generally, which could impact our financial results and prospects.

Since 1991, successive Indian Governments have pursued policies of economic liberalization, including significantly relaxing restrictions on the private sector. Nevertheless, the role of the Indian Central and State Governments in the Indian economy as producers, consumers and regulators has remained significant. The leadership of India has changed many times since 1996. The current Central Government, which came to power in May 2009, is headed by the Indian National Congress and is a coalition of several political parties. Although the current Government has announced policies and taken initiatives that support the economic liberalization policies that have been pursued by previous Governments, the rate of economic liberalization could change, and specific laws and policies affecting foreign investment and other matters affecting investment in Indian securities could change as well. Additionally, any change in these policies could have a significant impact on infrastructure development, business and economic conditions in India.

96. Instability in financial markets could materially and adversely affect our results of operations and financial condition.

The Indian economy and financial markets are significantly influenced by worldwide economic, financial and market conditions. Any financial turmoil, especially in the U.S. Europe or China may have a negative impact on the Indian economy. Although economic conditions differ in each country, investors' reaction to any significant developments in one country can have adverse effects on the financial and market conditions in other countries. A loss in investor confidence in the financial systems, particularly in other emerging markets, may cause increased volatility in Indian financial markets. Any prolonged financial crisis may have an adverse impact on the Indian economy and us, thereby resulting in a material and adverse effect on our business, operations, financial condition, profitability and price of our Equity Shares.

97. Natural disasters could have a negative impact on the Indian economy and cause our business to suffer.

India has experienced significant natural disasters such as earthquakes, a tsunami, floods, drought, fires and spread of pandemic diseases such as the H5N1 avian flu and the H1N1 swine flu, in the past few years. The extent and severity of these natural disasters determines their impact on the Indian economy and infrastructure. Prolonged spells of abnormal rainfall and other natural calamities could have an adverse impact on the Indian economy in which we operate, which could adversely affect our business and the price of our Equity Shares.

98.Terrorist attacks, civil unrest and other acts of violence or war involving India and other countries could adversely affect financial markets and our business.

Terrorist attacks and other acts of violence or war may negatively affect the Indian markets on which our Equity Shares trade and also adversely affect the worldwide financial markets. These acts may also result in a loss of business confidence and ultimately adversely affecting our business.

99.We are subject to risks arising from interest rate fluctuations, which could adversely affect our business, financial condition and results of operations.

Changes in interest rates could significantly affect our financial condition and results of operations. Even though we do not have any borrowing at present, if the interest rates for any or future borrowings increase significantly, our cost of servicing such debt will increase. This may adversely impact our results of operations, planned capital expenditures and cash flows.

100. Any downgrading of India's debt rating by an international rating agency could have a negative impact on our business.

Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing may be available. This could have an adverse effect on our business and future financial performance, our ability to obtain financing for capital expenditures or Working Capital requirements

PROMINENT NOTES:

1. Rights Issue of 90,77,85,000 Equity Shares of Face Value of Re.1 each ("Equity Shares") for cash at a price of Rs. 1.20 per Equity Share (the "Issue Price"), including a share premium of Rs.0.20 per Equity Share, aggregating to Rs.10893.42 Lacs (the "Issue").
2. Pre-Issue Net worth and Net Asset Value per Share of our Company on standalone basis as on Sept 30, 2012 is Rs. 1208.99 Lacs and Rs. 1.20 respectively and on consolidated basis is Rs. 95.77 Lacs and Rs. 0.10 respectively.
3. The present Promoter, DigiVision Holdings Private Limited, through Share Purchase Agreements with then promoters and another public Shareholder acquired substantial equity shares and management control of our Company, after complying with the provisions of the now repealed SEBI (Substantial Acquisition of Shares and Takeovers) Regulation 1997. The Open Offer under the said Regulations closed on January 16, 2012 and payment of consideration to Shareholders whose Equity Shares were accepted in the Open Offer, were made within the time limit stipulated in the said Regulations. Further, Mr. Mahendra Nahata has acquired 33,98,172 equity shares of the Company through market purchase.
4. The average cost of acquisition of Equity Shares by our promoter group is Rs.2.03 (Rupees two and paisa three Only) per Equity Share of face value of Re.1/-.
5. For details with regard to "Related Party Transactions" please refer to Annexure XVII and XVIIA titled "Restated Statement of Related Party Transactions" in the section titled "Financial Statements" beginning on page 183 and 185 of this Letter of Offer.
6. Our Company has, in the past, issued Equity Shares for consideration other than cash, details of which are given below:

Date of Allotment of the Equity Shares	No. of Equity Shares	Face Value(Rs.)	Nature of payment /consideration	Reasons for Allotment
24.10.94	1,98,000	10	Other than Cash	Bonus Issue out of free Reserves in the ratio of 4:5
14.12.00	7,50,000	10	Other than Cash	Acquisition of Business of Vimochan Pictures Limited
19.06.01	53,91,000	10	Other than cash	Bonus issue out of free Reserves in the ratio of 2:1

7. For details of transactions in the securities of our Company by our Promoter, our Promoter Group and Directors in the last six (6) months, please refer the section titled "Capital Structure - Notes to the Capital Structure" beginning on page No.71 of this Letter of Offer.
8. There has been no financing arrangement whereby our Promoter Group, Directors of our Company and their relatives have financed the purchase by any other person, of securities of our Company during the period of six (6) months immediately preceding the date of filing of this Letter of Offer.
9. Except as stated under "Objects of the Issue" on Page No 78-86 no part of the Issue proceeds will be paid as consideration or otherwise to Promoter/Promoter Group, Directors, Key Managerial Personnel, Associate Companies or Group Companies.
10. There are no contingent liabilities not provided for as on Sept 30, 2012, except as mentioned under Section titled "Financial Statements - Contingent Liabilities on page 179 and 211 of this Letter of Offer.
11. Our Company and the Lead Manager shall update this Letter of Offer in accordance with the Companies Act, 1956/ SEBI (ICDR) Regulations 2009/Listing Agreement with the Stock Exchange. All information shall be made available by our Company and the Lead Manager to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever.
12. Our Company was originally incorporated on June 7, 1985 as "Rahul Trading & Finance Limited" and thereafter the name was changed to "Giltfin Lease Limited" on October 20, 1992 and the name of the Company was again changed to its current name "Media Matrix Worldwide Limited" on February 16, 2001.
13. Trading in Equity Shares for all categories of investors shall be in dematerialized form only.
14. Investors may contact Compliance Officer or the Lead Manager for any complaints/clarifications/information pertaining to the Issue. For contact details of the Lead Manager and the Compliance Officer, please refer to the Chapter titled "General Information" beginning on page 63 of this Letter of Offer

SECTION III: INTRODUCTION
SUMMARY OF INDUSTRY AND OUR BUSINESS

OVERVIEW OF THE INDUSTRY

Our Company is engaged in or proposes to be engaged in the following activities either directly or through any of its subsidiary companies.

Activity/Business	To be carried out by	Nature of relationship with us
Media and entertainment business	By the Company/ DigiVive Services Private Limited	Wholly owned Subsidiary.
Mobile Television application and Services and Gaming	Our Company/ DigiVive Services Private Limited	Wholly owned Subsidiary.
Distribution/Trading in Mobile handsets	Our Company as well as by nexG Devices Private Limited	Wholly owned Subsidiary.
BPO Services	DigiCall Teleservices Private Limited	Wholly owned Subsidiary.
Technical services	By the Company/ DigiVive Services Private Limited	Wholly owned Subsidiary.
Investment activities	By the Company/ Media Matrix Holding Private Limited (Formerly Digicall Holdings Private Limited)	Wholly owned Subsidiary.

The activities proposed to be carried out directly by us are mentioned below:

- Procurement and distribution of handsets;
- Media and entertainment business;
- Developing/Marketing of Mobile TV applications;
- Providing technical support and undertaking research and development for the future technologies/application.

PROCUREMENT AND DISTRIBUTION OF MOBLE HANDSETS - TO BE CARRIED OUT BY US AS WELL AS OUR WHOLLY OWNED SUBSIDIARY NEXG DEVICES PRIVATE LIMITED

Post acquisition by DigiVision Holdings Private Limited (DHPL) in Jan 2012, our Company has been engaged in procurement and distribution of Mobile Handsets and is expected to provide after sales services related to mobile handsets, tablet and data card. We currently procure mobile handsets of Akai and tablet of Pantel for Indian markets.

Our Wholly owned Subsidiary, NDPL is also currently engaged in procurement and distributorship of Mobile Handsets of various brands including Samsung, Akai, Alcatel, etc. NDPL has distribution arrangement with these brands for distribution and marketing of handsets for Indian markets. NDPL has marketing offices and warehouses located at various cities in India and have established a nationwide network of over 350 super-stockists and distributors to handle the distribution business all over India. The Mobile Handsets market in India has grown significantly in the last 10 years following the exponential growth of mobile phone services. The growth segments are Smart Phone, Tablets, 3G Phones, Dual SIMs phones, etc. The Industry prospects and performance are as under:

Growth of Smart Phones

The worldwide mobile phone market grew 2.4% year over year in the third quarter of 2012 (3Q12), driven by heavyweights Samsung and Apple as Nokia dropped off the Top 5 list of smartphone vendors. According to the International Data Corporation (IDC) Worldwide Quarterly Mobile Phone Tracker, vendors shipped a total of 444.5 million mobile phones in 3Q12 compared to 434.1 million units in the third quarter of 2011.

In the worldwide smartphone market vendors shipped 179.7 million units in 3Q12 compared to 123.7 million units in 3Q11. The 45.3% year-over-year growth was slightly above IDC's forecast of 45.2% for the quarter. Equally noteworthy was the decline of Nokia, which was replaced by Research In Motion (RIM) as a Top 5 smartphone player. Nokia's exit from the Top 5, where it had resided since the inception of IDC's Mobile Phone Tracker in 2004, was precipitated by the rise of Samsung and Apple globally and high-growth vendors like Huawei in China, where Nokia was the dominant player as recently as the third quarter of 2011.

Nokia's transition away from Symbian-powered smartphones to ones shipped with Windows Phone has left ample opportunity for rivals to steal share away from Nokia over the past 18 months. However, the smartphone market is still relatively nascent, which means there's room for multiple vendors and operating systems to flourish, including Nokia. Nokia is not the only smartphone vendor in transition. RIM, although still a market leader, recently started shipping its first BB10 devices in Jan 2013. Motorola, once the number 3 smartphone vendor worldwide, is redirecting itself under its parent company Google. These are just two vendors among many that feel the competitive pressure of Samsung and Apple, but are striving to create multiple points of differentiation to assert upward pressure.

Nonetheless, IDC expects long-term mobile phone and smartphone shipment demand to grow due to the central role mobile phones play in people's lives. Mobile phones and smartphones play a critical role in keeping people connected, regardless of location. In addition, their utility beyond communication - productivity, entertainment, and multimedia - continues to add to their value.

Top Five Smartphone Vendors, Shipments, and Market Share, 2012 Q3 (Units in Millions)

Vendor	3Q12 Unit Shipments	3Q12 Market Share	3Q11 Unit Shipments	3Q11 Market Share	Year-over-year Change
Samsung	56.3	31.3%	28.1	22.7%	100.4%
Apple	26.9	15.0%	17.1	13.8%	57.3%
Research In Motion	7.7	4.3%	11.8	9.6%	-34.7%
ZTE	7.5	4.2%	4.1	3.3%	82.9%
HTC	7.3	4.0%	12.7	10.3%	-42.5%
Others	74.0	41.2%	49.9	40.3%	48.3%
Total	**179.7**	**100.0%**	**123.7**	**100.0%**	**45.3%**

(Source: IDC Worldwide Mobile Phone Tracker, October 25, 2012)

India Mobile Handset Market

According to **CyberMedia Research's (CMR) India Mobile Handsets Market Review, 2Q 2012, September 2012 release,** during 1H 2012 (January-June 2012), total India shipments of mobile handsets was recorded at 102.43 million units. During the same period, total India shipments of smartphones were 5.50 million units.

India Mobile Handsets Market: Leading Players, 1H 2012 (in terms of % of unit shipments)

Player	Rank	Share (% of unit shipments)
Nokia	#1	22.2%
Samsung	#2	13.0%
Micromax	#3	5.5%

India Mobile Handsets Market: Major Segment Growth Rates, 1H 2012 vis-à-vis 1H 2011

Market Segment	Smartphones	Feature-phones	Total
Unit Shipments Growth	12.2%	16.9%	16.6%

As per CMR, in terms of unit shipments share during the 6-month period ended June 2012 the leading smartphone Operating System were Android (56.4%), Symbian (17.4%), BlackBerry (12.1%), Bada (8.5%), iOS (3.0%) and Windows Mobile (2.6%) on a base of 5.50 million units.

India Mobile Handsets Market: Leading Smartphone Players, 1H 2012 (in terms of % of unit shipments)

Player	Rank	Share (% of unit shipments of smartphones)
Samsung	#1	41.6%
Nokia	#2	19.2%
RIM	#3	12.1%

(Source: CMR's India Mobile Handsets Market Review, 2Q 2012, September 2012 release)

According to CMR, "The first half of CY 2012 was witness to the high-decibel launch of Samsung Galaxy S III, HTC One X etc. The second half of CY 2012 continues to see launch of a number of high value, aspirational smartphone models such as the Nokia Lumia 910, Samsung Galaxy Note II and the Apple iPhone 5. This push from vendors and the increasing maturity of the India mobile subscriber community is expected to further push up smartphones as a proportion of total mobile handset shipments in the country in the next few quarters."

MOBILE TELEVISION APPLICATION AND SERVICES AND GAMING - APPLICATIONS FOR USE IN MOBILE HANDSETS

DigiVive Services Private limited has been acquired by Media Matrix Worldwide Limited on March 31, 2012. DSPL is in the business of running next generation mobile value added services. It launched a Mobile TV application "nexGTv" in May 2011. nexGTv offers a bouquet of over 100 channels to a current subscriber base of 10 Lakh+ customers and nexGTv app has been downloaded by more than 7.5 million users from the various app stores. nexGTv has also has a large VOD library of TV content and movies. The delivery mechanisms for nexGTv include Native Client, WAP and Video IVR (VIVR).

nexGTv has entered into operator tie-ups with BSNL, MTNL, MTS and Idea in India and Etisalat in Sri Lanka, and is in the process of tieing-up with other leading telcos in India and overseas.

The AC Nielsen in its "Neilsen Informate Mobile Insights - 2012" report identifies nexGTv as app with 2nd largest viewership after

YouTube. According to the report "nexGTv continues to lead the mobile TV space with nearly 7 out of 10 mobile TV users using nexGTv". It also highlights that nexGTv users spend 71 mins/month on an average using the app and exhibit the highest level of engagement among all mobile TV users. nexGTv has demonstrated its ability to ramp up significantly from less than 1 million downloads in Jan 2012 to 7.5 million downloads as of Dec 2012.

DSPL proposes to expand its presence by adding operators and OEMs by investing in marketing activities and working capital after infusion of funds by us, post this Rights Issue.

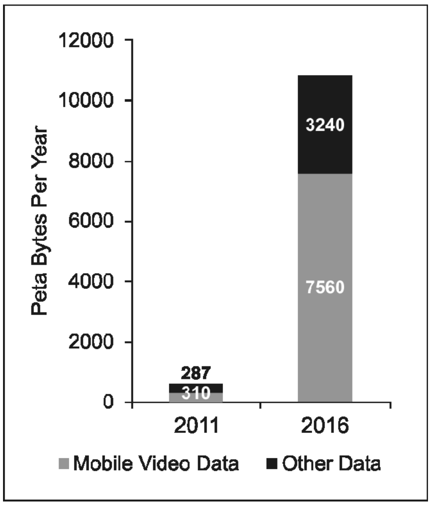
MOBILE TELEVISION INDUSTRY

The Global Mobile TV Market

Global mobile TV market has been witnessing a significant growth over the years. This business opportunity is booming over increasing mobile broadband penetration, easy access to smart devices and innovative business models that players are using to increase service ARPU within telecom industry.

Global Mobile Data Market

Global mobile data market is increasing with the proliferation of the smartphones & tablets, increasing internet speeds and reducing data charges. Video data streaming is one of the major factor driving the overall mobile data market growth. According to Cisco VNI Mobile Report-2012, video data will form 70% of all mobile data traffic in 2016.



Source: Cisco VNI report - 2012

Trends in Global Mobile Data Traffic and Mobile Videos

The key highlight of the Global Data Traffic movement is as under:

- Global Mobile data traffic grew 2.3 fold in 2011, more than doubling fourth year in a row
- In 2011 mobile data traffic (597 petabytes) was eight times the size of entire global internet in 2000 (75 petabytes per month)
- Mobile video traffic exceeded 50% of the data traffic for the first time i.e 52% of traffic by the end of 2011
- Asia pacific is the global data traffic hotspot, contributing more a third of world traffic in 2011 - expected to contribute even larger share (40%) of growing global pie.
- Mobile network connection speeds grew 66% in 2011. Globally, the average mobile network downstream speed in 2011 was 315 kbps as compared to 189 kbps in 2010 and for smartphones it was up from 968 kbps to 1344 kbps
- In 2011, a 4G connection generated 28 times more traffic on average than non 4G connection. Although 4G connections represent only 0.2% of mobile connection today, they already account of 6% of mobile data traffic.
- Top 1% of mobile data subscribers generate 24% of the mobile data traffic, down from 35% a year ago.
- Average smartphone usage nearly tripled in 2011, from 55 MB per month to 150 MB per month in 2011.
- Android now higher than iPhone levels of data use.
- Smartphones represent only 12% of total global handsets but they represent over 82% of total global handset traffic
- Globally, 33% of the handset and tablet traffic was offloaded onto the fixed network through dual mode or femtocell in 2011.
- In 2011, number of mobile connected tablet tripled to 34 million, and each tablet generated 3.4 times more traffic than average smartphone.

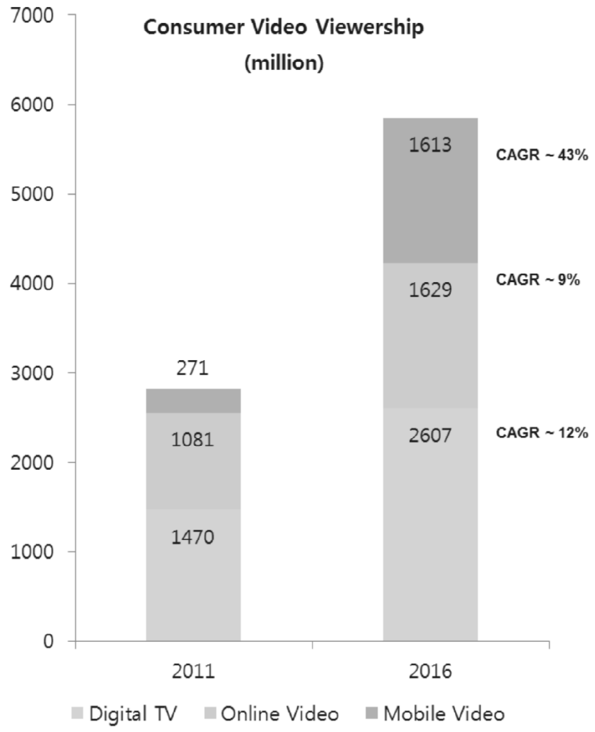
(Source: CISCO VNI Mobile Report 2012, India Telecom Report 2012)

Mobile video streaming revenue to be one of the major drivers for increase in data service revenue globally

Globally, 2/3 of the world's mobile data traffic is expected to be video by 2016. Mobile video is expected to increase 25 fold between 2011 and 2016 accounting for 70% of the total mobile data traffic. Mobile Video is expected to grow at CAGR of 90% between 2011 and 2016, highest growth rate of any mobile application category.

Given the limited PC and internet penetration in India coupled with the recent launch of 3G/4G services (based on global benchmarking), India is also expected to witness the emergence of mobile data as the dominant channel. As voice and messaging services face increased competition and regulatory pressure worldwide (-ve growth) future growth is expected to come only from mobile data segment. Global mobile data service revenue despite lower ARPU is expected to surpass fixed data service revenue due to its larger user base. Mobile broadband is poised to play a major role in increasing broadband penetration.

According to Gartner, mobile data traffic will experience a 70% compound annual growth rate (CAGR) from 2011 through 2016 and video is expected to account for over 50% of all mobile traffic over the coming five years. An average smartphone user on a 3G network is expected to consume 1,017MB of data per month in 2016, up from 249MB at the end of 2011, which will put increasing pressure on cellular networks.



Source: Cisco VNI Service Adoption Forecast 2011-2016

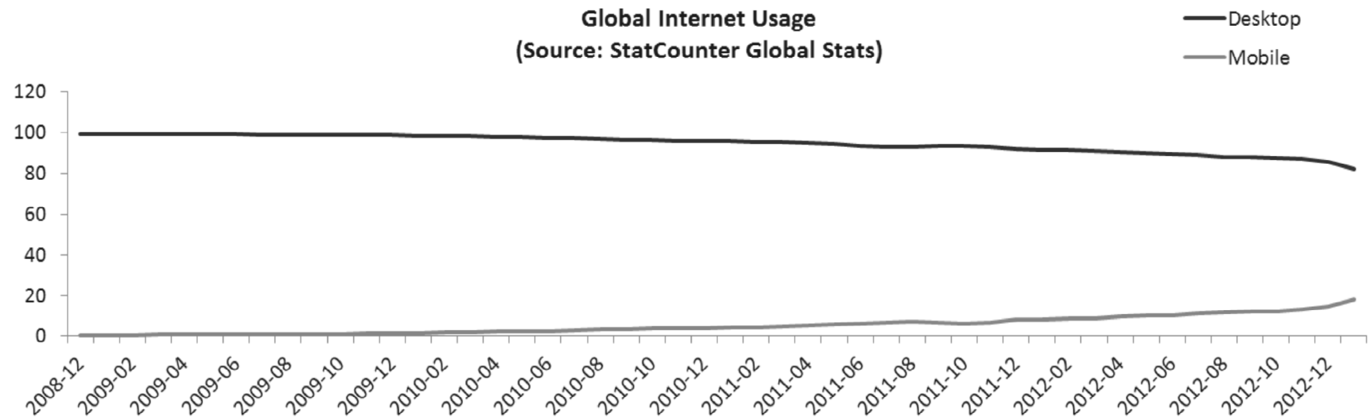
Statistics from vendors such as Bytemobile (now owned by Citrix), Ericsson, Cisco and Allot Communications show that mobile video generated about 40% to 60% of mobile operators' data volume at the end of 2011. Gartner's research indicates that consumers are changing their video viewing preferences. They are screen agnostic and, depending on the situation, will shift their primary viewing to laptops and smaller tablet devices. They are also "snacking" on video content on their smartphones both inside and outside the home. It was found that average users spent four hours a day watching video and that 9% of that was on a mobile phone or tablet.

Gartner estimates that the total number of mobile video users will grow from 429 million in 2011 to 2.4 billion in 2016, at a compound annual growth rate of 41.4%.

Projection for Global Mobile data Traffic

Global mobile data traffic will increase 18 fold between 2011 and 2016 reaching 10.8 exabytes per month in 2016, at CAGR of 78%

- Monthly global tablet traffic will surpass 1 Exabytes in 2016
- Tablets will exceed 10% of global mobile data traffic in 2016
- Average mobile network connection speed (315 kbps in 2011) will exceed 2.9 Mbps in 2016
- In 2016, 4G will be 6% of total connection but 36% of total traffic. In 2016, a 4G connection will generate 9 times more traffic than a non-4G connection



Global internet usage - Desktop vs. Mobile

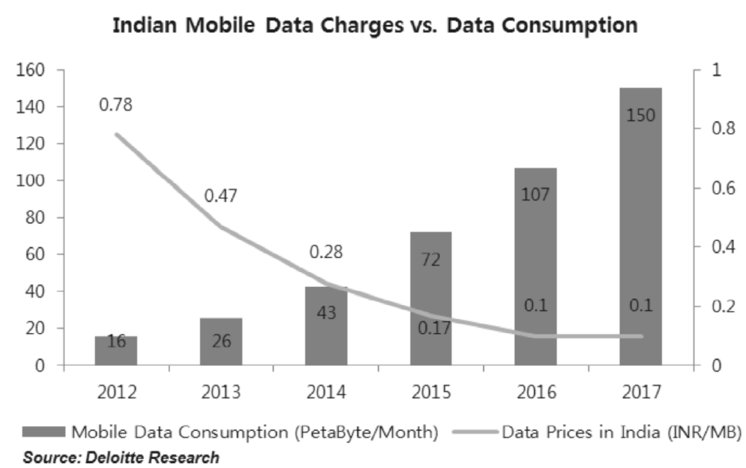
- 2/3 of the world's mobile data traffic will be video by 2016 and ¾ of data traffic by 2020, majority of which will be OTT video traffic. Mobile video will increase 25 fold between 2011 and 2016 accounting for 70% of the total mobile data traffic.
- Mobile Video will grow at CAGR of 90% between 2011 and 2016, highest growth rate of any mobile application category
- Average smartphone will generate 2.6 GB of traffic per month in 2016, a 17 fold increase over the 2011 average of 150 MB per month.
- Middle East and Africa will have strongest mobile data traffic growth of any region at 104% CAGR. This region will be followed by Asia Pacific at 84% and Central and Eastern Europe at 83%.

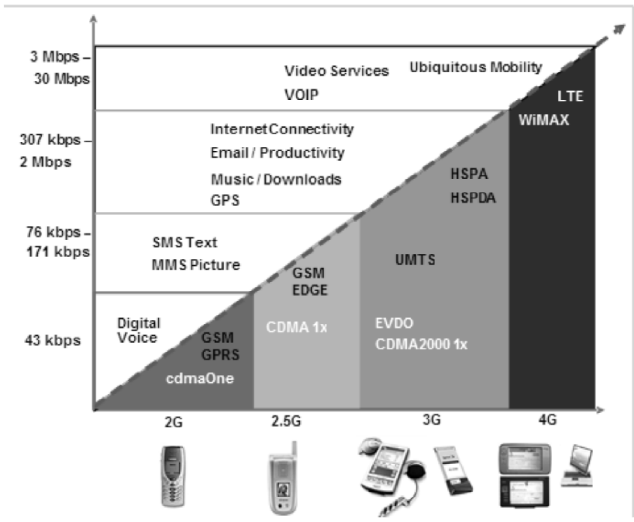
(Source: CISCO VNI Mobile Report 2012, India Telecom Report 2012)

According to Gartner, globally, addition of 440 million new mobile video users would be observed because of growth in smartphones and tablets. Total mobile video data usage would reach 7.5 Exabyte's per year with a CAGR of ~90% from 2011 to 2016. Also, the monetization through mobile is growing rapidly at CAGR of 129% for the period 2008-2012.

The Indian Mobile Video Streaming Market

In India the mobile data and mobile video consumption is expected to grow faster as Indian telecom industry is at the verge of seeing an inflection point in data consumption with advent of 3G/4G services. The mobile subscriber base in India crossed 900 million in July 2012 out of which more than 125 million are data users. The mobile subscriber base is projected to cross one billion in FY2013-2014, growing at more than 9 per cent from 2010.

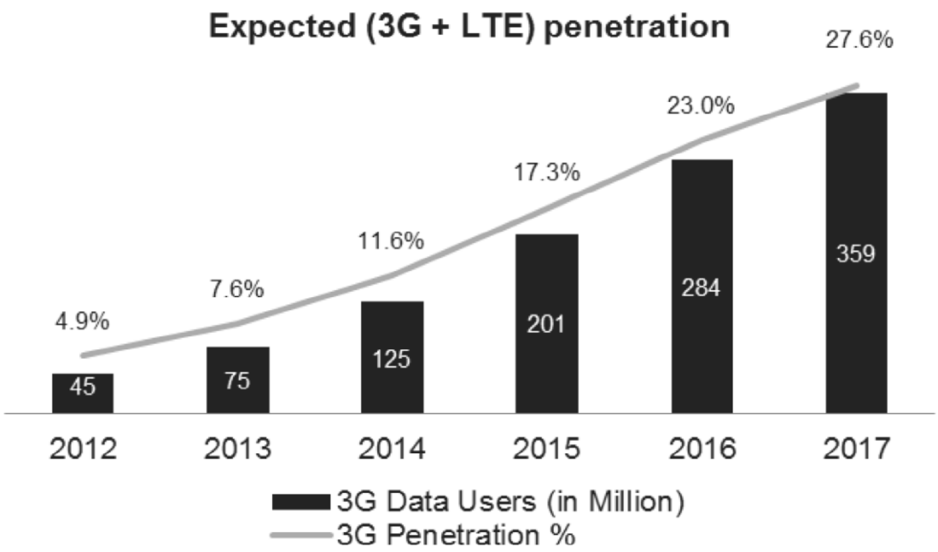




With new technologies (3G/LTE), data speed is increasing and data charges are reducing creating a favourable environment for higher data consumption over mobile devices.

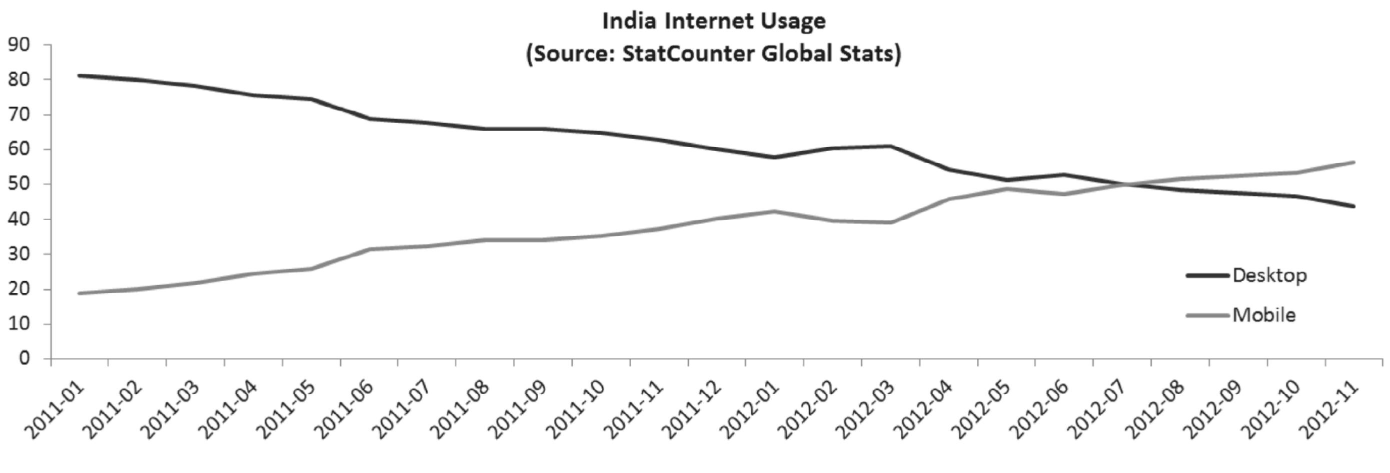
Uptake of new technologies is shifting focus towards growth through service innovation across the multimedia & data services

Auctioning of spectrum for 3G and BWA services in India in 2010 started the trend towards focus on data specific services. Both 3G and LTE are capable of delivering high throughputs to the mobile user and can support data heavy applications.



Source: Netscribes

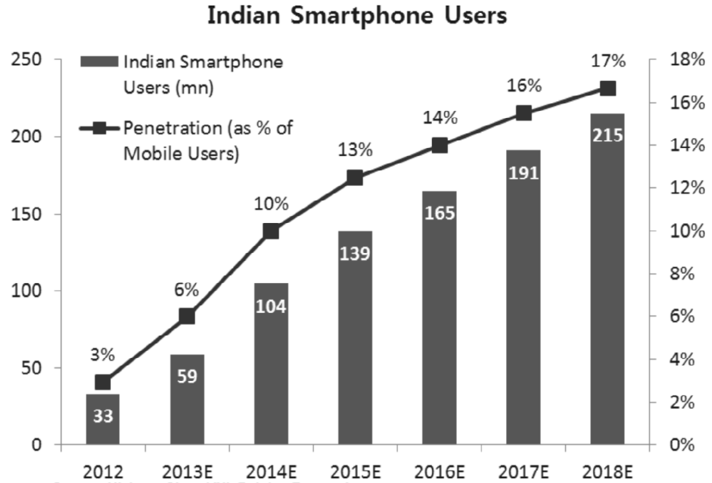
India has added 69 million Internet users during 2008-2011 and currently has ~150 million internet users with a population penetration rate of 11%, recording a 26% YoY growth. Nearly 130 million users are set to access the internet in the country through such mobile devices by next year. While globally, the desktop internet usage still dominates over the mobile internet; mobile internet usage has already surpassed desktop internet usage in June 2012 in India. According to Mobile Marketing Association board member, India will have **250 million mobile internet users by 2014**. In December 2012, the number of users accessing internet through mobile devices was 87.1 million. (Gartner)



India internet usage - Desktop vs. Mobile

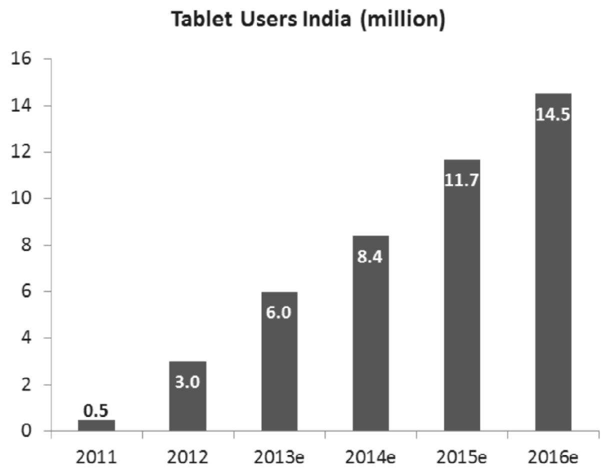
Increasing Data Focus

By 2017, 27.6% of subscriber is expected to use 3G+ LTE services resulting in 359mn high data users in India. Higher penetration of these technologies provides a growing addressable market for viewing video "while on the move". This will have significant impact on video through mobile demand in India



Source: Nielson, Cisco VNI, Deloitte Research

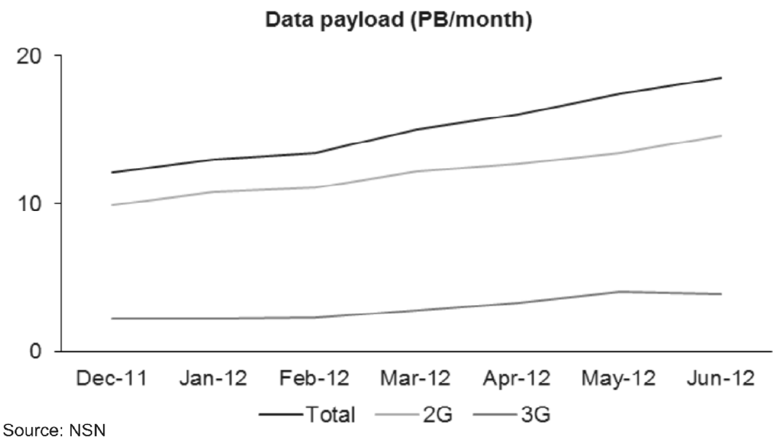
A Neilson study states that currently there are 27 million smart phone users in India (Urban). It is observed that in the mature markets smartphone penetration is approximately 17% of total mobile phone users. Considering Indian smartphone market reaches it maturity by 2018, India would have about 215 mn smartphone users by then.



Source: Deloitte Research

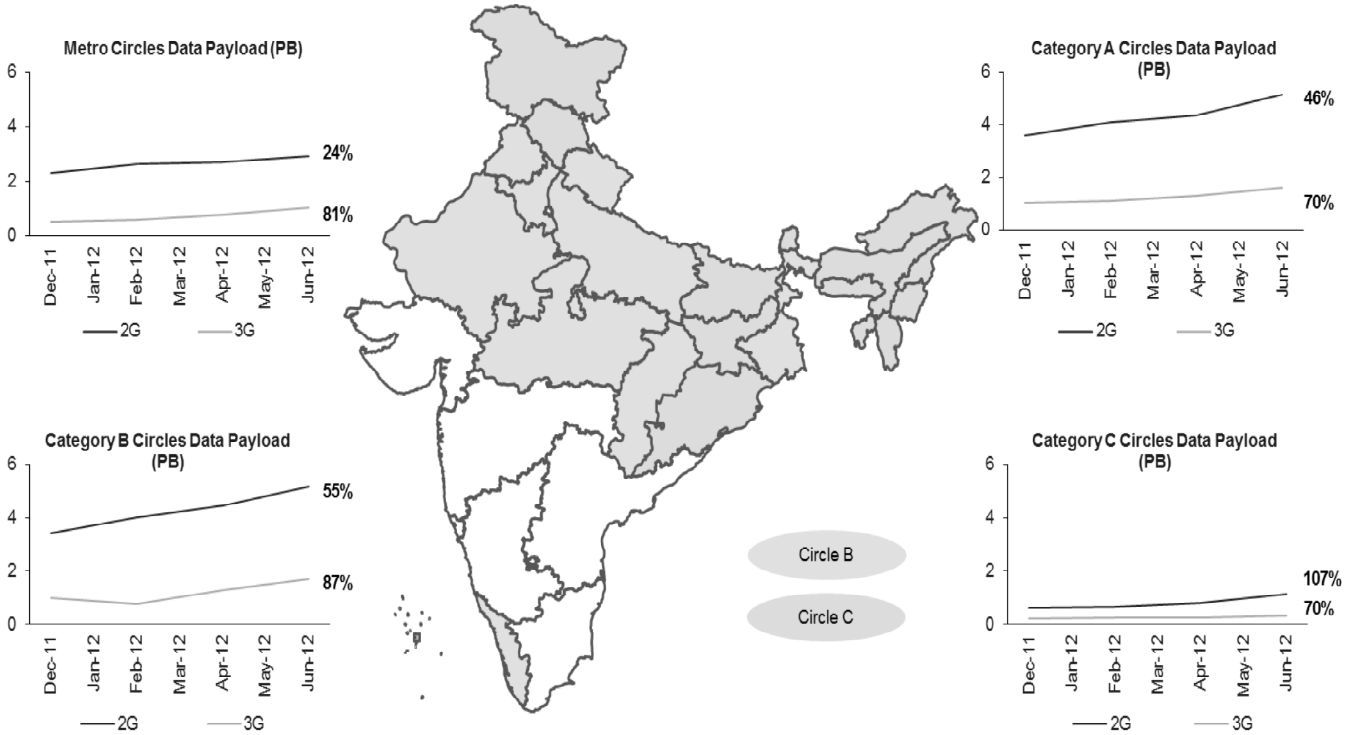
Also, the tablet users are expected to be doubled to 6 million within a year in 2013 from current level of 3 million.

Mobile data volume is expected to grow significantly, with 2G+3G payload increasing 54% between December 2011 and June 2012, despite sluggish subscriber addition in India



Source: NSN

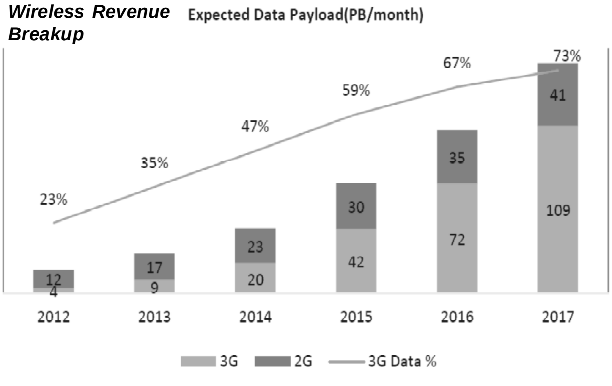
Category B and C circles have the fastest growth in mobile data usage, indicating burgeoning demand for mobile broadband amid low fixed broadband reach. It also highlights that this is not predominantly urban story and growth will come from even remote regions.

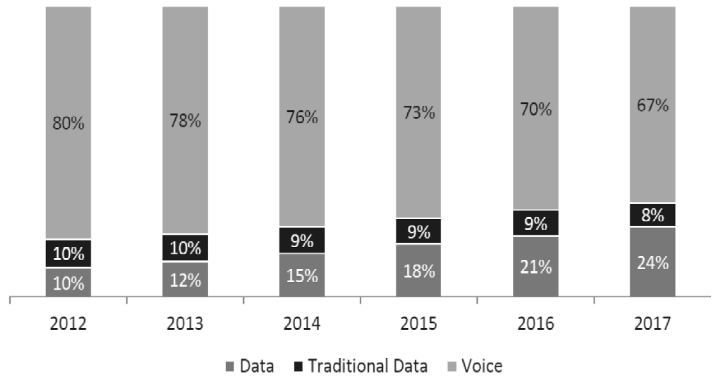


Source: NSN

Based on current trends, mobile data is likely to double every 12 to 14 months in India. 3G data growth (78%) has outpaced 2G (47%) despite 6% 3G device penetration and 1/10th coverage as compared to 2G. By 2015 3G data would be the dominant component of the data payload in India with VAS, especially next generation VAS, being the key differentiator. It is expected that by the year 2017 the data revenues would be about 32.5% of overall wireless service revenues, providing an opportunity of INR 544 billion.

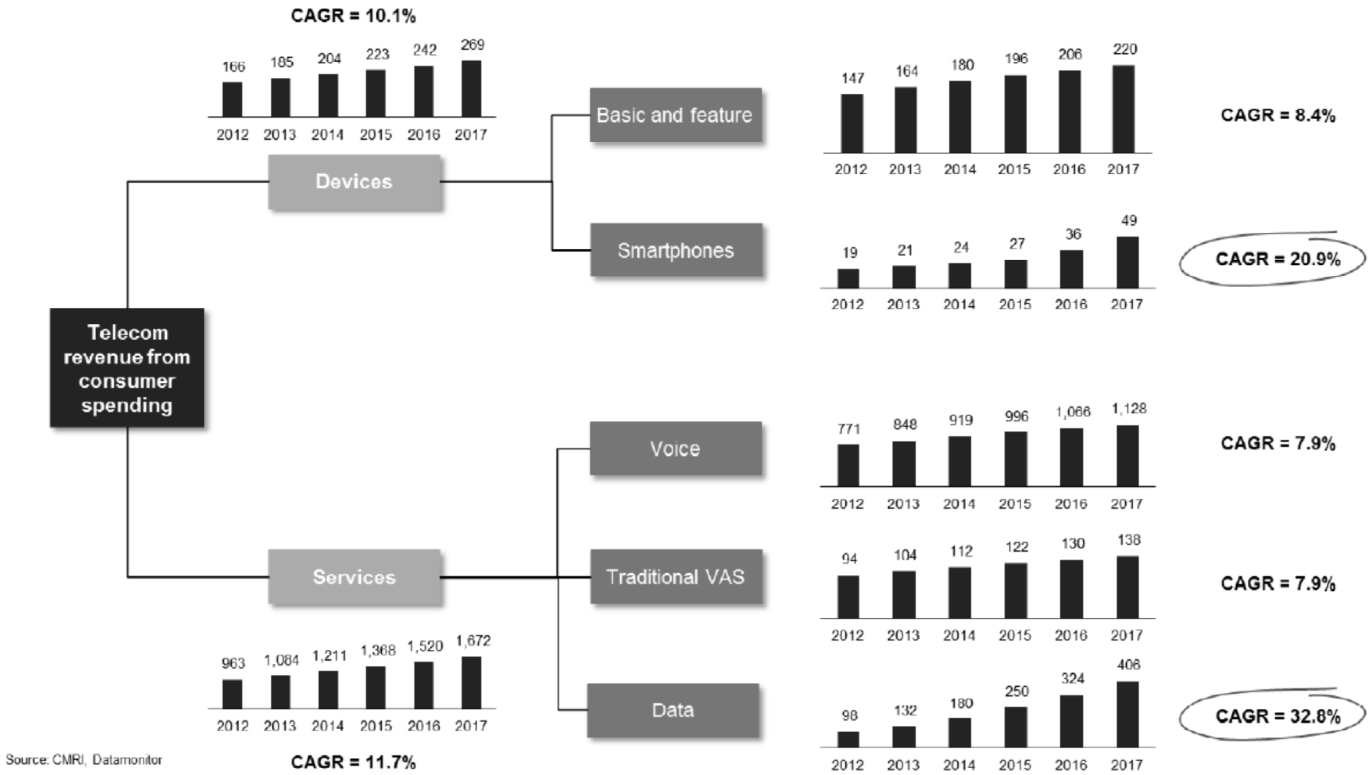
Wireless Revenue Breakup





Total volume of the data payloads is expected to grow at increasing rate every year in near future. The adoption of 3G would fuel this growth making the data payload to reach to 150 Peta-Bytes per month with in India. Also, with advent of 4G, the data consumption would rise even further. As per Analysys Mason the subscribers for 4G data only SIMs in India would cross 8.5 million by 2017.

As shown in the chart below, the smartphone device would increase with a CAGR of ~21% at the same time the data consumption CAGR till 2017 would be at 32.8% which is 4 times the growth rate for the traditional voice and value added services.

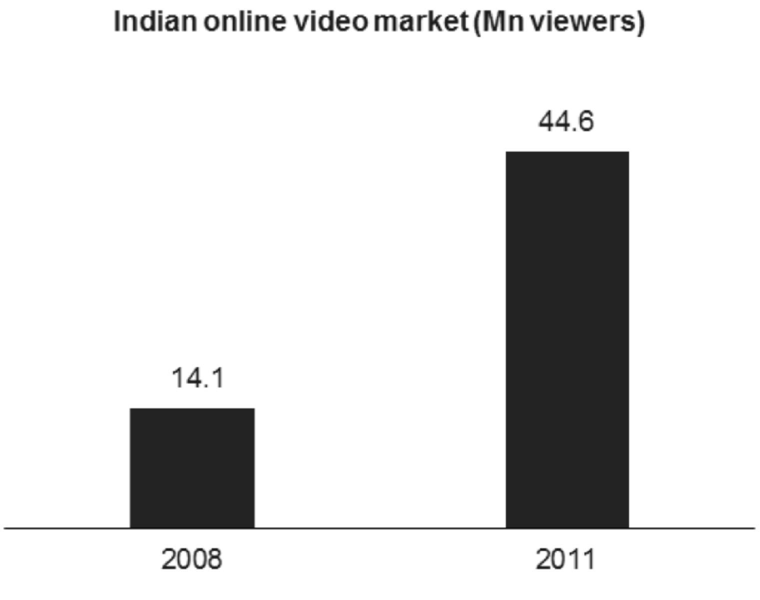


Data consumption on the mobile devices comprise of various category services like communication, entertainment, information and commerce. The **entertainment segment** is emerging as the largest segment (45%) for the data consumption over mobile devices in next 5 years.

Within Entertainment segment of Data, Video has maximum potential

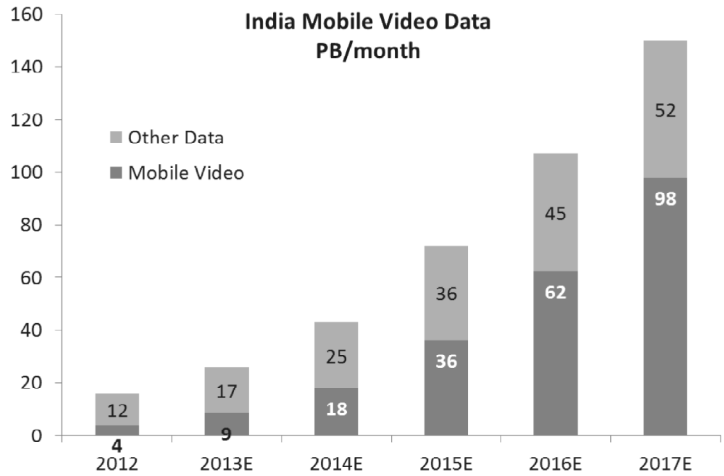
A large percentage of online population (71%) in India watches online videos, which is similar to the global online consumption trends; online video consumption is driven by the young population, with Entertainment and Multimedia being the top categories.

Currently, within mobile data payloads usage in India, the video comprises of 17%, however, this component is expected to outgrow other components reaching to more than 40% by 2017. Historical growth for online video viewers in India from 14.1 million in 2008 to 44.6 million in 2011 further reinforces this expectation.



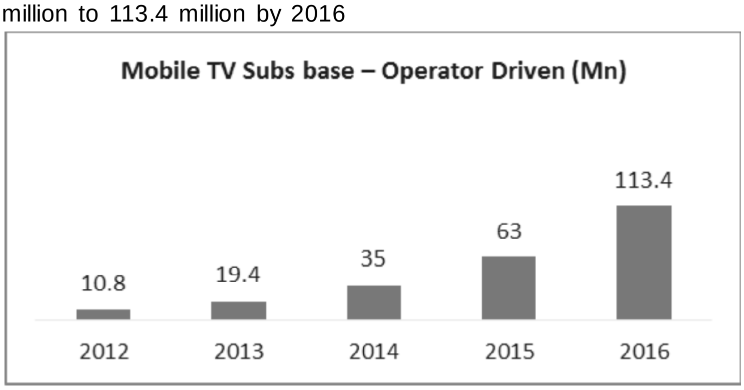
Mobile Video Consumption in India

- According to a survey by Nielsen, India has 4th highest mobile video consumption in the world after Philippines, Indonesia & China



Source: Deloitte Research, NSN

- Currently, video data constitutes about 50% of total 3G data usage while 17% of 2G data used in India. However, the same is expected to growth in coming years to about 2/3rd of total data usage by 2016-17
- With changing distribution channels (from cable to DTH to IPTV to Mobile TV) and viewing habits (from broadcasting to on-demand), the mode of video consumption is also changing towards mobile devices
- When it comes to online video, Indian females in age group of 15-24 watching average of 181,000 videos/ month while Indian male users in 25-34 age watch approximately 520,000 videos/ month & drive growth of online video with highest consumption of 39%
- A global survey commissioned by new media delivery specialist Vidiator has found that India is leading the way in monetizing mobile content with 50% of the people having paid for mobile video content
- With 3G & LTE technology picking up and cheaper smartphones the mobile TV poses a promising opportunity within mobile entertainment segment. It is expected that the operator driven mobile TV subscribers' base would increase from current 10.8 million to 113.4 million by 2016



Source: Netscribes

Indian operator driven mobile TV subscriber base projection

- Globally, the video content is expected to comprise 70% of the total mobile data services, a similar trend in India can be expected

BUSINESS PROCESS OUTSOURCING (BPO) - CARRIED OUT BY OUR WHOLLY OWNED SUBSIDIARY DIGICALL TELE SERVICES PRIVATE LIMITED

DigiCall Teleservices Private Limited has been acquired by Media Matrix Worldwide Limited on March 31, 2012. DTPL provides full range of inbound and outbound call center services and solutions to its clients. Its services cater to a diverse client base across Telecom, BFSI, Retail, Travel, Hospitality and Healthcare. DTPL has its call center operations in 10 cities across India, having more than 5800 employees and approximately 5000 workstations in strength. DTPL delivers the entire spectrum of business processes - from customer care, helpdesk support to industry specific shared back office processes and all the way to complex outbound collections and analytics.

DTPL has a wholly owned subsidiary, Digicall Global Private Limited which caters to the international markets and primarily to the global clients based out in the UK and US. DTPL is an outsourcing company based in India offering BPO services since 2001 through global delivery network and a comprehensive outsourcing services infrastructure in Delhi, India. DTPL provides specialized solutions on:

- Improving customer satisfaction
- Increasing customer retention
- Increasing revenue per customer
- Lower cost per customer and per contact

DTPL proposes to expand its presence by investing in infrastructure and working capital and repayment of its external debt after infusion of funds by us, post this Rights Issue.

For FY2012, the software and services industry is expected to grow at 16-18 per cent and is expected to have aggregate revenues of USD 68-70 billion. The domestic market is estimated to grow by 15-17 percent with revenues of INR 900-920 billion. Apart from existing growth areas, a vibrant start-up ecosystem, cloud, SAAS, analytics, mobile and products for India are expected to be additional drivers.

As it step further, this decade heralds a new beginning, a new 'transformation' for the industry. Transformative service delivery is always business focused, delivers confidence and manages risks, using modern business re-alignment; at the same time enabling sustained savings and value. The dawn of the new decade has signalled a new partnership with customers in key markets and emerging countries to enhance competitiveness and value creation.

Indian IT-BPO performance

FY2012 has been a landmark year - while the Indian IT-BPO industry weathered uncertainties in the global business environment, this is also the year when the industry is set to reach a significant milestone - aggregate revenue for FY2012 is expected to cross USD 100 billion. Aggregate IT software and services revenue (excluding hardware) is estimated at USD 88 billion. During this year, direct employment is expected to reach nearly 2.8 million, an addition of 230,000 employees, while indirect job creation is estimated at 8.9 million. As a proportion of national GDP, the sector revenues have grown from 1.2 per cent in FY1998 to an estimated 7.5 per cent in FY2012. Its share of total Indian exports (merchandise plus services) increased from less than 4 per cent in FY1998 to about 25 per cent in FY2012.

Exports market: Export revenue (excluding hardware) during FY2012 is likely to reach USD 69 billion, accounted for by about a 2.2 million workforce. This represents a growth of 16.3 per cent; these exports also account for over 68.5 per cent share in aggregate IT-BPO revenue.

Service-lines: Within exports, IT services segment is the fastest growing at 19 per cent over FY2011 with export revenue of USD 40 billion, accounting for 58 per cent of total exports. This sector has seen the emergence of full service players offering traditional services like application development and maintenance to testing, infrastructure, consulting and system integration, as also niche providers offering end-to-end services in particular verticals or customer segments. This sector is now focusing on moving further up the value chain by positively impacting business outcomes and customer revenues.

The BPO segment is expected to grow by 12 per cent to reach USD 16 billion in FY2012. In the last few years, the BPO segment has been focusing on re-engineering itself in order to deliver transformational impact to customers. A 'Verticalised' approach has been a key marketing strategy - developing indepth capabilities across the entire value chain in specific verticals. BPO firms are also increasing their onshore and near shore footprint to enable customer entry into local markets; firms have also been actively implementing non-linear growth initiatives that ensure higher realisations for service providers, while controlling costs, facilitating faster time-to-market and improving satisfaction at the clients' end.

Geographic focus: US continues to drive IT-BPO exports growth. Export revenue from the US is likely to grow by over 17 per cent in FY2012, driven by higher demand for IT services and support. Europe has gone through a tough period in the last couple of years, however, growth is returning gradually and this region is expected to show good performance in FY2013. APAC region exhibited fastest growth at nearly 18 per cent as customers in that region showcase increased adoption to IT as they aim to compete on a more even scale in the global market.

Vertical markets: The BFSI vertical is set to increase its share in IT-BPO exports to 41.2 per cent; however, share of telecom is to decline from 20 per cent in FY2011 to 19 per cent, largely due to slowdown in telecom investments in the US and UK. Emerging verticals - retail, healthcare, media and utilities - continue to record fast growth.

Domestic market: Domestic IT-BPO revenue (excluding hardware) is expected to grow at almost 17 per cent to reach Rs. 918 billion in FY2012. Strong economic growth, rapid advancement in technology infrastructure, increasingly competitive Indian organisations, enhanced focus by the government and emergence of business models that help provide IT to new customer segments are key drivers for increased technology adoption in India

- IT services is the fastest growing segment in the Indian domestic market, growing by 18 per cent to reach Rs. 589 billion, driven by increasing adoption from all customer segments - government, enterprise, consumers and SMBs
- Domestic BPO segment is expected to grow by 17 per cent in FY2012, to reach Rs. 149 billion, driven by demand from voice-based (incl. local language) services and increasing adoption by both traditional and emerging verticals, including the government
- The domestic software products segment is set to grow to Rs. 180 billion in FY2012, a growth of ~13 per cent over FY2011. This segment is being driven by the need to replace legacy systems and technology advancements around cloud, mobility, etc.
- India's customer base - government, large enterprises, micro, small & medium enterprises and household consumers, represent unique set of requirements. Government IT spend is led largely by hardware and IT services; large enterprises have mature IT infrastructure and are driven by need for applications that improve productivity and efficiencies. SMBs are focusing on solutions that enable greater customer reach and better marketing. Household investments are largely for hardware - laptops, netbooks, etc. and consumer applications around mobility and social media.

(Source: NASSCOM Strategic Review 2012)

SUMMARY OF OUR BUSINESS

Our Company was originally incorporated as Rahul Trading & Finance Limited on 07th June, 1985 and was originally engaged in trading activities and later on, it changed its name to Giltfin Lease Limited. It obtained registration from Reserve Bank of India for carrying out Non-Banking Finance Company (NBFC) activities in the year 1999 vide certificate of Registration No. 13.01287 dated 13th August 1999. However, the Company didn't carry out any activities related to NBFC since 13th August, 1999, the date on which it got the NBFC certificate, but only continues to be registered with Reserve Bank of India (RBI) as a Non-deposit accepting Non-Banking Finance Company. In the Year 2000, the Company started media and content business and further changed its name to Media Matrix Worldwide Limited. Considering that the Company had neither carried out any NBFC business in the past, nor it has any intention to carry the business of NBFC in future, the Company, on September 13, 2011, submitted an application to RBI for de-registration as an NBFC. RBI vide its letter dated December 26, 2012 has asked the Company to lower its financials assets (representing investment in subsidiaries) as percentage of total assets to enable it to deregister as NBFC. Since the Company presently does not meet the criteria of principal business as specified by the RBI in its Press Release 1998-99/1269 dated April 8, 1999 and instead qualifies the criteria of Core Investment Company (CIC) based on the current investment structure of the Company, the Board of Directors of the Company has decided on February 13, 2013 to notify the same to RBI and apply for registration as and when the assets size is Rs.100 cr or above. The response of RBI in this regard is awaited. The Company may be required to pay penalty, if any, levied by RBI for non-compliance in the past and may be required to comply with NBFC norms, if RBI decides not to de-register the company as NBFC.

DHPL, a company promoted by Mr. Mahendra Nahata, took over majority stake and management control of our Company, after entering into Share Purchase Agreements with the earlier promoters as well as with one Public Shareholder and after making an Open Offer and complying with the now repealed SEBI (Substantial Acquisition of Shares and takeovers) Regulations 1997. DHPL completed the acquisition of MMWL on Jan 26, 2012 by acquiring 67.37% of total Equity Shares of MMWL. DHPL has been promoted by Mr. Mahendra Nahata. MMWL is currently into trading of mobile handsets, software development for next generation value added services and providing technical and support services to third parties in India.

Currently, the Company is into procurement and distribution of mobile handsets directly and through its wholly owned subsidiary, NDPL. MMWL has also entered into distributorship agreement on March 31, 2012 with Pantel Technologies Private Limited, a company engaged in the business of design, manufacture and sale of various Penta branded products, for distribution of its products in India. Post takeover by DHPL, media and content business is also expected to be continued by the Company either directly or through its Subsidiaries.

Acquisition by DHPL was made to make investments in next generation businesses including contents and Media businesses which are expected to have substantial growth over the next decade on account of rising demand from online and e-commerce businesses.

The Company currently has technical staff of 35 employees who have experience in developing new applications and technologies required for supporting the Mobile Content distribution platform of the Company and /or its subsidiaries. The team also has expertise in content acquisition and its management for group companies as well as for third parties.

The Company may make the investment either directly or through its various Subsidiaries, including Media Matrix Holdings Private Limited (formerly Digicall Holdings Private Limited), to remain competitive and to achieve inorganic growth in the various businesses carried by the Company or any of its Subsidiary Companies.

Media Matrix Holdings Private Limited (formerly Digicall Holdings Private Limited) is an investment company as of date, and has been acquired by MMWL on March 5, 2012 to make future investments, if any.

Our Subsidiaries

nexG Devices Private Limited

Our Wholly owned Subsidiary, NDPL is currently engaged in procurement and distributorship of Mobile Handsets of various brands including Samsung, Akai and Alcatel. NDPL has distribution arrangement with these brands for distribution and marketing of handsets in the Indian markets. NDPL has marketing offices and warehouses located at various cities in India and have established a nationwide network of over 350 super-stockists and distributors to handle the distribution business all over India. NDPL was acquired by us on March 5, 2012 from DSPL, which also later on became our Subsidiary.

The Mobile Handsets market in India has grown significantly in the last 10 years following the exponential growth of mobile phone services. The growth segments are Smart Phone, Tablets, 3G Phones, Dual SIMs phones, etc.

DigiVive Services Private Limited

DSPL has become our subsidiary on March 31, 2012 by way of subscription to additional Equity Shares of DSPL by us. Further, it has been made a wholly owned subsidiary of MMWL on May 28, 2012 by acquiring the remaining stake of 20.15% through MMHPL from its erstwhile promoter shareholders.

DSPL is in the business of running next generation mobile value added services. It developed a Mobile TV application "nexGTv" in May 2011. nexGTv offers a bouquet of over 100 Television channels to a current subscriber base of 10 Lakh+ customers and the nexGTv app has been downloaded by more than 7.5 million users from the various app stores. NexGTv also has a large VOD library of Tv content and movies. The delivery mechanisms for nexGTv include Native Client, WAP and Video IVR (VIVR).

DSPL has entered into operator tie-ups with BSNL, MTNL, MTS and Idea in India and Etisalat in Sri Lanka, and is in the process of tying-up with other leading telcos in India and Overseas.

DigiCall Teleservices Private Limited

DTPL has become our subsidiary on March 31, 2012 when we invested in it by way of subscription to the additional Equity Shares of DTPL. Further, it has been made our wholly owned subsidiary on May 28, 2012 when we acquired the remaining stake of 34.5% through MMHPL from its erstwhile promoter shareholders.

DTPL, operating in the BPO segment, was set up primarily as an ITES organization and supports a wide range of service offering. It was incorporated as Pagepoint Services (India) Private Limited in 1992 for providing Radio Paging services. DTPL discontinued the Paging business in 2004-05, given the declining use of paging services and closure of the paging industry internationally. DTPL started the business of domestic call center in 1999 and since then has been developing this business. The name of the company had been recently changed to DigiCall Teleservices Private Limited vide fresh Certificate of Incorporation dated March 28, 2011. DTPL today employs around 5800 people nationwide in its various centers located in some of the major cities across India.

Media Matrix Holdings Private Limited MMPHL (formerly Digicall Holdings Private Limited)

Media Matrix Holdings Private Limited (formerly Digicall Holdings Private Limited) has been incorporated with a view to make investments in existing/new projects to be undertaken by us jointly or severally. The name of the Company has been changed from DigiCall Holdings Private Limited to its current name Media Matrix Holdings Private Limited on 18th January, 2013. It has been incorporated in the recent past and currently is looking for investment in content solutions business. The Company has been acquired by us on March 5, 2012 and is at present our wholly owned subsidiary, by virtue of 100% equity share holding held by our Company.

SUMMARY OF ACQUISITION OF VARIOUS SUBSIDIARIES BY US

Serial No.	Name of the Company	Date of acquisition	Stake acquired	Amount of consideration
1	nexG Devices Private limited	March 5, 2012	100%	Rs. 1 Lac
2	Media Matrix Holdings Private Limited (formerly Digicall Holdings Private Limited)	March 5, 2012	100%	Rs. 1 lac
3 (a)	DigiCall Teleservices Private Limited	March 31, 2012	65.5%	Rs. 1310 Lac
(b)	DigiCall Teleservices Private Limited*	May 28, 2012	34.5%	Rs. 1380 Lac
4 (a)	DigiVive Services Private Limited	March 31, 2012	79.15%	Rs. 798.5 Lacs
(b)	DigiVive Services Private Limited*	May 28, 2012	20.15%	Rs. 139 Lacs

*Acquired through our wholly owned subsidiary, Media Matrix Holdings Private Limited (formerly Digicall Holdings Private Limited)

COMPETITIVE STRENGTHS AND BUSINESS STRATEGIES OF OUR BUSINESS

Media Matrix Worldwide Limited – Our Competitive Strengths

Media Matrix Worldwide Limited currently has a technical team of more than 35 employees who have experience in developing new applications and technologies required for supporting the Mobile Content distribution platform of the Company and /or its subsidiaries. The team also has expertise in content acquisition and its management for group companies as well as for third parties.

Media Matrix Worldwide Limited – Our Strategy

The strategy of the Company has been towards investing in the new application and/or technologies related to Mobile on account of rising demand for data services/solution in 3G/4G era, and making investments in next generation businesses including contents and Media businesses which are expected to have substantial growth over the next decade on account of rising demand from online and e-commerce businesses. The Company would be working either directly or through its subsidiaries to take up existing and/or new projects to achieve the above.

COMPETITIVE STRENGTHS AND BUSINESS STRATEGIES OF OUR SUBSIDIARIES

nexG Devices Private Limited – Competitive Strengths

- Growing market share in a fast growing telecom market.
- Combination of technical expertise and understanding of Indian consumer behaviour/preference.
- Strong product marketing capabilities.
- Efficient and speedy execution capability.
- Extensive nationwide distribution network.
- Nationwide after sales support
- Scalable asset-light business model
- Diversified across products, geographies and distributors.

nexG Devices Private Limited - Business Strategies

The devices distribution market covers number of product offering including Mobile handsets, Laptops, data products like dongle, other IT products and accessories. As a conscious strategy, NDPL has entered this market through the fastest growing consumer segment-Mobile Handsets. Within mobile handsets as well, NDPL has developed alliances across all segments including Feature Phones, Smart Phones and Tablets.

As part of the long term vision of NDPL, NDPL would look to leverage its established infrastructure and capabilities in mobile handset distribution business by launching its own brand of mobile handsets in future. NDPL would enter this space through Smart Phones segments which is expected to be the highest growth segment in handsets with its value wise share expected to touch 35% by 2014 from 18% in 2011. In addition to its increasing market size, the smart phone business has higher margins and higher average Average Selling Price thus making it an attractive entry option.

DigiVive Services Private Limited - Competitive Strengths

One of the early entrants in India's fastest growing telecommunication data value added services market

In the 2G era, the Indian market for mobile value added services (VAS) has been driven by commoditized products and services like basic SMS, ringtones, wallpapers and text based alerts. Some examples are, IVR/SMS services supporting TV shows, and Bollywood themed content for customized products (ring tones, CRBT, games and wallpapers) and cricket themed content (news alerts, short video clips and other customised products). Premium SMS services (astrology, information alerts) also constituted a steady source of revenues.

The launch of 3G and 4G services in India is expected to change the data consumption trends witnessed till date. DSPL expect the shift from text and audio based content to video based content owing to the higher speeds and user experience on high end handsets and smart phones. The Indian VAS industry today is expected to be dominated by three themes-music and entertainment, search and discovery, and social networking. Enhanced user experience, service innovations & service bundling will be the key drivers for uptake of rich content based VAS services in the 3G era. Among these innovative services, Mobile TV is emerging as one of the most promising opportunities. On one hand, there is continuous demand for rich content in categories like Bollywood, Sports, Astrology and Devotion. On the other hand, Operators are keen to generate return on the investment made in spectrum licenses. The content owners are also exploring newer channels to monetize their proprietary content. Thus, the demand and supply side ecosystem is very favourable for Mobile TV in India.

Deep and long term customer relationship which create high technological and time to market barriers to entry for new entrants

DSPL has deep and long term relationship with the customers developed through its long term partnership contracts and revenue sharing arrangements that allow it and its partners share in the revenue generated by its product and services. The contracts are generally master contracts that allow it to add new products and services rapidly with primarily the same terms and conditions as the master contract.

Furthermore, service deployments with its major carrier customers involve complex hardware systems and software applications deeply embedded within the carrier's network infrastructure and integrated into the carrier's billing, provisioning, service management, customer care and other core network systems. In order to manage, maintain and operate the software applications provided to its customers and integrate them into its joint product planning and new service deployment process, DSPL maintains a high level of interaction and close working relationship with each of its major customers. This minimizes the complexities involved in deploying and marketing new services.

Proven track record in bringing innovative solutions to the market

DSPL believes that with its track record, accumulated market experience, technical capabilities and operational expertise, it is well positioned to serve as an integrated solution provider for its customers who want to rapidly and cost effectively provide a broad range of telecommunications value added services to their subscribers. In addition, DSPL has invested and will continue to invest resources in research and development in order to keep creating new applications and solutions and to upgrade or improve its existing ones. DSPL believes that the research and development experience and knowledge base that it has developed over the years will enable it to continue delivering innovative services in the telecommunication value added services domain.

DigiVive Services Private Limited – Business Strategies

The mission is to grow into one of the leading global providers of telecommunication value added services serving global wireless telecommunication operators, mobile virtual network operators, media companies, content owners and publishers, internet companies and mobile commerce companies.

Develop and launch innovative applications to further penetrate our existing customer base as well as new markets

DSPL believes that the telecommunication value added services industry is evolving rapidly due to the development of more sophisticated handsets, advanced network infrastructure, increasing consumer acceptance and availability of rich and varied content and services for end users. DSPL has a track record in developing and launching innovative new products that tap into consumer preferences. DSPL intends to utilize its knowledgebase to launch, test and develop innovative applications and services with its existing and potential carrier customers.

Expand our international presence

DSPL intends to expand its geographic presence and market to new carrier and other target customers by leveraging its expertise and track record in offering products that address of those customers. In order to develop and support these carrier customer relationships, it intends to upgrade and expand its network of development, sales and support resources in potential growth markets and to enter into local partnership and distribution agreements.

Strategic distribution partnership

For the selected markets, DSPL intends to enter into strategic partnership with well established companies which have strengths that are complementary to its own.

Attract and retain talent

DSPL intends to continue identifying, attracting, training and retaining highly skilled applications development engineers and technical personnel, business development experts and well qualified and experienced senior management and sales team members.

DigiCall Teleservices Private Limited - Competitive Strengths

DTPL has a diversified offering base to de-risk its business and is aimed at driving a more holistic model:

DTPL's quality assurance offering is home grown and offers a value addition to call center operations comparable to global quality standards.

- DTPL's end to end services for the telecom, retail and financial services industry provides it with a wide platform to de-risk any short term down turns in its business cycle.
- A mature collection service offering also provides it a large clientele across different verticals.

DigiCall Teleservices Private Limited - Business Strategies

DTPL intends to enhance its position by offering end-to-end services to its clients and to capture maximum opportunities arising from growth of business of its clients.

- Deliver services out of additional contact centres with non-telecom business contributing significantly to its revenue growth.
- On the customer management horizontal, the focus will be on the fast-growing BFSI services segment and Telecom Data services.
- DTPL would keep the client acquisition strategy as cost effective, without compromising on building a healthy pipeline.
- Joint-marketing through existing clients, including opportunities of horizontal growth from existing clients thereby provide more scalability options to DTPL.

SUMMARY OF FINANCIAL INFORMATION

The following summary financial statements have been prepared in accordance with Indian GAAP, the Companies Act and the SEBI (ICDR) Regulations 2009 and restated as described in the Auditor's Report of M/s Khandelwal Jain & Co, our Statutory Auditors dated January 18 2013 in the Section titled "Financial Information" beginning on page 160 of this Letter of Offer. The summary of financial information presented below should be read in conjunction with our restated standalone financial statements for the year ended March 31, 2008, 2009, 2010, 2011 and 2012 and for the period ended September 30, 2012 and consolidated financials for the year ended March 31, 2008, 2009 and 2012 and for the period ended September 30, 2012 including the notes thereto and the Section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on page 218 of this Letter of Offer.

STATEMENT OF RESTATED STANDALONE ASSETS AND LIABILITIES

(Rs. in Lacs)

PARTICULARS	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Non-Current Assets						
Fixed Assets						
(i)Tangible Assets	13.52	6.14	42.34	62.74	83.15	103.40
(ii)Intangible Assets	-	-	-	-	-	-
(iii)Capital Work-in-Progress	-	-	-	-	-	-
Deferred Tax Assets	-	-	-	-	-	-
Non-Current Investments	5,157.49	4,659.49	524.71	574.71	909.49	909.49
Long-Term Loans and Advances	-	-	-	-	-	-
Sub - Total - 1	**5,171.01**	**4,665.63**	**567.05**	**637.45**	**992.64**	**1,012.89**
Current Assets						
Current Investments	-	-	-	-	-	-
Inventories	-	-	-	-	-	-
Trade Receivables	1,486.16	176.64	442.90	856.03	500.33	637.34
Cash And Bank Balance:						
Cash on Hand	2.08	2.08	0.35	0.22	0.64	7.45
Balance With Bank:						
In Current Accounts	36.64	80.09	0.37	87.08	0.27	(6.55)
In Fixed Deposits - Margin Money						
Less Than 1 Year	-	-	-	0.31	75.28	-
More Than 1 Year	59.77	87.98	87.19	-	0.31	0.31
Short-Term Loans and Advances	637.05	925.17	231.00	241.26	299.07	7,874.58
Other Current Assets	73.77	55.59	35.07	4.79	16.68	10.22
Sub - Total - 2	**2,295.47**	**1,327.55**	**796.88**	**1,189.69**	**892.58**	**8,523.35**
Non-Current Liabilities						
Long-Term Borrowings	4.09	5,000.00	-	-	-	-
Deferred Tax Liabilities	0.22	0.39	4.17	8.18	9.64	4.20
Long-Term Provisions						
Provision for Leave Encashment	4.12	0.01	-	-	-	-
Provision for Gratuity	0.85	0.00	-	-	-	-
Sub - Total - 3	**9.28**	**5,000.40**	**4.17**	**8.18**	**9.64**	**4.20**
Current Liabilities						
(A) Short-Term Borrowings	209.81	137.31	223.12	598.14	680.17	8,077.70
(B) Trade Payables	1,429.96	178.82	173.10	281.80	270.52	538.54
(C) Other Current Liabilities	4,331.35	13.14	17.55	-	-	-
(D) Short-Term Provisions	277.09	34.31	19.98	14.34	9.00	7.23
Sub - Total - 4	**6,248.21**	**363.58**	**433.75**	**894.28**	**959.69**	**8,623.47**
Share Application Money Pending Allotment - 5	**-**	**-**	**-**	**-**	**-**	**-**
Net Worth - 1 + 2 - 3 - 4 - 5	**1,208.99**	**629.20**	**926.01**	**924.68**	**915.89**	**908.57**
Shareholders' Funds						
(A) Share Capital						
Issued, Subscribed and Paid Up Share Capital - Comprising of Equity Shares of Rs 1 Each	1,008.65	808.65	808.65	808.65	808.65	808.65
(B) Reserves and Surplus						
Securities Premium Reserve	416.56	158.40	158.40	158.40	158.40	158.40
Debit Balance of Statement of Profit and Loss Account	(216.22)	(337.85)	(41.04)	(42.37)	(51.16)	(58.48)
Net Worth (A+B)	**1,208.99**	**629.20**	**926.01**	**924.68**	**915.89**	**908.57**

Note:
The above statement should be read with Significant Accounting Policies and the Notes to the Restated Summary Statements as appearing in Annexure V.

Working:-

Other Current Assets

PARTICULARS	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Prepaid Expenses	0.47	0.08	-	-	-	-
Interest accrued but not due	10.50	12.63	10.78	4.79	16.68	10.22
Service tax recoverable	4.32	1.03	-	-	-	
TDS recoverable	58.48	41.85	24.29	-	-	-
Total	**73.77**	**55.59**	**35.07**	**4.79**	**16.68**	**10.22**

Other Current Liabilities

PARTICULARS	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Current Maturities of Long term borrowings	4,307.18	-	-	-	-	-
TDS Payable	5.85	11.18	0.19	-	-	-
Service tax Payable	-	1.59	17.36	-	-	-
Employees Payable	16.66	0.37	-	-	-	-
PF & Other Payable	1.66	-	-	-	-	-
Total	**4,331.35**	**13.14**	**17.55**	**-**	**-**	**-**

STATEMENT OF RESTATED STANDALONE PROFITS AND LOSSES **(Rs. In Lacs)**

	PARTICULARS	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
1	Revenue From Operations:						
	Sales	3,213.11	161.26	890.07	1,393.43	1,603.21	1,875.96
	Services	526.55	151.15	-	-	-	-
	Sub - Total	3,739.66	312.41	890.07	1,393.43	1,603.21	1,875.96
2	Other Income	4.62	7.58	90.98	0.02	44.86	18.40
3	**Total Revenue(1+2)**	**3,744.28**	**319.99**	**981.05**	**1,393.45**	**1,648.07**	**1,894.36**
4	Expenses:						
	Cost of Materials Consumed	3,096.70	155.97	954.13	1,352.64	1,552.09	1,716.80
	Employee Benefits Expense:						
	Salaries and Wages	194.37	53.73	0.22	2.52	18.11	22.72
	Contribution to Provident and Other Funds	5.16	0.01	-	-	-	-
	Staff Welfare Expenses	0.36	0.24	-	-	0.12	-
	Finance Costs:						
	Interest Expense	0.05	-	-	0.23	36.61	10.37
	Other Borrowing Costs	0.29	5.07	0.14	-	-	-
	Depreciation and Amortization Expense	0.56	14.12	20.41	20.41	20.40	196.34
	Other Expenses						
	Operating Expenses						
	Administrative and Other Expenses	266.71	367.56	3.19	4.88	6.20	56.03
	Selling and Distribution Expenses	2.20	0.20	-	-	-	-
5	**Total Expenses**	**3,566.40**	**596.90**	**978.09**	**1,380.68**	**1,633.53**	**2,002.26**
6	**Profit Before Exceptional and Extraordinary Items and Tax(4-5)**	**177.88**	**(276.91)**	**2.96**	**12.77**	**14.54**	**(107.90)**
7	**Exceptional Items**	**-**	**(12.07)**	**-**	**-**	**-**	**-**
8	**Profit Before Extraordinary Items and Tax (6-7)**	**177.88**	**(288.98)**	**2.96**	**12.77**	**14.54**	**(107.90)**
9	**Loss Before Tax (8-9)**	**177.88**	**(288.98)**	**2.96**	**12.77**	**14.54**	**(107.90)**
10	**Tax Expense:**						
	(1) Current Tax	**56.39**	**11.60**	**5.64**	**5.44**	**1.68**	**0.25**
	(2) Fringe Benefit Tax	**-**	**-**	**-**	**-**	**0.10**	**0.21**
	(3) Deferred Tax	**(0.16)**	**(3.78)**	**(4.01)**	**(1.45)**	**5.44**	**(37.01)**
11	**Profit/Loss for the Year(10-11)**	**121.65**	**(296.80)**	**1.33**	**8.78**	**7.32**	**(71.35)**
	Earnings per Equity Share (in Rupees):						
	(1) Basic	**0.14**	**(0.37)**	**0.00**	**0.01**	**0.01**	**(0.09)**
	(2) Diluted	**0.05**	**(0.37)**	**0.00**	**0.01**	**0.01**	**(0.09)**

Note:-

The above statement should be read with Significant Accounting Policies and the Notes to the Restated Summary Statements as appearing in Annexure V.

STATEMENT OF RESTATED STANDALONE CASH FLOW

(Rs. In Lacs)

PARTICULARS	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Cash Flow from Operating Activities (A)						
Profit before Tax	177.88	(288.98)	2.96	12.77	14.54	(107.90)
Adjustments for :						
(Profit)/Loss on sale of Fixed Assets	-	12.07	-	-	-	-
Depreciation and Amortisation	0.56	14.12	20.41	20.41	20.40	196.34
Other Income	(2.86)	(7.58)	(90.98)	(0.02)	(44.86)	(18.40)
Interest and Financial Charges	26.48	5.07	0.14	0.23	36.61	10.37
Miscellaneous Expenditure Written off	-	-	-	-	-	4.46
Operating Profit before Working Capital Changes	**202.06**	**(265.30)**	**(67.47)**	**33.39**	**26.69**	**84.87**
Adjustments for :						
Inventories	-	-	-	-	-	140.85
Trade & Other Receivables	(1,039.57)	266.26	413.12	(355.71)	137.01	838.78
Loan & Advances	-	(714.70)	(20.02)	69.71	(268.01)	(760.65)
Trade & Other Payables (Including CC Limit)	1,482.95	0.79	(91.24)	29.37	7,569.04	(7,478.61)
Cash Generated from Operations	**645.44**	**(712.95)**	**234.39**	**(223.24)**	**7,464.73**	**(7,174.76)**
Tax Paid (Net of Refund)	(29.44)	(17.57)	-	-	-	-
Net Cash Flow from Operating Activities	**616.00**	**(730.52)**	**234.39**	**(223.24)**	**7,464.73**	**(7,174.76)**
Cash Flow from Investing Activities (B)						
Sale of Investment	-	524.71	50.00	334.79	-	-
Proceeds from Sale of Fixed Assets	-	10.00	-	-	-	-
Purchase of Investment	(498.00)	(4,659.49)	-	-	-	(905.50)
Purchase of Fixed Assets	(7.94)	-	-	-	(0.15)	(4.99)
Interest Income	2.86	7.58	90.98	0.02	44.86	18.40
Net Cash Flow from Investing Activities	**(503.08)**	**(4,117.20)**	**140.98**	**334.81**	**44.71**	**(892.09)**
Cash Flow from Financing Activities (C)						
Proceeds from Unsecured Term Loans	(688.73)	5,000.00	-	-	-	8,077.70
Proceeds from Unsecured Short term Loans	72.50	(67.71)	-	-	-	-
Premium on redemption	(215.69)					
Payment of Unsecured Loans	-	-	(374.93)	(100.23)	(7,397.54)	-
Issue of Share Capital	200.00					
Increase in Security Premium (net off share issue expense)	473.86					
Interest Paid	(26.48)	(2.33)	(0.14)	(0.23)	(36.61)	(10.37)
Net Cash Flow from Financing Activities	**(184.54)**	**4,929.96**	**(375.07)**	**(100.46)**	**(7,434.15)**	**8,067.33**
Net (Decrease) / (Increase) in Cash and Cash Equivalents (A+B+C)	(71.62)	82.24	0.30	11.11	75.29	0.48
Cash and Cash Equivalents at the Beginning of the Year	170.15	87.91	87.61	76.50	1.21	0.73
Cash and Cash Equivalents at the end of the Year	**98.53**	**170.15**	**87.91**	**87.61**	**76.50**	**1.21**

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:**

(Rs. In Lacs)

	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Cash in Hand	2.08	2.08	0.35	0.22	0.64	7.45
Cheques in Hand	-	-	-	-	-	-
Balances With Scheduled Banks	-	-	-	-	-	-
In Current Accounts	36.64	80.09	0.37	87.08	0.27	(6.55)
In Fixed Deposits	59.77	87.98	87.19	0.31	75.59	0.31
	98.53	**170.15**	**87.91**	**87.61**	**76.50**	**1.21**

STATEMENT OF RESTATED CONSOLIDATED ASSETS AND LIABILITIES

(Rs. in Lacs)

Particulars	30-Sep-12	31-Mar-12	31-Mar-09	31-Mar-08
Non-Current Assets				
Fixed Assets				
(i)Tangible Assets	4,158.52	2,982.94	525.58	702.57
(ii)Intangible Assets	2,718.15	1,869.08	-	-
(iii)Capital Work-in-Progress	348.54	378.40	11.44	11.44
Deferred Tax Assets				
Non - Current Investments	402.03	402.03	24.71	298.76
Long-Term Loans and Advances	1,257.57	814.12	53.62	188.12
Sub - Total - 1	**8,884.81**	**6,446.57**	**615.35**	**1,200.89**
Current Assets				
Current Investments	-	-	-	-
Inventories	705.59	505.31	0.53	0.53
Trade Receivables	4,584.14	1,917.94	501.03	637.91
Cash And Bank Balance:				
Cash on Hand	6.15	3.55	2.57	10.60
Balance With Bank:				
In Current Accounts	309.07	322.33	3.75	(9.50)
In Fixed Deposits - Margin Money				
Less Than 1 Year	16.81	544.77	83.85	-
More Than 1 Year	76.22	104.50	0.31	8.88
Short-Term Loans and Advances	332.73	612.37	1,567.15	8,737.49
Other Current Assets	922.04	975.78	16.68	10.22
Sub - Total - 2	**6,952.75**	**4,986.55**	**2,175.87**	**9,396.13**
Non-Current Liabilities				
Long-Term Borrowings	4,311.54	5,265.38	-	-
Deferred Tax Liabilities	19.27	38.51	9.64	4.20
Other Long Term Liabilities	-	-	-	-
Long-Term Provisions				
Provision for Leave Encashment	36.51	30.70	-	-
Provision for Gratuity	62.19	51.83	-	-
Sub - Total - 3	**4,429.51**	**5,386.42**	**9.64**	**4.20**
Current Liabilities				
(A) Short-Term Borrowings	289.50	1,818.44	663.72	8,078.04
(B) Trade Payables	3,019.22	1,648.39	363.27	726.43
(C) Other Current Liabilities	7,434.33	1,220.28	-	-
(D) Short-Term Provisions	568.16	41.18	9.08	7.22
Sub - Total - 4	**11,311.21**	**4,728.29**	**1,036.07**	**8,811.69**
Share Application Money Pending Allotment - 5	**-**	**-**	**-**	**-**
Minority Interest-6	**-**	**711.86**	**867.78**	**891.00**
Net Worth - 1 + 2 - 3 - 4 - 5 - 6	**96.84**	**606.55**	**877.73**	**890.13**
Shareholders' Funds				
(A) Share Capital				
Issued, Subscribed and Paid Up Share Capital - Comprising of Equity Shares of Rs 1 Each	1,008.65	808.65	808.65	808.65
(B) Reserves and Surplus				
Securities Premium Reserve	416.55	158.40	158.40	158.40
Debit Balance of Statement of Profit and Loss Account	(1,328.36)	(360.50)	(131.25)	(118.86)
Capital Reserve	-	-	41.93	41.93
Net Worth(A+B)	**96.84**	**606.55**	**877.73**	**890.13**

Note:-

The above statement should be read with Consolidated Significant Accounting Policies and the Consolidated Notes to the Restated Summary Statements as appearing in Annexure V A.

STATEMENT OF RESTATED CONSOLIDATED PROFITS AND LOSSES

(Rs. in Lacs)

	Particulars	30-Sep-12	31-Mar-12	31-Mar-09	31-Mar-08
1	**Revenue From Operations:**				
	Sales	11,781.96	1,016.47	1,603.21	1,875.96
	Services	3,282.22	13.06	246.13	55.90
	Sub - Total	**15,064.18**	**1,029.53**	**1,849.34**	**1,931.86**
2	**Other Income**	107.77	7.68	92.75	19.23
3	**Total Revenue (1+2)**	**15,171.95**	**1,037.21**	**1,942.09**	**1,951.09**
4	**Expenses:**				
	Cost of Materials Consumed	10,350.30	795.85	1,552.09	1,716.81
	Employee Benefits Expense:				
	Salaries and Wages	2,572.79	106.71	22.39	24.48
	Contribution to Provident and Other Funds	225.32	2.07	-	-
	Staff Welfare Expenses	92.67	0.57	0.12	-
	Finance Costs:				
	Interest Expense	137.09	-	36.45	9.86
	Other Borrowing Costs	41.77	5.45	0.26	0.57
	Depreciation and Amortization Expense	263.13	14.35	169.47	257.17
	Other Expenses				
	Net Gain or Loss on Foreign Currency Transaction and Translation (Other than considered as Finance Cost);	5.84	-	-	-
	Operating Expenses	396.03	-	-	-
	Administrative and Other Expenses	1,655.20	383.91	193.15	109.24
	Selling and Distribution Expenses	354.35	28.03	-	42.69
	Total Expenses	16,094.49	1,336.94	1,973.93	2,160.82
5	**Profit Before Exceptional and Extraordinary Items and Tax (3-4)**	**(922.54)**	**(299.73)**	**(31.84)**	**(209.73)**
6	**Exceptional Items**	0.72	12.07	-	-
7	**Profit Before Extraordinary Items and Tax (5-6)**	(923.26)	(311.80)	(31.84)	(209.73)
8	**Loss Before Minority Interest and Tax (7-8)**	(923.26)	(311.80)	(31.84)	(209.73)
9	**Minority Interest for the year**	-	-	(23.21)	(50.88)
10	**Loss Before Tax**	(923.26)	(311.80)	(8.63)	(158.85)
11	**Tax Expense:**				
	(1) Current Tax	56.39	11.60	1.68	0.25
	(2) Fringe Benefit Tax	-	-	0.19	0.21
	(3) Deferred Tax	(19.24)	(3.94)	5.43	(37.01)
12	**Profit/Loss for the Year(IX - X)**	**(960.41)**	**(319.46)**	**(15.93)**	**(122.30)**
	Earnings per Equity Share (In Rupees): (1) Basic	**(1.11)**	**(0.37)**	**(0.02)**	**(0.15)**
	Earnings per Equity Share (In Rupees): (2) Diluted	**(1.11)**	**(0.37)**	**(0.02)**	**(0.15)**

Note:-

The above statement should be read with Consolidated Significant Accounting Policies and the Consolidated Notes to the Restated Summary Statements as appearing in Annexure V A.

STATEMENT OF RESTATED CONSOLIDATED CASH FLOW

(Rs. in Lacs)

Particulars	30-Sep-12	31-Mar-12	31-Mar-09	31-Mar-08
Cash Flow from Operating Activities (A)				
Profit/(Loss) for the year before Tax	(923.23)	(311.80)	(31.84)	(209.06)
Adjustments for:				
(Profit)/Loss on Sold/Discarded Fixed Assets	0.72	12.07	(47.25)	-
Depreciation and Amortisation	263.13	14.35	169.47	257.17
Dividend Income	-	-	(0.36)	(0.69)
Interest and Financial Charges	178.86	5.45	36.45	9.86

Stock Reserve	(8.24)	-	-	-
Misc Exp. Written off	0.77	-	3.53	5.46
Provision for doubtful debts	4.45	-	-	-
Amount written back	0.44	-	-	-
Interest Income	(38.66)	(7.68)	(45.14)	(18.53)
Operating Profit before Working Capital Changes	**(521.76)**	**(287.61)**	**84.86**	**44.21**
Changes in assets and Liabilities				
Decrease/(Increase) in Inventories	(200.28)	(505.31)	-	140.31
(Increase)/ Decrease in Trade & Other Receivables	(2,782.67)	(3,593.68)	136.89	838.20
(Increase)/ Decrease in Loans & Advances and Other Assets	-	-	7,281.93	(8,540.06)
Increase/(Decrease) in Trade & Other Payables	7,873.02	2,787.59	(363.17)	(572.76)
Cash Provided by operating activities after tax	**4,368.31**	**(1,599.01)**	**7,140.51**	**(8,090.10)**
Tax Paid (Net of Refund)	(29.44)	(17.57)	-	-
Net Cash Provided by Operating Activities	**4,338.87**	**(1,616.58)**	**7,140.51**	**(8,090.10)**
Cash Flow from Investing Activities (B)				
Proceeds from Sale of Investment	-	524.71	274.05	-
Proceeds from Sale of Fixed Assets	0.39	10.00	60.00	8.30
Increase in Investment	-	(402.03)	-	(294.77)
Purchase/Increase in Goodwill	(894.23)	-	-	-
Purchase of CWIP	-	-	-	(11.43)
Purchase/Increase in Fixed Assets	(1,364.81)	(5,224.51)	(5.24)	(673.28)
Dividend Income	-	-	0.36	0.69
Interest Income	40.18	7.68	45.14	18.53
Net Cash Flow from Investing Activities	**(2,218.47)**	**(5,084.15)**	**374.31**	**(951.96)**
Cash Flow from Financing Activities (C)				
Issue of share capital	200.00	-	-	-
Increase in Security Premium	494.00	-	-	-
Proceeds/Increase in Long Term Loan	(953.84)	5,265.38	-	-
Proceeds/Increase in Short term Loans	(1,528.93)	1,613.42	(7,397.87)	8,078.04
Minority Interest	(711.87)	711.87	-	941.21
Change in Capital Reserve	-	-	-	41.93
Finance Cost Paid	(186.64)	(2.71)	(36.45)	(9.86)
Net Cash Flow from Financing Activities	(2,687.28)	7,587.96	(7,434.32)	9,051.32
Net (Decrease) / Increase in Cash and Cash Equivalents (A+B+C)	(566.88)	887.23	80.50	9.26
Cash and Cash Equivalents at the Beginning of the Year	975.14	87.91	9.99	0.73
Cash and Cash Equivalents at the end of the Year	**408.26**	**975.14**	**90.49**	**9.99**

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: **(Rs. In Lacs)**

Particulars	**30-Sep-12**	**31-Mar-12**	**31-Mar-09**	**31-Mar-08**
Cash in Hand	6.16	3.55	2.57	10.60
Cheques in Hand	-	-	-	-
Balances With Scheduled Banks				
- In Current Accounts	309.07	322.33	3.75	(9.50)
- In Fixed Deposits	93.03	649.26	84.16	8.88
	408.26	975.14	90.49	9.99

THE ISSUE

The following is a summary of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, more detailed information in "Terms of the Issue" on page 249 of this Letter of Offer.

Equity Shares prior to the Issue	10,08,65,000 Equity Shares
Equity Shares after the Issue (assuming full subscription for and allotment of the Rights Entitlement)	100,86,50,000 Equity Shares
Rights Entitlement	9 Equity Shares for every 1 fully paid-up Equity Share held on the Record Date
Record Date	March 19, 2013
Face Value per Equity Share	Re. 1 each.
Issue Price per Equity Share	Rs. 1.20 each.
Terms of the Issue	For more information, please see "***Terms of the Issue***" on page 249 of this Letter of Offer.
Use of Issue Proceeds	For further information, please see "***Objects of the Issue***" on page 78-86 of this Letter of Offer.
OFCDs outstanding prior to the Issue	12,40,92,219 OFCDs of Rs.3.47 each aggregating to Rs. 4306 Lacs.

Terms of Payment

The full amount of Rs. 1.20 per Equity Share is payable on application.

GENERAL INFORMATION

Pursuant to the resolutions passed under Section 81(1) and 81(1A) of the Companies Act by the Board of Directors at their meeting held on February 24, 2012, and by the members of our Company held on March 26, 2012, it has been decided to make the following offer to the Equity Shareholders of our Company, on Rights basis with a right to renounce.

ISSUE OF 90,77,85,000 EQUITY SHARES WITH A FACE VALUE OF Re.1/- EACH FOR CASH AT A PRICE OF Rs. 1.20 EACH (INCLUDING A PREMIUM OF Rs. 0.20 EACH) AGGREGATING TO Rs. 10893.42 LACS BY OUR COMPANY TO THE EQUITY SHAREHOLDERS ON RIGHTS BASIS IN THE RATIO OF 9 EQUITY SHARES FOR EVERY 1 EQUITY SHARE HELD ON THE RECORD DATE, I.E., MARCH 19, 2013.

THE ISSUE PRICE FOR THE EQUITY SHARES IS 1.2 TIMES OF THE FACE VALUE OF THE EQUITY SHARES.

Important

a. This offer is applicable only to those Equity Shareholders whose names appear as beneficial owners in respect of the Equity Shares held in the electronic form and on the Register of Members of our Company in respect of the Equity Shares held in physical form as on March 19th, 2013 the Record Date, fixed in consultation with the Designated Stock Exchange, i.e. The BSE Ltd.

b. Your attention is drawn to "Risk Factors" appearing on Page 11-38 of this Letter of Offer.

c. Please ensure that you have received the Composite Application Form (CAF) along with this Letter of Offer/Abridged Letter of Offer. In case the original CAF is not received, lost or misplaced by the Shareholder the Registrar will issue a duplicate CAF on the request of the Shareholder who should furnish the registered folio Number / DPID/Client ID number and his/her full name and address to the Registrar. Please note that those applicants who are making the application in the duplicate CAF should not utilize the original CAF for any purpose, including renunciation, even if it is received / found subsequently. In case the original and the duplicate CAFs are lodged for subscription, allotment will be made on the basis of the duplicate CAF and the original CAF will be ignored.

d. Please read this Letter of Offer and the instructions contained therein and in CAF carefully, before filling in the CAF. The instructions contained in the CAF are an integral part of this Letter of Offer and must be carefully followed. Application is liable to be rejected for any non-compliance with the terms of this Letter of Offer or the CAF.

e. All enquiries in connection with this Letter of Offer or CAF should be addressed to the Registrar to the Issue, Sharex Dynamic (India) Private Limited, quoting the registered folio number / DP / ID and Client ID and the CAF Numbers, as mentioned in the CAF.

f. The Issue will be kept open for a minimum period of fifteen days. If extended, it will be kept open for a maximum period of thirty days.

g. The Lead Manager and our Company shall update this Letter of Offer and keep the public informed of any material changes till the listing and trading commences for the Equity Shares offered through this Issue.

Registered Office of our Company
Media Matrix Worldwide Limited
Flat No: 155, 15th Floor,
Mittal Court A Wing, Nariman Point,
Mumbai - 400 021.
Tel. No. : + 91 22 2283 3006
Fax No: +91 22 43473206
Contact Person: Mr. Mohd. Zafar, Company Secretary & Compliance Officer
Email: compliance@mmwlindia.com
Website: www.mmwlindia.com
Corporate Identification No. - L51900MH1985PLC036518

For details of change in name and Registered Office, please refer to the chapter titled "History and Certian Corporate Matters" beginning on page 124 of this Letter of Offer.

Corporate Office of our Company
Media Matrix Worldwide Limited
77B, 3rd Floor, IFFCO Road, Sector -18
Gurgaon, Haryana - 122 015
Tel No: +91 124 4310000
Fax No: +91 124 4310050
Email: compliance@mmwlindia.com

Address of the Registrar of Companies
Registrar of Companies, Mumbai
100, Everest Building, Marine Drive, Mumbai - 400 002
Maharashtra, India

Our Board of Directors

The Board of Directors as on the date of filing this Letter of Offer with SEBI is as follows:

Sr. No.	Name of the Director	Designation	Nature of Directorship	DIN
1	Mr. Chhattar Kumar Goushal	Director	Non Executive Independent Director	01187644
2.	Mr Mahesh Ranglal Jain	Director	Non-Executive Independent Director	00013947
3.	Mr. Suresh Bohra	Director	Non-Executive Independent Director	00093343
4.	Mr. Bharat Bhushan Chugh	Director (Finance)	Whole Time Director	00472532

For detailed profile of our Directors, please refer to the chapter titled "Our Management" and "Our Promoters and Promoters group" beginning on pages 132 and 143 respectively of this Letter of Offer.

Company Secretary and Compliance Officer

Mr. Mohd. Zafar

77B, 3rd Floor, IFFCO Road, Sector -18

Gurgaon, Haryana - 122 015

Tel No: +91 124 4310000

Fax No: +91 124 4310050

Note*: Investors are advised to contact the Compliance Officer Mr. Mohd. Zafar and / or the Registrar to the Issue i.e Sharex Dynamic (INDIA) Pvt. Ltd. and/or the Lead Manager to the Issue i.e. Fedex Securities Limited, in case of any pre-Issue or post-Issue problems such as non-receipt of Letter of Offer, Abridged Letter of Offer/CAF, Letters of Allocation, credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of Equity Shares in physical forms, non-receipt of refund orders, non-receipt of refunds by electronic mode etc. All grievances related to ASBA process may be addressed to the Registrar to the Issue, with a copy to SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount blocked, ASBA account number and the Designated Branch of the SCSB where the CAF was submitted.*

ISSUE MANAGEMENT TEAM

Lead Manager to the Issue

Fedex Securities Limited
3rd Floor, Jay Chambers
Service Road,
Adj. Western Express Highway
Vile Parle (East), Mumbai 400 057
Tel. Nos. (022) 26136460/61
Fax No. (022) 2618 6966
Investor Grievance E mail ID: fdxinvgr@gmail.com
E Mail: fedex@vsnl.com, rk@fedsec.in
Website: www.fedsec.in
Contact Person: Mr. R. Ramakrishnan
SEBI Registration No: INM000010163

Registrar to the Issue

Sharex Dynamic (India) Private Limited
SEBI Regn. No. INR000002102
Unit -1, Luthra Ind. Premises, Safed Pool
Andheri Kurla Road, Andheri (East)
Mumbai – 400 072
Tel. Nos. (022) 22702485 /22641376
Fax. No. (022) 28512885
Email : sharexindia@vsnl.com
Website: www.sharexindia.com
Contact Person: Mr. B S Baliga

Statutory Auditors of our Company
Khandelwal Jain & Co.,
221,Hans Bhawan
Bahadur Shah Zafar Marg
New Delhi 110 002
Tel:011-23370091, 23370892, 23378795
Fax: 011-23378794
Email ID:delhi@kjco.net
Firm Reg. No: 105049 W
Contact Person: **Mr. Akash Shinghal**
Membership No:103490
Khandelwal Jain & Co., holds a Peer Review Certificate dated April 15, 2010 Issued by the Institute of Chartered Accountants of India.

Bankers to the Issue
HDFC Bank Limited
FIG - OPS Department
Lodha, I Think Techno Campus, O-3, Level
Next to Kanjurmarg Railway Station,
Kanjurmarg (East), Mumbai- 400042
Tel: 022-30752928
Fax: 022-25799801
Email ID: uday.dixit@hdfcbank.com, anchal.garg@hdfcbank.com
Website: www.hdfcbank.com
Contact Person: **Mr. Uday Dixit, Ms. Anchal Garg**
Registration No.INBI00000063

Legal Advisor to the Issue
M/s Juris Matrix, Advocates & Solicitors
302, Apeejay House, 130, Bombay Samachar Marg, Fort,
Mumbai 400 001. Tel: +91 22 3265 3364/+91 22 2285 6164
Fax: +91 22834519, Mobile : +91 98200 69616
Email: anil@jurismatrix.net
Contact Person : **Mr. Anil Shah**

Self Certified Syndicate Banks
The list of Banks that have been notified by SEBI to act as SCSB for the ASBA Process are provided on http://www.sebi.gov.in/pmd/scsb.html. For details on Designated Branches of SCSBs collecting the ASBA Bid cum Application Form, refer the above mentioned SEBI link.

Bankers to our Company

1. **Oriental Bank of Commerce**
Fort, Mumbai - 400 001
Tel. No: 022- 43023220
Fax No: 022-22693001
Email ID: bm0023@obc.co.in
Contact Person: **Mr. Saurabh**

2. **HDFC Bank Limited**
A-12, The Shopping Mall
DLF Qutub Enclave
Phase I, Gurgaon - 122002
Tel. No: 9311542242
Fax No: 0124-2354572
Email ID: Tarun.saini@hdfcbank.com
Contact Person: **Mr. Tarun Saini**

3. **HDFC Bank Limited**
   Ahura Centre, 3rd Floor
   Mahakali Caves Road
   Andheri (East), Mumbai - 400 093
   Tel. No: 022-24988484, 9321897584
   Fax No: 022-40804711
   Email ID: vikram.rathore@hdfcbank.com
   Contact person: **Mr. Vikram Rathore**

4. **Corporation Bank**
   DLF Phase - I Qutab Enclave
   Sikandarpur, Gurgaon
   Haryana 122004
   Tel. No: 0124-256360, 9654757577
   Fax No: 0124-2351897
   Email ID: cb440@corpbank.co.in
   Contact Person: **Mr. P K Malik**

5. **Kotak Mahindra Bank**
   DLF Qutub Enclave (Arjun Marg)
   Phase I, Gurgaon - 122002
   Email ID: varun.sinha@kotak.com
   Contact person: **Mr. Varun Sinha**
   Mobile No.8373911159

Statement of Responsibilities

The following table sets forth the responsibilities for various activities of Fedex Securities Limited ("Fedex") as Lead Manager to the Issue:

Sr. No.	ACTIVITIES
1	Capital structuring with the relative components and formalities such as composition of debt and equity, type of instruments, etc. in conformity with SEBI (ICDR) Regulations 2009 as amended from time to time. Undertaking liaison with the Stock Exchanges, as may be required under the prevailing framework of guidelines issued by SEBI and the Stock Exchanges.
2	Undertaking Due Diligence activities and drafting and design of the offer document and of advertisement / publicity material including newspaper advertisements and brochure / memorandum containing salient features of the Offer Document. To ensure compliance with the SEBI Regulations and other stipulated requirements and completion of prescribed formalities with Stock Exchange and SEBI.
3	Selection of various agencies connected with the Issue, such as Registrars to the Issue, printers, advertising agencies, etc.
4	Assisting in securing all necessary regulatory approvals for the Issue and assisting in filing of the Issue related documents with SEBI, Stock Exchanges or any other authority whatsoever.
5	Marketing of the Issue, which shall cover, inter alia, (i) arrangements for selection of ad-media, (ii) Bankers to the Issue, (iii) Collection Centres as per Schedule III of the SEBI ICDR Regulations, and (iv) distribution of publicity and Issue material including Application Form, Letter of Offer, Abridged Letter of Offer, CAF, and brochure, if any, and deciding upon the quantum of Issue material.
6	Post-Issue activities, which shall involve essential follow-up steps including follow-up with Bankers to the Issue and SCSBs to get quick estimates of collection and advising the Issuer about the closure of the Issue, based on correct figures, finalisation of the basis of allotment or weeding out of ineligible applications, listing of instruments, dispatch of certificates or de-mat credit and refunds and coordination with various agencies connected with the post-Issue activity such as Registrars to the Issue, Bankers to the Issue, SCSBs, Refund Bankers, etc.

Credit Rating

This being a Rights Issue of Equity Shares, there is no requirement of credit rating for the Issue.

Trustees

As this is an Issue of Equity Shares, the appointment of Trustees is not required.

Monitoring Agency

A monitoring agency is not required to be appointed in terms of sub-regulation (1) of Regulation 16 of the SEBI (ICDR) Regulations, 2009.

Underwriting

Our Company has not entered into any underwriting arrangement, standby or similar arrangements with the Lead Manager or any other Underwriters/entities in connection with the Issue i.e. this Issue is not underwritten.

Project Appraisal

The objects of this Issue have not been appraised by any agency. The objects of this Issue and means of finance therefore are based on internal estimates of our Company.

Listing of Equity Shares

The existing Equity Shares of our Company are listed on the BSE and MPSE. We have applied for “in-principle” approval for listing of the Equity Shares to be issued pursuant to this Issue to BSE and obtained the approval on September 26, 2012.

If the permission to deal in and for an official quotation of the Equity Shares is not granted by the Designated Stock Exchange mentioned above, our Company shall forthwith repay, without interest, all monies received from applicants in pursuance of the Letter of Offer. If such money is not repaid within eight days from the day our Company becomes liable to repay it, our Company and every Director of our Company who is an Officer in default shall, on and from expiry of eight days, be jointly and severally liable to repay the money with interest as prescribed under Section 73 of the Companies Act.

Issue Schedule

The subscription will open upon the commencement of the Banking hours and will close upon the close of banking hours on the dates mentioned below.

Issue Opening Date	**March 30, 2013**
Last date for receiving requests for SAFs:	**April 6, 2013**
Issue Closing Date:	**April 13, 2013**

The Board of Directors of our Company or a duly authorized committee thereof may, however, decide to extend the Issue period, as it may determine from time to time, but not exceeding 30 days from the Issue Opening Date.

Impersonation

As a matter of abundant caution, attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68A of the Companies Act which is reproduced below:

"Any person who makes in a fictitious name an application to a company for acquiring, or subscribing for, any shares therein, or otherwise induces a company to allot, or register any transfer of shares therein to him, or any other person in a fictitious name, shall be punishable with imprisonment for a term which may extend to five years".

Allotment Letters / Refund Orders

Our Company will issue and dispatch Allotment advice/ Share Certificates/demat credit and/or letters of regret along with Refund Order or credit the Allotted Equity Shares to the respective beneficiary accounts, if any, within a period of 15 days from the Issue Closing Date. If such money is not repaid within eight days from the day our Company becomes liable to repay it, our Company and every Director of our Company who is an officer in default shall, on and from expiry of eight days, be jointly and severally liable to repay the money with interest as prescribed under Section 73 of the Companies Act.

In case of those applicants who have opted to receive their Rights Entitlement in physical form, our Company will issue one consolidated Share certificates under section 113 of the Companies Act or other applicable provisions if any. For further information, please refer to the section titled "Terms of the Issue" beginning on page 249 of this Letter of Offer.

Declaration by Board of Directors on creation of separate Bank Account

The Board of Directors declare that funds received against this Issue will be transferred to a separate Bank Account, subject of compliance with Regulation 56 of the SEBI (ICDR) Regulations, 2009.

Minimum Subscription

If our Company does not receive the minimum subscription of 90% of the Issue on the Issue Closing Date, or the subscription level falls below 90% on account of withdrawal of applications or Cheques towards application money remains unpaid, our Company shall forthwith refund the entire subscription amount received within 15 days from the Issue Closing Date. If such money is not repaid within eight days from the day our Company becomes liable to repay it, our Company and every Director of our Company who is an officer in default shall, on and from expiry of eight days, be jointly and severally liable to repay the money with interest as prescribed under Section 73 of the Companies Act.

Principal Terms of Loans and Assets Charged as Security

No secured loans have been taken by our Company and hence there are no assets of our Company that has been charged as security.

Intent and Extent of Promoters to the Rights Issue

Our Promoter, has, vide their letter dated August 23, 2012, confirmed that they intend to subscribe to the full extent of their entitlement of Equity Shares in the Rights Issue and also apply for additional Equity Shares over and above their Rights entitlement. Our Promoter reserves their right to subscribe to their entitlement and/or apply for additional Equity Shares in the Rights Issue, either by themselves or a combination of entities controlled by them, including subscribing for renunciation, if any, made by other Eligible Equity Shareholders. Our Promoter has also, by their above letter, confirmed that in addition to the subscription to the Equity Shares as stated above, subject to applicable statutory and/or regulatory requirements, they shall subscribe to, and/or make arrangements for the subscription of, additional Equity Shares in the Rights Issue as per the relevant provisions of law such that at least 90% of the Issue is subscribed.

As such, other than meeting the requirements indicated in the section on "Objects of the Issue" on page 78-86 of this Letter of Offer, there is no other intention/purpose for the Issue, including any intention to delist our Company, even if, as a result of allotments to our promoter, in this Issue, the shareholding of our promoter/Promoter Group in our Company exceeds their current shareholding. As a result of subscription to their entitlement and any unsubscribed portion and consequent allotment, our Promoter/Promoter Group may acquire Equity Shares over and above their entitlement in the Rights Issue, which may result in an increase of our Promoters' shareholding in our Company. Such subscription and acquisition of such additional Equity Shares by our Promoter and Promoter Group, if any, will not result in change of control of the management of our Company and our promoter & promoter group shall, subject to compliance of the conditions stipulated under 10(4)(a),10(4)(b)(i) and 10(4)(b(ii) of SEBI (SAST) Regulations 2011, be exempt from making an Open Offer as stipulated under 3(2) of SEBI (SAST) Regulations, 2011.

Allotment to our Promoter and Promoter Group of any unsubscribed portion in the Rights Issue, over and above their entitlement shall be done in compliance with the listing agreements with the Stock Exchange and other applicable laws prevailing at that time relating to continuous listing requirements. Our Company hereby confirms that, in case the Issue is completed with our Promoter and Promoter Group subscribing to Rights Securities over and above their entitlement, the public shareholding in our Company after the Issue will not fall below the minimum level of public shareholding as specified in Clause 40 A of the listing agreement. Allotment to our Promoter and Promoter Group, over and above their Rights entitlement would be done only in compliance with the relevant Regulations under SEBI (Substantial Acquisition of Shares and Takeovers) regulations 2011 as amended till date and the promoter and Promoter Group undertake to comply with all relevant provisions of SEBI (Substantial Acquisition of Shares and Takeovers) regulations 2011, as amended till date

CAPITAL STRUCTURE

Our Share Capital as on the date of filing of this Letter of Offer is as follows:

	PARTICULARS	Amount in Rs.	
		Aggregate Value at Nominal Value	Aggregate Value at Issue Price
A.	AUTHORISED CAPITAL 150,00,00,000 Equity Shares of Re.1/- each	150,00,00,000	150,00,00,000
B.	ISSUED, SUBSCRIBED AND PAID-UP CAPITAL BEFORE THIS ISSUE 10,08,65,000 Equity Shares of Re.1/- each	10,08,65,000	-
C.	PRESENT ISSUE IN TERMS OF THE LETTER OF OFFER 90,77,85,000 Equity Shares at an Issue Price of Rs.1.2 per Equity Share (Premium of Rs.0.20 per Equity Share)	90,77,85,000	108,93,42,000
D.	ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THIS ISSUE (ASSUMING FULL SUBSCRIPTION FOR AND ALLOTMENT OF THE RIGHTS ENTITLEMENT)	100,86,50,000	-
	100,86,50,000 Equity Shares of Re. 1/- each	100,86,50,000	100,86,50,000
E.	SECURITIES PREMIUM ACCOUNT		
	Before this Issue	41,656,426	41,656,426
	After this Issue	223,213,426	223,213,426

14,40,92,219 Optionally Fully Convertible Debentures (OFCDs) were issued and allotted by our Company on March 29, 2012 to V&A Ventures LLP, a non-promoter group entity at a price of Rs. 3.47 per OFCD, on a preferential basis. Out of this,2,00,00,000 OFCDs have been converted into 2,00,00,000 equity shares on August 7, 2012 by OFCD Holder. The balance 12,40,92,219 OFCDs are convertible into 12,40,92,219 Equity shares of Re. 1/- each at a premium of Rs. 2.47 per Equity Share. The OFCDs can be converted anytime after 4 months from the date of allotment and within a period of 18 months from the date of allotment, at the option of the OFCD holder. If the OFCD holder does not exercise the conversion option within 18 months, the OFCDs would be redeemable by our Company at a redemption premium of 15% of the Face Value of Rs. 3.47 per OFCD. The OFCDs do not carry any coupon rate / interest.

Consequently, proportionate number of Equity Shares of our Company will be offered (on Rights basis) to the OFCDs holder at the price and terms and ratio at which this Rights Issue is being offered to Shareholders, if the OFCDs holder exercises their option, if any, to convert full or part of the OFCDs held by them before the Record Date fixed for the Rights Issue.

V&A Ventures LLP is not directly or indirectly related to the Promoter/Promoter Group or any of the related parties stated as related parties on Page Nos.183-185 and 215-217of this Letter of Offer"

NOTES TO THE CAPITAL STRUCTURE

Note: Several documents and records of our Company were reportedly destroyed in the water logging/flood in Mumbai on 26th July 2005 and thereabout. Hence several documents relating to Incorporation, change of name, allotments and transfer of Shares, Share transfer records, filings with RoC, Stock Exchanges, Income Tax returns, records and files pertaining to registration with RBI and various other correspondences and records have been lost and our Company has not been able to retrieve most of them till date. Hence, our Company has not been able to provide details relating to Share capital Structure/ Share capital history of our Company such as the exact date of allotment of shares, amount of premium of a few previous Issues, dates of General Meetings which authorized a few earlier Issues of capital, etc.

I. Details of changes in Authorized Share Capital since incorporation

Date of Change	Particulars	AGM/EGM	Face Value (In Rs.)	Increased Authorised Capital (No of shares)
7.6.1985	Not Available	-	10/-	Not Available
31.03.1992	Authorised capital	Not available	10/-	25,00,000
31.03.1993	37,50,000 Equity Shares of Rs. 10/- each	Not available	10/-	4,00,00,000
10.02.1995	40,00,000 Equity Shares of Rs. 10/- each	EGM	10/-	8,00,00,000
16.05.2001	5,00,000 Equity Shares of Rs.10/- each	EGM	10/-	8,50,00,000
26.03.2012	141,50,00,000 Equity Shares of Re.1/- each	EGM	1/-	150,00,00,000

The Face Value of one Equity Share of Rs. 10/- each was sub divided into 10 Equity Shares of Re. 1/- each vide resolution adopted by the members of our Company in November 2002.

II. Share Capital History of our Company

The following is the history of the Equity Share Capital of our Company:

Date of Allotment of the Equity Shares	No. of Equity Shares	Cumulative Number of Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of payment / consideration	Reasons for Allotment	Cumulative Paid -up Capital(Rs.)	Cumulative Security Premium (Rs.)
7.6.1985	70	70	10	10	Cash	Subscribers to Memorandum	700	NIL
Allotments prior to Public Issue (Date not available)	97,430	97,500	10	10	Cash	Further Allotment to promoters	9,75,000	NIL
1985 (exact date not available)	1,50,000	2,47,500	10	10	Cash	Initial Public Offering	24,75,000	1,980,000
24.10.94	1,98,000	4,45,500	10	-	Other than Cash	Bonus Issue out of free reserves in the ratio of 4:5	44,55,000	Nil
14.12.00	6,18,000	10,63,500	10	50	Cash	Preferential Allotment to Promoters and Associates	106,35,000	24,720,000
14.12.00	8,82,000	19,45,500	10	50	Cash	Preferential Allotment to others not forming part of Promoters Group	194,55,000	60,000,000
14.12.00	7,50,000	26,95,500	10	23	Other than Cash	Acquisition of Business of Vimochan Pictures Limited	269,55,000	69,750,000
19.06.01	53,91,000	80,86,500	10	-	Other than cash	Bonus issue out of free reserves in the ratio of 2:1	8,08,65,000	15,840,000
25.11.2002		808,65,000	Split of equity shares of Face Value of Rs.10/- each in 10 equity shares of Re.1/- each					
07.08.2012	2,00,00,000	10,08,65,000	1	3.47	Cash	Conversion of OFCDs	10,08,65,000	6,52,40,000

**Bonus issue was made out the general reserve created out of the profits of the Company.*

3. Issue of Shares for consideration other than Cash

Except as mentioned below, our Company has not issued any Equity Shares for consideration other than cash

Date Of Allotment	Number of Equity Shares	Face Value (Rs).	Reason	Benefits accrued to the issuer	List of Allottees
24.10.94	1,98,000	10	Bonus in the ratio of 4:5 out of share premium account	Nil	All shareholders
14.12.00	7,50,000	10	Acquisition of business of Vimochan Pictures Limited	The entire business of Vimochan Pictures Limited was taken over by the Company	Vimochan Pictures Limited
19.06.01	53,91,000	10	Bonus in the ratio of 2:1 out of share premium account	Nil	All Shareholders

4. Our Company has not allotted any Equity Shares or other securities pursuant to any scheme approved under section 391-394 of the Companies Act, 1956.

5. Details of the build- up of our current promoter's shareholding in our Company is as under:

Date of Allotment / Purchase /Transfer	Name of the Promoter Group Shareholders	Nature of Consideration	Nature of Allotment	No. of Equity Shares	Face Value (Re.)	Issue / acquisition price per Equity	Total (%) of Promoter Group
12.10.2011	DigiVision Holdings Private Limited	Cash	Market Purchase	1,13,21,100 (11.22%)	1	1.82	1,13,21,100 (11.22%)
31.01.2012	DigiVision Holdings Private Limited	Cash	Acquired through Open Offer	2,06,39,770 (20.46%)	1	1.90	3,19,60,870 (31.68%)
31.01.2012	DigiVision Holdings Private Limited	Cash	Acquired through Open Offer	1,98,40,438 (19.67%)	1	1.90	5,18,01,308 (51.35%)
04.02.2012	DigiVision Holdings Private Limited	Cash	Acquired through SPA	8,85,600 (0.88%)	1	1.90	5,26,86,908 (52.23%)
09.02.2012	DigiVision Holdings Private Limited	Cash	Acquired through SPA	7,20,000 (0.71%)	1	1.90	5,34,06,908 (52.94%)
14.03.2012	DigiVision Holdings Private Limited	Cash	Acquired through SPA	2,05,000 (0.20%)	1	1.90	5,36,11,908 (53.14%)
30.03.2012	DigiVision Holdings Private Limited	Cash	Acquired through SPA	7,80,000 (0.77%)	1	1.90	5,43,91,908 (53.91%)
04.04.2012	DigiVision Holdings Private Limited	Cash	Acquired through SPA	90,000 (0.09%)	1	1.90	5,44,81,908 (54.01%)
19.11.2012	Mr. Mahendra Nahata	Cash	Market Purchase	35000 (0.03%)	1	4.22	5,45,16,908 (54.04%)
20.11.2012	Mr. Mahendra Nahata	Cash	Market Purchase	200000 (0.2%)	1	4.23	5,47,16,908 (54.24%)
21.11.2012	Mr. Mahendra Nahata	Cash	Market Purchase	500000 (0.5%)	1	4.53	5,52,16,908 (54.74%)
22.11.2012	Mr. Mahendra Nahata	Cash	Market Purchase	300000 (0.3%)	1	4.18	5,55,16,908 (55.04%)
26.11.2012	Mr. Mahendra Nahata	Cash	Market Purchase	300000 (0.3%)	1	4.38	5,58,16,908 (55.34%)
27.11.2012	Mr. Mahendra Nahata	Cash	Market Purchase	65000 (0.06%)	1	4.18	5,58,81,908 (55.4%)
03.12.2012	Mr. Mahendra Nahata	Cash	Market Purchase	385000 (0.38%)	1	4.58	5,62,66,908 (55.78%)
04.12.2012	Mr. Mahendra Nahata	Cash	Market Purchase	405000 (0.40%)	1	4.58	5,66,71,908 (56.18%)
05.12.0212	Mr. Mahendra Nahata	Cash	Market Purchase	395403 (0.39%)	1	4.43	5,70,67,311 (56.57%)
06.12.2012	Mr. Mahendra Nahata	Cash	Market Purchase	407769 (0.41%)	1	4.66	5,74,75,080 (56.98%)
10.12.2012	Mr. Mahendra Nahata	Cash	Market Purchase	405000 (0.40%)	1	4.65	5,78,80,080 (57.38%)

The present Issue being a rights issue, as per regulation 34(c) of the SEBI (ICDR) Regulations, the requirement of promoters contribution and lock-in are not applicable

6. Our Company has not issued any Equity Shares in the last one year. However, it has on 29th March, 2012 allotted, on a preferential allotment basis, 14,40,92,219 OFCDs to M/s. V&A Ventures LLP, a non-promoter group entity at a price of Rs.3.47 per OFCD, which are convertible into 14,40,92,219 Equity Shares at a price of Rs. 3.47 per share any time after four months from the date of allotment and within 18 months from the date of allotment, at the option of the OFCD holder. Out of this 2,00,00,000 OFCDs has been converted into 2,00,00,000 Equity Shares on August 07th, 2012.
7. As on the date of this Letter of Offer, there are 12,40,92,219 Optionally Fully Convertible Debentures which would be convertible into Equity shares at the option of the OFCD holder, anytime after 4 months from the date of allotment i.e. on 29th March, 2012, but within 18 months from the date of allotment, which would entitle the holders to acquire Equity Shares of our Company.

8. None of the Equity Shares held by the Promoter are locked-in, pledged or encumbered.
9. Except what is stated under 5 above, neither our Promoter nor any person/entity belonging to the Promoter group has acquired Equity Shares of our Company during last one year immediately preceding the date of filing this Letter of Offer.
10. Except what is stated under Point No. 5 above, neither our Promoter nor the members of our Promoter Group nor our Directors and their immediate relatives as defined under the SEBI (ICDR) Regulations, 2009 have purchased or sold or financed the purchase by any other person, of securities of our Company during the period of six months immediately preceding the date of filing this Letter of Offer with SEBI.
11. Our promoter and our promoter group intend to participate in the Issue in respect of their Rights entitlement and any unsubscribed portion over and above their Rights entitlement.
12. (a) The Shareholding Pattern of the Company as per Clause 35 of Lisiting agreement as on March 1, 2013 is as under:

Category code	Category of Shareholder	Number of Share-holders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
				of (A+B)	As a % (A+B+C)	As a % of shares	No. of	As a % of Total No. of Shares
(A)(1)	Indian							
(a)	Individuals/ Hindu Undivided Family	1	3398172	3398172	3.369	3.369	0.00	0.00
(b)	Central Government/ State Government(s)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(c)	Bodies Corporate	1	544,81,908	544,81,908	54.015	54.015	0	0.00
(d)	Financial Institutions/ Banks	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(e)	Any Others(Specify)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Sub Total(A)(1)	2	**5,78,80,080**	**5,78,80,080**	**57.384**	**57.384**	**0.00**	**0.00**
(A)(2)	Foreign							
(a)	Individuals (Non-Residents Individuals/ Foreign Individuals)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(b)	Bodies Corporate	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(c)	Institutions	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(d)	Any Others(Specify)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Sub Total(A)(2)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total Shareholding of Promoters and Promoters Group (A)= (A)(1)+(A)(2)	**2**	**5,78,80,080**	**5,78,80,080**	**57.384**	**57.384**	**0.00**	**0.00**
(B)	Public shareholding							
(B)(1)	Institutions							
(a)	Mutual Funds/ UTI	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(b)	Financial Institutions / Banks	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(c)	Central Government/ State Government(s)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(d)	Venture Capital Funds	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(e)	Insurance Companies	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(f)	Foreign Institutional	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(g)	Foreign Venture	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(h)	Any Other (specify)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Sub-Total (B)(1)	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
(B) (2)	Non-institutions							
(a)	Bodies Corporate	126	2,81,03,733	2,81,03,733	27.863	27.863	0.00	0.00

(b)	Individuals							
	i. Individuals - i. Individual shareholders holding nominal share capital up to Rs 1 lakh	1940	48,92,413	48,92,006	4.850	4.850	0.00	0.00
	ii. Individual shareholders holding nominal share capital in excess of Rs 1 lakh.	18	98,76,293	98,76,293	9.792	9.792	0.00	0.00
(c)	Any Other (specify)							
(c-i)	Shares in Transit	1	11,400	11,400	0.011	0.011	0.00	0.00
(c-ii)	NRIs	21	1,01,081	1,01,081	0.100	0.100	0.00	0.00
	Sub-Total (B)(2)	**2106**	**4,29,84,920**	**4,29,84,513**	**42.616**	**42.616**	**0.00**	**0.00**
(B)	**Total Public Shareholding (B)= (B)(1)+(B)(2)**	**2106**	**4,29,84,920**	**4,29,84,513**	**42.616**	**42.616**	**0.00**	**0.00**
	TOTAL (A)+(B)	**2108**	**100,865,000**	**100,864,593**	**100.00**	**100.00**	**0.00**	**0.00**
(C)	Shares held by Custodians and against which Depository Receipts have been issued	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	GRAND TOTAL (A)+(B)+(C)	**2108**	**100,865,000**	**100,864,593**	**100.00**	**100.00**	**0.00**	**0.00**

*Share in Transit represents equity shares which were held in the account of Clearing members in their pool account.

The details of Shares in Transit as of March 1, 2013 is as under:

Serial no	DPID/CLID	Name of shareholder	Address	Shareholding
1	IN30051/ 10000578	Sharekhan Limited	Kanjumarg East Mumbai-400042	11,400
			Total	**11,400**

(b) Statement showing Shareholding of people belonging to the category of "Promoters and Promoter Group":

Sr. No.	Name of the shareholder	Total shares held		Shares pledged or otherwise encumbered		
		Number	As a % of grand total (A)+(B)+(C)	Number	As a %	As a % of grand total (A)+(B)+(C) of sub-clause (I)(a)
(I)	(II)	(III)	(IV)	(V)	(VI)=(V)/(III)X 100	(VII)
1	DigiVision Holdings Private Limited	5,44,81,908	54.015	0.00	0.00	0.00
2	Mr. Mahendra Nahata	33,98,172	3.369	0.00	0.00	0.00
	Total	**5,78,80,080**	**57.384**	**0.00**	**0.00**	**0.00**

(c) Statement showing Holding of Securities (including shares, warrants, convertible securities) of persons belonging to the Category 'Public' and holding more than 1% of our Equity Shares:

Sr. No.	Name of the shareholders	No. of Equity Shares	Shares as a % of total number of shares (i.e. grand total (A)+(B)+(C) indicated in statement at para (8) (A) above)
1	V & A Ventures LLP	20,000,000	19.83
2	Battle Vyappar Private Limited	3,763,140	3.73
3	Tripurari Properties Private Limited	2,070,000	2.05
4	Ramesh Kumar Haran	1,627,360	1.61
5	Rani Kaur Devendra Singh Sethi	1,543,000	1.53
6	Deepak Malhotra	1,401,900	1.39

(d) Statement showing Holding of Securities (including shares, warrants, convertible securities) of persons belonging to the Category 'Public' and holding more than 5% of our Equity Shares:

Sr. No.	Name of the shareholders	No. of Equity Shares	Shares as a % of total number of shares (i.e. grand total (A)+(B)+(C) indicated in statement at para (8) (A) above)
1	V & A Ventures LLP	20,000,000	19.83

(e) Statement showing details of locked-in shares:

Sr. No.	Name of the shareholder	Number of locked-in shares	Locked-in shares as a % of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}
	V & A Ventures LLP	20,000,000	19.83

(f) Statement showing details of Depository Receipts (DRs):

Sr. No.	Type of outstanding DR (ADRs, GDRs, SDRs, etc.)	Number of outstanding DRs	Number of shares underlying outstanding DRs	Shares underlying outstanding DRs as a % of total number of shares {i.e., Grand Total (A)+(B)+(C)indicated in Statement at para (I)(a) above}
	NIL	NIL	NIL	NIL

(g) Statement showing Holding of Depository Receipts (DRs), where underlying shares are in excess of 1% of the total number of shares:

Sr. No.	Name of the DR Holder	Type of outstanding DR (ADRs, GDRs, SDRs, etc.)	Number of shares underlying outstanding DRs	Shares underlying outstanding DRs as a % of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}
	NIL		NIL	NIL

13. The details of our Promoter and the Promoter Group's shareholding in our Company as of March 1, 2013 are as follows:

Sr. No.	Name of the shareholder	Total shares held	
		Number of shares	As a % of total paid up equity shares
	Promoters		
1	Digivision Holdings Private Limited	5,44,81,908	54.01
2	Mr. Mahendra Nahata	33,98,172	3.369
	Total	**5,78,80,080**	**57.384**

14. The Pre and Post Issue Shareholding of our Company after the Rights Issue will be as follows:

Sr.No.	Particulars	Pre - Issue		Post - Issue	
		No. Of Shares	Percentage	No Of Shares	Percentage
(A)	Shareholding of Promoters and Promoters Group				
(A)(1)	Indian				
(a)	Individuals/ Hindu Undivided Family	33,98,172	3.369	3,39,81,720	3.369
(b)	Central Government/ State Government(s)	0.00		0.00	-
(c)	Bodies Corporate	54,481,908	54.015	54,48,19,080	54.015
(d)	Financial Institutions/ Banks	0.00	0.00	0.00	0.00
(e)	Any Others(Specify)	0.00	0.00	0.00	0.00
	Sub Total(A)(1)	**5,78,80,080**	**57.384**	**57,88,00,800**	**57.384**
(A)(2)	Foreign				
A	Individuals (Non-Residents Individuals/Foreign Individuals)	0.00	0.00	0.00	0.00
B	Bodies Corporate	0.00	0.00	0.00	0.00
C	Institutions	0.00	0.00	0.00	0.00
D	Any Others(Specify)	0.00	0.00	0.00	0.00
	Sub Total(A)(2)	0.00	0.00	0.00	0.00
	Total Shareholding of Promoters and Promoters Group (A)= (A)(1)+(A)(2)	**5,78,80,080**	**57.384**	**57,88,00,800**	**57.384**
(B)	Public shareholding				
(B)(1)	Institutions				

(a)	Mutual Funds/ UTI	0.00	0.00	0.00	0.00
(b)	Financial Institutions / Banks	0.00	0.00	0.00	0.00
(c)	Central Government	0.00	0.00	0.00	0.00
(d)	Venture Capital Funds	0.00	0.00	0.00	0.00
(e)	Insurance Companies	0.00	0.00	0.00	0.00
(f)	Foreign Institutional Investors	0.00	0.00	0.00	0.00
(g)	Foreign Venture	0.00	0.00	0.00	0.00
(h)	Any Other (specify)	0.00	0.00	0.00	0.00
	Sub-Total (B)(1)	0.00	0.00	0.00	0.00
(B) (2)	Non-institutions				
(a)	Bodies Corporate	2,81,03,733	27.863	28,10,37,330	27.863
(b)	Individuals				
I	i. Individuals - shareholders holding nominal share capital up to Rs 1 lakh	48,92,413	4.850	4,89,24,130	4.850
II	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	98,76,293	9.792	9,87,62,930	9.792
(c)	Any Other (specify)				
(c-i)	Shares in Transit	11,400	0.011	114,000	0.011
(c-ii)	NRIs	1,01,081	0.100	10,10,810	0.100
	Sub-Total (B)(2)	**4,29,84,920**	**42.616**	**42,98,49,200**	**42.616**
(B)	Total Public Shareholding	4,29,84,920	42.616	42,98,49,200	42.616
	TOTAL (A)+(B)	**100,865,000**	**100.00**	**100,86,50,000**	**100.00**
(C)	Shares held by Custodians and against which Depository Receipts have been issued	0.00	0.00	0.00	0.00
	GRAND TOTAL (A)+(B)+(C)	**100,865,000**	**100.00**	**100,86,50,000**	**100.00**

Post Issue Shareholding is based on the assumption that all the equity Shareholders will subscribe to the full extent of their Rights entitlement in this Issue.

15. **Details of top 10 shareholders**

a. Particulars of the top ten shareholders as on the date of filing the Draft Letter of Offer

Sr. No.	NAME OF SHAREHOLDERS	Number of Equity Shares	% of Total Paid-Up Capital
1	DIGIVISION HOLDINGS PRIVATE LIMITED	5,44,81,908	54.01
2	V & A VENTURES LLP	2,00,00,000	19.83
3	BATTLE VYAPAAR PVT. LTD	37,63,140	3.73
4	MAHENDRA NAHATA	33,98,172	3.37
5	TRIPURARI PROPERTIES PVT. LTD.	20,70,000	2.05
6	RAMESH KUMAR HARAN	16,27,360	1.61
7	RANI KAUR DEVENDRA SINGH SETHI	15,43,000	1.53
8	DEEPAK MALHOTRA	14,01,900	1.39
9	NITESH WADHWANI	6,50,000	0.64
10	RACHNA BAGGA	5,43,714	0.54
	TOTAL	**8,94,79,194**	**88.70**

b. Particulars of top ten shareholders ten days prior to the date of filing this Letter of Offer

Sr. No.	NAME OF SHAREHOLDERS	Number of Equity Shares	% of Total Paid-Up Capital
1	DIGIVISION HOLDINGS PRIVATE LIMITED	5,44,81,908	54.01
2	V & A VENTURES LLP	2,00,00,000	19.83
3	BATTLE VYAPAAR PVT. LTD	37,63,140	3.73
4	MAHENDRA NAHATA	33,98,172	3.37
5	TRIPURARI PROPERTIES PVT. LTD.	20,70,000	2.05
6	RAMESH KUMAR HARAN	16,27,360	1.61
7	RANI KAUR DEVENDRA SINGH SETHI	15,43,000	1.53

8	DEEPAK MALHOTRA	14,01,900	1.39
9	NITESH WADHWANI.	6,50,000	0.64
10	RACHNA BAGGA	5,43,714	0.54
	TOTAL	**89,479,194**	**88.70**

c. Particulars of the top ten shareholders two years prior to the date of filing of the Letter of Offer

Sr. No.	NAME OF SHAREHOLDERS	Number of Equity Shares	% of Total Paid-Up Capital
1	VIMOCHAN PICTURES LIMITED	2,09,88,722	25.955
2	ANIL B VEDMEHTA	72,66,800	8.986
3	UNITEL SOFTWARE LIMITED	48,00,000	5.936
4	FAIRWEALTH SECURITIES LIMITED	25,73,514	3.182
5	LODARIA SERRAO FIN SER PRIVATE LIMITED	19,54,500	2.417
6	PRIYANKA ANIL VEDMEHTA	18,00,000	2.226
7	LODARIA SERRAO FINANCIALS SERVICES	17,57,295	2.173
8	RAMESH KUMAR HARAN (HUF)	17,40,000	2.152
9	RAMESH KUMAR HARAN	16,27,360	2.012
10	RENAISSANCE HOTEL LTD.	15,43,000	1.908
	TOTAL	**4,60,51,191**	**56.95**

16. Our Company has not revalued its Assets since inception and has not issued any Shares (including bonus shares) by capitalizing any Revaluation Reserves.
17. Our Company shall not issue further capital whether by way of issue of bonus shares, preferential allotment, Rights Issue or in any other manner intended to be made by our Company during the period commencing from submission of the Letter of Offer with SEBI till the securities referred to in this Letter of Offer have been listed, or application money is refunded on account of failure of the Issue, except for conversion of OFCDs outstanding as on date of filing of this Letter of Offer, in part or in full, or that if we enter into acquisition(s) or joint venture(s), we may consider additional capital to fund such activities or to use Equity Shares as a currency for such acquisition(s) or participation in such joint venture(s).
18. Our Company presently does not have any intention or proposal to alter its Capital Structure within a period of six months from the date of opening the Issue by way of split/consolidation of the denominations of the Equity Shares or further issue of Equity Shares whether on preferential basis or otherwise except for conversion of OFCDs outstanding as on date of filing of this Letter of Offer, in part or in full.
19. Our Company has 2108 Equity Shareholders as on the date of filing of the Letter of Offer with BSE.
20. At any given point of time, there shall be only one denomination for the Equity Shares of our Company and we shall comply with such disclosure and accounting norms as may be prescribed by SEBI from time to time.
21. Our Company has not raised any bridge loan against the proceeds of this Issue. However, our Company may raise bridge loans which will be repaid from the proceeds of this Issue.
22. The Equity Shares of our Company are fully paid up and there are no partly paid up Equity Shares as on the date of the Letter of Offer.
23. Our Company, our Directors or the Lead Manager to this Issue have not entered into any buyback, standby or similar arrangements for any of the securities being issued under this Letter of Offer.
24. The Rights Entitlement of our Promoter will be fully subscribed by them. They intend to subscribe to the full extent of their entitlement of Equity Shares in the Rights Issue and also apply for additional Equity Shares over and above their Rights entitlement. As a result of subscription to their entitlement and any unsubscribed portion and consequent allotment, our Promoter/Promoter Group may acquire Equity Shares over and above their entitlement in the Rights Issue, may result in an increase of our Promoters' shareholding in our Company. Such subscription and acquisition of such additional Equity Shares by our Promoter and Promoter Group, if any, will not result in change of control of the management of our Company and our promoter & promoter group shall, subject to compliance of the conditions stipulated under 10(4)(a),10(4)(b)(i) and 10(4)(b(ii) of SEBI (SAST) Regulations 2011, be exempt from making an Open Offer as stipulated under 3(2) of SEBI (SAST) Regulations, 2011.
25. No payment, direct or indirect in the nature of discount, commission, and allowance or otherwise shall be made either by us or our Promoter to the persons who receive allotments, if any, in this Issue.
26. The Lead Manager to the Issue does not hold any Equity Shares of our Company as on the date of filing this Letter of Offer.

27. The Issue being a Rights Issue, as per Regulation 34(c) of the SEBI Regulations, the requirement of promoters' contribution and lock-in are not applicable.
28. Except for the initial public offering of our Company which closed in December 1985, our Company has not made any Public Issue or Rights Issue of any kind or class of securities since incorporation.
29. None of Our Directors or Key Management Personnel hold any Equity Shares or securities in our Company.
30. Our Company does not have any scheme of employee stock option or employee stock purchase plan.
31. All preferential allotments and bonus issues made by our Company after being a listed company, have been made in compliance with the relevant provisions of applicable law / regulations.
32. We shall intimate the Stock Exchange about any transactions in Equity Shares by the Promoter and the Promoter Group during the period between the date of filing of the Letter of Offer with the Stock Exchange and the date of closure of the Issue, within 24 hours of the transaction.
33. Our Company has complied with the provisions of Clauses 35, 40A and 41 of the Listing Agreement. Our Company is also in compliance with Clause 49 of the Listing Agreement.
34. The filings under Regulations 6(2) & 6(4) for 1997 & 8(3) for the years 1998 to 2002 under the now repealed SEBI(SAST) Regulations, 1997 have been done late by MMWL, on September 21, 2011 with BSE . The filings from 2003 till date have been done on time, except for the year ended March 31, 2004 for which the disclosure under 8(3) were filed on August 5, 2004. MMWL has also not complied with filing requirements under Reg. 7(3) due on March 30, 2006, March 31, 2006, March 27, 2010, April 5, 2010, April 6, 2010, August 13, 2010, and January 11, 2011. Filing under Reg. 7(3) due on 27.12.2005 was delayed by 3 days. The filing for 2012 has been done by our promoters on time with BSE. Our current Promoter has made all disclosures under the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 on time.
35. The reporting of transactions under Regulation 13(6) of the SEBI (Prevention of Insider Trading) Regulations, 1992 by us has been done on time for all the transactions reported to us. Our current promoters have made all disclosures under the SEBI (Prevention of Insider Trading) Regulations, 1992 on time.
36. 22,50,000 Equity Shares of Face Value of Rs. 10/- each allotted in December 2000, and 53,91,000 Equity Shares of Face Value of Rs. 10/- each allotted as Bonus Shares in July 2001, has not been listed at MPSE. The Company has on 23.08.2012, submitted application for Listing the said Equity Shares and regularizing the same. MPSE vide its letter dated 18.09.2012 has regularize same.
37. 2,00,00,000 Equity Shares of Face Value of Re. 1/- allotted on 07.08.2012 on conversion of OFCDs are yet to get final listing and trading permission from MPSE, for which application has been submitted on 16.08.2012.
38. Our Company has not complied with filing requirements in the past, under various clauses of the listing agreement with MPSE as per details below.

Serial No	Non Compliances	Period of Non Compliance	Compliances made under MPSE AMNESTY SCHEME
1	Quarterly Shareholding pattern as required under clause 35 of the Listing Agreement	2006-2012	30th June 2009 to 30th June 2012
2	Unaudited Quarterly result under clause 41 of the Listing Agreement	2006-2012	30th June 2009 to 30th June, 2012
3	Quarterly Corporate Governance Report under clause 49 of the Listing Agreement	2006-2012	30th June 2009 to 30th June 2012
4	Quarterly Secretarial Audit report under SEBI Circular No. D & CC FITTC/ CIR - 16/2002 dated 31st December, 2002	2006-2012	30th June 2009 to 30th June 2012
5	Half yearly Compliance Certificate under Clause 47 -C of the Listing Agreement	2006-2012	30.09.2009, 31.03.2010, 30.09.2010, 31.03.2011 30.09.2011,31.03.2012
6	Copies of the Annual Report	2006-2012	2009,2010,2011
7	Annual Takeover Disclosure	2006-2012	2010,2011,2012
8	Copy of the proceedings of the AGM	2006-2012	2009,2010,2011
9	Audited Results	2006-2012	2010,2011,2012
10	Notice of Book Closure	2006-2012	2009,2010,2011

Post Takeover by the present Management, the Company has submitted application under MPSE Amnesty Scheme on July 25, 2012 to regularize the past defaults. MPSE vide their letter dated September 18, 2012 had regularized the listing status of the Company. As on the date of this Letter, there are no non compliances with the MPSE.

OBJECTS OF THE ISSUE

We intend to utilize the proceeds of the Rights Issue, after deducting fee payable to Lead Manager to the Issue, Registrar to the Issue, Bankers to the Issue, Legal Advisor to the Issue, Fee payable to SEBI, expenses on advertising, marketing, printing, Refund Banker's charges, and other expenses associated with and incidental to the Issue, ('Net Proceeds') to meet the following objects:

1. To meet funding requirements for our BPO business carried out through our wholly owned subsidiary, DigiCall Teleservices Private Limited
2. To meet funding requirements for our Mobile TV business carried out through our wholly owned subsidiary, DigiVive Services Private Limited
3. To meet funding requirements for our business and businesses of our Subsidiaries namely, nexG Devices Private Limited and Media Matrix Holdings Private Limited (formerly Digicall Holdings Private Limited)
4. To provide for redemption/repayment of OFCDs outstanding post conversion period.
5. To meet our General Corporate Purposes expenses.

The Main Objects clause of Memorandum of Association of our Company/our subsidiaries enables us to undertake the existing activities and the activities for which the funds are being raised by us through the present Issue. Further, we confirm that the activities which we have been carrying out till date are in accordance with the Object Clause of our/our subsidiaries Memorandum of Association.

Cost of the Project and Means of Finance

The funds requirement and deployment are based on internal management estimates and have not been appraised by any Bank or Financial Institution. These are based on the current status of our/our subsidiaries businesses and are subject to change in the light of variations in internal or external circumstances or costs, or our financial condition or business strategy. The Cost of Project and Means of Finance, as estimated by our Management, are given below:

Sl.No	Particulars	Amount
1	To invest in Subsidiaries	
	a. nexG Devices Private Limited	1000.00
	b. DigiCall Teleservices Private Limited	2000.00
	c. DigiVive Services Private Limited	3500.00
	d. Media Matrix Holdings Private Limited (formerly Digicall Holdings Private Limited)	2000.00
2	Redemption/repayment of outstanding OFCDs or alternatively, in case of non-utilisation/surplus, to fund the following entities:	2233.42
	a. Media Matrix Worldwide Limited	733.42
	b. nexG Devices Private Limited	750.00
	c. DigiCall Teleservices Private Limited	750.00
3	General Corporate Purposes	100.00
4	Rights Issue Expenses	60.00
	Total	**10893.42**

Means of Finance **(Rs. In Lacs)**

Particulars	Amount
Proceeds of this Rights Issue	10893.42

In case of a shortfall in the Net Proceeds, we may explore a range of options including utilizing our internal accruals and / or seeking Debt from Banks / Financial Institutions / other sources to meet such shortfall.

The detailed Break-up of the Objects of the Issue is as under:

1. Investment in Subsidiaries

MMWL intend to invest additional amount upto Rs.3500 Lacs and Rs. 2000 Lacs, in the Equity Share Capital or convertible instruments of two wholly owned Subsidiaries, DigiVive Services Private Limited and DigiCall Teleservices Private Limited respectively. Further, we plan to make additional investment of Rs. 1000 Lacs in nexG Devices Private Limited for funding its margin money requirements for securing credit facilities from bank or for purchasing inventory. We also have plan to invest in Media Matrix Holdings Private Limited (Formerly Digicall Holdings Private Limited) to help it discharge its obligation towards payment of outstanding purchase consideration for the remaining stake already bought in DigiCall Teleservices Private Limited and DigiVive Services Private Limited.

The detailed break up of utilization of the funds to be received from MMWL by these Subsidiaries are given hereunder:

nexG Devices Private Limited

NDPL is engaged in import of various brands of Mobile handsets and Tablets from China and marketing them in India and as such, the principal activity is trading. The funds requirements are essentially for Working Capital or to meet margin requirements of Banks towards Letter of Credit.

nexG Devices Private Limited intends to utilize the sum of Rs. 1000 Lacs for the following activities/purposes

- To fund the margin money requirements for securing fund and non-fund based credit facilities from Banks and for purchase of inventory to the tune of Rs. 1000 Lacs over the period FY2013-14.

Currently, NDPL has been securing the non-fund based credit facilities from banks against 100% margin. We are proposing to meet NDPL margins requirements for securing credit facilities from banks and for purchase of inventory, to the extent of Rs. 1000 lacs, from the proceeds of the Issue.

The funds requirements are estimated as follows: **(Rs. In Lacs)**

	FY2012A	FY2013P	FY2014P
Calculation of Working Capital			
Debtors	276	1322	3131
Inventory (Handsets and tablets)	505	1465	3274
Current Assets	781	2787	6405
Creditors for Purchases	885	1689	2999
Creditors for expenses	497	189	312
Current Liabilities	1382	1878	3311
Net working capital	166	910	3094
(Increase)/decrease in net working capital		(743)	(2184)

(Rs. In Lacs)

Funding Statement	FY 13P	FY 14P	Total
EBITDA (Loss funding) (A)	(31)	1,626	
Finance Costs (B)	(167)	(305)	
(Increase)/decrease in Working Capital (C')	(743)	(2,184)	
Security Deposits & Others (D)	0	(100)	
Funding Requirement (A+B+C+D)	(942)	(963)	
Total Funding required			1905
To be met of out of the proceeds of Right issue			1000
Balance to be met by way of borrowings /LC facility			905

The figures for FY12 are actuals and for FY 13 and FY 14 are projected requirements.

Out of the total Working Capital requirements of Rs. 1905 Lacs over FY 13 and FY 14 as estimated above, Rs. 1000 Lacs is being met by way of funding by MMWL from the proceeds of this Issue. The balance will be met through internal accruals in FY2014 and Bank limits including Letters of Credit for margin requirements of the Banks will be met from the funds received from MMWL.

NDPL has been sanctioned a limit of Rs.500 Lacs for non-fund based facilities from its bankers against the margins provided in the form of FDR.

DigiCall Teleservices Private Limited

DigiCall Teleservices Private Limited intends to utilize the sum of Rs. 2000 Lacs for the following activities/purposes:

- To fund the margin money requirements to the tune of Rs. 500 Lacs over the period FY2013-14
- To fund the capital expenditure, as part of ongoing expansion/modernization process, to the tune of Rs. 500 lacs over the period FY2013-14.
- Repayment of existing third party unsecured loan of Rs. 1000 Lacs taken from Parmesh Finlease Limited, a registered NBFC company, over the period FY2013-14.

The detailed projected working capital requirements of DTPL is as under: **(Rs. In Lacs)**

Computation of Net Working Capital	Actuals	Projected	Projected
Current Assets	FY12	FY13	FY14
Cash & Bank Balances (incl. Margin money)	38.22	85.00	61.00
Receivables other than deferred & exports (incl. Biils Purchased & Discounted by Banks)	1278.37	1968.28	2125.48
Advance recoverable in cash or kind	20.52	10.00	60.00

Advance Payment of Taxes/with excise dept.			
- Service Tax	83.78	65.00	75.00
- TDS recoverable	483.36	304.30	578.00
Total Current Assets	1904.26	2432.59	2899.48
Current Liabilities			
Sundry Creditors (Trade)	302.27	624.21	785.4
Other Statutory Liabilities (due within one year)	375.15	142.69	148.786
Deposits/ Instalments of term loans/ DPGs/ Debentures etc. (due within one year)	7.78	1.65	0
Other Current Liabilities & Provisions	584.76	455.11	250
Total Current Liabilities	1,269.96	1,223.66	1,184.19
Net Working Capital (Excluding cash)	596.07	1123.92	1654.29
Change in Working capital		527.85	530.37

The breakup of the capital expenditure is as under **(Rs. In Lacs)**

	FY 13	**FY 14**
Capital Expenditure	**500.00**	**287.86**
(Representing IT equipments)		

The detailed break-up of the projected capex of DTPL is as follows: **(Rs. In Lacs)**

Particulars	**FY2013**	**FY2014**
Personal Computers	194.92	162.82
Dialers, Switches, Exchange CAL	169.77	125.04
HR MIS & Inventory	15.00	
Servers	120.30	
TOTAL	**500.00**	**287.86**

DTPL is in the BPO Industry and its major hardware requirements are for Personal Computers, Diallers, Switches, Servers etc. and Software. Depending upon the number of desks that are added, the requirements of these items will change. All these Hardware are available off the shelf and the prices vary very frequently. Also, Hardware of higher capacities, efficiencies and features also hit the market on a regular basis. In view of this, DTPL has not obtained quotations for these items and has based the funds requirements considering the currently estimated increase in desks at current market rates. In case of any variation in prices, the number of each item can also be adjusted accordingly.

DTPL had taken a loan of Rs. 1000 Lacs, from various lenders including NBFC, to part finance the Capital Expenditure already incurred and working capital requirements, pending infusion of funds from MMWL, the holding Company. A sum of Rs. 1000 Lacs is therefore, earmarked for repayment of this loan.

DigiVive Services Private Limited

DSPL is a start-up Company and has developed a Mobile TV application and for which the requisite technology support is done in-house. DSPL launched its product, nexGTv, in May 2011. nexGTv is a mobile based application and has been downloaded by over than 7.5 million users as of December 31, 2012 from various app stores. The monetization of the product is yet to be done by DSPL and would be done once the product gain traction in the market. Since the Company has launched the application in the recent past, there is a gestation period involved and generation of revenue by DSPL to cover its operating cost would take some time. Till such time, DSPL would require infusion of funds for Capital Expenditure, Working capital and also to meet the gap of operating expenses over operating Income.

DigiVive Services Private Limited intends to utilize a sum of Rs. 3500 Lacs for the following activities/purposes based on its business plan over the next two years i.e. FY2013-14:

- To fund the working capital requirements to the tune of Rs. 1500 Lacs over the period FY2013-14.
- To fund the capital expenditure, as part of ongoing expansion to the tune of Rs. 525 Lacs over the period FY2013-14.
- To fund the operating expenditure including personnel cost of Rs. 1475 Lacs over the period FY2013-14.

The detailed Working Capital /Operating Expenditure funding requirements of DSPL based on its business plan is as under:

Particulars (Rs. in Lacs)	**FY2013 Proj**	**FY2014 Proj**	**Total**
Increase in Working Capital			
Current assets	647.54	1545.86	2193.40

Current liabilities	282.52	432.96	715.48
Net working capital	365.02	1112.90	1477.92
(Increase)/Decrease in Working capital	(750.73)	(747.88)	(1,498.60)

The above estimated requirement is proposed to be fully met from the investment by MMWL out of the proceeds of the Rights Issue.

- Capital expenditure (towards network equipment, office equipment and furniture and fixtures), as part of ongoing expansion to the tune of Rs. 849.37 Lacs over the financial years FY2013 and FY2014.

  Of the above estimated requirement, Rs. 525 Lacs is proposed to be met from the investment by MMWL from the proceeds of the Rights Issue.

- The operating expenditure including content cost and personnel cost to the tune of Rs. 1475 Lacs has been estimated as per details given below.

Particulars (Amount in Rs. Lacs)	**FY2013 Proj**	**FY2014 Proj**	**Total**
Content Cost	963.38	2853.57	3816.95
Personnel Cost	848.44	952.22	1800.66
Other Costs	1454.19	2253.69	3707.88
Total Expenditure (Including content cost)	3266.01	6059.48	9325.49
Expected surplus/(shortfall) in revenue	(1679.51)	203.97	(1475.54)

Thetotal funds requirement as per above estimate, covering the period FY13 and FY14 is projected at Rs. 3824 Lacs, out of which Rs. 3500 Lacs would be met from funds to be received out of MMWL from the proceeds of the Rights Issue in the manner mentioned above. The details of the funding requirements of DSPL based on its business plan are as under:

Particulars (Rs. In Lacs)	**FY2013 Proj**	**FY2014 Proj**	**Total**
Increase in Working capital (A)	(750.73)	(747.88)	(1,498.60)
EBITDA (Loss funding) including content cost (B)	(1679.51)	203.97	(1475.54)
Capital Expenditure (C)	(434.04)	(415.33)	(849.37)
Total Funding required (A+B+C)			(3,823.51)
To be met by investment by MMWL from funds out of the proceeds of the Rights Issue			3500.00
Balance funding to be met by way of borrowings			323.51

The total funds requirement as per above estimate, covering the period FY13 and FY14 is projected at Rs. 3824 Lacs, out of which Rs. 3500 Lacs would be met from funds to be received out of MMWL from the proceeds of the Rights Issue in the manner mentioned above.

Media Matrix Holdings Private Limited (formerly Digicall Holdings Private Limited)

Media Matrix Holdings Private Limited (formerly Digicall Holdings Private Limited) intends to utilize a sum of Rs. 2000 Lacs for the following activities/purposes over the next 2 Years:

- To fund the payment of outstanding purchase consideration, payable for stakes acquired in DigiCall Teleservices Private Limited and DigiVive Services Private Limited respectively, the amount payable being Rs. 1380 Lacs and Rs. 139 Lacs respectively, aggregating to Rs. 1519 Lacs.

  Out of this, Rs. 300 Lacs have already been paid out of borrowed funds.

- To fund any acquisition which may be required for inorganic growth of its business or business of other Subsidiaries of MMWL including step down subsidiaries, if any, in future to enable MMWL or its Subsidiaries to remain competitive in the market. The Funds earmarked is to the tune of Rs. 481 Lacs, to be so utilized over the period FY2013-14.

  Further, the balance amount of Rs. 481 Lacs out of Rs. 2000 Lacs is proposed to be utilized for any inorganic acquisitions, if an opportunity arises. In case no such options are available or till such time such options materialize, MMHPL will be utilizing the funds to extend loans to fellow subsidiaries of MMWL to finance their working capital requirements or for making market investments especially in Media or related companies.

  It may be noted that no Dividend is assured on the investments proposed to be made by MMWL in its Subsidiaries.

2. To provide for redemption/repayment of OFCDs outstanding post conversion period

Post conversion of 200 Lacs OFCDs into 200 Lacs equity shares by OFCDs holder on August 7, 2012, the Company has 12,40,92,219 OFCDs of Rs. 3.47 each aggregating to Rs. 4306 Lacs outstanding in the name of V& A Ventures LLP which gives OFCDs holder an option to exercise conversion of each OFCD into one Equity Share of Re.1/- each at a premium of Rs.2.47 per Equity Share within eighteen months from the date of allotment of the OFCDs i.e March 29, 2012. In the event of the OFCDs holder exercise such an option to convert within the stipulated period, there will be no obligation to repay outstanding OFCDs amount. However, in the event OFCDs holder does not exercise such an option to convert within the stipulated period, there would be an obligation on the part of the Company to repay the amount outstanding and not converted into equity shares of the Company. To meet the funding requirement in that situation, the management deemed it necessary to provide for redemption/repayment of OFCDs amount to the tune of Rs. 2233.42 Lacs. The Company does not have adequate internal accurals to meet any such redemption requirement, which may crystallize before expiry of 18 months from date of allotment of OFCDs and hence a part of the funds raised through this Issue are proposed to be earmarked to provide for redemption/repayment so as to meet any such eventuality.

If the entire or part of the outstanding OFCDs are converted into Equity Shares of the Issuer Company within the stipulated conversion period, at the option of the OFCD holder, then the surplus amount reserved for the redemption as aforesaid towards redemption/repayment of the OFCDs would be utilised by the Company for the following purpose in the given order of priority:

- For meeting the working capital/margin funding requirement of the Company to the extent of Rs. 733.42 Lacs for the financial years FY2013 and FY2014 (as per the details given below).
- For meeting the capital expenditure and working capital requirement of DTPL to the tune of Rs. 750 Lacs .
- For meeting the working capital requirements and/or for purchase of inventory for NDPL to the tune of Rs. 750 Lacs.

Based on the above, we would be using the funds in MMWL in case all or part of the OFCDs is converted into equity shares and the amount is left over from redemption reserve. The calculation of the margin money requirement based on the summary business plan of MMWL is given below:

MMWL P&L Statement (Rs. In Lacs)	**FY2013 Proj**	**FY 2014 Proj**	**Total**
Sales of Handset	9,134	16,775	
Cost of Goods sold	8,955	16,446	
Non-fund based limits required for purchase of inventory (2 Months of cost of goods sold)	**1,492.55**	**2,741.03**	
Total non-fund based limits required			**2,741.03**
Margin money required (40% of Limits)			**1,096.41**

The margin money requirement of upto Rs. 1096.41 Lacs is proposed to be met out of the proceeds of Right Issue in case the funds are not utilised for redemption/repayment of OFCDs. In the event of redemption of OFCDs, the margin money requirement would be met by alternate collateral security to be provided/arranged by the promoter group.

It may be noted that the above funding requirements of the Company and our subsidiaries, NDPL and DTPL, are based on the management estimates as the business plans for FY14 and FY15 are yet to be prepared and approved by the Board of respective companies.

In the event the amount of OFCDs to be redeemed is more than amount reserved of Rs. 2233.42 the same would be met out of internal accruals of the Company. In case internal accruals are not sufficient to meet the shortfall in redumption of OFCDs, the balance would be met by the promoter group by bringing in unsecured loans, if necessitated.

3. To meet General Corporate expenses

MMWL intend to utilize a sum of Rs. 100 Lacs towards general corporate purposes including its own margins requirement for securing credit facilities from banks purposes and any contingency related to any of the existing or future project of the Company and/or its Subsidiaries

4. To meet issue expenses

The Issue related expenses include, among others, fees to the lead manager, registrar to the Issue, Legal Advisor to the Issue, advertising and publicity expenses, printing and stationery expenses. The estimated expenses of the Issue are as follows:

Activity	**Amount* (Rs. In Lacs)**	**% of Issue Size***	**%of Total expenses***
Fee payable to the Lead Manager to the Issue	25.00	0.229%	42%
Fees to the Registrar to the Issue	1.00	0.009%	2%
Professional and Statutory Fees	9.00	0.083%	15%
Advertising, Travelling and Publicity Expenses	10.00	0.092%	17%
Printing, Postage, Stationary Expenses	5.00	0.046%	8%
Banker charges	5.00	0.046%	8%
Other miscellaneous Expenses	5.00	0.046%	8%
Total	**60.00**	**0.551%**	**100%**

ISSUE OF OFCDs IN 2011-12 BY MMWL AND UTILIZATION OF ISSUE PROCEEDS

The Company has issued Optionally Fully Convertible Debentures (OFCDs) for an aggregate value of Rs. 5000 Lacs which was subscribed by M/s V&A Ventures LLP on March 29, 2012.The salient features of OFCD issue is as follows:

i. 14,40,92,219 OFCDs of face value of Rs.3.47 each aggregating to Rs.5000 Lacs;

ii. After 4 months from the date of allotment of OFCDs and within 18 months from the date of allotment, OFCDs can be converted into equity shares at the option of the OFCD Holder. If the conversion option is not exercised by the OFCD holder within 18 months, the OFCDs would be redeemable by the Company at a redemption premium of 15% of the Face Value;

iii. In case the conversion option is exercised, each OFCD would be converted into one Equity Share of Re. 1/- each at a price of Rs.3.47 per equity share;

iv. Coupon rate on the OFCDs is 0%;

v. Tenure of the OFCDs is 18 months from the date of allotment.

Further, it may be noted that out of the above OFCDs, 200 Lacs OFCDs have been converted into 200 Lacs equity shares of face value of Re. 1 by the OFCDs holder on August 7, 2012 and the balance 12,40,92,219 OFCDs are outstanding as on the date of filing of this offer document.

The utilization of above OFCDs as of March 31, 2012 by MMWL was as under:

Sl.No	Particulars	Amount (Rs. In Lacs)
1	nexG Devices Private Limited	200.00
	• Investment by way of Equity shares	200.00
	• Investment by way of OFCDs	0.00
	• Investment by way of Loan & Advances	0.00
2	DigiCall Teleservices Private Limited	2100.00
	• Investment by way of Equity shares	1309.99
	• Investment by way of OFCDs	700.00
	• Investment by way of Loan & Advances	90.01
3	DigiVive Services Private Limited	2500.00
	• Investment by way of Equity shares	798.50
	• Investment by way of OFCDs	1650.00
	• Investment by way of Loan & Advances	51.50
4	Media Matrix Holdings Private Limited (formerly Digicall Holdings Private Limited)	200.00
	• Investment by way of Equity shares	199.00
	• Investment by way of OFCDs	0.00
	• Investment by way of Loan & Advances	1.00
	Total	**5000.00**

DigiCall Teleservices Private limited (DTPL)

DTPL has made total capital investment at eight locations in India of Rs. 1626.49 Lacs as of March 31, 2012, out of which Rs. 1626.49 Lacs was funded by MMWL out of the OFCDs proceeds. The details of the same are as follows:

Assets including Capital Work In Progress	Amount in Rs. Lacs
Office Equipment	508.38
Furniture & Fixtures	122.90
Computers	646.88
Leasehold	348.34
Total	**1626.49**

The balance amount of Rs. 473.51 Lacs out of the proceeds of OFCDs was used for funding the working capital requirements and the operating loss of DTPL for the financial year ended March 31, 2012.

<u>DigiVive Services Private Limited (DSPL)</u>

DSPL has used the funds primarily for funding the content cost and capital expenditure besides funding for routine operations of DSPL, which started its operations in FY2011 and launched its product in May 2011. The monetization of the product is yet to be done by DSPL and would be done once the product gain traction in the market. The details of the end use of the Funds utilized by DSPL till March 31, 2012 are as follows:

Particulars	Amount (Rs. in Lacs)
Capital expenditure	519.25
Content Expenses (Opex Funding)	461.69
Other than Content (Opex funding)	1,375.75
Loan and advances to group company (DTPL)	143.31
Total Amount Utilised	**2,500.00**

Capex Incurred details (Rs. In Lacs)	FY2012A	FY2011A
Computers	15.22	19.63
Capital Work in progress	67.63	0.00
Furniture & Fixtures	1.85	0.00
Plant & Machinery	184.11	83.59
Software	176.03	21.95
Sub total	**444.84**	**125.16**

nexG Devices Private Limited (NDPL)

MMWL has advanced Rs. 200 Lacs out of the proceeds of OFCDs to NDPL as at March 31, 2012, which was used for part funding the operating loss of NDPL for the year ended March 31, 2012.

Media Matrix Holdings Private Limited (formerly Digicall Holdings Private Limited) (MMHPL)

MMWL has advanced Rs. 200 Lacs out of the proceeds of OFCDs to MMHPL as at March 31, 2012, which was used for investment in listed media companies.

The details of the subsidiaries acquired by the Company before the acquisition, on the date of acquisition and post acquisition is as under:

Sr.No.	Particulars	NDPL	MMHPL	DSPL	DTPL	DGPL#
1.	Net worth					
a.	As on March 31, 2011	NA*	NA*	126.14	1174.28	(0.20)
b.	As on March 31,2012	(459.15)	169.17	1.11	2092.09	(82.45)
c.	As on date of acquisition i.e. 05.03.2012	(437.44)	29.81	**	**	**
2.	Net Asset Value					
a.	As on March 31, 2011	NA*	NA*	126.14	1174.28	(0.20)
b.	As on March 31,2012	(459.15)	169.17	1.11	2092.09	(82.45)
c.	As on date of acquisition i.e. 05.03.2012	(437.44)	29.81	**	**	**
3.	Equity Share Capital					
a.	As on March 31, 2011	NA*	NA*	201.50	691.01	1.00
b.	As on March 31,2012	1.00	1.00	1,000.00	2000.00	50.00
c.	As on date of acquisition i.e. 05.03.2012	1.00	1.00	**	**	**
4	Reserves					
a.	As on March 31, 2011	NA*	NA*	(71.24)	483.27	(1.20)
b.	As on March 31,2012	(459.74)	(29.996)	(995.79)	92.08	(132.05)
c.	As on date of acquisition i.e. 05.03.2012	(438.44)	(30.81)	**	**	**
5	Total Income					
a.	For the year ended March 31, 2011	NA*	NA*	228.68	2513.94	0
b.	For the year ended March 31, 2012	2004.56	29.96	719.43	4320.39	413.82
c.	For the period ended on date of acquisition i.e. 05.03.2012	1287.35	29.96	**	**	**
6	Profit after tax					
a.	For the year ended March 31, 2011	NA*	NA*	(73.30)	(477.05)	0
b.	For the year ended March 31, 2012	(459.94)	(30.41)	(924.03)	(391.18)	(131.12)
c.	For the period ended on date of acquisition i.e. 05.03.2012	(438.18)	(30.38)	**	**	**

*As per the audited financials of these subsidiaries of the Company, the first reporting/accounting year ended on March 31, 2012

** For these subsidiaries of the Company, date of acquisition was March 31, 2012.

#Digicall Global Private Limited (DGPL) is 100% subsidiary of DTPL.

NAME AND SHAREHOLDING OF ULTIMATE NATURAL PERSON PROMOTER BEFORE ACQUISITION IN SUBSIDIARIES

1) nexG Devices Private Limited

Sr. No	Name of the Shareholder	No. of Equity Shares	% of Shareholding
1.	DigiVive Services Private Limited	9980	99.8%
2.	Mr. Surendra Lunia	10	0.1%
3	Mr. Gurdial Singh Khandpur	10	0.1%
	Total	**10000**	**100%**

* Ultimate holding of DigiVive Services Private Limited is with Mr. Surendra Lunia, a Director on the Board of our holding company, DigiVision Holdings Private Limited.

2) DigiCall Teleservices Private Limited

Sr. No	Name of the Shareholder	No. of Equity Shares	% of Shareholding
1.	Motorola Inc	49	0.00%
2	Himachal Futuristic Communications Limited	49	0.00%
3	Quil Trading	2	0.00%
4	Infotel Business Solutions Limited	6,899,960	99.99%
5	Mr. Surendra Lunia	10	0.00%
6	Mr. Gurdial Singh Khandpur	10	0.00%
7	Mr. Kamal Kumar Sharma	10	0.00%
8	Mr. Puneet Anurag	10	0.00%
	Total	**6,900,100**	**100.00%**

* Ultimate holding of Infotel Business Solutions Limited lies with Mr. Surendra Lunia, a Director on the Board of our holding company, DigiVision Holdings Private Limited.

3) DigiVive Services Private Limited

Sr. No	Name of the Shareholder	No. of Equity Shares	% of Shareholding
1.	Infotel Business Solutions limited	1,389,996	68.98%
2	Digivision Ventures Private Limited	625,000	31.02%
3	Mr. Surendra Lunia	1	0.00%
4	Mr. Gurdial Singh Khandpur	1	0.00%
5	Mr. Kamal Kumar Sharma	1	0.00%
6	Mr. Puneet Anurag	1	0.00%
	Total	**2,015,000**	**100.00%**

* Ultimate holding of Infotel Business Solutions Limited lies with Mr. Surendra Lunia, a Director on the Board of our holding company, DigiVision Holdings Private Limited.

* Ultimate holding of Digivision Ventures Private Limited lies with Mr. Surendra Lunia, a Director on the Board of our holding company, DigiVision Holdings Private Limited.

4) Media Matrix Holdings Private Limited (formerly Digicall Holdings Private Limited)

Sr. No	Name of the Shareholder	No. of Equity Shares	% of Shareholding
1.	DigiVive Holdings Private Limited	9990	99.90%
2.	Mr. Surendra Lunia	10	0.10%
	Total	**10000**	**100.00%**

* Ultimate holding of DigiVive Holdings Private Limited lies with Mr. Surendra Lunia, a Director on the Board of our holding company, DigiVision Holdings Private Limited.

The details of consideration paid for acquiring shares of subsidiary companies are as under:

Serial No.	Name of Subsidiary	Amount
1	nexG Devices Private Limited	Rs. 1 Lac
2	Media Matrix Holdings Private Limited (formerly Digicall Holdings Private Limited)	Rs. 1 lac
3 (a)	DigiCall Teleservices Private Limited	Rs. 1310 Lac
(b)	DigiCall Teleservices Private Limited*	Rs. 1380 Lac
4 (a)	DigiVive Services Private Limited	Rs. 798.5 Lacs
(b)	DigiVive Services Private Limited*	Rs. 139 Lacs

*Acquired through MMHPL (Media Matrix Holdings Private Limited)

SCHEDULE OF IMPLEMENTATION

Since there is no specific activity in which the funds are being invested and the amount is being invested in our subsidiaries and in general corporate purposes, there is no specific schedule of implementation. The amount will be invested as soon the proceeds are received from the rights issue based on business plan of each subsidiaries from time to time.

Sources and Deployment of Funds

The Company has incurred expenses of Rs. 40.30 Lacs till March 6, 2013 towards the advance paid to Merchant Banker, legal and other consultants (incuding auditors fee) and printing expenses. The same has been certified by our Statutory Auditors, M/s Khandelwal Jain & Co., Chartered Accountants, vide certificate dated March 6, 2013. The details for which are as follows:

Application of funds

S.No.	Party Name	Amount (Rs.)
1	Fedex Securites Limited	2,305,065
2	N.R. Gada Associates	404,496
3	Khandelwal Jain & Co.	328,653
4	Juris Matrix	250,000
5	BSE Limited	451,360
6	Crystal Forms Private Limited	25,725
7	Pravin P Shah Associates	189,101
8	Securities and Exchange Board of India	75,800
	Total	**4,030,200**

The above mentioned deployment in the project has been funded through the following sources:

Sources of funds **(Rs. in Lacs)**

Particulars	Amount
Unsecured loan from Promoter (DigiVision Holdings Private Limited)	40.30
Total	**40.30**

Bridge Loan

Our Company has not entered into any bridge loan facility that will be repaid from the Proceeds of this Issue. However, our Company may raise bridge loans which will be repaid from the proceeds of this Issue.

Interim Use of Funds

The management of our Company, in accordance with the approval from the Board of Directors, will have the flexibility in deploying the Issue Proceeds received by us. Pending utilization for the purposes described above, we intend to invest the funds in high quality interest/ dividend bearing liquid instruments including money market mutual funds and deposits with Banks for the necessary /appropriate duration.

Monitoring of Issue proceeds

Our Company has not appointed monitoring agency for monitoring the utilization of Issue Proceeds. We will disclose the utilization of the Issue proceeds under separate head in our Balance Sheet for the Fiscal Year 2013 and Fiscal Year 2014.

Further, on an annual basis, our Company shall prepare a statement of funds utilized for purposes other than those stated in the Letter of Offer and place it before the Audit Committee. The said disclosure shall be made till such time that the entire money raised through the Issue has been fully spent. The statement shall be certified by our Statutory Auditor. Further, our Company will furnish to the Stock Exchange on a quarterly basis, a statement indicating material deviations, if any, in the use of Issue Proceeds from the Objects stated in the Letter of Offer. Pursuant to Clause 49 of the listing agreement, our Company shall, on a quarterly basis, disclose to the Audit Committee the uses and application of the Issue Proceeds. We will disclose the utilization of the Issue Proceeds under a separate head in our Balance Sheet, till such time the Issue Proceeds have been fully utilized, clearly specifying the purpose for which such proceeds have been utilized. We will also, in our Balance Sheet, till such time the Issue Proceeds have been utilized, provide details, if any, in relation to all such Issue Proceeds that have not been utilized thereby also indicating investments, if any, of such unutilized Issue Proceeds.

Except for what is stated under the Objects of the Issue on Page No. 78-86 of this Letter of Offer, no part of the Issue Proceeds of this issue will be paid as consideration to our Promoters, Directors, key managerial employees or Group concerns/ Companies promoted by our Promoter/Promoter Group.

BASIS FOR ISSUE PRICE - COMPUTED ON A STANDALONE BASIS

*The Issue Price would be determined by the Board of Directors in consultation with the Lead Manager, on the basis of market conditions and on the basis of the following quantitative and qualitative factors. The information presented in this section for fiscal 2008, 2009, 2010, 2011 and 2012 is derived from the Company's restated financial statements, prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI Regulations. Investors are advised to read the sections "**Risk Factors**" and "**Financial Information**" on pages 11-38 and 160-217, respectively, to have a more informed view before making an investment decision in this Issue. The trading price of the Equity Shares could decline and you may lose all or part of your investments.*

Investors should read the following summary with the Risk factors beginning on page no 11 and the details about our Company and its financial statements included in this Letter of Offer.

QUALITATIVE FACTORS

For some of the qualitative factors which form the basis for computing the price, please refer to the section titled "Our Business" on page 109-119 of this Letter of Offer.

QUANTITATIVE FACTORS

Information presented in this section is derived from our Company's restated financial statements. Some of the quantitative factors, which form the basis for computing the price, are as follows:

1. Basic & Diluted Earnings Per Share (EPS)

Year ended	EPS (Rs.)	Weight
March 31, 2010	0.011	1
March 31, 2011	0.002	2
March 31, 2012	(0.367)	3
Weighted Average	**(0.181)**	

Note:

Earnings per share (Rs.) = Net profit after tax as restated, attributable to equity shareholders / Weighted Average no. of equity shares outstanding during the year (without considering bonus issue and split in previous years)

2. Price Earning (P/E) ratio in relation to Issue Price of Rs. 1.2 per share of Re. 1/- each

Sl. No.	Particulars	
	P/E ratio on the Basic/Diluted EPS for the year ended March 31, 2012	NA since EPS is negative
	P/E ratio on the weighted average Basic/Diluted EPS	NA since EPS is negative

Industry P/E

Particulars	Name of Company	P/E
i) Highest	Mudit Finlease Ltd	4255
ii) Lowest	Green Industries Limited	1.85
iii) Industry Composite		16.03

3. Return on Net Worth (RONW %)

Year ended	RONW (%)	Weight
March 31, 2010	0.9%	1
March 31, 2011	0.1%	2
March 31, 2012	(47.2%)	3
Weighted Average	(23.38%)	

Return on Net Worth (%) = Net profit after tax, as restated X 100 / Net Worth (excluding revaluation reserve) as at the end of the year

4. The minimum Return on Net Worth after Issue, required to maintain pre-Issue EPS for FY 2011-12 - Not applicable since the pre Issue EPS is Negative.

5. Net Asset Value per Equity Share

Particulars	(in Rs.)
NAV as on March 31, 2011	1.15
NAV as on March 31,2012	0.78
NAV as at Sept 30, 2012	1.20
NAV after the Issue	1.20
Issue Price	1.20

6. Comparison of Accounting Ratios

The comparable ratios of the companies which are to some extent similar in business are as given below:

Sr. No.	Name of the Company	Standalone / Consolidated	Face Value (Rs.)	EPS# (Rs.)	P/E$	RONW (%)#	Book Value per share (Rs.)#	Sales (Rs. in Lacs)#
1.	Media Matrix Worldwide Limited	Consolidated*	1	(1.11)	[•]@		1.20	15171.96
Peer Group$								
2.	BF Investment	Standalone	5	11.55	4.03	7.03	164.10	5059.00
3.	Kalyani Investments	Standalone	10	19.28	11.12	3.11	651.92	2096.00
4.	SIL Investments	Standalone	10	9.75	6.84	7.00	139.24	3104.00

** Based on restated consolidated financial statements of our Company for period ended September 30, 2012*

 # Source: Audited financials for the period ended September 30, 2012.

$ Source: Moneycontrol.com .Computed, based on the market price on BSE as on 17-10-2012 and EPS for the year ended March 31, 2012 as reported in the Audited accounts for FY2012

@ EPS is Negative (For Media Matrix Worldwide Limited).

The Face value of the Equity Shares is Re.1/- per fully paid up Equity Share and the Issue Price is 1.2 times of the Face Value.

The Issue Price will be determined on the basis of the demand from the investors in accordance with the SEBI Regulations. The Lead Manager believes that the Issue Price of Rs. 1.2 per Equity Share is justified in view of the above qualitative and quantitative parameters. The investors should peruse the Risk Factors and the financials of our Company including accounting ratios, as set out in "Financial Information" beginning on page no 160 of this Letter of Offer to have a more informed view of the investment.

BASIS FOR ISSUE PRICE - COMPUTED ON A CONSOLIDATED BASIS

QUANTITATIVE FACTORS

Information presented in this section is derived from our Company's restated financial statements. Some of the quantitative factors, which form the basis for computing the price, are as follows:

1. **Basic & Diluted Earnings Per Share (EPS) (Consolidated)**

Year ended	EPS (Rs.)	Weight
March March 31, 2010	**NA***	1
March 31, 2011	**NA***	2
March 31, 2012	(0.37)	3
Weighted Average	(0.37)	

**Not Applicable*

Note:

$$\textit{Earnings per share (Rs.)} = \frac{\textit{Net profit after tax as restated, attributable to equity shareholders}}{\textit{Weighted Average no. of equity shares outstanding during the year (without considering bonus issue and split in previous years)}}$$

2. **Price Earning (P/E) ratio in relation to Issue Price of Re. 1.2 per share of Re. 1/- each**

Sl. No.	Particulars	
1.	P/E ratio on the Basic/Diluted EPS for the year ended March 31, 2012	NA since EPS is negative
2.	P/E ratio on the weighted average Basic/Diluted EPS	NA since EPS is negative

Industry P/E

Particulars	Name of Company	P/E
i) Highest	Ybrant Digital Ltd	4100.64
ii) LowestBio	Nihar Info Ltd	0.78
iii) Industry Composite		14.78

3. Return on Net Worth (RONW %)

Year ended	RONW (%)	Weight
March 31, 2010	Not applicable	1
March 31, 2011	Not applicable	2
March 31, 2012	(52.67%)	3
Weighted Average	(52.67%)	

Return on Net Worth (%) = Net profit after tax, as restated X 100 / Net Worth (excluding revaluation reserve) as at the end of the year

4. The minimum Return on Net Worth after Issue, required to maintain pre-Issue EPS for FY 2011-12 - Not applicable since the pre Issue EPS is Negative

5. Net Asset Value per Equity Share (Consolidated)

Particulars	(in Rs.)
NAV as on March 31, 2011	Not applicable
NAV as on March 31,2012	0.75
NAV as on Sept 30, 2012	0.10
NAV after the Issue	1.09
Issue Price	1.20

6. Comparison of Accounting Ratios (Consolidated for the Issuer Company)

The comparable ratios of the companies which are to some extent similar in business are as given below:

Sl. No.	Name of the Company	Standalone / Consolidated	Face Value (Rs.)	EPS# (Rs.)	P/E$	RONW (%)#	Book Value per share (Rs.)#	Sales (Rs. in Lacs)#
	Media Matrix Worldwide Limited	Consolidated*	1	(0.37)	[•]@	(52.67%)	0.75	1029.53
Peer Group$								
1	Allsec Technologies Ltd.	Standalone	10	(9.65)	[•]@	(12.44%)	77.51	12471.00
2	Datamatics Global Ltd.	Standalone	5	3.72	7.60	6.59	56.38	16388.00
3	Intrasoft Technologies Ltd	Standalone	10	7.42	7.64	10.08	73.54	2139.00

Notes :

1. ***The peer Group is determined considering the Company as a BPO Services Company on a consolidated basis as more than 50% of the revenue is from Subsidiary carrying on BPO activities and the Other subsidiaries are yet to generate sizeable Income from operations.***
2. ***The Issuer Company did not have any Subsidiaries in the years ended 31st March 2010 and 31st March 2011 and hence the details pertaining to those years are not given.***

** Based on restated consolidated financial statements of our Company for year ended March 31, 2012*

 # Source: Audited financials for the year ended March 31, 2012.

$ Source: Moneycontrol.com .Computed, based on the market price on BSE as on 17-10-2012 and EPS for the year ended March 31, 2012 as reported in the Audited accounts for FY2012

@ EPS is Negative.

The Face value of the Equity Shares is Re.1/- per fully paid up Equity Share and the Issue Price is 1.2 times of the Face Value.

The Lead Manager believes that the Issue Price of Rs. 1.2 per Equity Share is justified in view of the above qualitative and quantitative parameters. The investors should peruse the Risk Factors and the financials of our Company including accounting ratios, as set out in "Financial Information" beginning on page no. 160 of this Letter of Offer to have a more informed view of the investment.

STATEMENT OF TAX BENEFITS

The Board of Directors
Media Matrix Worldwide Limited,

Dear Sirs,

Auditor's Report on Statement of Possible Tax Benefits available to Media Matrix Worldwide Limited and its shareholders

We hereby report that the enclosed statement, prepared by Media Matrix Worldwide Limited [hereinafter referred to as "the Issuer" or "the Company"], states the possible tax benefits available to the Issuer and its shareholders under the provisions of the Income Tax Act, 1961, the Wealth Tax Act, 1957 and the Gift Tax Act, 1957, presently in force in India pursuant to the requirements of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (herein after referred to as the "SEBI Regulations") and paragraph B of Part I of Schedule II to the Companies Act, 1956 (hereinafter referred to as the "Act") in connection with the Right Issue of Equity Shares of the Company (the "Issue"), which we have initialed for identification purposes.

Inherent Limitation

We draw attention to the fact that the Statement includes certain inherent limitations that can influence the reliability of the information.

Several of these benefits are dependent on the Issuer or its shareholders fulfilling the conditions prescribed under the relevant provisions of the respective tax laws. Hence, the ability of the Issuer or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Issuer may or may not choose to fulfill.

The benefits discussed in the Annexure are not exhaustive and the preparation of the contents stated is the responsibility of the Issuer's management. We are informed that this statement is only intended to provide general information to the investors and hence is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in proposed issue of equity shares (referred to as "the Issue").

Opinion

In our opinion, the Statement presents, in all material respects, the possible benefits available to the Company and its shareholders, in accordance with the Income Tax and Wealth Tax Regulations.

Considering the matter mentioned above, we are unable to express any opinion or provide any assurance as to whether:

- the Company is currently availing any of these tax benefits or will avail these tax benefits in future; or
- the Issuer or its shareholders will continue to obtain these benefits in future; or
- the conditions prescribed for availing the tax benefits, wherever applicable have been/ would be met.

The contents of the enclosed statement are based on the information, explanations and representations obtained from the Issuer and on the basis of the understanding of the business activities and operations of the Issuer and the interpretation of the current tax laws in force in India.

No assurance is given that the revenue/judicial authorities/ Courts will concur with the views expressed herein. Our views are based on the existing provisions of law and our interpretation of the same, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to any person other than the Company in respect of this statement.

Restriction on Use

The certificate is provided solely for the purpose of assisting the addressee Company in discharging its responsibilities under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009.

For and on behalf of

KHANDELWAL JAIN & CO.

Chartered Accountants

Firm Registration No.: 105049W

Akash Shinghal

Partner

Membership No: 103490

Place: New Delhi

Date : 18th January, 2013

ANNEXURE TO STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS

The tax benefits listed below are the possible benefits available under the current tax laws presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on business imperative it faces in the future, it may or may not choose to fulfill. This statement is only intended to provide the tax benefits to the company and its shareholders in a general and summary manner and does not purport to be a complete analysis or listing of all the provisions or possible tax consequences of the subscription, purchase, ownership or disposal etc. of shares. In view of the individual nature of tax consequence and the changing tax laws, each investor is advised to consult his/her own tax adviser with respect to specific tax implications arising out of their participation in the issue.

UNDER THE INCOME TAX ACT, 1961 ('ACT')

I. BENEFITS AVAILABLE TO THE COMPANY

1. Special Tax Benefits to the Issuer Company

There are no special tax benefits available to the Issuer Company.

2. General Tax Benefits to the Issuer Company

The Income-tax Act, 1961 (updated by Finance Act, 2012) and Wealth Tax Act, 1957, presently in force in India, provide the following general tax benefits to the Company. Several of these benefits are dependent on the Company complying with the conditions prescribed under the relevant provisions of the statute:

i. Deductions/exemptions/Benefits available while computing Capital Gains

(a) Taxability of Capital Gains

Capital assets may be categorized into short term capital assets and long term capital assets based on their nature and period of holding.

Shares in a Company, listed securities or units of UTI / Mutual Funds specified under Section 10(23D) of the Act or zero coupon bonds are considered as long term capital assets if they are held for period exceeding 12 months. Consequently, capital gains arising on sale of these assets are considered as "Long Term Capital Gains". Capital gains arising on sale of these assets held for 12 months or less are considered as "Short Term Capital Gains".

Assets, other than those mentioned above, are considered as long term capital assets, if they are held for more than 36 months, otherwise they are treated as Short term capital assets.

(b) Short Term Capital Gains

Capital Gains arising on transfer of short term capital assets are currently chargeable to tax at the rate of 30 percent (to be increased by applicable surcharge, education cess and secondary and higher education cess). However, as per the provisions of Section 111A of the Act, short-term capital gains on sale of equity shares or units of an equity oriented fund on or after October 1, 2004, where the transaction of sale is subject to STT, for transactions on a Recognized Stock Exchange, is chargeable to tax at a rate of 15 percent (to be increased by applicable surcharge, education cess and secondary and higher education cess).

For this purpose, “Equity Oriented Fund” means a fund –

(i) Where the investible funds are invested by way of equity shares in domestic companies to the extent of more than sixty five percent of the total proceeds of such funds; and

(ii) Which has been set up under a scheme of a Mutual Fund specified under section 10(23D) of the Act.

(c) Long Term Capital Gains

Section 48 of the Act, which prescribes the mode of computation of Capital Gains, provides for deduction of cost of acquisition, cost of improvement and expenses incurred in connection with the transfer of a capital asset, from the sale consideration to arrive at the amount of Capital Gains. However, in respect of long term capital gains, it offers a benefit by permitting substitution of cost of acquisition / improvement with the indexed cost of acquisition / improvement, computed by applying the stipulated cost inflation index.

As per the provisions of Section 112(1)(b) of the Act, long term gains as computed above that are not exempt under Section 10(38) of the Act (explained below), would be subject to tax at a rate of 20 percent (to be increased by applicable surcharge, education cess and secondary and higher education cess). However, as per the proviso to Section 112(1), if the tax on long term capital gains resulting on transfer of listed securities or units or zero coupon bond, calculated at the rate of 20 percent with indexation benefit exceeds the tax on long term capital gains computed at the rate of 10 percent without indexation benefit, then such gains are chargeable to tax at the rate of 10 percent (to be increased by applicable surcharge, education cess and secondary and higher education cess).

(d) Capital Gain not to be charged to tax on investment in specified assets

As per section 54EC of the Act, and subject to the conditions and to the extent specified therein, long term capital gains (in cases not covered under section 10(38) of the Act) shall be exempt from capital gains tax if such capital gains are invested within a period of 6 months from the date of such transfer in long-term specified assets (certain notified bonds).

If only part of the capital gains is reinvested, the exemption shall be proportionately available. However, if the new bonds are transferred or converted into money within three years from the date of their acquisition, the amount so exempted earlier shall be taxable as Long Term Capital Gains in the year of transfer/conversion. As per this section, the investment in the long Term Specified Asset cannot exceed Rupees fifty lacs.

A "long-term specified asset" means any bond, redeemable after three years and issued on or after the 1st day of April 2006:

(i) by the National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988, and notified by the Central Government in the Official Gazette for the purposes of this section; or

(ii) By the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956, and notified by the Central Government in the Official Gazette for the purposes of this section.

(e) Exemption of capital gains from Income-tax

Under Section 10(38) of the Act, any long term capital gains arising out of sale of equity shares or units of an equity oriented fund on or after October 1, 2004, are exempt from tax provided that the transaction of sale of such shares or units is chargeable to Securities Transaction Tax ('STT'), for transactions on a Recognized Stock Exchange. However, such income is required to be taken into account in computing the book profits under Section 115JB of the Act.

Further the tax benefits related to capital gains are subject to rules laid down by the CBDT Circular No. 4/2007 dated June 15, 2007.

ii. Deductions/exemptions/benefits available in respect of Dividend Income

(a) Under section 10(34) of the Act, any income by way of dividends referred to in Section 115O of the Act (i.e. dividends declared, distributed or paid on or after April 1, 2003 by domestic companies) received on the shares of any domestic company is exempt from tax. However, the expenses incurred for earning such exempt dividend will not be allowed under section 14A of the Act read with Rule 8D of the Income-tax Rules, 1962 (the Rules).

(b) As per section 115-O(1) of the Act, the Company is required to pay Dividend Distribution Tax ('DDT') at a rate of 15% (plus applicable surcharge and education cess) on any amount declared, distributed or paid by way of dividends (whether interim or otherwise).

Further, as per Section 115-O (1A) of the Act, for the purposes of computing DDT, the Company would be eligible to reduce from such dividend, the amount of dividend received from its subsidiary companies, subject to fulfillment of specified conditions.

iii. Computation of tax on book profit and availability of MAT Credit

The company is liable to pay Minimum Alternate Tax ('MAT') at the rate of 18.50 percent (to be increased by applicable surcharge, education cess and secondary and higher education cess) on the Book Profit as computed in accordance with the provisions of Section 115JB of the Act, if the total tax payable as computed under the under normal provisions of the Act is less than 18.50 percent of the Book Profit as computed under the said Section.

In terms of Section 115JAA of the Act, the tax credit shall be allowed for any Assessment Year commencing on or after April 1, 2006. Credit eligible for carry forward is the difference between Minimum Alternate Tax ('MAT') paid and the tax computed as per the normal provisions of the Act. The credit is available for set off only when tax becomes payable under the normal provisions and that tax credit can be utilized to set-off any tax payable under the normal provisions in excess of MAT payable for that relevant year. MAT credit in respect of MAT paid can be carried forward and shall be available for set-off upto 10 assessment years succeeding the assessment year in which the MAT credit initially arose.

iv. Other deductions/exemptions/benefits

(a) As per section 70 of the Act, the Company is entitled to intra-head set-off of loss in an assessment year in the following manner:

- Loss from a source against income from another source within the same head of income (except loss under the head 'capital gain')
- Short term capital loss against capital gain (whether short term or long term)
- Long term capital loss against long term capital gain

(b) As per section 71(1) and 71(2) of the Act, the Company is entitled to inter-head 'set-off' of loss (other than capital gains) under any other head of income for that assessment year. As per section 71(3), the Company is not entitled to 'set-off' loss under the head 'Capital Gains' against income under any other head.

(c) In case of losses under the head 'Profit and Gains from Business or Profession", it can be set-off against other income and the excess loss after set-off can be carried forward subject to the provisions and conditions laid down in the Act. As per section 72(1) of the Act, the Company is entitled to 'set-off' brought forward business loss, not being loss sustained in a speculation business, against business income in subsequent years. In accordance with the provisions of section 72(3), such losses can be carried forward for eight years.

(d) As per the conditions of section 32(2) read with section 72(2) of the Act, the Company is entitled to 'setoff' brought forward unabsorbed depreciation against income in subsequent years. Further, unabsorbed depreciation can be carried forward for unlimited period.

(e) As per section 71 read with section 74 of the Act, short term capital loss arising during a year is allowed to be set-off against short term as well as long term capital gains. Balance Short Term Capital loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent 8 years. As per section 71 read with section 74 of the Act, long term capital loss arising during a year is allowed to be set-off only against long term capital gains. Balance loss, if any, shall be carried forward and set-off against long term capital gains arising during subsequent 8 years.

(f) In accordance with the provisions of section 90 of the Act, the Company may choose to apply the provisions of Act or the provisions of tax treaty entered into by India with other foreign countries, whichever are more beneficial. Also, subject to the provisions of Act and the treaty, the Company can claim foreign tax credit in India in respect of doubly taxed income (i.e. where taxes are paid on same income in India as well as outside India).

II. BENEFITS AVAILABLE TO THE SHARE HOLDERS OF THE COMPANY

1. Special Tax Benefits to the Shareholders

There are no special tax benefits available to shareholders of the Issuer Company.

2. General Tax Benefits to the Shareholders

A. TO ALL SHAREHOLDERS

i. Deduction of Securities Transaction tax

Under Section 36(1)(xv) of the Act, the amount of STT, for transactions on a Recognized Stock Exchange, paid by an assessee in respect of taxable securities transactions entered into course of its business, if income arising from such taxable securities transactions is offered to tax as "Profits and gains of Business or profession" is allowable as a deduction against such Business Income.

Further, the Ministry of Finance, Government of India, on 16 March 2012, in the Finance Bill 2012 for the Financial Year 2012-13 has reduced the STT rate from the existing 0.125 per cent to 0.1 per cent. The amendment in the rates of STT will be effective from 1 July 2012.

ii. Dividend Income

Under section 10(34) of the Act, any income by way of dividends referred to in Section 115O of the Act (i.e. dividends declared, distributed or paid on or after April 1, 2003 by domestic companies) received on the shares of any domestic company is exempt from tax. However, the expenses incurred for earning such exempt dividend will not be allowed under section 14A of the Act read with Rule 8D of the Income-tax Rules, 1962 (the Rules).

iii. Exemption of Long Term capital gains from Income-tax

Under Section 10(38) of the Act, any long term capital gains arising out of sale of equity shares or units of an equity oriented fund on or after October 1, 2004, are exempt from tax provided that the transaction of sale of such shares or units is chargeable to Securities Transaction Tax ('STT'), for transactions on a Recognized Stock Exchange. However, such income is required to be taken into account in computing the book profits under Section 115JB of the Act.

iv. Taxability of Short Term Capital Gains

Capital Gains arising on transfer of short term capital assets are currently chargeable to tax as calculated under the normal provisions of the Act. However, as per the provisions of Section 111A of the Act, short-term capital gains on sale of equity shares or units of an equity oriented fund on or after October 1, 2004, where the transaction of sale is subject to STT, for transactions on a Recognised Stock Exchange, is chargeable to tax at a rate of 15 percent (to be increased by applicable surcharge, education cess and secondary and higher education cess).

For this purpose, "Equity Oriented Fund" means a fund -

(i) Where the investible funds are invested by way of equity shares in domestic companies to the extent of more than sixty five percent of the total proceeds of such funds; and

(ii) Which has been set up under a scheme of a Mutual Fund specified under section 10(23D) of the Act.

B. TO RESIDENT SHAREHOLDERS

In addition to the tax benefits specified in Para A above, the resident shareholder in general will be entitled to following benefits / deduction under the provisions mentioned hereunder from its total income chargeable to Income-tax.

i. As per the provisions of Section 112(1)(a) of the Act, long term gains as computed above that are not exempt under Section 10(38) of the Act (explained above), would be subject to tax at a rate of 20 percent (to be increased by applicable surcharge, education cess and secondary and higher education cess). However, as per the proviso to Section 112(1), if the tax on long term capital gains resulting on transfer of listed securities or units or zero coupon bond, calculated at the rate of 20 percent with indexation benefit exceeds the tax on long term capital gains computed at the rate of 10 percent without indexation benefit, then such gains are chargeable to tax at the rate of 10 percent (to be increased by applicable surcharge, education cess and secondary and higher education cess).

ii. As per section 112 of the Act and other relevant provisions of the Act, long term capital gains arising on transfer of unlisted securities would be taxed at a rate of 20% (plus applicable surcharge and education cess) subject to indexation benefit.

iii. As per section 54EC of the Act, and subject to the conditions and to the extent specified therein, long term capital gains (in cases not covered under section 10(38) of the Act) shall be exempt from capital gains tax if such capital gains are invested within a period of 6 months from the date of such transfer in long-term specified assets (certain notified bonds).

If only part of the capital gains is reinvested, the exemption shall be proportionately available. However, if the new bonds are transferred or converted into money within three years from the date of their acquisition, the amount so exempted earlier shall be taxable as Long Term Capital Gains in the year of transfer/conversion. As per this section, the investment in the long Term Specified Asset cannot exceed Rupees fifty lacs. In such a case, the cost of such long term specified asset will not qualify for deduction under section 80C of the Act.

A "long-term specified asset" means any bond, redeemable after three years and issued on or after the 1st day of April 2006:

(i) by the National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988, and notified by the Central Government in the Official Gazette for the purposes of this section; or

(ii) By the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956, and notified by the Central Government in the Official Gazette for the purposes of this section.

iv. In accordance with, and subject to the conditions and to the extent specified in Section 54F of the Act, LTCG arising to an Individual/Hindu Undivided Family (HUF) from transfer of shares (i.e. shares being long term in nature which have not been subject to Security Transaction Tax) shall be exempt from tax if net consideration from such transfer is utilized within a period of one year before, or two years after the date of transfer, for purchase of a new residential house, or for construction of residential house within three years from the date of transfer. Further, it may be noted that if such house property is transferred within a period of three years from the date of its purchase, or as the case may be its construction, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the new house property is transferred.

v. As per section 71 read with section 74 of the Act, short term capital loss arising during a year is allowed to be set-off against short term as well as long term capital gains. Balance Short Term Capital loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent 8 years. As per section 71 read with section 74 of the Act, long term capital loss arising during a year is allowed to be set-off only against long term capital gains. Balance loss, if any, shall be carried forward and set-off against long term capital gains arising during subsequent 8 years. Further the tax benefits related to capital gains are subject to rules laid down by the CBDT Circular No. 4/2007 dated June 15, 2007, and on fulfillment of criteria laid down in the circular, the individual will be able to enjoy the concessional benefits of taxation on capital gains.

C. TO NON-RESIDENT SHAREHOLDERS / NON-RESIDENT INDIANS (OTHER THAN FOREIGN INSTITUTIONAL INVESTORS AND FOREIGN VENTURE CAPITAL INVESTORS)

In addition to the tax benefits specified in para A above, the non-resident shareholder in general will be entitled to following benefits / deduction under the provisions mentioned hereunder from its total income chargeable to Income-tax.

i. As per section 90 of the Act, the non-resident shareholders, who are eligible to claim treaty benefits (subject to furnishing of Tax Residency Certificate in the specified format), will be entitled to choose the provisions of the Act or the provisions of tax treaty entered into by India with other foreign countries, whichever are more beneficial, while deciding taxability in India.

ii. Special provisions in case of non-resident Indians where shares have been subscribed in convertible foreign exchange

Non-Resident Indian (NRI) means a citizen of India or a person of Indian origin who is not a resident. Person is deemed to be of Indian origin if he, or either of his parents or any of his grandparents, were born in undivided India. A non-resident Indian (i.e. an individual being a citizen of India or person of Indian origin) has an option of being governed by the provisions of Chapter XII-A of the Act, which inter-alia entitles them to the following benefits in respect of income from shares of an Indian company acquired, purchased or subscribed in convertible foreign exchange. Specified foreign exchange assets include shares of an Indian company which is acquired/purchased/subscribed by NRI in convertible foreign exchange.

a. According to the provisions of section 115D read with section 115E of the Income Tax Act, 1961, where shares in the company are subscribed for in convertible Foreign Exchange by a 'Non Resident Indian', capital gains arising to the non resident on transfer of shares held for a period exceeding 12 months shall (in cases not covered under section 10(38) of the Act) be taxed at the flat rate of 10% (plus applicable surcharge, education cess and secondary and higher education cess) without indexation benefit but with protection against foreign exchange fluctuation).

b. Under provisions of section 115F of the Income Tax Act, 1961 long term capital gains (not covered under section 10(38) of the Act) arising to a non resident Indian from the transfer of shares of the Indian company subscribed to in convertible Foreign Exchange shall be exempt from Income tax, if the net consideration is invested in specified assets or specified savings certificates within six months of the date of transfer. If only part of the net consideration is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the specified assets are transferred or converted within three years from the date of their acquisition.

c. As per the provisions of Section 115G of the Act, Non-resident Indians are not obliged to file a return of income under Section 139(1) of the Act, if their source of income is only investment income and / or long term capital gains defined in Section 115C of the Act, provided tax has been deducted at source from such income as per the provisions of chapter XVII-B of the Act.

d. As per section 115H of the Act, where a person who is a NRI in any previous year, becomes assessable as a resident in India in respect of the total income of any subsequent year, he may furnish a declaration in writing to the assessing officer, along with his return of income under section 139 of the Act for the assessment year in which he is first assessable as a resident, to the effect that the provisions of the chapter XII-A shall continue to apply to him in relation to investment income derived from the specified assets i.e. any foreign exchange asset, for that year and subsequent years until such assets are transferred or converted into money.

e. As per section 115I of the Act, the NRI can opt not be governed by the provisions of chapter XII-A for any assessment year by furnishing return of income for that assessment year under section 139 of the Act, declaring therein that the provisions of this chapter shall not apply, in which case the other provisions of the Income Tax Act shall apply.

iii. As per first proviso to Section 48 of the Act, the capital gains arising on transfer of shares of an Indian Company need to be computed by converting the cost of acquisition, expenditure incurred in connection with such transfer and full value of the consideration received or accruing as a result of the transfer, into the same foreign currency in which the shares were originally purchased. The resultant gains thereafter need to be reconverted into Indian currency.

Thus in computing the capital gains arising from transfer of shares of the Company acquired in convertible foreign exchange (as per exchange control regulations) protection is provided from fluctuations in the value of rupee in terms of foreign currency in which the original investment was made. The conversion needs to be at the prescribed rates prevailing on dates stipulated. Further, the benefit of indexation as provided in second proviso to section 48 is not available to non-resident shareholders.

iv. As per section 112 of the Act and other relevant provisions of the Act, long term capital gains arising on transfer of listed securities (other than those covered in Para A.iii above)/units or zero coupon bonds (shares/units/ bonds would be considered as long term capital assets provided they are held for a period exceeding 12 months), would be taxed at a rate of 20% (plus applicable surcharge and education cess) after indexation, as provided in the second proviso to section 48 of the Act, or at 10% (plus applicable surcharge and education cess) without indexation, at the option of the Company. However, in view of the divergent judicial precedents on this aspect, the applicability of this section needs to be evaluated on a case to case basis.

v. As per section 54EC of the Act, and subject to the conditions and to the extent specified therein, long term capital gains (in cases not covered under section 10(38) of the Act) shall be exempt from capital gains tax if such capital gains are invested within a period of 6 months from the date of such transfer in long-term specified assets (certain notified bonds).

If only part of the capital gains is reinvested, the exemption shall be proportionately available. However, if the new bonds are transferred or converted into money within three years from the date of their acquisition, the amount so exempted earlier shall be taxable as Long Term Capital Gains in the year of transfer/conversion. As per this section, the investment in the long Term Specified Asset cannot exceed Rupees fifty lacs. In such a case, the cost of such long term specified asset will not qualify for deduction under section 80C of the Act.

A "long-term specified asset" has the same meaning as stated in Para B.iii above.

vi. In accordance with, and subject to the conditions and to the extent specified in Section 54F of the Act, LTCG arising to an Individual/Hindu Undivided Family (HUF) from transfer of shares (i.e. shares being long term in nature which have not been subject to Security Transaction Tax) shall be exempt from tax if net consideration from such transfer is utilized within a period of one year before, or two years after the date of transfer, for purchase of a new residential house, or for construction of residential house within three years from the date of transfer. Further, it may be noted that if such house property is transferred within a period of three years from the date of its purchase, or as the case may be its construction, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the new house property is transferred.

D. BENEFITS AVAILABLE TO THE FOREIGN INSTITUTIONAL INVESTOR (FIIs)

In addition to the tax benefits specified in Para A above, following are the exemptions/deductions available to FIIs:

i. As per section 90 of the Act, FIIs being non residents, who are eligible to claim treaty benefits (subject to furnishing of Tax Residency Certificate in the specified format), will be entitled to choose the provisions of Act or the provisions of tax treaty entered into by India with other foreign countries, whichever are more beneficial, while deciding taxability in India.

ii. The income by way of short term capital gains or long term capital gains [long term capital gains not covered under Section 10(38) of the Act] realized by FIIs on sale of the shares of the Company would be taxed at the following rates as per Section 115AD of the Act:

a. Short term capital gains, other than those referred to under Section 111A of the Act are taxed at the rate of 30 percent (to be increased by applicable surcharge, education cess and secondary and higher education cess);

b. Short term capital gains, referred to under Section 111A of the Act are taxed at the rate of 15 percent (to be increased by applicable surcharge, education cess and secondary and higher education cess);

c. Long term capital gains at the rate of 10 percent (to be increased by applicable surcharge, education cess and secondary and higher education cess) (without cost indexation).

d. Long term capital gains being an equity share in a company or a unit of an equity oriented fund, where such transaction is chargeable to STT is exempt from tax under Section 10(38) of the Act.

It may be noted that the benefits of indexation and foreign currency fluctuation protection as provided by Section 48 of the Act are not applicable.

Any other income (other than income by way of dividends referred to in Section 115O) received in respect of securities (other than units referred to in Section 115AB) shall be taxable at the rate of 20% (plus applicable Surcharge and Education Cess and Secondary & Higher Education Cess).

iii. As per section 54EC of the Act, and subject to the conditions and to the extent specified therein, long term capital gains (in cases not covered under section 10(38) of the Act) shall be exempt from capital gains tax if such capital gains are invested within a period of 6 months from the date of such transfer in long-term specified assets (certain notified bonds).

If only part of the capital gains is reinvested, the exemption shall be proportionately available. However, if the new bonds are transferred or converted into money within three years from the date of their acquisition, the amount so exempted earlier shall be taxable as Long Term Capital Gains in the year of transfer/conversion. As per this section, the investment in the long Term Specified Asset cannot exceed Rupees fifty lacs. In such a case, the cost of such long term specified asset will not qualify for deduction under section 80C of the Act.

A "long-term specified asset" has the same meaning as stated in Para B.iii above.

iv. Withholding tax rule

As per sub-section (2) of section 196D, no tax is to be deducted by the payer in respect of any income, by way of capital gains arising from the transfer of securities payable to FII's.

In respect of non-residents, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the Tax Treaty, if any, between India and the country in which the FII has Fiscal domicile.

E. BENEFITS AVAILABLE TO THE MUTUAL FUNDS

As per the provisions of Section 10(23D) of the Act, any income of Mutual Funds registered under the Securities and Exchange Board of India Act, 1992 or regulations made there under, Mutual Funds set up by public sector banks or public financial institutions or authorized by the Reserve Bank of India, would be exempt from Income-tax subject to the conditions as the Central Government may notify.

However, the mutual funds are liable to pay tax on income distributed to unit holders of non-equity oriented mutual funds under Section 115R of the Act.

F. BENEFITS AVAILABLE TO VENTURE CAPITAL COMPANIES/FUNDS

As per the provisions of Section 10(23FB) of the Act, any income of Venture Capital Companies ('VCC') / Funds ('VCF') from investment in a Venture Capital Undertaking. "Venture Capital Undertaking" means a venture capital undertaking referred to in the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 made under the Securities and Exchange Board of India Act, 1992 (15 of 1992);.

However, the income distributed by the Venture Capital Companies/ Funds to its investors would be taxable in the hands of the recipients.

UNDER THE WEALTH TAX ACT, 1957

Shares in a company held by a shareholder will not be treated as an asset within the meaning of Section 2(ea) of Wealth Tax Act; hence, wealth tax is not leviable on shares held in a company.

NOTES:-

1. All the above benefits are as per the provisions of the Income-tax Act, 1961, Income-tax Rules, circulars, notifications as amended by Finance Act, 2012, the Wealth Tax Act, 1957 and the Gift Tax Act, 1957, presently in force in India. They shall be available only to the sole/ first named holder in case the shares are held by the joint holders.
2. All the above benefits as per the current tax laws. Accordingly, any change or amendment in the laws / regulation, including provision of proposed Direct Tax Code, which when implemented would impact the same. The Direct Taxes Code 2010 (Bill No. 110 of 2010) is likely to be enacted with effect from 1 April 2013. It is a comprehensive new legislation and will replace the Income Tax Act, 1961 and the Wealth Tax Act, 1957. The Tax Benefits in this Statement would stand replaced with those stipulated therein.

3. In respect of non-resident investors, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the relevant Double Tax Avoidance Agreement (DTAA), if any, between India and the country of residence of the non-resident investor.
4. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her participation in the issue.
5. The above Statement of Possible Direct tax Benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase ownership and disposal of shares.
6. No assurance is given that the Revenue authorities/ courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. We will not be liable to any person in respect of this Statement. The General Anti-Avoidance Rules, or GAAR, to be effective from Financial Year 2013-14 give powers to the income-tax officials to deny tax benefit to a business arrangement if they feel the purpose is primarily to save taxes.
7. This Statement of Tax Benefits has been approved by the Board of Directors of the Company by way of resolution on 18th January, 2013.

SECTION IV –ABOUT OUR COMPANY AND OUR SUBSIDIARY

INDUSTRY OVERVIEW

Disclaimer: *Pursuant to the requirements of the SEBI (ICDR) Regulations, 2009, the discussion on the business of our Company/its Subsidiaries in this Letter of Offer consists of disclosures pertaining to industry grouping and classification. The industry grouping and classification is based on our Company's own understanding and perception and such understanding and perception could be substantially different or at variance from the views and understanding of third parties. Our Company acknowledges that certain products/ services described in this Letter of Offer could be trademarks, brand names and/ or generic names of products or services owned by third parties and the reference to such trademarks, brand names and/or generic names in this Letter of Offer is only for the purpose of describing the products or services. The Industry data has been collated from various Industry and/or research publications and from information available from the World Wide Web.*

OVERVIEW

1. MOBILE HANDSET MARKET

Global Smartphone Market

The worldwide mobile phone market grew 2.4% year over year in the third quarter of 2012 (3Q12), driven by heavyweights Samsung and Apple as Nokia dropped off the Top 5 list of smartphone vendors. According to the International Data Corporation (IDC) Worldwide Quarterly Mobile Phone Tracker, vendors shipped a total of 444.5 million mobile phones in 3Q12 compared to 434.1 million units in the third quarter of 2011.

In the worldwide smartphone market vendors shipped 179.7 million units in 3Q12 compared to 123.7 million units in 3Q11. The 45.3% year-over-year growth was slightly above IDC's forecast of 45.2% for the quarter. Equally noteworthy was the decline of Nokia, which was replaced by Research In Motion (RIM) as a Top 5 smartphone player. Nokia's exit from the Top 5, where it had resided since the inception of IDC's Mobile Phone Tracker in 2004, was precipitated by the rise of Samsung and Apple globally and high-growth vendors like Huawei in China, where Nokia was the dominant player as recently as the third quarter of 2011.

Nokia's transition away from Symbian-powered smartphones to ones shipped with Windows Phone has left ample opportunity for rivals to steal share away from Nokia over the past 18 months. However, the smartphone market is still relatively nascent, which means there's room for multiple vendors and operating systems to flourish, including Nokia. Nokia is not the only smartphone vendor in transition. RIM, although still a market leader, recently started shipping its first BB10 devices in Jan 2013. Motorola, once the number 3 smartphone vendor worldwide, is redirecting itself under its parent company Google. These are just two vendors among many that feel the competitive pressure of Samsung and Apple, but are striving to create multiple points of differentiation to assert upward pressure.

Nonetheless, IDC expects long-term mobile phone and smartphone shipment demand to grow due to the central role mobile phones play in people's lives. Mobile phones and smartphones play a critical role in keeping people connected, regardless of location. In addition, their utility beyond communication - productivity, entertainment, and multimedia - continues to add to their value.

Top Five Smartphone Vendors, Shipments, and Market Share, 2012 Q3 (Units in Millions)

Vendor	3Q12 Unit Shipments	3Q12 Market Share	3Q11 Unit Shipments	3Q11 Market Share	Year-over-year Change
Samsung	56.3	31.3%	28.1	22.7%	100.4%
Apple	26.9	15.0%	17.1	13.8%	57.3%
Research In Motion	7.7	4.3%	11.8	9.6%	-34.7%
ZTE	7.5	4.2%	4.1	3.3%	82.9%
HTC	7.3	4.0%	12.7	10.3%	-42.5%
Others	74.0	41.2%	49.9	40.3%	48.3%
Total	**179.7**	**100.0%**	**123.7**	**100.0%**	**45.3%**

(Source: IDC Worldwide Mobile Phone Tracker, October 25, 2012)

India Mobile Handset Market

According to **CyberMedia Research's (CMR) India Mobile Handsets Market Review, 2Q 2012, September 2012 release,** during 1H 2012 (January-June 2012), total India shipments of mobile handsets was recorded at 102.43 million units. During the same period, total India shipments of smartphones were 5.50 million units.

India Mobile Handsets Market: Leading Players, 1H 2012 (in terms of % of unit shipments)

Player	Rank	Share (% of unit shipments)
Nokia	#1	22.2%
Samsung	#2	13.0%
Micromax	#3	5.5%

India Mobile Handsets Market: Major Segment Growth Rates, 1H 2012 vis-à-vis 1H 2011

Market Segment	Smartphones	Feature-phones	Total
Unit Shipments Growth	12.2%	16.9%	16.6%

As per CMR, in terms of unit shipments share during the 6-month period ended June 2012 the leading smartphone Oss were Android (56.4%), Symbian (17.4%), BlackBerry (12.1%), Bada (8.5%), iOS (3.0%) and Windows Mobile (2.6%) on a base of 5.50 million units.

India Mobile Handsets Market: Leading Smartphone Players, 1H 2012 (in terms of % of unit shipments)

Player	Rank	Share (% of unit shipments of smartphones)
Samsung	#1	41.6%
Nokia	#2	19.2%
RIM	#3	12.1%

(Source: CMR's India Mobile Handsets Market Review, 2Q 2012, September 2012 release)

According to CMR, "The first half of CY 2012 was witness to the high-decibel launch of Samsung Galaxy S III, HTC One X etc. The second half of CY 2012 continues to see launch of a number of high value, aspirational smartphone models such as the Nokia Lumia 910, Samsung Galaxy Note II and the Apple iPhone 5. This push from vendors and the increasing maturity of the India mobile subscriber community is expected to further push up smartphones as a proportion of total mobile handset shipments in the country in the next few quarters."

2. BPO INDUSTRY

Indian IT-BPO performance

FY2012 has been a landmark year - while the Indian IT-BPO industry weathered uncertainties in the global business environment, this is also the year when the industry is set to reach a significant milestone - aggregate revenue for FY2012 is expected to cross USD 100 billion. Aggregate IT software and services revenue (excluding hardware) is estimated at USD 88 billion. During this year, direct employment is expected to reach nearly 2.8 million, an addition of 230,000 employees, while indirect job creation is estimated at 8.9 million. As a proportion of national GDP, the sector revenues have grown from 1.2 per cent in FY1998 to an estimated 7.5 per cent in FY2012. Its share of total Indian exports (merchandise plus services) increased from less than 4 per cent in FY1998 to about 25 per cent in FY2012.

Exports market: Export revenue (excluding hardware) during FY2012 is likely to reach USD 69 billion, accounted for by about a 2.2 million workforce. This represents a growth of 16.3 per cent; these exports also account for over 68.5 per cent share in aggregate IT-BPO revenue.

Service-lines: Within exports, IT services segment is the fastest growing at 19 per cent over FY2011 with export revenue of USD 40 billion, accounting for 58 per cent of total exports. This sector has seen the emergence of full service players offering traditional services like application development and maintenance to testing, infrastructure, consulting and system integration, as also niche providers offering end-to-end services in particular verticals or customer segments. This sector is now focusing on moving further up the value chain by positively impacting business outcomes and customer revenues.

The BPO segment is expected to grow by 12 per cent to reach USD 16 billion in FY2012. In the last few years, the BPO segment has been focusing on re-engineering itself in order to deliver transformational impact to customers. A 'Verticalised' approach has been a key marketing strategy - developing indepth capabilities across the entire value chain in specific verticals. BPO firms are also increasing their onshore and nearshore footprint to enable customer entry into local markets; firms have also been actively implementing non-linear growth initiatives that ensure higher realisations for service providers, while controlling costs, facilitating faster time-to-market and improving satisfaction at the clients' end.

Geographic focus: US continues to drive IT-BPO exports growth. Export revenue from the US is likely to grow by over 17 per cent in FY2012, driven by higher demand for IT services and support. Europe has gone through a tough period in the last couple of years, however, growth is returning gradually and this region is expected to show good performance in FY2013. APAC region exhibited fastest growth at nearly 18 per cent as customers in that region showcase increased adoption to IT as they aim to compete on a more even scale in the global market.

Vertical markets: The BFSI vertical is set to increase its share in IT-BPO exports to 41.2 per cent; however, share of telecom is to decline from 20 per cent in FY2011 to 19 per cent, largely due to slowdown in telecom investments in the US and UK. Emerging verticals - retail, healthcare, media and utilities - continue to record fast growth.

Domestic market: Domestic IT-BPO revenue (excluding hardware) is expected to grow at almost 17 per cent to reach Rs. 918 billion in FY2012. Strong economic growth, rapid advancement in technology infrastructure, increasingly competitive Indian organisations, enhanced focus by the government and emergence of business models that help provide IT to new customer segments are key drivers for increased technology adoption in India

- IT services is the fastest growing segment in the Indian domestic market, growing by 18 per cent to reach Rs. 589 billion, driven by increasing adoption from all customer segments - government, enterprise, consumers and SMBs

- Domestic BPO segment is expected to grow by 17 per cent in FY2012, to reach Rs. 149 billion, driven by demand from voice-based (incl. local language) services and increasing adoption by both traditional and emerging verticals, including the government
- The domestic software products segment is set to grow to Rs. 180 billion in FY2012, a growth of ~13 per cent over FY2011. This segment is being driven by the need to replace legacy systems and technology advancements around cloud, mobility, etc.
- India's customer base - government, large enterprises, micro, small & medium enterprises and household consumers, represent unique set of requirements. Government IT spend is led largely by hardware and IT services; large enterprises have mature IT infrastructure and are driven by need for applications that improve productivity and efficiencies. SMBs are focusing on solutions that enable greater customer reach and better marketing. Household investments are largely for hardware - laptops, netbooks, etc. and consumer applications around mobility and social media.
  (Source: NASSCOM Strategic Review 2012)

Even in the face of stiff competition from other locations, India retains its position as the world's leading global sourcing destination for IT-BPO services with a share of 58 per cent in 2011. India's value proposition rests on its five pillars of strength:

- Continued focus on optimal cost effi ciency: India continues to be the most cost-competitive provider of IT-BPO services. Cost efficiencies further maintained through various internal process and productivity improvement initiatives including stable entry level salaries, widening the pyramid, tightening non-employee cost structures, fast career growth, movement into Tier II/III cities, and a non-linearity focus through platform and cloud products
- Unparalleled human capital: India churned out an estimated 4.4 million graduates in FY2012, retaining its position as the largest source of employable talent in the world. Service providers are effectively utilising India's talent pool by designing large scale talent re-engineering initiatives and employee engagement activities. This is enabling the industry to provide both end-to-end and high-end value-added services across sectors
- Unique customer centricity: Leading industry players have been able to deliver continuous value to customers. This unique customer-centric approach is best demonstrated by re-engineering their business/organisational structures, engage in strategic advisory relationships, focus on delivery innovation and manage high-end complex engagements
- Scalable and secure environment: The sheer size of the Indian market provides a high level of stability in terms of managing concentricity risk as compared to other sourcing markets. With political/ economic stability, major service providers in India have managed to further de-risk their delivery approach by expanding their global delivery network, in addition to adopting robust disaster recovery/ business continuity models
- Supportive ecosystem: India's infrastructure development landscape is expected to transform to the next level in the coming years, driven by the government's massive thrust on over USD 1 trillion in investments (2013-17) on infrastructure development. Besides, with further simplification of laws and regulations, large scale investments in e-Governance projects and focus on establishing the national cyber security policy, the IT-BPO industry is well-poised to maintain its growth trajectory in the domestic market.

Future Outlook

Despite 2011 ending in a diffi cult economic environment, some geographic regions and services are expected to circumvent the situation in 2012. Global GDP, after growing by 2.7 per cent in 2011, is expected to grow 2.5 per cent in 2012, with developing economies growing thrice as fast as the developed economies.

Better economic conditions in the second half of the year signifying return of consumer confidence and renewal of business growth, is expected to drive IT spending going forward. While the growth in IT-BPO spend is expected to be gradual over the next two-three years, global sourcing spend is seen to outpace this growth. IT outsourcing market is set to grow at a CAGR of about 8 per cent over 2011 to 2013, while BPO off shoring is expected to grow at a little over 7 per cent during the same period. While cost and talent still remain essential considerations for global sourcing, industry expertise and innovation is expected to drive future sourcing requirement.

In addition, rate of introduction of new technology is much faster now and it will continue to be even faster going forward. There is a strong correlation between technology adoption rate and investment rate. The year 2011 was the year of mobile adoption, where tablets and smartphones sales growth, by volume and by percentage, outpaced the shipment of desktop and laptop market. This mobile revolution witnessed, spending by organisations in developing both consumer apps and enterprise apps. From IT industry perspective - the market for enterprise mobility solutions alone is expected to grow to USD 17 billion by 2015, presenting a huge opportunity to increase revenue from this segment at a pace of triple-digit growth.

Clearly, the future of technology services industry is beyond services - it will be a combination of services, solutions and platforms. Indian IT organisations are investing in building platforms to drive future growth opportunities. These domain solutions and technology platforms will offer improved revenue leverage versus talent employed in the industry and will also significantly increase the intellectual property base of the Indian IT industry. The industry can take clue from the fact that public cloud services spending is expected to outpace growth of the overall IT spend by about four times between 2012 and 2015.

The Indian supply base with its two decade-long experience, mature service capabilities, presence in almost all verticals, global footprint and an abundant talent pool has ventured head-on into new and emerging services and verticals while at the same time maintaining their strong-hold over core services. Diversification and transformation, the key themes for the industry for the last two years, and the untapped opportunities in the new services is expected to drive the next phase of growth for the IT-BPO sector. Availability of domain-specific talent in emerging geographies and Tier II locations offer huge untapped opportunity for global sourcing. Apart from talent, national governments strong inward investment push is also driving growth of global sourcing locations in Asia Pacific, Latin America, Eastern Europe, the Middle East and Africa. IT-BPO services will be instrumental in the economic and social rise of India in the coming decade. As a result, the domestic IT-BPO market is expected to grow in parallel with the growth of the Indian economy. The upbeat domestic IT-BPO (excluding hardware) spending trend will continue in FY2013 as the industry is expected to grow at 13-16 per cent(in Rs. terms). IT-BPO exports is expected to grow 11-14 per cent in FY2013, driven by proliferation of as-a-service model around enterprise mobility, cloud and platform solutions, analytics offerings and social media.

Suitably exploiting these emerging opportunities both in the global and domestic markets can help India reach USD 100 billion in IT-BPO (excluding hardware) revenues by FY2013, an overall growth of 12-15 per cent. One of the key growth drivers will be consumerisation of IT, which will lead IT buyers to increasingly looking at newer delivery models and solutions to support employee-driven initiatives while still protecting the business.

Despite the turbulent economic scenario, business confidence is likely to improve as the year progresses and the industry is expected to regain its growth momentum. Focus of buyers' to differentiate through business innovation is likely to drive domain/ micro-vertical expertise, which will in turn drive investments in creation of new products and solution accelerator. Providers of global services will be better positioned than ever to deliver business value as they engage with customers to make a strategic difference. More than anything else the future of the industry will be driven by the 'consumer of IT'

Key global megatrends around macroeconomics, demographics, social, environmental, technology and business will shape the future of the IT-BPO industry. These megatrends will present a new set of opportunities in the form of largely untapped markets and customer segments, which can propel industry revenues to USD 225 billion by 2020. However, these opportunities will also bring along with it added set of risks in terms of increased protectionism and regulatory control from sourcing markets and increased competition from new and emerging countries. In order to realise the emerging opportunity, all stakeholders will have to put in a concerted effort and address the various challenges in a systematic and prudent way thus driving transformation, innovation and inclusivity in business and India.

To sum up, the key action themes for the IT-BPO industry to remain competitive and profitable in the future are:

- To increase operational efficiencies, reinvent and embrace new business models which will offer customers a transformed business proposition. For example, based on the customer requirement shift to transaction-based pricing which facilitates revenue-generating projects
- Drive concerted initiatives to strengthen the innovation capacity and research capabilities through specific domain focus and by encouraging R&D collaborations and public-private partnerships. Pursue continued efforts to further build a high-calibre R&D pool, not only from an educational perspective, but also by instilling the relevant research aptitudes and capabilities
- Continue to strengthen the long-term entrepreneurial environment
- Enhance the skilled talent pool in the country and focus on specialisation
- Continue the use of ICT for inclusive growth. Ensure that the basic necessities like education for masses, quality healthcare and employment and skill generation is benefited by ICT

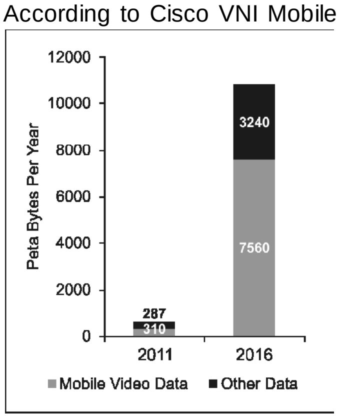
3. MOBILE TELEVISION

The Global Mobile TV Market

Global mobile TV market has been witnessing a significant growth over the years. This business opportunity is booming over increasing mobile broadband penetration, easy access to smart devices and innovative business models that players are using to increase service ARPU within telecom industry.

Global Mobile Data Market

Global mobile data market is increasing with the proliferation of the smartphones & tablets, increasing internet speeds and reducing data charges. Video data streaming is one of the major factor driving the overall mobile data market growth. According to Cisco VNI Mobile Report-2012, video data will form 70% of all mobile data traffic in 2016.



Source: Cisco VNI report - 2012

Trends in Global Mobile Data Traffic and Mobile Videos

The key highlight of the Global Data Traffic movement is as under:

- Global Mobile data traffic grew 2.3 fold in 2011, more than doubling fourth year in a row
- In 2011 mobile data traffic (597 petabytes) was eight times the size of entire global internet in 2000 (75 petabytes per month)
- Mobile video traffic exceeded 50% of the data traffic for the first time i.e 52% of traffic by the end of 2011
- Asia pacific is the global data traffic hotspot, contributing more a third of world traffic in 2011 - expected to contribute even larger share (40%) of growing global pie.
- Mobile network connection speeds grew 66% in 2011. Globally, the average mobile network downstream speed in 2011 was 315 kbps as compared to 189 kbps in 2010 and for smartphones it was up from 968 kbps to 1344 kbps
- In 2011, a 4G connection generated 28 times more traffic on average than non 4G connection. Although 4G connections represent only 0.2% of mobile connection today, they already account of 6% of mobile data traffic.
- Top 1% of mobile data subscribers generate 24% of the mobile data traffic, down from 35% a year ago.
- Average smartphone usage nearly tripled in 2011, from 55 MB per month to 150 MB per month in 2011.
- Android now higher than iPhone levels of data use.
- Smartphones represent only 12% of total global handsets but they represent over 82% of total global handset traffic
- Globally, 33% of the handset and tablet traffic was offloaded onto the fixed network through dual mode or femtocell in 2011.
- In 2011, number of mobile connected tablet tripled to 34 million, and each tablet generated 3.4 times more traffic than average smartphone.

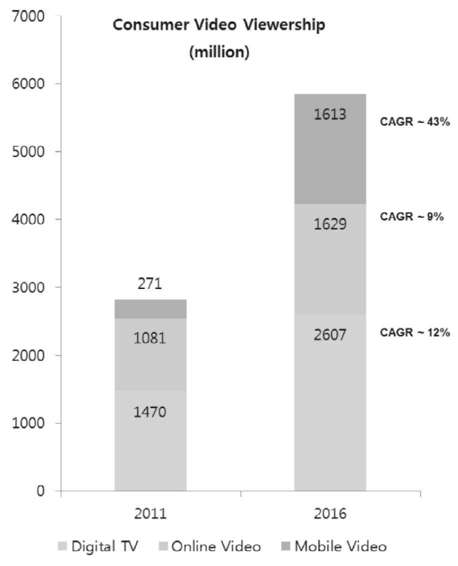
(Source: CISCO VNI Mobile Report 2012, India Telecom Report 2012)

Mobile video streaming revenue to be one of the major drivers for increase in data service revenue globally

Globally, 2/3 of the world's mobile data traffic is expected to be video by 2016. Mobile video is expected to increase 25 fold between 2011 and 2016 accounting for 70% of the total mobile data traffic. Mobile Video is expected to grow at CAGR of 90% between 2011 and 2016, highest growth rate of any mobile application category.

Given the limited PC and internet penetration in India coupled with the recent launch of 3G/4G services (based on global benchmarking), India is also expected to witness the emergence of mobile data as the dominant channel. As voice and messaging services face increased competition and regulatory pressure worldwide (-ve growth) future growth is expected to come only from mobile data segment. Global mobile data service revenue despite lower ARPU is expected to surpass fixed data service revenue due to its larger user base. Mobile broadband is poised to play a major role in increasing broadband penetration.

According to Gartner, mobile data traffic will experience a 70% compound annual growth rate (CAGR) from 2011 through 2016 and **video is expected to account for over 50% of all mobile traffic** over the coming five years. An average smartphone user on a 3G network is expected to consume 1,017MB of data per month in 2016, up from 249MB at the end of 2011, which



Source: Cisco VNI Service Adoption Forecast 2011-2016 will put increasing pressure on cellular networks.

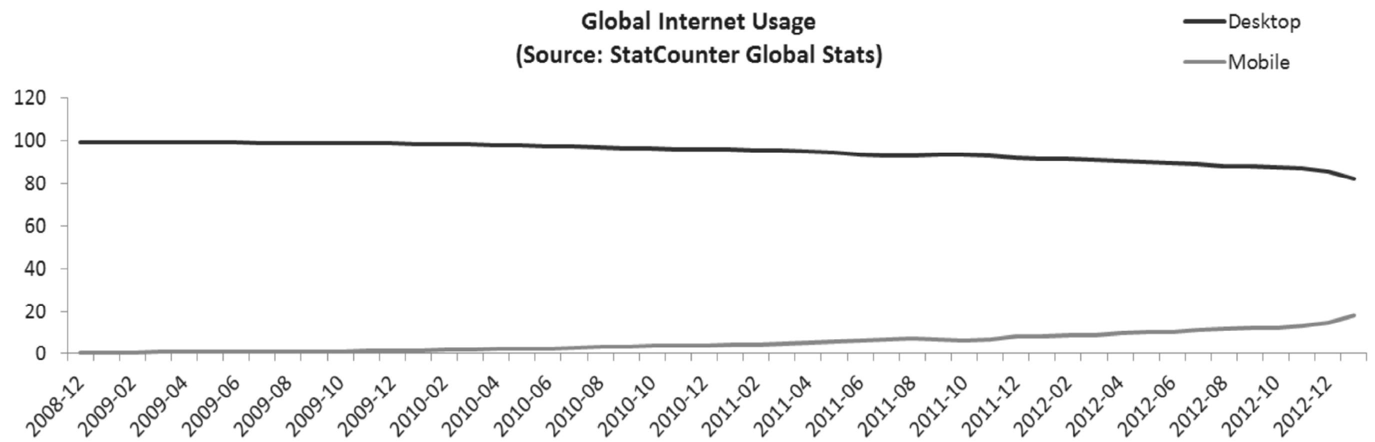
Statistics from vendors such as Bytemobile (now owned by Citrix), Ericsson, Cisco and Allot Communications show that mobile video generated about 40% to 60% of mobile operators' data volume at the end of 2011. Gartner's research indicates that consumers are changing their video viewing preferences. They are screen agnostic and, depending on the situation, will shift their primary viewing to laptops and smaller tablet devices. They are also "snacking" on video content on their smartphones both inside and outside the home. It was found that average users spent four hours a day watching video and that 9% of that was on a mobile phone or tablet.

Gartner estimates that the total number of mobile video users will grow from 429 million in 2011 to 2.4 billion in 2016, at a compound annual growth rate of 41.4%.

Projection for Global Mobile data Traffic

Global mobile data traffic will increase 18 fold between 2011 and 2016 reaching 10.8 exabytes per month in 2016, at CAGR of 78%

- Monthly global tablet traffic will surpass 1 Exabytes in 2016
- Tablets will exceed 10% of global mobile data traffic in 2016
- Average mobile network connection speed (315 kbps in 2011) will exceed 2.9 Mbps in 2016
- In 2016, 4G will be 6% of total connection but 36% of total traffic. In 2016, a 4G connection will generate 9 times more traffic than a non-4G connection



Global internet usage - Desktop vs. Mobile

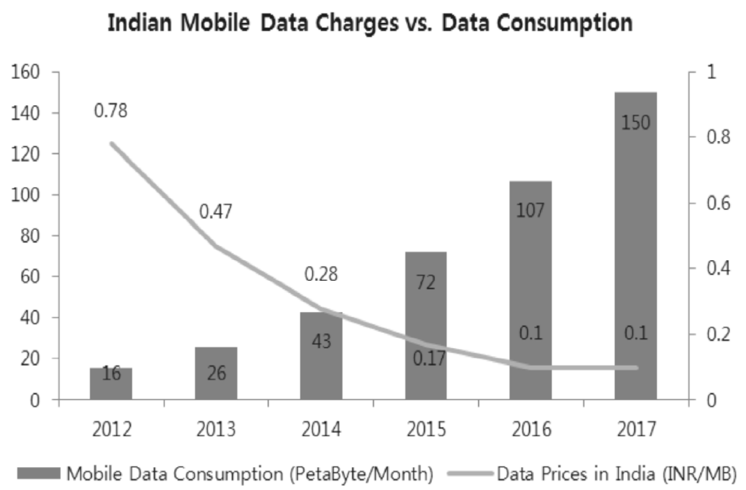
- 2/3 of the world's mobile data traffic will be video by 2016 and ¾ of data traffic by 2020, majority of which will be OTT video traffic. Mobile video will increase 25 fold between 2011 and 2016 accounting for 70% of the total mobile data traffic.
- Mobile Video will grow at CAGR of 90% between 2011 and 2016, highest growth rate of any mobile application category
- Average smartphone will generate 2.6 GB of traffic per month in 2016, a 17 fold increase over the 2011 average of 150 MB per month.
- Middle East and Africa will have strongest mobile data traffic growth of any region at 104% CAGR. This region will be followed by Asia Pacific at 84% and Central and Eastern Europe at 83%.

(Source: CISCO VNI Mobile Report 2012, India Telecom Report 2012)

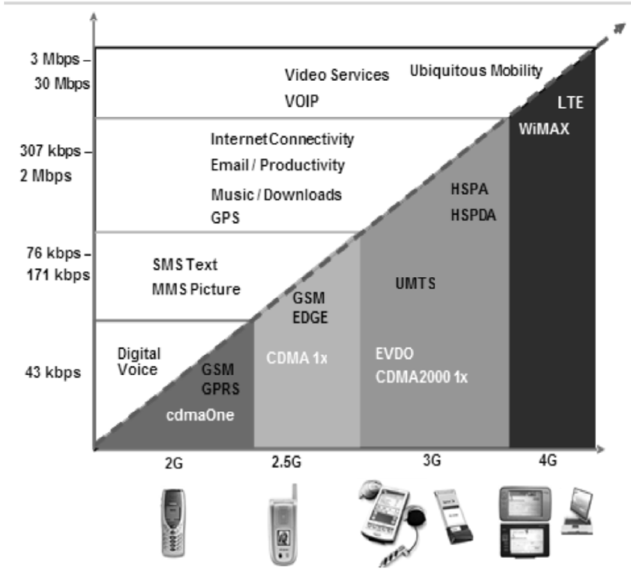
According to Gartner, globally, addition of 440 million new mobile video users would be observed because of growth in smartphones and tablets. Total mobile video data usage would reach 7.5 Exabyte's per year with a CAGR of ~90% from 2011 to 2016. Also, the monetization through mobile is growing rapidly at CAGR of 129% for the period 2008-2012.

The Indian Mobile Video Streaming Market

In India the mobile data and mobile video consumption is expected to grow faster as Indian telecom industry is at the verge of seeing an inflection point in data consumption with advent of 3G/4G services. The mobile subscriber base in India crossed 900 million in July 2012 out of which more than 125 million are data users. The mobile subscriber base is projected to cross one billion in FY2013-2014, growing at more than 9 per cent from 2010.



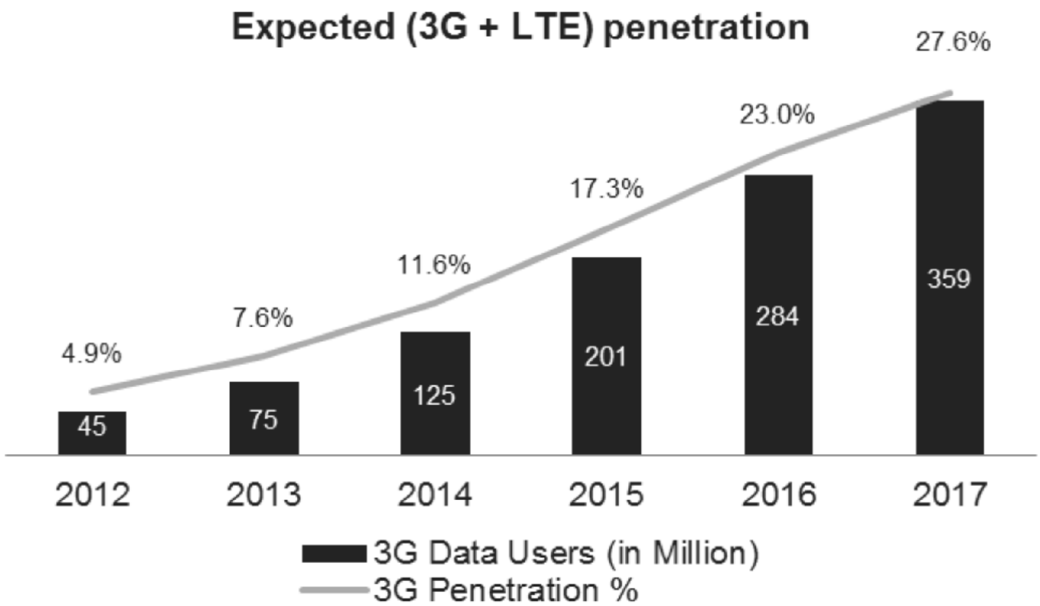
Source: Deloitte Research



With new technologies (3G/LTE), data speed is increasing and data charges are reducing creating a favourable environment for higher data consumption over mobile devices.

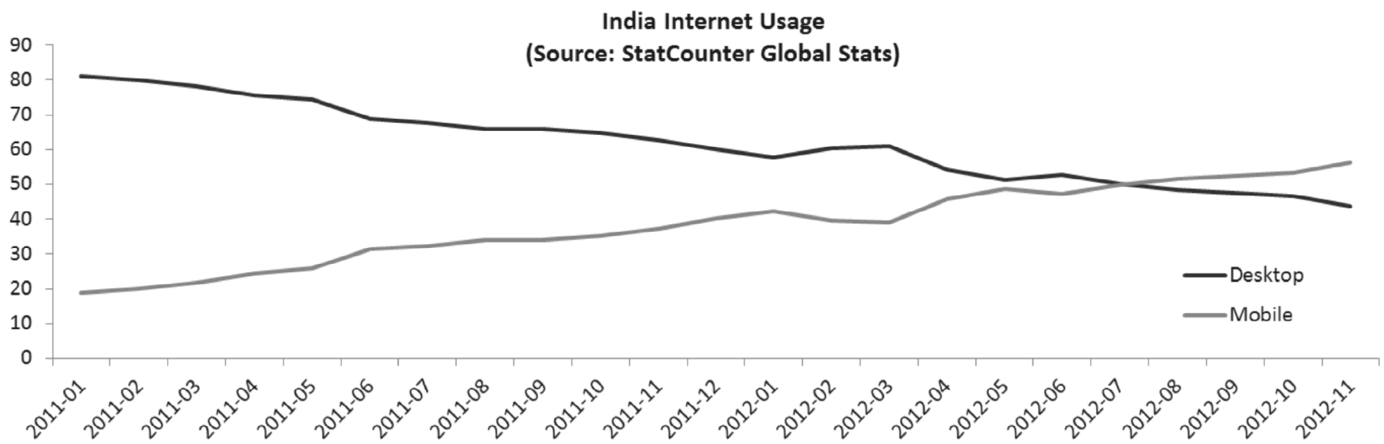
Uptake of new technologies is shifting focus towards growth through service innovation across the multimedia & data services

Auctioning of spectrum for 3G and BWA services in India in 2010 started the trend towards focus on data specific services. Both 3G and LTE are capable of delivering high throughputs to the mobile user and can support data heavy applications.



Source: Netscribes

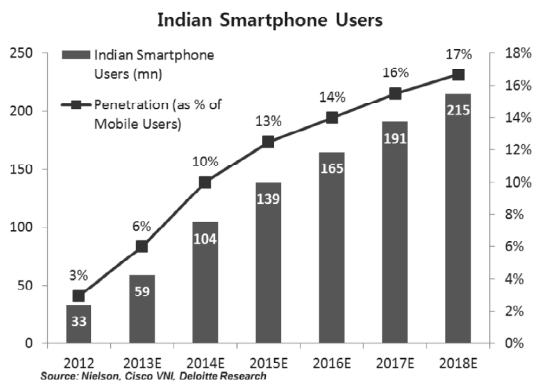
India has added 69 million Internet users during 2008-2011 and currently has ~150 million internet users with a population penetration rate of 11%, recording a 26% YoY growth. Nearly 130 million users are set to access the internet in the country through such mobile devices by next year. While globally, the desktop internet usage still dominates over the mobile internet; mobile internet usage has already surpassed desktop internet usage in June 2012 in India. According to Mobile Marketing Association board member, India will have 250 ***million mobile internet users by 2014.*** In December 2012, the number of users accessing internet through mobile devices was 87.1 million. (Gartner)



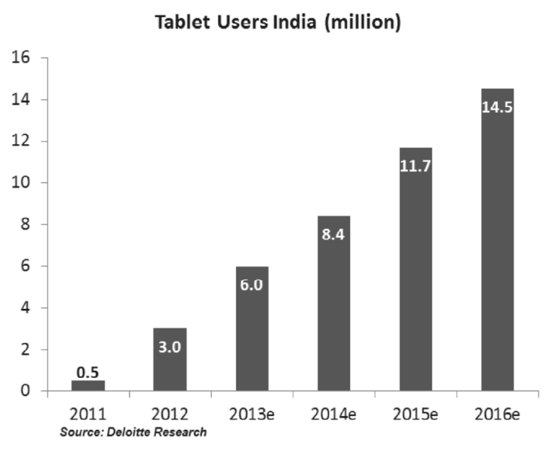
India internet usage - Desktop vs. Mobile

Increasing Data Focus

By 2017, 27.6% of subscriber is expected to use 3G+ LTE services resulting in 359mn high data users in India. Higher penetration of these technologies provides a growing addressable market for viewing video "while on the move". This will have significant impact on video through mobile demand in India

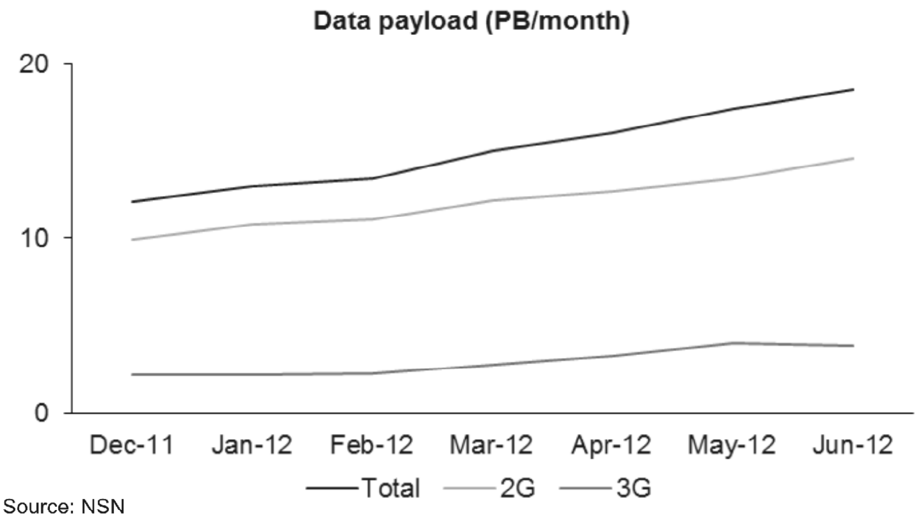


A Neilson study states that currently there are 27 million smart phone users in India (Urban). It is observed that in the mature markets smartphone penetration is approximately 17% of total mobile phone users. Considering Indian smartphone market reaches it maturity by 2018, India would have about 215 mn smartphone users by then.



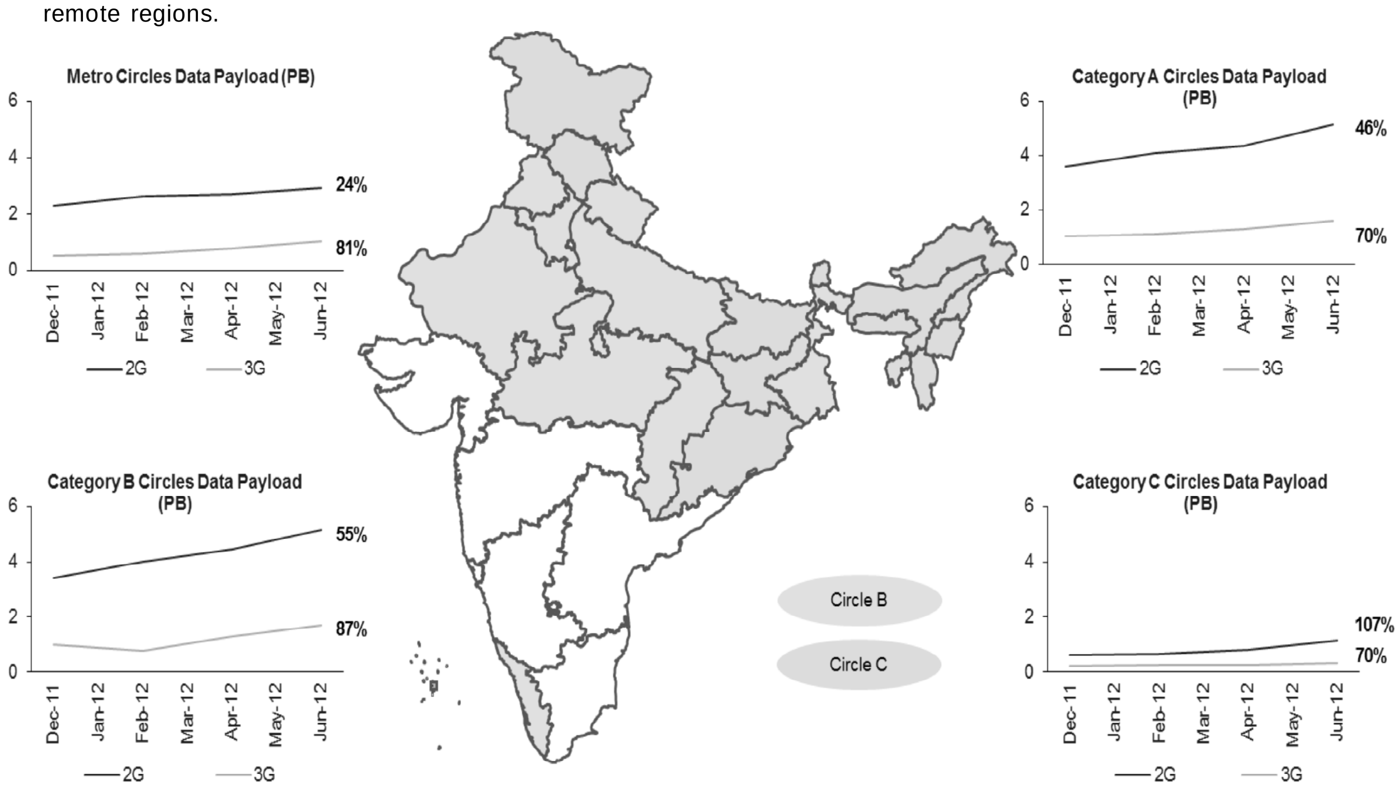
Also, the tablet users are expected to be doubled to 6 million within a year in 2013 from current level of 3 million.

Mobile data volume is expected to grow significantly, with 2G+3G payload increasing 54% between December 2011 and June 2012, despite sluggish subscriber addition in India



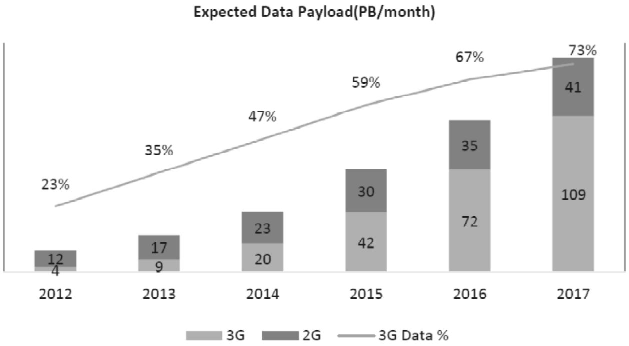
Source: NSN

Category B and C circles have the fastest growth in mobile data usage, indicating burgeoning demand for mobile broadband amid low fixed broadband reach. It also highlights that this is not predominantly urban story and growth will come from even remote regions.

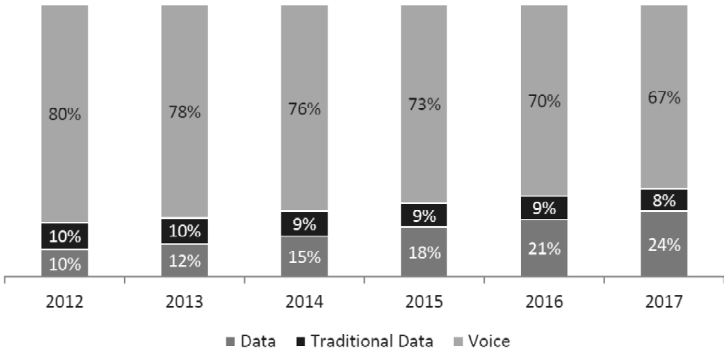


Source: NSN

Based on current trends, mobile data is likely to double every 12 to 14 months in India. 3G data growth (78%) has outpaced 2G (47%) despite 6% 3G device penetration and 1/10th coverage as compared to 2G. By 2015 3G data would be the dominant component of the data payload in India with VAS, especially next generation VAS, being the key differentiator. It is expected that by the year 2017 the data revenues would be about 32.5% of overall wireless service revenues, providing an opportunity of INR 544 billion.



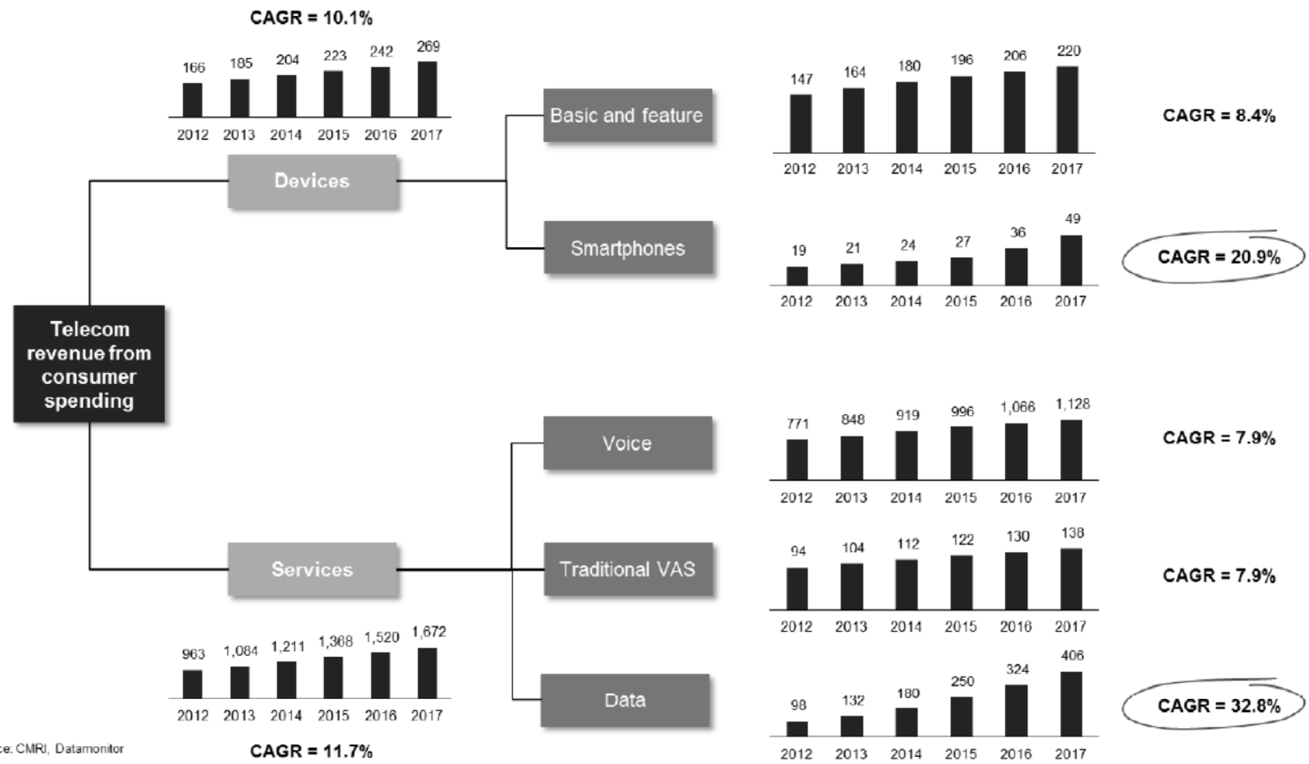
Source: Deloitte Research



Source: Deloitte Research

Total volume of the data payloads is expected to grow at increasing rate every year in near future. The adoption of 3G would fuel this growth making the data payload to reach to 150 Peta-Bytes per month with in India. Also, with advent of 4G, the data consumption would rise even further. As per Analysys Mason the subscribers for 4G data only SIMs in India would cross 8.5 million by 2017.

As shown in the chart below, the smartphone device would increase with a CAGR of ~21% at the same time the data consumption CAGR till 2017 would be at 32.8% which is 4 times the growth rate for the traditional voice and value added services.



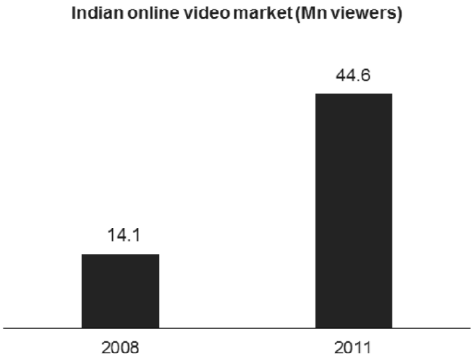
Source: CMRI, Datamonitor

Data consumption on the mobile devices comprise of various category services like communication, entertainment, information and commerce. The **entertainment segment** is emerging as the largest segment (45%) for the data consumption over mobile devices in next 5 years.

Within Entertainment segment of Data, Video has maximum potential

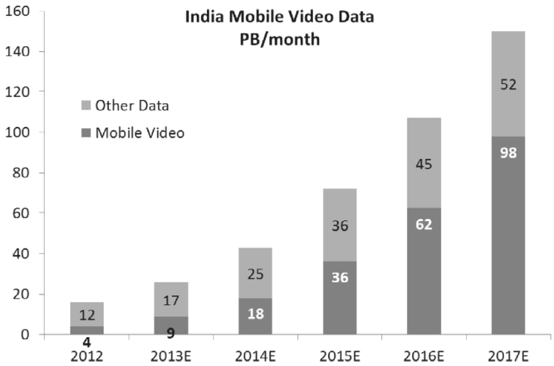
A large percentage of online population (71%) in India watches online videos, which is similar to the global online consumption trends; online video consumption is driven by the young population, with Entertainment and Multimedia being the top categories.

Currently, within mobile data payloads usage in India, the video comprises of 17%, however, this component is expected to outgrow other components reaching to more than 40% by 2017. Historical growth for online video viewers in India from 14.1 million in 2008 to 44.6 million in 2011 further reinforces this expectation



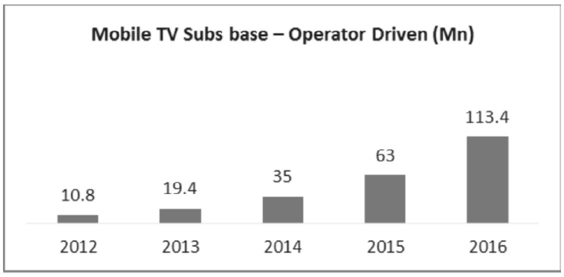
Mobile Video Consumption in India

- According to a survey by Nielsen, India has 4th highest mobile video consumption in the world after Philippines, Indonesia & China



Source: Deloitte Research, NSN

- Currently, video data constitutes about 50% of total 3G data usage while 17% of 2G data used in India. However, the same is expected to growth in coming years to about 2/3rd of total data usage by 2016-17
- With changing distribution channels (from cable to DTH to IPTV to Mobile TV) and viewing habits (from broadcasting to on-demand), the mode of video consumption is also changing towards mobile devices
- When it comes to online video, Indian females in age group of 15-24 watching average of 181,000 videos/ month while Indian male users in 25-34 age watch approximately 520,000 videos/ month & drive growth of online video with highest consumption of 39%
- A global survey commissioned by new media delivery specialist Vidiator has found that India is leading the way in monetizing mobile content with 50% of the people having paid for mobile video content
- With 3G & LTE technology picking up and cheaper smartphones the mobile TV poses a promising opportunity within mobile entertainment segment. It is expected that the operator driven mobile TV subscribers' base would increase from current 10.8 million to 113.4 million by 2016



Source: Netscribes

Indian operator driven mobile TV subscriber base projection

- Globally, the video content is expected to comprise 70% of the total mobile data services, a similar trend in India can be expected.

OUR BUSINESS

Our Company was originally incorporated on June 7, 1985 as Rahul Trading & Finance Limited and was originally engaged in trading activities and later on, it changed its name to Giltfin Lease Limited. Our Company was originally engaged in trading activities and later on, obtained registration from Reserve Bank of India for carrying out Non-Banking Finance Company (NBFC) activities in the year 1999 vide certificate of Registration No. 13.01287 dated 13th August 1999. However, the Company didn't carry out any activities related to NBFC since 13th August, 1999, the date on which it got the NBFC certificate, but only continues to be registered with Reserve Bank of India (RBI) as a Non-deposit accepting Non- Banking Finance Company. In the Year 2000, the Company started media and content business. Considering that the Company had neither carried out any NBFC business in the past, nor it has the intention to carry the business of NBFC in future, the Company, on September 13, 2011, submitted an application to RBI for de-registration as an NBFC. RBI vide its letter dated December 26, 2012 has asked the Company to lower its financials assets (representing investment in subsidiaries) as percentage of total assets to enable it to deregister as NBFC. Since the Company presently does not meet the criteria of principal business as specified by the RBI in its Press Release 1998-99/1269 dated April 8, 1999 and instead qualifies as a Core Investment Company (CIC), the Board of Directors of the Company has decided on February 13, 2013 to notify the same to RBI and apply for registration as and when the assets size is Rs.100 cr or above. The response of RBI in this regard is awaited. The Company may be required to pay penalty, if any, levied by RBI for past non-compliance and may be required to comply with NBFC norms, if RBI decides not to de-register the company as NBFC.

DigiVision Holdings Private Limited took over majority stake and management control of our Company, after entering into Share Purchase Agreements with the earlier promoters as well as with one of the Public Shareholder and after making an Open Offer and complying with the now repealed SEBI (Substantial Acquisition of Shares and takeovers) Regulations 1997. DHPL completed the acquisition of MMWL on January 26, 2012 by acquiring 67.37% of total Equity Shares of MMWL.

MMWL is currently into trading of mobile handsets/ software development for next generation value added services and providing technical and support services to third parties in India. Currently, the Company is into procurement and distribution of mobile handsets directly and through its wholly owned subsidiary, NDPL. MMWL has also entered into distributorship agreement with Pantel Technologies Private Limited, a company engaged in the business of design, manufacture and sale of various Penta branded Tablets, for distribution of the same in India.

Post takeover by DHPL, media and content business is also expected to be continued by the Company either directly or through its Subsidiaries.

Our Subsidiaries

<u>nexG Devices Private Limited (NDPL)</u>

Our Wholly owned Subsidiary NDPL is currently engaged in procurement and distributorship of Mobile Handsets of various brands including Samsung, Akai and Alcatel. NDPL has distribution arrangement with these brands for distribution and marketing of handsets for Indian markets. NDPL has marketing offices and warehouses located at various cities in India and have established a nationwide network of over 350 super-stockist and distributors to handle the distribution all over India. NDPL was acquired by the Company on March 5, 2012 from DigiVive Services Private Limited and at present, the entire paid up Capital of NDPL is held by the Company.

The Mobile Handsets market in India has grown significantly in the last 10 years following the exponential growth of Mobile Phone services. The growth segments are Smart Phone, Tablets, 3G Phones, Dual SIMs phones, etc.

<u>DigiVive Services Private Limited (DSPL)</u>

We acquired the shareholding in DSPL on March 31, 2012 and it has been made wholly owned subsidiary of the Company on May 28, 2012 by acquiring the remaining stake of 20.15% by MMHPL, a wholly owned subsidiary of MMWL from its erstwhile Shareholders.

DSPL is in the business of running next generation mobile value added services. It launched a Mobile Tv application "nexGTv" in May 2011. nexGTv offers a bouquet of 100 channels to a current subscriber base of 10 Lakh+ customers and nexgTv app has been downloaded by more than 7.5 million users from the various app stores. NexGTv also has a large VOD library of Tv content and movies. The delivery mechanisms of nexGTv include Native Client, WAP and Video IVR (VIVR).

DSPL has entered into operator tie-ups with BSNL, MTNL, MTS and Idea in India and Etisalat in Sri Lanka, and is in the process of tying up with other leading telcos in India and overseas.

<u>DigiCall Teleservices Private Limited (DTPL)</u>

DTPL has been acquired and has become a Subsidiary of MMWL on March 31, 2012 by way of subscription by MMWL to additional Equity Shares of DTPL. DTPL became a wholly owned Subsidiary of MMWL on May 28, 2012 after acquisition of remaining stake of 34.5% by MMHPL, a wholly owned subsidiary of MMWL, from its erstwhile promoter shareholders.

DTPL, operating in the BPO segment, was set up primarily as an ITES organization and supports a wide range of service offering. It was incorporated as Pagepoint Services (India) Private Limited in 1992 for providing Radio Paging services.

DTPL discontinued the Paging business in 2004-05, given the declining use of paging services and closure of the paging industry internationally. DTPL started the business of domestic call center in 1999 and since then has been developing this business. The name of the company had been recently changed to DigiCall Teleservices Private Limited vide fresh Certificate of Incorporation dated March 28, 2011. DTPL today employees around 5800 people nationwide in its various centers located in some of the major cities across India.

Media Matrix Holdings Private Limited (formerly Digicall Holdings Private Limited)

We acquired Media Matrix Holdings Private Limited (formerly Digicall Holdings Private Limited) on March 5, 2012 and it is currently a wholly owned subsidiary of MMWL.

Media Matrix Holdings Private Limited (formerly Digicall Holdings Private Limited)has been incorporated with a view to make investments in existing/new projects to be undertaken by MMWL jointly or severally. It has been incorporated on February 21, 2011 and currently is looking for investment in content solutions business.

SUMMARY OF ACQUISITION OF VARIOUS SUBSIDIARIES BY US

Serial No.	Name of the Company	Date of acquisition	Stake acquired	Amount of consideration
1	nexG Devices Private limited	March 5, 2012	100%	Rs. 1 Lac
2	Media Matrix Holdings Private Limited (formerly Digicall Holdings Private Limited)	March 5, 2012	100%	Rs. 1 lac
3 (a)	DigiCall Teleservices Private Limited	March 31, 2012	65.5%	Rs. 1310 Lac
(b)	DigiCall Teleservices Private Limited*	May 28, 2012	34.5%	Rs. 1380 Lac
4 (a)	DigiVive Services Private Limited	March 31, 2012	79.15%	Rs. 798.5 Lacs
(b)	DigiVive Services Private Limited*	May 28, 2012	20.15%	Rs. 139 Lacs

*Acquired through our wholly owned subsidiary, Media Matrix Holdings Private Limited (formerly Digicall Holdings Private Limited)

Service Offering

I. Through our Subsidiary - DigiVive Services Private Limited - Mobile Tv Application

DSPL is in the business of running next generation mobile value added services. It launched a Mobile Tv application "nexGTv" in May 2011. nexGTv offers a bouquet of 100 channels to a current subscriber base of 10 Lakh+ customers and nexgTv app has been downloaded by more than 7.5 million users from the various app stores. NexGTv also has a large VOD library of TV content and movies. The delivery mechanisms of nexGTv include Native Client, WAP and Video IVR (VIVR).

DSPL has entered into operator tie-ups with BSNL, MTNL, MTS and Idea in India and Etisalat in Sri Lanka, and is in the process of tying up with other leading telcos in Indian and overseas.

The AC Nielsen in its "Neilsen Informate Mobile Insights - 2012" report identifies nexGTv as app with 2nd largest viewership after YouTube. According to the report "nexGTv continues to lead the mobile TV space with nearly 7 out of 10 mobile TV users using nexGTv". It also highlights that nexGTv users spend 71 mins/month on an average using the app and exhibit the highest level of engagement among all mobile TV users. nexGTv has demonstrated its ability to ramp up significantly from less than 1 million downloads in Jan 2012 to 7.5 million downloads as of Dec 2012.

DSPL would be able to leverage established industry networks with Telecom service providers and Content creators to offer nexGTv app. This service would function as an independent application available over major telecom networks, and would provide a range of video content sourced from content creators. nexGTv would amalgamate and program the services of a mobile phone with television content and represents a logical, complementary merging of technologies. DSPL has tie-ups with various channel broadcasters to be extended to nexGTv platform. The table below gives description of format of content available on nexGTv app.

S. NO.	CONTENT FORM	DETAILS
1	Genres	All the genres mentioned here would be available on nexGTv platform - Sports, News, Music, Movies, Religious, General Entertainment, Kids, Regional, Info & Lifestyle
2	Languages	All languages mentioned here would be available on NexGTv platform - Hindi, English, Bengali, Marathi, Gujarati, Malayalam, Bhojpuri, Punjabi, Oriya, Tamil, Telugu, Kannada

DSPL Integrated nexGTv would offer rich broadcast content. Global studies suggest that Sports, Cartoon, News & Music generate maximum consumption on Mobile TV. Their broadcast offerings have been tailor made to enhance instant momentary consumption.

Content Programming & Robust Service Delivery

S. NO.	CONTENT FORM	DETAILS
1	Non - Broadcast Content	- Devotional Content (live Darshan of the Temples)
		- Lifestyle Content
		- Exclusive Content-Sports Content
2	Entertainment	- Music Videos - Hindi & Regional
		- Movies -Hindi & Regional
		- Devotional Content
S. NO.	CONTENT FORM	DETAILS
1	Bollywood	- Over 300+ Bollywood movies
2	Devotional	- Over 500+ (Various GOD & deities)
		- Darshan of various temple videos
		- Aarties
		- Bhajans& Mantras
3	Short Films	- Over 100+ short
	Regional	- Over 100 Regional Movies and Videos are available in different languages
		- North (Hindi, Bhojpuri, Punjabi)
		- East (Bengali, Oriya)
		- West (Marathi, Gujarati, English)
		- South(Tamil, Telugu, Kannada, Malayalam)
5	Sports	- Energetic Sports Videos- International Sports Events

II. Through our Subsidiary - nexG Devices Private Limited - Sale of Mobile Handsets

NDPL is currently engaged in procurement and distributorship of Mobile Handsets of various brands including Samsung, Akai and Alcatel. NDPL has distribution arrangement with these brands for distribution and marketing of handsets for Indian markets.

NDPL has 21 sales offices spread across all over India for distribution of its products. Currently, it has 77 employees spread across these sales offices to handle the sales of mobile handsets. NDPL also has 24 warehouses spread across India, to ensure that there is adequate stock of handsets and also to ensure timely supply of the same to all the sales offices, as and when required.

III. Through our Subsidiary - DigiCall Teleservices Private Limited - BPO Services

DTPL offers a range of Call center services, both inbound and outbound:

Customer support Desk/ Helpdesk

Information Hotline

Research Product Enquiry and Handling

After Sale Services Helpline

Order Booking

Reservations

Short Term Promotional Resources

Management Dial-In- Polls

Contests/ Event Registration

After Hour Support

Catalogue Sales

Telesales/ Telemarketing

Market Survey and

Credit Verification

Collection/Bill Chasing

Loyalty Programme, Relationship and Account Management

Generate Awareness

Retention, Churn

Close Looping, Health Check

Customer Life Cycle

Customer Support Services

DTPL's customer service offerings create a virtual customer service center to manage customer concerns and queries through multiple channels which include Voice - Inbound, Outbound, E-Mail and Chat on a 24/7 and 365 days.

Technical Support Services

The technical support offerings include round-the-clock technical support and problem resolution for OEM customers and computer hardware, software, peripherals and Internet infrastructure manufacturing companies. These include installation and product support, up and amp, running support, troubleshooting and Usage support.

Telemarketing Services

The telesales and telemarketing outsourcing services target interaction with potential customers for 'prospecting' like either for generating interest in products and services, or to up-sell / promote and cross sell to an existing customer base or to complete the sales process online.

Insurance Processing

The Insurance processing services include specialized solutions to the insurance sector and support critical business processes applicable to the industry right from new business acquisition to policy maintenance and claims processing.

- New Business/Promotion: Inbound/Outbound Sales, Initial Set-up, Case Management, Underwriting, Risk Assessment, Policy Issuance etc.
- Policy Maintenance/Management: Record Changes like Name, Beneficiary, Nominee, Address, Collateral Verification etc.

Collections:

DTPL has proven capability in 1st, 2nd and 3rd Stage collections across multiple domains. DTPL has the best in class Dialer technology to support the services.

Domain Presence:

i. Telecom

The Indian telecom industry has experienced dynamic change and fast growth in the last few years with the Telecom technology moving from 2G to 3G spaces and the future being of 4G network. With this accelerated change in telecommunications, telecom companies are looking for partners who can enhance customer service support, reduce costs and risks, and in the course increase profitability. DTPL brings together state-of-the-art technology, process excellence and best talent, which would help telecom companies attain optimal process performance and profitability. The strength of DTPL lies in its Agility and Domain Expertise, and its telecommunication teams have industry-specific knowledge and technology skills, to design and implement changes to client's business models.

DTPL's client list includes amongst the top 10 service providers in the domestic telecom market. It possess the capability to provide the following service offerings amongst others:

Telecom Offerings	
Inbound Customer Care	Welcome Call
Telemarking Service	Billing Enquires
Cross / Up Sell	Complaint Resolution
Customer Account Management	Technical Helpdesk
Collection Management	Back Office Service

ii. BFSI

The Banking, Financial Services, and Insurance industry (BFSI) has gone through dynamic transformation in the last decade. Sustained and consistent revenue growth has returned as the main agenda for Banking and Financial Services Industry today. Statutory and regulatory requirements need organizations in BFSI to be extra cautious while servicing their clients. To create better contact management, lower cost and greater market presence, firms are looking at contact center providers to help run day-to-day transactions. DTPL has the capability to be a strategic service provider in the following service areas:

- Banks
- Insurance
- Mortgage
- Credit Card

The service offerings of DTPL can be categorised as follows:

BFSI			
Customer	Collection	Sales	Outbound
General Inquires	Early / Mid Stage Collection	Customer Acquisition	Welcome Call
Account Management	Over Limit and Delinquent Card.	Up / Cross selling	Telesales
Card Replacement & Activation	Payment Reminder Service	Balane Transfers	Lead Generation
Loan Orignation and Servicing		Inbound / Outbound sales	
Customer Retention			

iii. Retail

While the retail industry is thriving with growing economies and the resultant increase in purchase power, growth in e-commerce and a larger supplier base, it has become more competitive over the years and is currently faced with the challenge of delivering superior customer experience on a sustainable basis. With DTPL proven expertise in inbound and outbound customer services, the team at DTPL can partner with its clients to provide key services which would help them focus on their core task of Retail service.

Retail Sectors DTPL can support:

- Consumer Electronics, Home Appliance Retailers.
- FMCG (Fast Moving Consumer Goods)
- Information Service Providers.
- Hardware Manufacturers.
- Retail Pharmacy chains.

The service offerings can be provided by DTPL in the areas of:

Retail			
Sales	General Enquiries	Techical Support	Outbound Support
Data Mining	Product Information	Software Support	Satisfaction Survey
Inbound Sales Support	Parts Information	Hardware Support	Sales Promotion.
Cross Selling	Return & Replacements	Issue Resolution	Collection
Up Selling	Complaint Management	Trobleshooting	Warranty Support

LOCATION

Presently, we and our Subsidiaries are operating from the following locations:

Media Matrix Worldwide Limited

Sr. No.	Location	Activity
1	Flat No: 155, 15th Floor, Mittal Court "A" Wing, Nariman Point, Mumbai - 400 021	Registered Office
2	77B, 3rd Floor, IFFCO Road, Sector - 18, Gurgaon, Haryana - 122 015,	Corporate Office
3	1510-11, 15th floor, Hemkunt Chambers, 89, Nehru Place, New Delhi-110019	Branch office
4	13, 1st Cross, Green Leaf Extension, 80 Feet Pheripheral Road, 4th Block, Koramangla, Bangalore, 560034	Branch office

Our Subsidiary – nexG Devices Private Limited*

Sr. No.	Location	Warehouse Addresses	Activity
1	Zirakpur	234, Nahar Complex, Chandigarh-Zirakpur Road, Zirakpur, Punjab-140603	Trading of Mobile handsets
2	Haryana	31 Mile Stone, Behind Chopra Filling Station, GT Karnal Road, Kundli -131028	Trading of Mobile handsets
3	Delhi	C-43, Okhla Indl Area, Phase-1, New Delhi-110 020	Trading of Mobile handsets
4	Ghaziabad	Godown No. 4, Indo Bulgar Food Compound, Delhi-Meertu Road, Ghaziabad-201001	Trading of Mobile handsets
5	Lucknow	E-186, Transport Nagar, Lucknow-226012	Trading of Mobile handsets
6	Jaipur	F-40, Road No. 2, VKA Area, Jaipur-302013	Trading of Mobile handsets
7	Dehradun	A-31 Transport Nagar, Dehradun.	Trading of Mobile handsets
8	Jammu	"Khasra No.106, Lane No.23, Near Foura Chowk,Greater Kailash, Jammu – 180020	Trading of Mobile handsets
9	Kolkata	Warehouse No. 2, 37, Canal South Road, Kolkata-700105	Trading of Mobile handsets
10	Orissa	40 & 41, Rasulgarh, NH-5, BHUBANESWAR-751010	Trading of Mobile handsets
11	Ranchi	1, Club Road Beside Akash Institute, Ranchi – 834001	Trading of Mobile handsets
12	Patna	Godown No. 22, Bhanamal Compound, Mithapur, Patna-800001	Trading of Mobile handsets
13	Guwahati	1St Floor Baruah Complex, Lalganesh Tinali, P.O Odalbakra, Dist Kamrup, Guwahati -781034	Trading of Mobile handsets
14	Indore	30/2, Lasudia Mori, Agra-Bombay Road, Indore-452010	Trading of Mobile handsets
15	Raipur	Godown No. 5, Opp. Jeet Cold Storage, Ring Road No. 2, RAIPUR (C.G.)-492001	Trading of Mobile handsets
16	Pune	Gut No 744/1, Jadhav Vasti, Pune Nagar Road, WAGHOLI, Tq: Haveli, Dist. Pune-412207	Trading of Mobile handsets
17	Ahmedabad	No. 6, R. K. Patel Estate, Sarkhej Bavla Road, Ahmedabad-382210	Trading of Mobile handsets

18	Hyderabad	10-1, Ramanthapur, HYDERABAD-500013	Trading of Mobile handsets
19	Chennai	No -15, Ekambaram Naicker Industrial Estate, Alappakka, Porur, Chennai-600116	Trading of Mobile handsets
20	Cochin	1/420, B, Refinery Road, Near Cochin Refinery Ltd, Ambalamugal , Cochin, 682302	Trading of Mobile handsets
21	Bangalore	No 3/2, 4/2, 6th Mile, Nayanadanahalli, Mysore Road, Bangalore - 560 039.	Trading of Mobile handsets
22	Bhiwandi	Gala No. F-9 & 10, Jai Shree Ram Warehousing Compound, Dapode Gram Panchayat, Dapode, Taluk Bhiwandi, Dist. THANE-421302	Trading of Mobile handsets
23	Nagpur	C/o Neeta Enterprises, Plot no 36, 37, Jai Mangalmurthy Society,Ambedkar Nagar, Khadan Area,Wadi, Nagpur 440023	Trading of Mobile handsets
24	Goa	C/O CMM Logistics Pvt. Ltd. Plot No - U2B, Phase -IV, Verna Salcete- Goa – 403722	Trading of Mobile handsets

We give below the details of local/ marketing offices of nexG Devices Private Limited:

Sr. No.	Location	Office Addresses	Activity
1	Zirakpur	234, Nahar Complex, Chandigarh-Zirakpur Road, Zirakpur, Punjab-140603	Trading of Mobile handsets
2	Delhi	31 Mile Stone, Behind Chopra Filling Station, GT Karnal Road, Kundli -131028	Trading of Mobile handsets
3	Haryana	45-46, Sector-20, Udyog Vihar Phase-1,Gurgaon, Haryana-122016, India	Trading of Mobile handsets
4	Ghaziabad	Godown No. 4, Indo Bulgar Food Compound, Delhi-Meertu Road, Ghaziabad-201001	Trading of Mobile handsets
5	Lucknow	210A, Saran Chambers 2, Hazratganj, Lucknow-226001	Trading of Mobile handsets
6	Jaipur	F-40, Road No. 2, VKA Area, Jaipur-302013	Trading of Mobile handsets
7	Dehradun	A-31 Transport Nagar, Dehradun	Trading of Mobile handsets
8	Jammu	"Khasra No.106, Lane No.23, Near Foura Chowk,Greater Kailash, Jammu – 180020	Trading of Mobile handsets
9	Kolkata	1st Floor, Satyam Tower, 3,Alipore Road, kolkata-700027	Trading of Mobile handsets
10	Orissa	40 & 41, Rasulgarh, NH-5, BHUBANESWAR-751010	Trading of Mobile handsets
11	Ranchi	1, Club Road Beside Akash Institute, Ranchi – 834001	Trading of Mobile handsets
12	Patna	Godown No. 22, Bhanamal Compound, Mithapur, Patna-800001	Trading of Mobile handsets
13	Guwahati	1st Floor Baruah Complex, Lalganesh Tinali, P.O Odalbakra, District Kamrup, Guwahati -781034	Trading of Mobile handsets
14	Indore	401, Ankur Alley, Vijay Nagar, Above HDFC Bank, Satya Sai Square, A.B.Road, Indore (M.P)	Trading of Mobile handsets
15	Pune	3rd. Floor. Amar Synergy, Near Sadhu Vaswani Chowk, Pune- 411001	Trading of Mobile handsets
16	Ahmedabad	1st. floor, Sanoma Plaza Nr. Vagh Bakri, House Opp. Parimal Garden, Ambavadi, Ahmedabad 380006	Trading of Mobile handsets
17	Hyderabad	Lal Banglow, 6-3-882/A&B, Ameerpet, Hyderabad- 500016	Trading of Mobile handsets
18	Chennai	36A, Railway Colony, 3rd street, first floor, Aminjikarai, Chennai 29.	Trading of Mobile handsets
19	Cochin	Infinity Metro 31/3159, A-23 3rd Floor Opp. Saint Anthony Church, Kaloor, Cochin-682017	Trading of Mobile handsets
20	Bangalore	Maruthi Mansion, Below Canara Bank, 19/7, 2nd Floor, Cunnigham Road, Bangalore 560052	Trading of Mobile handsets
21	Mumbai	Office No. 322, Tower No. 3, Solitaire Corporate Park, Link road, Ghatkopar, Andheri (East), Mumbai, Tel No. – 022-42239500	Trading of Mobile handsets

**All the above mentioned premises are not owned by NDPL and are available for use to NDPL as part of arrangement made with the strategic partner, Global Brands Enterprise Solutions Private Limited vide agreement dated October 7, 2011 for the purpose of its business.*

Our Subsidiary - DigiCall Teleservices Private Limited

Sr. No.	Location	Activity
1	1510-11, 15th floor, Hemkunt Chambers, 89, Nehru Place, New Delhi-110019	Corporate office
2	5th Floor, A Wing, Ashoka Chambers, Mithakali Six Road, Ellisbridge, Ahmedabad-380006	BPO Activities
3	Pride Parmar Galaxy, 2nd Floor, Parmar trade Center, Sadhu Vasvani Chowk, Kannuaght Road, Behind Income tax office, Pune-411001	BPO Activities
4	1st Floor, Satyam Tower, 3, Alipore Road, Kolkatta-700027	BPO Activities
5	5th floor, Everest Nivara Infotech Park IB- 501 Plot no. D 3, TTC Industrial area, MIDC Turbhe, Navi Mumbai- 400705	BPO Activities
6	19/7, Maruti Mansion, Canara Bank Building, Cunningham Road, Bangalore -560052	BPO Activities
7	LalBunglow, 6-3-882/A&B, Ameerpet, Hyderabad-500016	BPO Activities
8	3rd Floor, Metro House, VaniVihar Square, Bhubaneshwar, 751007	BPO Activities

9	Shanti Shopping Complex, 1st Floor, Hinoo Main Road, P.S. Doranda, Ranchi-834002	BPO Activities
10	A 67, Sector 63, Noida – 201301, Uttar Pradesh	BPO Activities

Our Subsidiary - Media Matrix Holdings Private Limited (formerly Digicall Holdings Private Limited)

Sr. No.	Location	Activity
1	D-7, Dhawandeep Apartments, 6, JantarMantar Road, New Delhi	Registered office

Our Subsidiary - DigiVive Services Private Limited

Sr. No.	Location	Activity
1	D-7, Dhawandeep Apartments, 6, JantarMantar Road, New Delhi	Registered office
2	77B, 3rd Floor, IFFCO Road, Sector - 18, Gurgaon, Haryana - 122 015,	Corporate office

Infrastructure Facilities

We have arrangements for adequate and hygiene infrastructure at all our locations of the Company and its Subsidiaries. It includes our offices, warehouse and other similar facilities which are either on lease or on other similar arrangements with their respective owners.

Power and Other utilities

We have arrangements for regular power and water supply at all our locations of the Company and its subsidiaries.

Environment, Health & Safety

We are committed to the safety and health of our employees, visitors and prevention of accidents and health hazards at all our facilities. Our Company ensures that all the activities are carried out and products are developed considering appropriate environmental, health and safety risk aspects and are in conformance with the relevant legal requirements.

Manpower

The detailed break-up of our current employees is as under:

Particulars	Manager / Supervisor	Officers/Clerks	Workers	Total
Registered Office	1	0	0	1
Corporate Office	4	30	0	34
Total	**5**	**30**	**0**	**35**

Our subsidiaries employ the following:

Particulars	Manager / Supervisor/Technical	Officers/Clerks	Workers	Total
nexG Devices Private Limited	6	30	0	36
- Operations				
Total	**6**	**30**	**0**	**36**
DigiCall Teleservices Private Limited				
- Operation support	609	0	0	609
- Support	217	0	0	217
- Operations agents	0	4956	0	4956
Total	**826**	**4956**	**0**	**5782**
DigiVive Services Private Limited	14	19	0	33
Total	**14**	**19**	**0**	**33**
Media Matrix Holdings Private Limited (Formerly DigiCall Holdings Private Limited)	0	0	0	0
Total	**0**	**0**	**0**	**0**
DigiCall Global Private Limited	**17**	**12**	**118**	**147**
Total	**17**	**12**	**118**	**147**

COMPETITION

A. Mobile Televisions

DSPL faces stiff competition in this segment from established players like Apalya, Vuclip and Mundu TV. DSPL also expect a sharp rise in competition from players like Samsung with its Corby TV, Tata Photon Plus offering HD TV on an HSPA network with 3G/4G and BWA.

B. Mobile Handsets

NDPL faces stiff competition from all other distributors and also expect a sharp rise in competition with introduction of new models.

C. BPO

DTPL faces stiff competition from domestic as well as international BPO players in India. DTPL also face competition from players who are integrated and have wide array of services offerings.

APPROACH TO MARKETING AND MARKETING SET UP

The Marketing and Business Development is headed by key management employees of our Company as well of the Subsidiaries for their respective businesses. They personally lead negotiations, oversee execution of customer orders and take a lead in strategy, business development and planning. The marketing team co-ordinates with the customers for their requirements and accordingly manages the sales orders.

nexG Devices Private Limited (NDPL)

NDPL has a dedicated marketing team focused on marketing of GSM/CDMA mobile handsets, smartphones and tablets, the segment in which NDPL currently operate. NDPL has distribution set up through its strategic partner, Global Brand Enterprise Solutions Private Limited(GBES), offering one stop solution for sales and service of handsets which includes 53 super stockiest who supply to 496 Re-Distribution Stockists across India. There are 9,140 retailers (~2.3k A Category outlets, ~3.2 k B Category outlets, ~3.7k C Category) who purchase products from its authorized Re-Distribution stockist. NDPL Channel partners go through an internal evaluation process before appointment to ensure they can deliver the desired business. NDPL Super Stockist/Re-Distribution Stockist have average distribution experience of 15 years having background mainly from FMCG, Consumer electronics, Telecom and IT.

Through NDPL manpower spread across 21 sales offices, NDPL proactively engage with its distributors to ensure constant engagement and provide them the strategic inputs. NDPL has ordering systems, Supply Management and Accounting systems in place scalable to handle increased volumes/multiple businesses leveraged through 24 stock points spread across country. NDPL has flexibility and Speed to market as its core strength which differentiates it from others. Further, NDPL has a large service network comprising 362 service centers across India which provides edge to it over its competition.

DigiVive Services Private Limited

In case of DSPL, it has dedicated marketing team focused on marketing of nexGTv through social media, website and offline. DSPL believes in three basic principles for nexGTv promotions which are Educate>Engage>Acquire.

Educate: Not just to create top-of-mind recall for nexGTv but to educate customers about the 'mobile TV' category as a whole.
Engage: For a technology as new as this, the aim is to let the user experience the product to gain confidence in it.

Acquire: The ultimate objective for any marketing activity.

To position nexGTv as the most reliable, efficient application in the market, its marketing is being done by DSPL through following verticals:

- Below the Line Marketing (BTL)
- Digital & Internet Marketing
- Public Relations

Below the Line Marketing (BTL): One of the best platforms to directly reach out to entire gamut of consumers-B2B and B2C and includes,

- Participation in industry events and exhibition in order to reach out to Operators, OEMs, Content Partners, etc.
- Identifying touch points such as retail counters, markets etc. to promote our product among the end consumer.

Digital & Internet Marketing: It is the most essential element for product promotion among end consumer and covers

- Mobile Marketing
  - i) WAP Adverting on various third party WAP Sites
  - ii) SMS Marketing to the data base
- Internet Marketing
  - i) Online Display Banners & Videos
- Social Media Marketing
  - i) Marketing on Linkedin, Facebook, Twitter, etc.
- Tele-calling

i) Calling our data base educating & promoting nexGTv

Public Relations: A key tool to establish brand Digivive as the leader and innovator in the field of Data MVAS and to establish a differentiated positioning across the Industry. Also to continuously educate the end consumer of our innovative offerings from time to time. It covers the following:

- Press Release: For all key announcements across media.
- Contributory Articles
- Press Conferences

DigiCall Teleservices Private Limited

DTPL has a dedicated marketing team focused on marketing of its service offering. Generally, DTPL has 100% voice based business divided into Inbound and Outbound activity. For these activities, the commercials are based on either per work station or per call or per connect minute or completely variable model based on our productivity of the activity. DTPL generally secure business by way of

- Participating in the tender/RFP floated by the companies;
- Repeat business from existing clients depending upon their additional requirement due to increase in the call volume or new activity added or required by the existing clients;
- Efforts of its dedicated industry expert team for development of business in those fields primarily Telecom, BFSI and Others; and
- Study of various processes or activities of these industries with their existing procedures to suggest them cost saving measures by outsourcing these activities.

Media Matrix Holdings Private Limited (formerly Digicall Holdings Private Limited)

Since Media Matrix Holdings Private Limited (formerly Digicall Holdings Private Limited) has been incorporated with a view to make investments in new projects directly or in association with MMWL or any of its Subsidiaries, there is no marketing set up/team in place for MMHPL.

COLLABORATION AND DISTRIBUTION AGREEMENTS

The Company has entered into a Memorandum of Understanding dated March 31, 2012 with Pantel Technologies Private Limited of Delhi for distribution of 'Pantel' tablet. Further, our Subsidiary, NDPL has also entered into exclusive Distributorship agreement with GBES for distribution of Akai handsets for India, Sri Lanka, Bangladesh and Nepal. NDPL has also entered into distributorship agreement dated February 9, 2012 with Samsung India Electronics Private Limited (Samsung) for distribution of Samsung CDMA mobile phones and with TCT Mobile International Limited (Alcatel) dated December 13, 2011 for distribution of Alcatel mobile handsets in Indian markets.

INTELLECTUAL PROPERTY

Our Company does not have any registered intellectual property. Our Company's Logo is not a registered trademark.

None of our Subsidiaries have any intellectual property including Logo registered in their name. However, the subsidiaries are in the process of getting their logo registered in their respective names.

CAPACITY UTILISATION

Our Company being in the service industry installed capacity and capacity utilization is not applicable to us.

EXPORT OBLIGATIONS

At present, we do not have any export obligations as on date of this Offer document.

FUTURE PROSPECTS

1. Distribution of Mobile Handsets

The Indian mobile handset market grew by 15 per cent to touch Rs 33,171 crore in 2010-11 from Rs 28,897 crore in fiscal 2010.The market has witnessed the entry of a number of mobile manufacturers, raising the total number of manufacturers to about 68 from approximately 5 in 2008. The Indian mobile handset market is dominated by established global brands. The market is characterized by the presence of both high-end and low-end mobile phones, with a wide gap between handset prices. The market is also inundated with unbranded and cheap imported mobile phones, which are primarily Chinese in origin. The growing mobile subscriber base in India has led to the entry into the market of a number of "homegrown" mobile handset manufacturers.

In the case of smartphones, most existing global brands are concentrating on building application stores and improving service quality to offer an attractive value proposition and strengthen their market position. Entrants will be particularly focused on branding, as a smartphone is a high-involvement product and the brand is a vital purchase criterion. While smartphone consumers are also price conscious, it will not be possible for manufacturers to subsidise due to the operation of an open market rather than an operator-leveraged distribution model. Moreover, 70 per cent of the Indian population consumes only voice services, and mobile data services have not yet achieved large-scale popularity. However, this is set to change with the reduction of mobile Internet charges by telecom service providers and the introduction of 3G/4G in India. The market is also witnessing the influx of a new class of affordable handsets, which are classified as 'smartphone-like' devices, with touch screens and other smartphone features.

In the next five years, the revenue share of smartphones in the mobile handset market is expected to rise steadily, as an increasing number of participants are targeting this space for higher margins. This trend is likely to persist, as numerous handset manufacturers are strategizing to deploy more smartphone models in their portfolio. In the smartphone market, applications will be a key differentiating factor. The mid-tier price bracket is likely to experience high uptake and hence, manufacturers should strategize on deploying more models in this category.

2. BPO Services

Key global sourcing drivers will continue to be cost, access to talent, business improvements, increasing speed-to-market and access to emerging markets. The future outlook for all these drivers is positive, leading to increased momentum for global sourcing. The focus on cost reduction is expected to increase, keeping in mind the prevailing recessionary environment. Environmental considerations such as climate change, global warming, social responsibilities, and compliance issues are all adding up to increase pressure on margins, which can be offset by increasing global sourcing to keep tabs on spiralling costs.

The underlying theme of 2010 has been the steady recovery from recession. Worldwide GDP, which had declined by 0.6 per cent in 2009, grew 5 per cent in 2010 and is expected to stablise at about 4.4 per cent in 2011. Developing nations continue to grow faster than the developed countries by at least three times. IT spend is directly linked to growth in GDP and in line with this trend, IT spend in 2011 is expected to grow nearly 4 per cent. Worldwide IT spending will also benefit from the accelerated recovery in emerging markets, which will generate more than half of all new IT spending worldwide in 2011. In 2011, growth will reflect new demand for IT goods and services, not pent-up demand from prior years. 2011 will also see a major surge in the use of private and public cloud and mobile computing on a variety of devices and through a range of new apps. Hardware is likely to grow the fastest at about 7 per cent, led by the refresh cycle in the Government sector. Shipments of app-capable, non-PC mobile devices (smartphones, media tablets) are expected to outnumber PC shipments.

The size of the opportunity in hand can be gauged from the fact that India currently accounts for just over 4 per cent of worldwide technology related spend. Additionally, growth in global sourcing is estimated to be almost four times that of technology related spend. India currently generates the bulk of its IT-BPO revenues from the US, and the BFSI sector, while accounting for a miniscule part of technology spend in other geographies and verticals. India, with its fundamental advantages can capture a large share of the opportunities available. However, in order to achieve this goal, the key stakeholders need to work in tandem

(Source: NASSCOM Strategic Review 2009 and 2011)

3. Mobile Television

In the current market scenario Mobile VAS revenue is primarily dominated by Personalization (contributing to over 25% of the VAS revenues.). However in the post 3G era, games, music and video clips are expected to drive mobile VAS revenue growth. A majority of the video content downloaded is expected to be short video clips followed by live video streaming. Our research indicated that in the near team (1 year) there will be increased uptake of innovative 2G VAS services and products, specifically low bandwidth services like mobile commerce, community services (e.g. micropayment), enterprise services and voice services (e.g. voice based social networking). While In the medium to long term (2-5 years), we expect a latent uptake for rich content based 3G services like Mobile TV, Utility Applications, Mobile gaming and advertisements.

The Mobile TV value chain consist of four key players viz. Content creators/owners, Content aggregators/developers/Technology enablers, Mobile Operators and Subscribers. While revenue share arrangements are the norm for distribution of earnings, the extent of revenue share depends on the value imparted by each player in service delivery. Therefore choosing the right partners in this competitive environment and being clear about respective roles in the value chain will be essential. In India, DSPL expect Mobile TV services to be monetized through user subscription and advertising.

However, the revenue growth rate of Mobile TV services is expected to increase substantially once the user experience and price attractiveness improves in the latter half of the 3G and 4G regime (post 2015). DSPL expect Mobile TV to be the second highest contributor to overall VAS revenues by 2015.

Our Properties

We conducts our operations from the following properties:

Sr. No.	Details of Deed / Agreement	Nature of right granted	Particulars of the premises	Consideration / Rent (Rs in Lacs)	Lessor's Name	Current Usage
1.	No Objection certificate dated Jan 26, 2012	Right to use premises for official purpose	155,15th Floor, Mittal Court "A" Wing Nariman Point, Mumbai – 400 021	NIL	C K Goushal & Sons - HUF	Registered Office
2.	Arrangement dated April 13, 2012	Right to use premises for official purpose	77B, 3rd Floor, IFFCO Road, Sector - 18, Gurgaon-122 015, Haryana	Rs. 10,000/pm	Infotel Business Solutions Limited	Corporate Office
3.	Agreement dated	Right to use	13, 1st Cross, Green	Rs. 5000/pm	Koovs Marketing	Branch

	May 1, 2012	premises for official purpose	Leaf Extension, 80 Feet Pheripheral Road, 4th Block, Koramangla, Bangalore, 560034		Consulting Private Limited	Office
4.	Agreement dated May 9, 2012	Right to use premises for official purpose	1510-11, 15th floor, Hemkunt Chambers, 89, Nehru Place, New Delhi -110019	Rs. 5000/pm	DigiCall Teleservices Private Limited	Branch Office

Notes:

1. Mr. Chhattar Kumar Goushal, Director of our Company is the Karta of C. K. Goushal & Sons HUF
2. Infotel Business Solutions Limited has taken the premises No.2 above, on lease from Mr. Naresh Kumar, for a monthly rental of Rs. 2,00,000 for a period of 3 years from October 25, 2010. Mr. Surendra Lunia, Director of our holding Company, DHPL, is promoter of and also Managing Director in Infotel Business Solutions Limited.

Insurance

Our Company/its Subsidiaries have insurance coverage which we consider reasonably sufficient to cover all normal risks associated with our operations and which we believe is in accordance with the industry standards.

DETAILS OF INSURANCE

Since we are not maintaining any inventory and all the purchases are done based on orders received from the customers, we are also not carrying any insurance for inventory except for marine insurance policy for in-transit insurance of imported goods.

Our subsidiary, NDPL has taken general insurance policies for both inventory and in transit insurance of material from one place to another within India. Similarly, our Subsidiary, DTPL has taken general insurance against theft, fire, etc in the course of its routine operations.

KEY INDUSTRY REGULATIONS AND POLICIES

The following description is an overview of certain laws and regulations in India and abroad, which are relevant to our Company. Information detailed in this chapter has been obtained from publications available in the public domain. The regulations set out below are not exhaustive, and are only intended to provide general information to Bidders and is neither designed nor intended to be a substitute for professional legal advice.

Taxation statutes such as the Income Tax Act, 1961, Central Sales Tax Act, 1956 and applicable local sales tax statutes, and other miscellaneous regulations and statutes such as labour laws apply to us as they do to any other Indian company. The statements below are based on the current provisions of laws, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. For details of government approvals obtained by us, see the chapter titled "Government and Other Approvals" beginning on page 239 of this Letter of Offer.

Telecom Regulations

With the entry of private sector in the provision of telecommunication services a need was felt to have an independent regulatory body. The above requirement was indicated in the guidelines issued for entry of private sector in basic telecom service. Accordingly, Telecom Regulatory Authority of India (TRAI) was established in the year 1997 in pursuance of TRAI (Ordinance) 1997, which was later replaced by an Act of Parliament, to regulate the telecommunication services. Some of the major recommendatory, regulatory and tariff setting functions of TRAI are to make recommendations on the need and timing for introduction of new service provider, on the terms and conditions of license to a service provider, ensure compliance of terms and conditions of license, effective management of spectrum, lay down the standards of quality of service to be provided by the service providers and ensure the quality of service and conduct the periodical survey of such service provided by the service providers so as to protect interest of the consumers of telecommunication service, ensure effective compliance of Universal Service Obligations, notify the rates at which telecommunication services within India and outside India shall be provided under this Act etc

The Information Technology Act, 2000

The Information Technology Act, 2000 ("the IT Act") was enacted with the purpose of providing legal recognition to electronic transactions. In addition to providing for the recognition of electronic records, creating a mechanism for the authentication of electronic documentation through digital signatures, the IT Act also provides for civil and criminal liability including fines and imprisonment for various computer related offences. These include offences relating to unauthorised access to computer systems, modifying the contents of such computer systems without authorisation, damaging computer systems, the unauthorised disclosure of confidential information and computer fraud. In view of India's growing IT/BPO sector, the government of India has recently approved an Amendment to the IT Act, especially with regard to the growing need for data protection.

FEMA Regulations

As laid down by the FEMA Regulations, no prior consents and approvals are required from the Reserve Bank of India, for Foreign Direct Investment under the 'automatic route' within the specified sectoral caps. In respect of all industries not specified as FDI under the automatic route, and in respect of investment in excess of the specified sectoral limits under the automatic route, approval may be required from the FIPB and/or the RBI. Presently, investments in companies engaged in the telecom sector fall under the RBI's 'automatic route' for FDI/NRI investment of up to 100%. The RBI, in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 ("FEMA Regulations") to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India. Foreign investment in India is governed primarily by the provisions of the FEMA which relates to regulation primarily by the RBI and the rules, regulations and notifications thereunder, and the policy prescribed by the Department of Industrial Policy and Promotion, Ministry of Commerce & Industry, Government of India.

Labour related laws

India has stringent labour related legislation. We are required to comply with certain labour and industrial laws, which includes the Industries(Development and Regulation) Act, 1951, Industrial Disputes Act 1947, the Employees Provident Funds and Miscellaneous Provisions Act1 952, the Minimum Wages Act, 1948, the Payment of Bonus Act 1965, Workmen Compensation Act, 1923, the Payment of Gratuity Act, 1972, the Payment of Wages Act, 1936 and the Factories Act, 1948, amongst others

Industrial Disputes Act, 1947

The Industrial Disputes Act, 1947 (the "IDA") was enacted to make provision for investigation and settlement of industrial disputes and for other purposes specified therein. The IDA distinguishes between (i) employees who are 'workmen' and (ii) employees who are not 'workmen'. Workmen have been provided several benefits and are protected under various labour legislations, whilst those persons who have been classified as managerial employees and earning salary beyond a prescribed amount may not generally be afforded statutory benefits or protection, except in certain cases. Employees may also be subject to the terms of their employment contracts with their employer, which contracts are regulated by the provisions of the Indian Contract Act, 1872. The IDA also sets out certain requirements in relation to the termination of the services of the workman's services. This includes detailed procedure prescribed for resolution of disputes with labour, removal and certain financial obligations up on retrenchment.

Shops and Establishment Act

The conditions of service of employees of IT companies are inter alia regulated by the relevant shops and establishments law in which the IT unit is situated. This is a State specific legislation and each State has framed its own rules for the Act. The State Government can exempt any establishment from all or any provisions of this Act either permanently or for a specified period. Establishments are required to be registered under the provisions of local shops and establishments legislations applicable in the states in which such establishments are set up. The provisions of this legislation are applicable to all persons employed in an establishment, whether with or without wages, the only exception being that of the members of the employer's family.

The main objectives of the Shops and Establishments Act is to

- regulate the working & employment conditions of the workers employed in shops & establishments, including, commercial establishments.
- fix the number of working hours, rest intervals, overtime, holidays, leave and termination of service.

The Company having its registered office at Mumbai and its corporate office at Gurgaon Haryana , the provisions of the Bombay Shops and Establishments Act, 1948 are applicable to the Company and the Company is registered under the Act.

The Maharashtra Shops and Commercial Establishment Act provides that any employee who is asked to work on any holiday including a National Holiday, should be paid either a) Twice the normal wages; or b) Wages for such day in addition to the provision of a substituted holiday with wages on any other day.

Employees' Provident Funds and Miscellaneous Provisions Act, 1952

Employees Provident Funds and Miscellaneous Provisions Act, 1952 ("EPFA") was introduced with the object to institute compulsory provident fund for the benefit of employees in factories and other establishments. The EPFA provides for the institution of provident funds and pension funds for employees in establishments where more than 20 persons are employed and factories specified in Schedule I of the EPFA. Under the EPFA, the Central Government has framed the "Employees Provident Fund Scheme", "Employees Deposit-linked Insurance Scheme" and the "Employees Family Pension Scheme". Liability is imposed on the employer and the employee to contribute to the funds mentioned above, in the manner specified in the statute. There is also a requirement to maintain prescribed records and registers and filing of forms with the concerned authorities. The EPFA also prescribes penalties for avoiding payments required to be made under the abovementioned schemes.

Employees' State Insurance Act, 1948

The Employee State Insurance Act, 1948 ("ESIA") aims to provide benefits for employees or their beneficiaries in case of sickness, maternity, disablement and employment injury and to make provision for the same. It applies, inter alia, to seasonal power using factories employing ten or more persons and non-power using factories employing 20 or more persons. Every factory or establishment to which the ESIA applies is required to be registered in the manner prescribed in the ESIA. Under the ESIA, the employer and the employee, both are required to make certain contributions to the Employee State Insurance Corporation. The ESIA states that a principal employer, who has paid contribution in respect of an employee employed by or through an immediate employer, shall be entitled to recover the amount of the contribution so paid from the immediate employer, either by deduction from any amount payable to him by the principal employer under any contract, or as a debt payable by the immediate employer.

Payment of Gratuity Act, 1972

The Payment of Gratuity Act, 1961 ("thePOG Act") provides for payment of gratuity to employees employed in factories, shops and establishments who have put in a continuous service of 5 years, in the event of their superannuation, retirement, resignation, death or disablement. The rule of '5 years continuous service' is however relaxed in case of death or disablement of an employee. Gratuity is calculated at the rate of 15 days wages for every completed year of service with the employer. Under the POG Act, an employer is obliged for a maximum gratuity payout of Rs. 3,50,000 for an employee. The POG Act also requires the employer to obtain and maintain an insurance policy for the employer's obligation towards payment of gratuity.

Payment of Bonus Act, 1965

The Payment of Bonus Act, 1965 ("the POB Act") is applicable to every establishment employing 20 or more employees. The POB Act provides for payment of the minimum bonus to the employees specified under the Act. It further requires for the maintenance of certain books and registers and submission of Annual Return within 30 days of payment of the bonus to the Inspector.

Contract Labour (Regulation and Abolition) Act, 1970

This legislation applies to every establishment in which twenty or more workmen are employed or were employed in the past twelve months as contract labour and to every contractor employing or having employed in the past twelve months twenty or more workmen. With the aim of regulating the employment of contract labour in certain establishments and to abolish it in certain circumstances the Government has appointed an authority to ensure adherence to the provisions of this Act.

Payment of Wages Act, 1936

The Payment of Wages Act, 1936 applies to the persons employed in the factories and in industrial or other establishments where the monthly wages payable to such persons is less than Rs. 6500/-.

Minimum Wages Act, 1948

The Minimum Wages Act, 1948 ("MWA") came in to force with the objective to provide for the fixation of a minimum wage payable by the employer to the employee. Under the MWA, the appropriate government (Central or State) is authorized to fix the minimum wages to be paid to the persons employed in scheduled or non scheduled employment. Every employer is required to pay not less than the minimum wages to all employees engaged to do any work whether skilled, unskilled, and manual or clerical (including out-workers) in any employment listed in the schedule to the MWA, in respect of which minimum rates of wages have been fixed or revised under the MWA.

Industrial Employment Standing Orders Act, 1946

Under the Industrial Employment Standing Orders Act, 1946 every establishment employing more than 50 employees is required to formulate rules and regulations for its employees and the same should be submitted for approval to the Deputy Labour Commissioner.

Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959

Under the Act, all establishments are required to intimate vacancies in the different departments to the employment exchange prior to conducting the necessary recruitment. However, under the Act only intimation is mandatory, not the filling up of such vacancies. Further, the Act also requires the establishments to file quarterly and bi annual returns with the concerned authorities.

The Workmen Compensation Act, 1923

The Workmen Compensation Act, 1923 ("WCA") has been enacted with the objective to provide for the payment of compensation to workmen by employers for injuries caused due to accidents arising out of and in the course of employment, and for occupational diseases resulting in death or disablement. The WCA makes every employer liable to pay compensation if personal injury, disablement either partial or total or loss of life is caused to a workman (including those employed through a contractor) by accident arising out of and in the course of his employment. In case the employer fails to pay compensation in accordance with the provisions of WCA within one month from the date it falls due, the commissioner appointed under the WCA may direct the employer to pay the compensation amount along with interest and may also impose a penalty.

The Maternity Benefits Act, 1961

The purpose of the Maternity Benefit Act is to regulate the employment of pregnant women and to ensure that they get paid leave for a specified period during and after their pregnancy. It provides, inter alia, for paid leave of 12 weeks, payment of maternity benefits and enacts prohibitions on dismissal, reduction of wages paid to pregnant women, etc.

Tax Related Legislations

Value Added Tax, 2005

Value Added Tax ("VAT") is charged on sale of goods in the States under the law enacted by each State in respect thereof. VAT is however, not chargeable on the value of services which do not involve a transfer of goods. VAT is a multi-point levy on each of the entities in the supply chain with the facility of setoff of input tax that is the tax paid at the stage of purchase of goods by a trader and on purchase of raw materials by a manufacturer. Only the value addition in the hands of each of the entities is subject to tax.

Income Tax Act, 1961

The Income Tax Act, 1961 ("IT Act") is applicable to every company, whether domestic or foreign whose income is taxable under the provisions of this Act or Rules made there under depending upon its "Residential Status" and "Type of Income" involved. Every company assessable to income tax under the IT Act is required to comply with the provisions thereof, including those relating to Tax Deduction at Source, Advance Tax, Minimum Alternative Tax and like. Every such company is also required to file its returns by 31st October of each assessment year.

Service Tax

Service tax is charged on 'taxable services' as defined in Chapter V of Finance Act, 1994, which requires a service provider of taxable services to collect service tax from the recipient of such services and pay such tax to the Government. According to Rule 6 of the Service Tax Rules, every assesse is required to pay Service tax in TR 6 challan by the 5th of the month immediately following the month to which it relates. Further, under Rule 7 (1) of Service Tax Rules, the company is required to file a half yearly return in Form ST 3 by the 25th of the month immediately following the half year to which the return relates.

Customs Act, 1962

The provisions of the Customs Act, 1962 and Rules made there under are applicable at the time of import of goods into India from a place outside India or at the time of export of goods out of India to a place outside India. Any Company requiring to import or export any goods is required to get itself registered and obtain an Importer Exporter Code (IEC) number.

Importer Exporter Code

Under the Indian Foreign Trade Policy, 2004, no export or import can be made by a person or company without an Importer Exporter Code number unless such person/company is specifically exempted. An application for an Importer Exporter Code number has to be made to the office of the Joint Director General of Foreign Trade, Ministry of Commerce. An Importer Exporter Code number allotted to an applicant is valid for all its branches/ divisions/ units/factories

Intellectual Property Rights

Intellectual Property in India enjoys protection under both common law and statute. Under statute, India provides for the protection of patent protection under the Patents Act, 1970, copyright protection under the Copyright Act, 1957 and trademark protection under the Trade Marks Act, 1999. The above enactments provide for protection of intellectual property by imposing civil and criminal liability for infringement. In addition to the above domestic legislations India is a party to several international treatise related to intellectual property including the Patent Co-operation Treaty, 1970, the Paris Convention for the Protection of Industrial Property, 1883, the International Convention for the Protection of Literary and Artistic Works signed at Berne in 1886 (the Universal Copyright Convention of 1952), the Rome Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organisations 1961 and as a member of the World Trade Organisation is a signatory to the Agreement on Trade Related aspects of Intellectual Property Rights, 1995 (the TRIPS Agreement).

RBI Regulations on NBFCs

Till the time our Company continues to be registered with RBI, the Company would be governed by the RBI Regulations relating to Non Banking Finance companies. In our case, the Regulations or instructions issued by RBI to Non deposit taking NBFCs would be applicable. The major RBI Regulations are those covered under Non Banking Financial (Non Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank Direction) 2007 as amended, Master Circular on Know Your Customer Guidelines, Master Circular on Anti Money Laundering Standards, etc. Other RBI regulations that are to be complied with are master circular on Miscellaneous instructions to Non Banking Finance companies, Master circular on Returns to be submitted by NBFCs and Master Circular on fair Practises Code.

HISTORY AND CERTAIN CORPORATE MATTERS

Our Company was originally engaged in trading activities and later on, obtained registration from Reserve Bank of India for carrying out Non- Banking Finance Company (NBFC) activities in the year 1999 vide certificate of Registration No. 13.01287 dated 13th August 1999. However, the Company didn't carry out any activities related to NBFC since 13th August, 1999, the date on which it got the NBFC certificate, but only continues to be registered with Reserve Bank of India (RBI) as a Non-deposit accepting Non-Banking Finance Company. The Company started media and content business in the year 2000. Considering that the Company had neither carried out any NBFC business in the past, nor it has the intention to carry the business of NBFC in future, the Company, on September 13, 2011, submitted an application to RBI for de- registration as an NBFC. RBI vide its letter dated December 26, 2012 has asked the Company to lower its financials assets (representing investment in subsidiaries) as percentage of total assets to enable it to deregister as NBFC. Since the Company presently meets the criteria of Core Investment Company (CIC) based on the current investment structure of the Company, the Board of Directors of the Company has decided on February 13, 2013 to notify the same to RBI and apply for registration as and when the assets size is Rs.100 cr or above. The response of RBI in this regard is awaited. The Company may be required to pay penalty, if any, levied by RBI for non-compliance in the past and may be required to comply with NBFC norms, if RBI decides not to de-register the Company as NBFC.

Till the time our Company continues to be registered with RBI, the Company would be governed by the RBI Regulations relating to Non Banking Finance companies. In our case, the Regulations or instructions issued by RBI to Non deposit taking NBFCs would be applicable. The major RBI Regulations are those covered under Non Banking Financial (Non Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank Direction) 2007 as amended, Master Circular on Know Your Customer Guidelines, Master Circular on Anti Money Laundering Standards, etc. Other RBI regulations that are to be complied with are master circular on Miscellaneous instructions to Non Banking Finance companies, Master circular on Returns to be submitted by NBFCs and Master Circular on fair Practises Code.

DigiVision Holdings Private Limited took over majority stake and management control of our Company, after entering into Share Purchase Agreements with the earlier promoters as well as with one of Public Shareholder and after making an Open Offer and complying with the now repealed SEBI (Substantial Acquisition of Shares and takeovers) Regulations 1997. DHPL completed the acquisition of MMWL on Jan 26, 2012 by acquiring 67.37% of total Equity Shares of MMWL.

MMWL is currently into trading of mobile handsets, software development for next generation value added service and providing technical and support services to third parties in India. Currently, the Company is into procurement and distribution of mobile handsets directly and through its wholly owned subsidiary, NDPL. MMWL has also recently entered into distributorship agreement with Pantel Technologies Private Limited, a company engaged in the business of design, manufacture and sale of various Penta branded Tablets, for distribution of the same in India. Post takeover by DHPL, media and content business is also expected to be continued by the Company either directly or through its subsidiaries.

Our Subsidiaries and their activities :

nexG Devices Private Limited (NDPL)

NDPL was acquired by MMWL on March 5, 2012 from DSPL and at present, the entire paid up Capital of NDPL is held by the Company. NDPL is currently engaged in procurement and distributorship of Mobile Handsets of various brands including Samsung, Akai, Alcatel, etc. NDPL has distribution arrangement with these brands for distribution and marketing of handsets in the Indian market. NDPL has marketing offices and warehouses located at various cities in India and have established a nationwide network of over 350 super-stockists and distributors to handle the distribution business all over India.

DigiVive Services Private Limited (DSPL)

DSPL has been become subsidiary of MMWL on March 31, 2012 by way of subscription to additional equity shares of DSPL. DSPL is in the business of running next generation mobile value added services. It launched a Mobile TV application "nexGTv" in May 2011. nexGTv offers a bouquet of over 100 channels to a current subscriber base of 10 Lakh+ customers and the nexGTv app has been downloaded by more than 7.5 million users from the various app stores. nexGTv also has a large VOD library of TV content and movies. The delivery mechanism for nexGTv includes Native Client, WAP and Video IVR (VIVR).

DSPL has entered into operator tie-ups with BSNL, MTNL, MTS and Idea in India and Etisalat in Sri Lanka, and is in the process of tying-up with other leading telcos In India and overseas.

The AC Nielsen in its "Neilsen Informate Mobile Insights - 2012" report identifies nexGTv as app with 2nd largest viewership after YouTube. According to the report "nexGTv continues to lead the mobile TV space with nearly 7 out of 10 mobile TV users using nexGTv". It also highlights that nexGTv users spend 71 mins/month on an average using the app and exhibit the highest level of engagement among all mobile TV users. nexGTv has demonstrated its ability to ramp up significantly from less than 1 million downloads in Jan 2012 to 7.5 million downloads as of Dec 2012.

DigiCall Teleservices Private Limited (DTPL)

DTPL has become subsidiary of MMWL on March 31, 2012 by way of subscription to additional equity shares of DTPL. DTPL, operating in the BPO segment, was set up primarily as an ITES organization and supports a wide range of service offering. It was incorporated as Pagepoint Services (India) Private Limited in 1992 for providing Radio Paging services. DTPL discontinued the Paging business in 2004-05, given the declining use of paging services and closure of the paging industry internationally. DTPL started the business of domestic call center in 1999 and since then has been developing this business. The name of the company had been recently changed to DigiCall Teleservices Private Limited vide fresh Certificate of Incorporation dated March 28, 2011. DTPL today employs over 5800 people nationwide in its various centers located in some of the major cities across India.

Media Matrix Holdings Private Limited (formerly Digicall Holdings Private Limited) (MMHPL)

MMWL has acquired 10,000 Equity Shares of Rs. 10 each constituting entire paid up equity Share Capital of Media Matrix Holdings Private Limited (formerly Digicall Holdings Private Limited) on March 5, 2012 from its erstwhile promoters, thereby, making the company, a wholly owned Subsidiary of MMWL. The total consideration paid is Rs. 1.00 Lac. Post acquisition, MMWL has invested Rs. 199 Lacs in MMHPL which is held as Share Application Money as on 31st March 2012. MMHPL will be engaged in investment activities and will be looking for acquisition of Companies or ventures in new generation businesses and will also invest in the other Subsidiaries of MMWL, to fund their operation, as and when required.

Digicall Global Private Limited (Subsidiary of DTPL)

DTPL already has a wholly owned subsidiary, Digicall Global Private Limited, which is also into BPO operations, catering mainly to overseas clients. Consequent to our acquisition of DTPL, this Company has also come under our indirect control.

Pursuant to a preferential allotment of Optionally Fully Convertible Debentures (OFCDs) by the Company which was allotted on March 29, 2012, to V& A Ventures LLP, aggregating Rs.5000 Lacs, we have invested the same in DigiVive Services Private Limited by acquiring 79.85 Lacs Equity Shares constituting 79.85% of its paid up equity Capital and in DigiCall Teleservices Private Limited, by acquiring 130.99 Lacs Equity Shares constituting its 65.5% of its paid up equity capital on March 31, 2012. We acquired the balance stake of 20.15% and 34.5% in DSPL and DTPL respectively, on May 28, 2012 through MMHPL thereby making them our wholly owned Subsidiaries. DTPL already has a wholly owned subsidiary, Digicall Global Private Limited, which is also into BPO operations.

Thus, at present we have 4 wholly owned Subsidiaries and one step down subsidiary, Digicall Global Private Limited. These Subsidiaries will carry out the proposed activities along with our Company. To refer to the stage wise acquisition of our Subsidiries please refer to the section "Summary of Our Business" appearing on Page No: 52-55 of this Letter of Offer.

Major events in the History of our Company

Sr. No.	Major Events	Year
1.	Incorporated with its identity as Rahul Trading & Finance Limited	1985
2	Initial Public Offer and listing of Equity Shares at BSE, MPSE and ASE.	1985
3	Change of name to Giltfin Lease Limited	1992
4	Registration with Reserve Bank of India as a non Deposit taking Non Banking Finance Company(NBFC)	1999
5	Change of Name to Media Matrix Worldwide Limited	2001
6	Entered the Media and Entertainment Business	2001
7	Delisting from The Ahmedabad Stock Exchange Limited	2011
8	Takeover of our Company by the present Promoter in Jan 2012	2012
9	Acquired shares in NDPL and MMHPL and made them Wholly owned Subsidiaries of the Company on March 5, 2012	2012
10	Made foray into the area of Mobile Television by making investment in DSPL on March 31, 2012	2012
11	Made foray into the area of BPO services by making investment into DTPL on March 31, 2012.	2012
12	Made DSPL and DTPL wholly owned subsidiaries of MMWL on May 28, 2012 by acquiring the remaining stake from erstwhile shareholders through MMHPL.	2012

Change in the Registered Office of our Company

Till December 2000, the Registered Office of our Company was situated at 221, Rashqua Shopping Centre, Santacruz (West), Mumbai. The Registered Office was shifted to 1056, Adarsh Nagar, New Link Road, Andheri (West) Mumbai - 400 055 on December 12, 2000 and had been shifted to 203-204, Sagarika Apartments, Opp. Ramada Palmgrove, Juhu Tara Road, Juhu, Mumbai - 400 049 on October 10, 2007. Post takeover by DHPL, the Registered office has been shifted, to its current address at Flat No: 155, 15th Floor, Mittal Court A Wing, Nariman Point, Mumbai 400 021 with effect from January 26, 2012.

Changes in the Memorandum of Association of our Company

Since Incorporation, the following changes have been incorporated in Memorandum of Association of our Company, after approval of the members:

Sr. No.	Changes	Date	Type of Meeting
1	Increase in authorized share capital to Rs. 25 Lacs	1992	Not available
2	Increase in authorized share capital to Rs. 400 Lacs	1993	Not available
3	Increase in authorized share capital to Rs. 800 Lacs	February 10, 1995	EGM
4	Change in the Object Clause to include the following: 2A To carry on the business of manufacturing, producing, re-producing, formulating, processing, designing, refining, finishing, recovering, extracting, buying, selling, exporting, importing, transporting, transmitting, distributing, consulting, hiring, renting, mixing, editing, dubbing, sound recording, shooting or otherwise, dealing in all kinds of motion pictures, still pictures, films, TV Serials, advertisement films, print media music albums, audio, micro processor based system, digital product, communication equipments, process control equipment radios, broadcasting and receiving sets, tapes, wire records, sound recording processing and reproducing apparatus, records, changers, cassettes, dicks, rolls, devices, accessories, appliances, materials and requisite of every kind whereby sound or vision is recorded, amplified, produced, reproduced transmitting or received. 2B To carry on business of manufacturing, developing, training, preparing, innovating, improving, selling, trading, marketing, operating, buying, exporting, importing, acting as agents and/or otherwise dealing in all sorts and kinds of computers, micro processor based systems, electronic machinery's appliances, equipments, peripherals, software, hardware logic controllers, monitors, digital electronic and electrical equipment including raw material, instruments, compounds devices, gadgets, components, accessories, spare parts and all systems, methods, techniques, processes.	November 13, 2000	EGM
5	Increase in Authorized Share Capital from Rs.800 Lacs to Rs. 850 Lacs	May 16, 2001	EGM
6	Increase in authorized share capital from Rs. 850 Lacs to Rs. 150,00 Lacs	March 26, 2012	EGM

NOTE: The members of our Company, had resolved through postal ballot, by way of Special Resolution, to change the name of the Company to "New Earth Alternate Technologies Limited" , the results of which was announced on 6th April 2011. Certain alterations to the Main Objects were also approved by members by way of Special Resolution dated 6th April, 2011. However, these changes could not become effective as the relevant e-Forms filed with Ministry of Corporate Affairs were rejected and not taken on record. The reason cited for rejection was "non filing of Annual Accounts and Annual Returns of the MMWL pertaining to earlier year(s)". Our Company, thereafter, decided not to pursue the matter further and as such neither the change of name nor alteration to the Objects as approved by the members of our Company on 6th April, 2011, as stated above, has been given effect to. Past non compliance has been made good by the Company and the Company has rectified the past non-compliances and is fully compliant currently.

Our Main Objects:

The main objects of our Company as stated in the Memorandum of Association are:

"(1)To carry on the business of trading, dealing, importing, exporting, buying and selling parts, components and accessories of motor vehicles, tractors, cycles, two-wheelers and heavy earth moving equipments and machines and in diesel and electrical generators, nut- bolts, hardware items, diesel engines, oxygen and industrial gases, electrical fitting and goods, tea, papers of all kinds, katha, khair, food- grains, including edible oils, electronic goods such as television sets, radios two in one, tape recorder, video-cassette recorders, textiles, cotton, silk, rayon, fibres, synthetics, woolen, yarn, threads, garments, hosiery goods.;

(2) To carry on the business of financing industrial or other companies and enterprises and to lend or advances money to builders and their persons on securities of all descriptions whether real or personal and to grant loans on mortgage of immoveable properties and to lend money and negotiable loans of every description and to transact business as financiers and monetary agents in India and elsewhere provided the Company shall not carry on business of Banking under the meaning of Banking Regulations Act, 1949.

(2A) To carry on business of manufacturing, producing, re-producing, formulating, processing, designing, refining, finishing, recovering, extracting, buying, selling, exporting, importing, transporting, transmitting, distributing, consulting, hiring, renting, mixing, editing, dubbing, sound recording, shooting or otherwise dealing in all kinds of motion pictures, still pictures, films, TV Serials, advertisement films, print media, music albums, audio, micro processor based systems, digital product, communication equipments, process control equipment, instrumentation, electronic equipments, wireless transmitting and receiving sets, televisions, radios, broadcasting and receiving sets, tapes, wire records, sound recording, processing and reproducing apparatus, records changers, cassettes, dicks, rolls, devices, accessories, appliances, materials and requisite of every kind whereby sound or vision is recorded, amplified, produced, reproduced, transmitting or received.

(2B) To carry on business of manufacturing, developing, training, preparing, innovating, improving, selling, trading, marketing, operating, buying, exporting, importing, acting as agents and/ or otherwise dealing in all sorts and kinds of computers, micro processor based systems, electronic machineries, appliances, equipments, peripherals, software, hardware, logic controllers, monitors, digital electronic and electrical equipment including raw materials, instruments, compounds, devices, gadgets, components, accessories, spare parts and all systems, methods, techniques, processes".

The Main Objects Clauses, as stated above, permits our Company to carry out the present and proposed activities

Subsidiaries of Our Company

Our Company has four wholly owned Subsidiaries, nexG Devices Private Limited, DigiCall Teleservices Private Limited, DigiVive Services Private Limited and Media Matrix Holdings Private Limited (formerly Digicall Holdings Private Limited). There is also a step down Subsidiary, Digicall Global Private Ltd, which is Subsidiary of our wholly owned Subsidiary, DigiCall Teleservices Private Limited.

i) nexG Devices Private Limited

NDPL (CIN U32300DL2011PTC215856) was incorporated on March 15, 2011 under the Companies Act, 1956 with its Registered Office at D-7, Dhawandeep Apartments, 6, Jantar Mantar Road, New Delhi - 110 001. NDPL is engaged in the business of selling and distributing mobile handsets of various brands including Samsung, Akai and Alcatel.

Board of Directors

Sr.No	Name of the Director	DIN Number
1	Mr. Surendra Lunia	00121156
2	Mr. Gurdial Singh Khandpur	00121913
3	Mr. Sunil Batra	02188254

Capital Structure and Shareholding Pattern:

The Authorized Share Capital of NDPL is Rs. 10,00,00,000 divided into 10,000 Equity Shares of Rs. 10/- each. There is no other class of Shares. The Paid up Equity Share Capital as on January 31, 2013 is 49,90,000 Equity Shares, aggregating to Rs.4,99,00,000/-.

The Shareholding pattern of nexG Devices Private Limited is as follows:

Sr. No	Name of the Shareholder	No. of Equity Shares	Percentage of total Equity Share holding (%)
1.	Media Matrix Worldwide Limited	4989994	100.00%
2.	Mr. Surendra Lunia	1	0.00%
3	Mr. Gurdial Singh Khandpur	1	0.00%
4	Mr. Kamal Kumar Sharma	1	0.00%
5	Mr. Puneet Anurag	1	0.00%
6	Mr. Nitin Ved	1	0.00%
7	Mr. Kulwinder Pal Singh	1	0.00%
	Total	4990000	100.00%
•	*Six Equity Shares held by individuals are held as nominee of Media Matrix Worldwide Limited*		

MMWL acquired the above Equity Shares on March 5, 2012 from DSPL, the erstwhile promoters at a consideration of Rs. 1 Lac, while 4980000 equity allotted to the Company on 29.09.2012.

Audited Financial Performance: **(Rs. in Lacs)**

Particulars	Period ended 30-Sept -12	Year Ended 31-March -12
Equity Share Capital	499.00	1.00
Reserves and Surplus (excluding Revaluation Reserves)	(907.19)	(459.94)
Net Worth	(408.19)	(458.94)
Sales	7987.11	2003.89
Profit after Tax/Loss	(447.25)	(459.94)
Net Asset Value per Equity Share of Face Value Rs. 10/- each (in Rs.)	(8.18)	(4599.4)

ii) DigiCall Teleservices Private Limited

DTPL (CIN U84200DL1992PTC219215) was incorporated on July 13, 1992 under the Companies Act, 1956 as Page Point Services (India) Private Limited with its Registered Office at 91-B, Vihar Estate, 2nd Floor, Off. Saki Vihar Road, Andheri (East) Mumbai - 400 072. The name of the Company was changed to its current name on March 28, 2011 and the Registered Office of the Company was shifted to 1510-11, 15th Floor, Hemkunt Chambers, 89, Nehru Place, New Delhi - 110019. DTPL is at present engaged in the business of providing BPO services.

Board of Directors

Sr.No	Name of the Director	DIN Number
1	Mr. Surendra Lunia	00121156
2	Mr. Gurdial Singh Khandpur	00121913
3	Mr. Sunil Batra	02188254
4	Mr. Bharat Bhushan Chugh	00472532

Capital Structure and Shareholding Pattern:

The Authorized Share Capital of DigiCall Teleservices Private Limited is Rs. 4500 Lacs divided into 4,40,00,000 Equity Shares of Rs.10/- each and 10,00,000 Redeemable Preference Shares of Rs.10/- each. The paid up Capital of DTPL is Rs.2000 Lacs comprising 200 Lacs Equity Shares of Rs.10/- each as on March 31, 2012. There were 10,000 Redeemable Preference Shares of Rs.10/- each which were redeemed by DTPL on March 31, 2012.

The Equity Shareholding pattern of DigiCall Teleservices Private Limited as on date is as follows:

Sr. No	Name of the Shareholder	No. of Equity Shares	Percentage of total Equity Share holding (%)
1.	Media Matrix Worldwide Limited	13099900	65.50%
2	Media Matrix Holdings Private Limited (formerly Digicall Holdings Private Limited)	6900095	34.50%
3	Mr. Surender Lunia	1	0.000 %
4	Mr. Gurdial Singh Khandpur	1	0.000 %
5	Mr. Kamal Kumar Sharma	1	0.000 %
6	Mr. Puneet Anurag	1	0.000 %
7	Mr. Kulwinder Pal Singh	1	0.000 %
	Total	20000000	100.00%
•	Five Equity Shares held by individuals are held as nominees of Media Matrix Holdings Private Limited (Formerly DigiCall Holdings Private Limited		

We made an investment in 13,099,900 fresh Equity Shares of Rs. 10 each of DTPL on March 31, 2012 at a consideration of Rs. 1310 Lacs.

Audited Financial Performance: **(Rs. in Lacs)**

Particulars	12 month 31.03.2010	12 month 31.03.2011	12 month 31.03.2012	6 Months 30.09.2012
Equity Share Capital	691.01	691.01	2000.00	2000.00
Reserves (excluding Revaluation Reserves)	960.32	483.27	92.08	(113.07)
Net Worth	1651.33	1174.28	2092.08	1886.92
Total Income	3604.73	2513.94	4320.38	3336.80
Profit After Tax/Loss	(725.43)	(460.13)	(391.18)	(205.16)
Net Asset Value per Equity Share of F.V. Rs. 10/- each	23.93	17.02	10.46	9.43

iii) DigiVive Services Private Limited

DigiVive Services Private Limited (CIN U93000DL2010PTC20097) was incorporated on March 10, 2010 under the Companies Act, 1956 with its Registered Office at D-7, Dhawandeep Apartments, 6 Jantar Mantar Road, New Delhi - 110 001. DSPL is engaged in the business of providing Value Added Services, support services either on its own or in association with any other person. It has launched a mobile Tv application in May 2011.

Board of Directors

Sr.No	Name of the Director	DIN Number
1	Mr. Mahendra Nahata	00052898
2	Mr. Surendra Lunia	00121156
3	Mr. Gurdial Singh Khandpur	00121913
4	Mr. Sunil Batra	02188254

Capital Structure and Shareholding Pattern:

The Authorized Share Capital of DigiVive Services Private Limited is Rs. 2500 Lacs divided into 250 Lacs Equity Shares of Rs.10/- each. The Paid up share capital of DSPL is Rs. 1000 Lacs comprising of 100 Lacs equity shares of Rs. 10 each as on January 31, 2013.

The Equity Shareholding pattern of DigiVive Services Private Limited as on date is as follows:

Sr. No	Name of the Shareholder	No. of Equity Shares	Percentage of total Equity Shareholding (%)
1.	Media Matrix Worldwide Limited	7,985,000	79.85%
2	Media Matrix Holdings Private Limited (formerly Digicall Holdings Private Limited)	2,014,995	20.15%
3	Mr. Surender Lunia	1	0.000%
4	Mr. Gurdial Singh Khandpur	1	0.000 %
5	Mr. Kamal Kumar Sharma	1	0.000 %
6	Mr. Puneet Anurag	1	0.000 %
7	Mr. Kulwinder Pal Singh	1	0.000 %
	Total	**10,000,000**	**100.00%**
•	*Five Equity Shares held by individuals are held as nominee of Media Matrix Holdings Private Limited (formerly Digicall Holdings Private Limited)*		

We made an investment in 7,985,000 new Equity Shares issued by DSPL on March 31, 2012 at Rs. 10/- each aggregating to Rs. 798.5 Lacs. Media Matrix Holdings Private Limited (formerly Digicall Holdings Private Limited), acquired 13,90,000 equity shares and 6,25,000 equity shares on May 28, 2012 at a consideration of Rs. 1,39,00,000 and Rs. 62,50,000 from Infotel Business Solutions Private Limited and DigiVision Ventures Private Limited, respectively.

Audited Financial Performance: **(Rs. in Lacs)**

Particulars	Year Ended 31-March-11	Year ended 31-March-12	Period Ended 30-Sept -12 (6 Months)
Equity Share Capital	201.50	1000.00	1000.00
Reserves (excluding Revaluation Reserves)	(73.30)	(997.34)	(1338.43)
Net Worth	128.20	2.66	(338.43)
Total Income	228.68	719.42	653.88
Profit after Tax	(73.30)	(924.03)	(341.09)
Net Asset Value per Equity Share of F.V. Rs. 10/- each	63.62	0.03	3.38

iv) Media Matrix Holdings Private Limited (formerly Digicall Holdings Private Limited) (MMHPL)

Media Matrix Holdings Private Limited (formerly Digicall Holdings Private Limited) (CIN U67120DL2011PTC214508) was incorporated on February 21, 2011 under the Companies Act, 1956 with its Registered Office at D-7, Dhawandeep Apartments, 6 Jantar Mantar Road, New Delhi - 110 001. MMHPL is engaged in the business of making investment.

Board of Directors

Sr.No	Name of the Director	DIN Number
1	Mr. Surendra Lunia	00121156
2	Mr. Chhattar Kumar Goushal	01187644
3	Mr. Bharat Bhushan Chugh	00472532

Capital Structure and Shareholding Pattern:

The Authorized Share Capital of Media Matrix Holdings Private Limited (formerly Digicall Holdings Private Limited) is Rs. 200 Lacs divided into 20 Lacs Equity Shares of Rs.10/- each. The paid up equity share capital of MMHPL as on January 31, 2013 was Rs. 200 Lacs.

The Equity Shareholding pattern of Media Matrix Holdings Private Limited (formerly Digicall Holdings Private Limited) is as follows:

Sr. No	Name of the Shareholder	No. of Equity Shares	Percentage of total Equity Share holding (%)
1.	Media Matrix Worldwide Limited	1,999,994	99.9997
2.	Mr. Surendra Lunia	1	0.0001
3	Mr. Gurdial Singh Khandpur	1	0.0001
4	Mr. Kamal Kumar Sharma	1	0.0001
5	Mr. Puneet Anurag	1	0.0001
6	Mr. Nitin Ved	1	0.0001
7	Mr. Kulwinder Pal Singh	1	0.0001
	Total	**2,000,000**	**100.00**
•	*Six Equity Shares held by individuals are held as Nominee of MMWL.*		

We acquired the above Equity Shares on March 5, 2012 from erstwhile individual promoters, at a consideration of Rs. 1 Lac, while 1,990,000 Equity Shares allotted on 31.05.2012.

Audited Financial Performance: **(Rs. in Lacs)**

Particulars	Period ended February 21, 2011 to 31-March-12	Period ended September 30, 2012 (6 Months)
Equity Share Capital	1.00	200.00
Share Application money pending allotment	199.00	0.00
Reserves (excluding Revaluation Reserves)	(30.41)	(30.66)
Net Worth	(29.41)	169.34
Other Income	29.95	0.00
Profit after Tax	(30.41)	(0.25)
Net Asset Value Per Share	(294.10)	8.46

V) Digicall Global Private Limited (DGPL):

Digicall Global Private Limited was originally incorporated on March 24th, 2011, as Digicall Solutions Private Limited and the name of the Company was changed to its current name Digicall Global Private Limited (CIN U72900DL2011PTC216458) and fresh certificate of Incorporation consequent upon change of name was issued on 12th May, 2011. DGPL has its Registered Office at 1510-11, 15th Floor, Hemkunt Chambers, 89, Nehru Place, New Delhi -110019. DGPL is engaged in the BPO business, catering to international market, particularly clients from US and UK. DGPL is our step down Subsidiary, being a Subsidiary of our Subsidiary viz. DigiCall Teleservices Private Limited.

Board of Directors

Sr. No	Name of the Director	DIN Number
1	Mr. Surendra Lunia	00121156
2	Mr. Sunil Kumar Kulshrestha	01070854
3	Mr. Sunil Batra	02188254

Capital Structure and Shareholding Pattern:

The Authorized Share Capital of DigiCall Global Private Limited is Rs 50 Lacs divided into 5 Lacs Equity Shares of Rs.10/- each. The paid up equity share capital of DGPL is Rs. 50 Lacs divided into 5 Lacs Equity Shares of Rs.10/- each.

The Equity Shareholding pattern of DigiCall Global Private Limited as on the date of this Letter of Offer is as follows:

Sr. No	Name of the Shareholder	No. of Equity Shares	Percentage of total Equity Share holding (%)
1.	DigiCall Teleservices Private Limited	499,999	99.998%
2.	Sunil Kumar Kulshrestha	1	0.0002%
	Total	**500,000**	**100%**
•	One share held by individual was held as Nominee of DigiCall Global Private Limited		

DTPL acquired the above Equity Shares of DGPL on February 22, 2012 from the erstwhile Promoters at a consideration of Rs. 50 Lacs.

Audited Financial Performance: **(Rs. in Lacs)**

Particulars	For the period August 1, 2011 to 31-March-12	For the period September 30, 2012 (6 Months)
Equity Share Capital	50.00	50.00
Reserves and Surplus (excluding Revaluation Reserves)	(131.11)	(239.68)
Net Worth	(81.12)	(189.68)
Sales	413.82	377.46
Profit after Tax	(131.12)	(108.55)
Net Asset value per Share (F V Rs. 10/-)	(16.22)	(37.93)

Interest of the Subsidiaries in our Company

None of our Subsidiaries hold any Equity Shares in us. Except interest, if any, as stated in "Related Party Transactions" on page 183-185 and 215-217 in this Letter of Offer, our Subsidiaries do not have any other interest in our Company's business except in case of NDPL where MMWL has been procuring the handsets and distributing it using distribution network of NDPL.

Common Pursuits

One of our Subsidiaries, NDPL is also engaged in trading of Mobile handsets, an activity carried out by and proposed to be continued by our Company. Our Company will be acquiring the handsets from manufacturers and will market the same through NDPL's distribution/marketing channels. Except this, our Subsidiaries do not have any interest in any venture that is involved in any activities similar to those conducted by our Company.

Shareholders Agreement

There are no Shareholders Agreements amongst the shareholders of our Company.

Other Agreements

Except as stated on Page 117 of this Letter of Offer, there are no other material agreements or contracts, which have been entered into by our Company within a period of two years prior to the date of this Letter of Offer, which are subsisting as on date.

Strategic Partners

Our Company does not have any strategic partners as on date of this Letter of Offer. Our subsidiary, nexG Devices Private Limited has strategic partnership with Global Brand Enterprise Solutions Private Limited, a company incorporated under the Companies Act, 1956 and having its registered office at C124B, Ground Floor, Greater Kailash I, New Delhi - 110048. nexG Devices Private Limited has appointed GBES as its Supply Chain Service Provider vide its agreement dated Oct 7, 2011 for providing warehousing space and logistics and related support services for its business.

Financial Partners

Our Company does not have any financial partners as on date of this Letter of Offer.

Number of Shareholders

As on date of filing of this Letter of Offer, our Company has 2108 Shareholders, including 1(one only) OFCD holder.

OUR MANAGEMENT

Under the Articles of Association of our Company, we cannot have less than 3 Directors and more than 12 Directors. Currently, our Company has 4 Directors. The following table sets forth details regarding our Board of Directors as on the date of filing of this Letter of Offer:

Board of Directors

Sr. No.	Name, Fathers' Name, Designation, Age, Nationality, Address, Occupation & DIN	Date of Appointment & Term of Directorship	Other Directorships
1)	**Mr. Chhattar Kumar Goushal** S/o Uttam Chand Goushal 18, Swastik Court 1st Pasta Lane, Colaba, Mumbai 400 006 Age: 53 years Nationality :Indian Designation: Non-Executive Independent Director DIN: 01187644 Occupation: Business	26.01.2012 Liable to retire by Rotation	1. Dilip Chhabria Private Limited 2. Arch Commodity Brokers Private Limited 3. Media Matrix Holdings Private Limited (formerly Digicall Holdings Private Limited) 4. Bibhas Finvest Private Limited
2)	**Mr. Bharat Bhushan Chugh** S/o Late Des Raj Chugh, D-11/4, 14 Rajpur RoadDelhi - 110054 Age : 53 years Nationality : Indian Designation: Director (Finance) DIN: 00472532 Occupation: Service	26.01.2012 Liable to retire by Rotation	1. Microwave Communications Limited 2. Customised Call Centre Services Private Limited 3. DigiCall Teleservices Private Limited 4. Digivision Holdings Private Limited 5 Media Matrix Holdings Private Limited (formerly Digicall Holdings Private Limited)
3)	**Mr. Mahesh Ranglal Jain** S/o Ranglal Kaulal Jain 301, 3rd Floor,Coutinho Apts. CHS, Opp Jain Temple, Santacruz(E), Mumbai - 400 055 Age: 42 years Nationality : Indian Designation: Non-Executive Independent Director DIN: 00013947 Occupation: Business	26.01.2012 Liable to retire by Rotation	1. Money Tree Consultancy Services Private Limited 2. Sinewave Properties Private Limited 3. Vandan Consultancy Private Limited 4. Drisana Real Estate Private Limited 5. Nu-Tech Corporate Services Limited 6. Sea Span Shipping Limited
4)	**Mr. Suresh Bohra** S/o Late P C Bohra E-356, 3rd Floor, Greater Kailash-II, New Delhi - 110048 Age : 45 years Nationality : Indian Designation: Non-Executive Independent Director DIN: 00093343 Occupation: Business	February 24, 2012 Liable to retire by Rotation	1. Black Fox Financial Private Limited 2. Crest Comtrade Private Limited 3. Blueblood Equity Trading Private Limited 4. Bohra Industrial Resources Private Limited 5. Beta Stock Brokers Private Limited

Note: None of the above mentioned Directors are on the RBI List of willful defaulters as on the date of this Letter of Offer.

Further, neither our Company nor our Promoter, persons forming part of our Promoter Group, Directors or persons in control of our Company are debarred from accessing the Capital Market by any order or ruling by SEBI.

None of the Promoters, Directors or persons in control of our Company, has been or is involved as a Promoter, Director or person in control of any other Company, which is debarred from accessing the Capital Market under any order or ruling or directions made by SEBI.

One of the Directors of our Company, Mr. Bharat Bhushan Chugh is also on the Board of Directors of our Holding/Subsidiary Company, which may result in conflict of interest. Our Company will have conflict of interest with one of the Subsidiaries NDPL, to the extent that both are engaged in trading of mobile handsets activity. DGPL, a step down subsidiary, is engaged in BPO activity, which is also the activity carried out by DTPL and as such there may be conflict of interest.

There is no arrangement or understanding with any of the major Shareholders, customers, suppliers or others, pursuant to which any of the above mentioned Directors were selected as Director or member of senior management.

None of our Directors are related to each other.

Brief Profile of the Directors - Name, qualification, activity, experience, etc.

Mr. Chhattar Kumal Goushal

Mr. Chhattar Kumar Goushal is a member of Institute of Chartered Accountants of India and a practising Chartered Accountant having experience of more than 28 years in the area of Audit, Financial and Corporate Advisory matters.

Mr. Bharat Bhushan Chugh

Mr. Chugh is a Cost and Works Accountant with over 25 years of experience of working in manufacturing, engineering, FMCG and service industry. Before joining the Company, he was working with Digicall Teleservices Private Limited where he worked for the last over 16 years, heading the finance, accounts and commercial department of the company. Prior to that he had worked with BST, Triveni Engineering & Subros Limited.

Mr. Mahesh Ranglal Jain

Mr. Mahesh Ranglal Jain is a member of Institute of Chartered Accountants of India and a practising Chartered Accountant having experience of more than 17 years in the area of Audit, Financial and Corporate Advisory matters. He is also on the Board of Nu-Tech Corporate Services Limited, a company listed on BSE.

Mr. Suresh Bohra

Mr. Suresh Bohra, aged 45 years, is a Commerce graduate with a post graduation degree in management. He has been active in loan syndication, project financing, project appraisal, drafting of Prospectus and Letters of Offer, Equity placement, stress asset management services, private Equity and venture capital syndication since the year 1992. Beta Stock Broker, is his proprietorship firm which is a member of the Inter Connected Stock Exchange of India Ltd (ISE) SEBI Reg. No. INB241226019. Black Fox Finance Private Limited, a Company in which he is promoter director, is a member of the Bombay Stock Exchange Ltd (BSE) (SEBI Regn. No. INB011429231) and the currency segment of the United Stock Exchange of India Ltd (SEBI Regn. No. INE271429230). Crest Comrade Private Limited, a Company of which he is promoter director, is a member of the Multi Commodity Exchanges of India Ltd. (MCX) and National Commodity & Derivatives Exchange Ltd. (NCDEX), which is very active in Commodity broking and arbitrage business.

Borrowing Powers

Pursuant to resolution adopted by the members of our Company, in accordance with the provisions of section 293(1)(d) of the Companies Act, 1956, at the Extra Ordinary General Meeting held on March 26, 2012, our Board has been authorized to borrow all such sums of money by way of cash, credits, advances, deposits or other loans whether secured or unsecured by mortgage, charge, hypothecation or pledge of the Company's assets and properties, whether moveable or immoveable notwithstanding that the moneys to be borrowed by the Company, apart from temporary loans obtained from our Company's Bankers in the ordinary course of business shall not exceed, a sum of Rs. 50,000 Lacs in addition to the Paid-up Capital and free Reserves of our Company.

Compensation to Chairman / Managing Directors / Whole time Directors

We have not entered into any service contract with our Chairman or Managing Director / Whole-time Directors.

Mr. B B Chugh, Director of the Company has been appointed as Whole Time Director designated as Director (Finance) w.e.f. 28th May, 2012. The Remuneration committee of the Company has approved on June 29, 2012 his appointment as Whole Time Director including detailed terms and conditions of his appointment, remuneration and tenure. The abstract of terms and conditions of his appointment has been sent to all the shareholders on July 12, 2012.

Directors Remuneration for the year ended March 31, 2012:

During the financial year ended 31st March, 2012, Company has not made any payment of remuneration including sitting fees to any of its Directors.

Policy on Disclosures and Internal Procedure for Prevention of Insider Trading

The provisions of Regulation 12(1) of the SEBI (Prohibition of Insider Trading) Regulations, 1992 is applicable to our Company.

Mr. Mohd. Zafar, Compliance Officer is responsible for setting forth policies, procedures, monitoring and adherence to the rules for the preservation of price sensitive information and the implementation of the Code of Conduct under the overall supervision of the Board. The Policy adopted by our Company is as follows:

This code will be applicable to all Directors, Designated Employees and their respective dependent family members. The Designated Employees of the Company will include;

- Directors
- Functional In charge of Accounts and Finance Department of the Company and
- All employees in the Corporate Finance and Accounts, Management Services, Public relations & Company Law Departments

The requirements under the Code of Internal Procedure & Conduct, which are expected to be complied with by all Directors, Officers, Designated Employees and their respective dependent family members (self and spouse, dependent children, dependent parents, dependent in-laws, dependent brothers and sisters) are as under:

1. Preservation of "Price Sensitive Information"

a) Directors/Officers/Designated Employees shall maintain the confidentiality of all price Sensitive Information. Director / Officers/ Designated Employees shall not pass on such information to any person directly or indirectly by way of making a recommendation for the purchase or sale of securities.

b) Unpublished Price Sensitive Information is to be handled on a "need to know" basis, i.e. Unpublished Price Sensitive Information should be disclosed only to those within the Company who need the information to discharge their duties.

c) Files containing confidential information shall be kept secure. Computer files must have adequate security of login and pass word etc.

2. Prevention of misuse of "Price Sensitive Information"

All Directors, officers and designated employees of the Company shall be subject to trading restrictions as enumerated below:-

Trading window

2.1 All Directors/Officers/designated employees of the Company shall conduct all their dealings in securities of the Company only during the currency of valid trading window and shall not deal in any transaction involving the purchase or sale of the Company's securities during the period when trading window is closed.

2.2 When the trading window is closed, the employees/directors and their dependent family members shall not trade in the company's securities during such period.

2.3 No Trading Period

The trading window shall be closed during the time the following information is unpublished.

a. Declaration of Financial results (quarterly, half-yearly and annual)

b. Declaration of dividends (interim and final)

c. Issue of securities by way of public/rights/bonus etc.

d. Any major expansion plans or execution of new projects

e. Amalgamation, mergers, takeovers and buy-back

f. Disposal of whole or substantially the whole of the undertaking

g. Any changes in policies, plans or operations of the Company.

The above are deemed to be Price Sensitive Information. Besides, such other information, having any impact on share prices, would also be considered Price Sensitive Information.

No transaction in securities of the Company shall be done by any Director, Officer, Designated Employee or their family members during the period of the trading window is closed.

Trading window shall be closed during the time the Price Sensitive Information is unpublished and/or such period as is notified by the Compliance Officer from time to time. No trading shall, however, be done during one week prior to the consideration of any matter pertaining to price sensitive information by the Board of Directors.

Trading windows shall open one day after the price information referred to above is made public.

3. Reporting requirements for transactions in securities/shares

3.1 All directors/officers/designated employees shall make initial disclosure in the prescribed format giving therein the details of their securities/ shares including the statement of dependent family members (which shall include spouse, children, dependent parents & unmarried brothers and sisters) to the Compliance Officer.

3.2 All directors/officers/designated employees shall make subsequent disclosure in the specified format regarding any change in the number of shares or voting rights held in the Company from the last disclosure made to the Company in the event such change exceeds Rs. 5.00 lakhs in value or 25000 shares or 1% of total shareholding or voting rights, whichever is lower.

The subsequent disclosures are required to be made within 2 working days of the change in shareholding or voting rights.

3.3 All directors/officers/designated employees shall file an Annual Statement in the specified format of all the holdings in the Company's Securities alongwith the statement of Dependent Family Members as on 31st March Every year.
Kindly note that in terms of the Regulations, on receipt of the disclosures as above, the Company is required to disclose to the Stock Exchanges within 2 days of receipt where its securities are listed.

4. Pre-clearance of trades

4.1 While reiterating that the dealing can be only during a valid Trading Window, Directors/Officers/Designated Employee would have to seek pre- clearance if it is intended to deal in the securities of the Company exceeding Rs. 10000/- in face value (i.e 10,000 shares of face value of Re. 1 each) as per the pre-dealing procedure given below.

a. An application shall be made in the prescribed format to the Compliance Officer indicating the estimated number of securities that the designated employee/officer/director intends to deal in, the details as to the depository with which he has a security account, the details as to the securities in such depository mode and such other details as may be required by any rule made by the company in this behalf.

b. An undertaking in the prescribed format shall be executed in favour of the Company by such designated employee/ director/officer.

c. The Company shall communicate the pre-clearance in the prescribed format.

d. Any transaction with regard to the Company's securities under the pre-dealing procedure should be communicated to the Company within 4 working days of the conclusion of the transaction in the enclosed format.

5. Other points

5.1 Speculative reports in print or electronic media shall not be considered as published information.

5.2 Employees / directors shall not use Price Sensitive Information to buy or sell securities of any sort, whether for their own account, their relative's account, organisation/firm's account or a client's account.

5.3 To ensure timely and adequate disclosure of Price Sensitive Information, the following norms shall be followed by listed companies:-

(a) Prompt disclosure of Price Sensitive Information,

(b) Overseeing and coordinating disclosure,

(c) Responding to market rumours,

(d) Timely/reporting of share-holdings/ownership and changes in ownership,

(e) Disclosure/dissemination of Price Sensitive Information with special reference to Analysts, Institutional Investors, etc in the following matter:

(i) Only public information to be provided to Analysts and to Institutional Investors,

(ii) It will be desirable that at least two company representatives be present at meetings with Analysts, Brokers or Institutional Investors and the discussions should preferably be recorded.

(f) Disclosure of information may be done through various media so as to achieve maximum reach and quick dissemination. The company should ensure that disclosure to Stock Exchanges is made promptly. Disclosure may be made through the use of dedicated internet website of the Company.

6. Penalty for contravention of Code of Conduct.

6.1 Any director/officer/designated employee who trades in securities or communicates any information for trading in contravention of Code of Conduct may be penalized and appropriate action may be taken against him by the Company. He shall also be subject to disciplinary action, which may include wage freeze, suspension, non-eligibility for future participation in ESOP, etc.

6.2 The action by the Company shall not preclude SEBI from taking any action in case of violation of these Regulations.

Shareholding of Directors in our Company

Our Articles of Association do not require our Directors to hold any qualification Shares. None of our Directors hold any Equity Shares in our Company. The Directors also do not hold any other class of Shares or securities issued by our Company.

Interest of Directors

All the Directors may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or a Committee thereof as well as to the extent of other remuneration and reimbursement of expenses payable to them. All the Directors may also be deemed to be interested to the extent of Equity Shares, if any, already held by or that may be subscribed for and allotted to them or to the Companies, firms and trusts, in which they are interested as Directors, members, partners and/or trustees, out of the present offer and also to the extent of any Dividends payable to them and other distributions in respect of the said Equity Shares. All Directors may be deemed to be interested in the contracts, agreements/ arrangements entered into or to be entered into by our Company with any Company in which they hold Directorships or any partnership firm in which they are partners as declared in their respective declarations.

Our Registered Office is owned by one of our Director, Mr. Chhattar Kumar Goushal and it is occupied by MMWL under a No Objection Certificate (NOC) dated January 26, 2012 from M/s C.K. Goushal & Sons - HUF without payment of any compensation in form of lease rentals/ security deposit. There is no period mentioned in the NOC for occupation of premises by MMWL.

Except as stated above and also in the section titled under the heading "Related Party Transactions" under the section titled "Financial Statement" in this Letter of Offer, we have not entered into any contract, agreements or arrangements during the preceding two years from the date of this Letter of Offer in which the Directors are directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with them including the properties purchased by our Company other than in the normal course of business.

Interest as to Property

Except as stated/referred to in the paragraph titled "Property" beginning on page 118 of chapter "Our Business" on page 109 and paragraph titled "Interest of Promoter" beginning on page 144 of this Letter of Offer, our Promoter/Directors do not have any interest:

i) in the promotion of our Company; or

ii) in any property acquired by our Company within two years from the date of the filing of this Letter of Offer, or proposed to be acquired by our Company.

Changes in our Board of Directors during the last three years

The following changes have taken place in the Board of Directors of our Company during the last three years:

Sr.No	Name	Date of change	Nature of change
1	Ms. Rashmi Pande	29.09.2010	Resigned
2	Ms. Mona Mehta	29.09.2009	Resigned
3	Mr. Vikas Desai	29.09.2009	Resigned
4	Mr. Deepak Doshi	29.09.2009	Change in designation
5	Mr. Suhas Gopinath Jadhav	29.09.2009	Change in designation
6	Mr. Mendalu Chaitanya Naidu	29.09.2009	Appointment
7	Mr. Ketan Mehta	12.04.2010	Appointment
8	Mr. Mohan Nadar	12.04.2010	Appointment
9	Mr. Anil Babulal Vedmehta	03.09.2010	Appointment
10	Mr. Ketan Mehta	29.09.2010	Cessation
11	Mr. Mohan Nadar	29.09.2010	Cessation
12	Mr. Anil Babulal Vedmehta	29.09.2010	Cessation
13	Mr. Anil Babulal Vedmehta	30.09.2010	Appointment
14	Mr. Pulkit Vimal Mehta	30.09.2011	Appointment
15	Ms. Priyanka Vedmehta	01.10.2011	Cessation as MD and Director
16	Mr. Mendalu Chaitanya Naidu	01.10.2011	Cessation
17	Mr. Suhas Gopinath Jadhav	01.10.2011	Change in Designation to Whole Time Director
18	Mr. Deepak Meghraj Doshi	26.01.2012	Cessation, pursuant to Takeover
19	Mr. Suhas Gopinath Jadhav	26.01.2012	Cessation, pursuant to Takeover
20	Mr. Anil Babulal Vedmehta	26.01.2012	Cessation, pursuant to Takeover
21	Mr. Chhattar Kumar Ghoushal	26.01.2012	Appointment
22	Mr. Bharat Bhushan Chugh	26.01.2012	Appointment pursuant to Takeover
23	Mr. Mahesh Ranglal Jain	26.01.2012	Appointment
24	Mr. Suresh Bohra	24.02.2012	Appointment
25	Mr. Pulkit Vimal Mehta	28.05.2012	Cessation pursuant to takeover

Corporate Governance

The provisions of the Listing Agreement entered into with BSE with respect to Corporate Governance is applicable to our Company. Our Company has complied with Listing Agreement in respect of Corporate Governance specially with respect to broad basing of Board, constituting the Committees such as Shareholders/Investors Grievance Committee, Audit Committee and Remuneration Committee.

I Composition of the Board of Directors

Sr. No.	Name of the Director	Designation	Category
1	Mr. Chhattar Kumar Goushal	Director	Non Executive Independent Director
2	Mr. Mahesh Ranglal Jain	Director	Non Executive Independent Director
3	Mr. Suresh Bohra	Director	Non-Executive Independent Director
4	Mr. Bharat Bhushan Chugh	Director (Finance)	Executive Director

The Board of Directors review in their Board Meeting, matters relating to

- Strategy and Business Plans
- Annual Operating Plans and Budgets
- Capital Budgets and any updates
- Investments and Exposures Limits
- Business risk analysis and control
- Compliances with statutory / regulatory requirements and review of other major legal issues.
- Adoption of Quarterly / Annual financial results
- Minutes of Meetings of Audit Committee and other Committees of the Board
- The information on recruitment and remuneration of senior officers just below the Board level, including appointment or removal of CFO and the Company Secretary.
- Details of any joint venture or collaboration agreement.
- Sale of material nature of investment, subsidiaries, assets which is not in normal course of business.
- Quarterly details of Foreign Exchange exposure.
- Any material default in financial obligations to and by the Company, or substantial non-payment of goods sold by the Company.

BOARD MEETINGS

15 Board Meetings were held during the period from April 01, 2011 to March 31, 2012. The details of the meetings and the attendance of the Directors are given below:

Name of Directors	Appointment	Resignation	No of Board Meetings	No. of Board meeting attended	Attendance at the last AGM
Mr. Anil Babulal Vedmehta	03.09.2011	26.01.2012	9	9	Y
Mr. Suhas Gopinath Jadhav	31.10.2008	26.01.2012	9	7	Y
Mr. Mendalu Chaitanya	30.04.2009	01.10.2011	9	4	Y
Mr. Deepak Meghraj Doshi	31.10.2008	26.01.2012	9	9	Y
Ms Priyanka Vedmehta	25.08.2008	01.10.2011	9	0	N
Mr. Pulkit Vimal Mehta	30.09.2011	28.05.2012	10	7	NA
Mr Chhattar Kumar Goushal	26.01.2012	NA	6	5	NA
Mr. Mahesh Ranglal Jain	26.01.2012	NA	6	3	NA
Mr. Bharat Bhushan Chugh	26.01.2012	NA	6	4	NA
Mr. Suresh Bohra	24.02.2012	NA	4	3	NA

9 Board Meeting was held during the period from April 01, 2012 to December 31, 2012. The details of the meetings and the attendance of the Directors are given below:

Name of Directors	No. of Board meeting Held	No of Board Meetings attended	Attendance at any AGM/EGM
Mr. Pulkit Vimal Mehta	9	1	Resigned on 28.05.2012
Mr. Chhattar Kumar Goushal	9	8	Present (AGM 29.09.2012)
Mr. Mahesh Ranglal Jain	9	1	Present (AGM 29.09.2012)
Mr. Bharat Bhushan Chugh	9	8	Present (AGM 29.09.2012)
Mr. Suresh Bohra	9	6	Not Present

CODE OF CONDUCT

The Board of Directors have adopted the Code of Conduct and responsibilities of the Board towards the Company in Board Meeting held on May 28, 2012.

COMMITTEES OF THE BOARD

In terms of the Clause 49 of the Listing Agreement, our Company has constituted the following Committees of the Board:

1. Audit Committee
2. Remuneration Committee
3. Shareholders/Investors Grievance Committee

I. <u>Audit Committee</u>

Our Company has constituted an Audit Committee, as per the provisions of Section 292A of the Companies Act and Clause 49 of the Listing Agreement. The present composition of audit committee is as under:

Sr. No.	Name	Designation	Nature of Directorship
1.	Mr. Chhattar Kumar Goushal	Chairman	Non-Executive Independent Director
2.	Mr. Suresh Bohra	Member	Non Executive Independent Director
3.	Mr. Bharat Bhushan Chugh	Member	Executive Director

The terms of reference of the Audit Committee are as follows:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending the appointment/re-appointment or external and internal auditors, tax auditors, fixation of statutory audit fees, internal audit fees and tax audit fees and also approval for payment of any other services.
3. Review with management financial statements before submission to the Board, focusing primarily on:
   - Review quarterly un-audited/audited financial results, half yearly review report
   - To do any internal investigations either departmentally or with the help of internal auditors or any other outside agency into matters where there is suspected fraud or irregularities or a failure of internal control system of a material nature and reporting the matter to the Board
   - Discussions with external auditors before the audit commences, the nature and scope of audit as well as to have post audit discussion to ascertain any area of concern.
   - Reviewing the Company's financial and risk management policies.
   - To meet the operating management and review the operations, new initiatives and performance of the various units of the Company.

1. <u>Powers of Audit Committee</u>

The Audit Committee has the following powers:

1) To investigate any activity within its terms of reference.
2) To seek information from any employee.
3) To obtain outside legal or other professional advice.
4) To secure attendance of outsiders with relevant expertise, if it considers necessary.

2. <u>Role of Audit Committee</u>

The role of the audit committee is as follows:

1. Oversight of our Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditors and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing with the management, the annual financial statements before submission to the board for approval, with particular referenceto:

a. Matters that are required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956.

b. Changes, if any, in accounting policies and practices and reasons for the same.

c. Major accounting entries involving estimates based on the exercise of judgment by management.

d. Significant adjustments made in the financial statements arising out of audit finding.

e. Compliance with listing and other legal requirements relating to financial statements.

f. Disclosure of any related party transactions.

g. Qualification in the audit report.

h. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.

i Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control system.

k Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.

l Discussion with statutory auditors before any significant findings and follow up there on.

m Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.

n Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

o To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.

p To review the functioning of the Whistle Blower mechanism, in case the same is existing.

q Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

r To see and review utilization of issue proceeds as required in terms of the Listing Agreement.

3. <u>Review of information by Audit Committee</u>

The Audit Committee shall review the following information:

1) Management discussion and analysis of financial condition and results of operation:

2) Statement of significant related party transactions submitted by management;

3) Management letters/letters of internal control weakness issued by the statutory auditors;

4) Internal audit reports relating to internal control weakness: and

5) The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

II. <u>Shareholders Grievance Committee</u>

Our Company has constituted a Shareholders Grievance Committee as required under Clause 49 of the listing agreement. The present composition of Shareholders Grievance Committee is as under:

Sr. No.	Name	Designation	Nature of Directorship
1.	Mr. Chhattar Kumar Goushal	Chairman	Non Executive Independent Director
2.	Mr. Bharat Bhushan Chugh	Member	Executive Director
3.	Mr. Suresh Bohra	Member	Non Executive Independent Director

The terms of reference of our Shareholders'/ Investors Grievance Committee are given below:

i. Efficient transfer of shares; including review of cases for refusal of transfer / transmission of shares and debentures;

ii. To allot the Equity Shares of the Company, and to supervise and ensure:

iii Redressal of shareholder and investor complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc received directly or through regulatory bodies;

iv Issue of duplicate / split / consolidated share certificates;

v Allotment and listing of shares;

Name and address of the Compliance Officer: Mr. Mohd. Zafar, 77B, 3rd Floor, IFFCO Road, Sector -18, Gurgaon, Haryana – 122015.

Details of Complaints received for the period April 01, 2011 to March 31, 2012 are as follows:

Sr.No.	Details of Investor Complaints	No of investor complaints
1	Complaints pending as on April 01, 2011	NIL
2	Complaints received from April 01, 2011 to March 31, 2012	NIL
3	Complaints redressed during the period	NIL
4	Complaints pending at the end of period	NIL

Details of Complaints received for the period April 01, 2012 to December 31, 2012 are as follows:

Sr.No	Details of Investor Complaints	No of Complaints
1	Complaints pending as on March 31, 2012	NIL
2	Complaints received from April 01, 2012 to June 30, 2012	NIL
3	Complaints redressed during the period	NIL
4	Complaints pending at the end of period	NIL

III. Remuneration Committee

Our Company has constituted a Remuneration Committee as required under Schedule XIII of the Companies Act, 1956 and Clause 49 of the Listing Agreement .The present composition of Remuneration Committee is as under :-

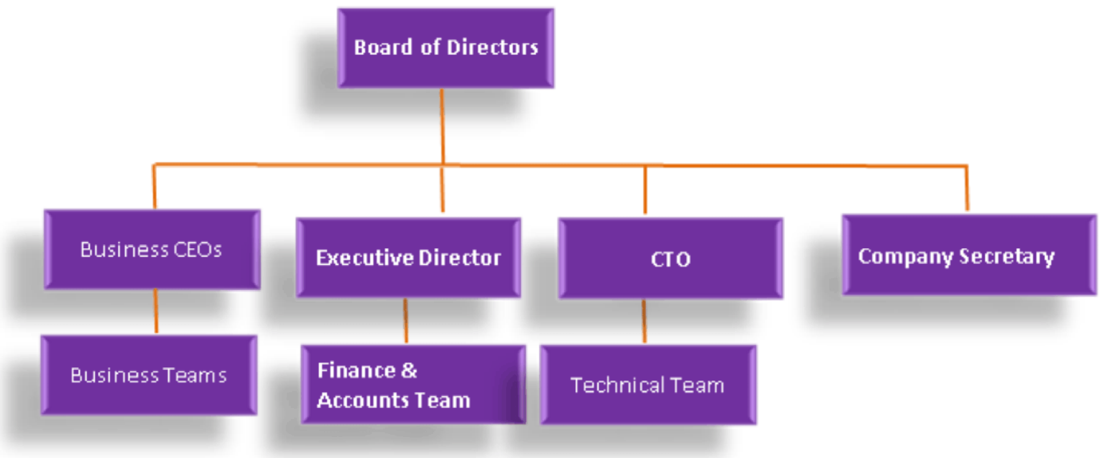
Sr. No.	Name	Designation	Nature of Directorship
1.	Mr. Chhattar Kumar Goushal	Chairman	Non Executive Independent Director
2.	Mr. Suresh Bohra	Member	Non Executive Independent Director
3.	Mr. Mahesh Ranglal Jain	Member	Non Executive Independent Director

The terms of reference of our Remuneration Committee are given below:

To review, access and recommend the appointment of executives and non-executive directors from time to time, to periodically review the remuneration package of the executive directors and recommend suitable revisions to the Board, to recommend compensation to the non- executive directors in accordance with the Companies Act, 1956 and recommend employees stock option scheme from time to time.

Our Company Secretary & Compliance Officer, Mr. Mohd. Zafar will act as the Secretary of the aforesaid Committees.

ORGANISATION CHART



KEY MANAGERIAL PERSONNEL

The details of our Key Managerial Personnel are set out below:

Mr. Sunil Batra – President (BPO & Distribution Business)

Mr. Sunil Batra is an evangelist in Consumer Sales and a Marketing professional with a successful track record of over two decades in various FMCG multinationals like Lipton India (HUL), Kellogg India, Bata India, Coca-Cola and Tata Tele Services Limited (TTSL). Before assuming the role at MMWL, Mr. Batra was President Operations at Tata Teleservices Limited. His key responsibilities at TTSL in the Pre-paid business were Sales, Product Management, Customer Service, Logistics & MIS, Training, Business & Finance Support. At TTSL, he has played various roles-from being Chief Operating Officer of Punjab, Haryana and Himachal Pradesh Circle(s), where he was a recipient of the "Chairman's trophy" for the best rollout, Regional Head North for Enterprise and HNI Market to heading Branded Retail. Beside, he is also working as Managing Director of DTPL.

Mr. G. D. Singh – President (Mobile Tv and VAS Business)

Mr. Singh has more than 20 years of experience in telecom vertical. He has held various P&L head positions in the past. He presently spearheads DSPL for distribution through 3G & 4G networks. He has attended various CTO forums in India and abroad, extensively travelled and is a regular speaker at telecom events across the globe.

Mr. Bharat Bhushan Chugh - Director (Finance)

Mr. Chugh is a Cost and Works Accountant with over 25 years of experience of working in manufacturing, engineering, FMCG and service industry. Before joining the Company, he was working with Digicall Teleservices Private Limited where he worked for the last 16 years, heading the finance, accounts and commercial departments of the Company. Prior to that he had worked with BST, Triveni Engineering & Subros Limited.

Mr. Dave Mann – Chief Technology Officer

Dave Maan has more than 17 years of experience in software engineering with MNCs like Altran, Ericsson Hewlett Packard, Alcatel, Schlumberger, Sapient, Infotel in various countries including India, France, Sweden, USA, Germany, UK, etc. As part of the management team, Mr. Dave establishes the technology vision and strategy for the organization. He examines how emerging technologies can address and support client business strategies & goals and manages the delivery of products/ services to key accounts & markets.

Notes:

1. All the Key Managerial Personnel mentioned above are permanent employees of our Company/subsidiaries and none of them are related to each other or to any Director of our Company.
2. There is no understanding with major shareholders, customers, suppliers or any others pursuant to which any of the above mentioned personnel have been recruited/appointed.
3. The Key Management Personnel mentioned above are not related parties as per Accounting Standard 18.

Shareholding of Key Managerial Personnel

None of the Key Managerial Personnel of our Company hold any Equity Shares of our Company as on the date of filing this Letter of Offer.

Changes in the Key Managerial Personnel during last three years

Following have been the changes in the Key Managerial Personnel during the last three years:

Sr. No.	Name	Date of Joining	Date of Leaving	Designation
1.	Ms. Priyanka Vedmehta	25.08.2000	01.10.2011	Managing Director
2.	Mr. Suhas Gopinath Jadhav	01.09.2009	26.01.2012	Executive Director
3.	Mr. Bharat Bhushan Chugh	May 28, 2012	NA	Director (Finance)
4.	Mr. Sunil Batra*	August 1, 2012	NA	President
5.	Mr. G D Singh*	August 1, 2012	NA	President
6.	Mr. Dave Mann	July 1, 2012	NA	Chief Technology Officer

** On deputation from holding company, DigiVision Holdings Private Limited.*

Bonus or Profit Sharing Plan

There is no fixed or certain bonus or profit sharing plan for the Key Managerial Personnel as of date.

Employees

As of date of this letter of offer, our work force consists of 35 full time employees. For more details about our employees please refer to section titled "Employees" beginning on page 115 of this Letter of Offer

ESOP/ESPS Scheme to Employees

Presently, we do not have ESOP/ESPS Scheme for our employees.

Payment or benefit to our Officers

Except for payment of monetary and non-monetary benefits in accordance with the terms of employment/ engagement and Dividend, if any, that may have been declared on the Equity Shares held by our Officers, we have not paid any amount or given any benefit to any Officer of our Company, nor is such amount or benefit intended to be paid or given to any Officer as on the date of filing this Letter of Offer.

OUR PROMOTER AND PROMOTER GROUP

The present Promoter/person presently in control of MMWL is DigiVision Holdings Private Limited (DHPL).

DigiVision Holdings Private Limited (CIN U67190DL2011PTC213857) is a closely held, private limited Company incorporated under the Companies Act, 1956 on February 11, 2011. DHPL has its Registered Office at 8, Commercial Complex, Masjid Moth, Greater Kailash-II, New Delhi - 110048. DHPL does not have any other Office. DHPL has not commenced any commercial operations. The Promoter of DHPL / person presently in control is Mr. Mahendra Nahata, who is also a Promoter and Managing Director of Himachal Futuristic Communications Limited (HFCL). Mr. Mahendra Nahata (DIN: 00052898) aged 53 years, is a Commerce Graduate. He has more than 28 years of business experience. He is the visionary behind the HFCL Group's R&D, technology partnership, business development and marketing initiatives.

MAIN OBJECTS

DHPL has, as its main objects "To hold, acquire by original subscription or purchase from existing security holders and otherwise to deal in shares, stocks, debentures, debenture-stocks, bonds and other securities of any kind including warrants, options, coupons such other derivatives, commercial or participation papers, issued or guaranteed by any of its subsidiary/ associate/group companies and / or other companies in which the Company has an equity interest or any other interest under any agreements / contracts or by any other company, corporation or undertaking of whatever nature whether incorporated or otherwise and wheresoever constituted and also not to undertake activities of NBFC as defined u/s 45 (1) (a) of the Reserve Bank of India Act, 1934".

BOARD OF DIRECTORS

Sr. No.	Name of the Director	Designation
1.	Mr. Surendra Lunia	Director
2.	Mr. Mahendra Nahata	Director
3.	Mr. Bharat Bhushan Chugh	Director

Shareholding Pattern

The Shareholding pattern of DigiVision Holdings Private Limited as on the date of filing this Letter of Offer is as follows:

Sr.No.	Name of Shareholder	No of shares	% holding
1.	Mr. Mahendra Nahata	19,99,990	51.28
2.	MN Ventures Private Limited	19,00,000	48.72
3.	Mr. Tarun Kalra	10	0.00
	Total	**39,00,000**	**100.00**

M N Ventures Private Limited is promoted by Mr. Mahendra Nahata. Further, M N Ventures Private Limited is also holding 1,21,00,000 Optionally Convertible Preference Shares(OCPSs) of Rs. 10/- each, aggregating to Rs. 12,10,00,000. The OCPSs do not carry any coupon rate and are convertible into Equity Shares of DHPL, at the option of the holder at the Book Value of the equity Shares at the time of conversion. If the conversion option is not exercised, the preference shares are compulsorily redeemed at the expiry of 10 years from the date of issue at par.

Audited Financial Performance of DHPL **(Rs. in Lacs)**

Particulars	For the period Ended Sept 30, 2012	For period February 11, 2011 to March 31, 2012
Equity Share Capital (excluding calls in arrears, if any)	390.00	390.00
Preference Share Capital(OCPS)	1210.00	1210.00
Reserves & Surplus (excluding Revaluation Reserves)	(23.79)	(23.53)
Misc. expenditure to the extent not written off	0.00	0.00
Unsecured Loans	8699.80	7399.50
Total Income (Other Income)	0.00	10.89
Profit/(Loss) after Tax	(0.26)	(23.53)
Earnings Per Share (Rs.)	(0.01)	(0.60)
Diluted Earnings Per Share (Rs.)	(0.01)	(0.60)
Net Asset Value per Equity Share (Rs.)	9.85	9.40
Face Value of Equity Share (Rs.)	10.00	10.00

Other disclosures:

The Equity Shares of DHPL are not listed on any of the Stock Exchanges. DHPL has not made any Public/Rights Issue since inception. Further, no action has been taken against the company by any Stock Exchange or SEBI.

DHPL is not a Sick Company within the meaning of Sick Industrial Companies (Special Provisions) Act, 1985 and has not been referred to under the Board for Industrial and Financial Reconstruction. Further, DHPL is not under winding up. It does not have a negative Net Worth.

There are no defaults by DHPL in meeting any Statutory/Bank/Institutional dues. There is no default to Public Deposit/ Debenture holders. No proceedings have been initiated for economic offences against DHPL.

Declaration

It is confirmed that the Income Tax Permanent Account Number (PAN), Bank Account details, Company Registration Number and the address of the Registrar of Companies where the Promoter Company is registered, are being submitted to the Stock Exchange, on which Equity Shares comprising this Issue by MMWL are proposed to be listed, at the time of filing the Letter of Offer.

Common Pursuits

Our Promoter does not have an interest in any venture that is involved in any activities similar to those conducted by our Company or any member of our Group Companies. We shall adopt the necessary procedures and practices as permitted by law to address any conflict situations as and when they may arise. For further details on Related Party Transactions to the extent of which our Company is involved, see "Related Party Transactions" on page 183-185 and 215-217 of this Letter of Offer.

Interest of our Promoters

Our Promoter is interested in the promotion of our Company as also to the extent of their Shareholding in our Company and the Dividend they are entitled to receive, if declared, by our Company. Other than this, our Promoter does not have any other interest in our Company or its business.

As on the date of this Letter of Offer our Promoters hold 57,880,080 Equity Shares of our Company. For further details please refer to the chapter titled "Capital Structure" beginning on page 69 of this Letter of Offer.

Except as stated in "Annexure XVII - Details of Related Party Transactions", in the chapter titled "Financial Statements" beginning on page 160 of this Letter of Offer, we have not entered into any contract, agreements or arrangements during the preceding two years from the date of this Letter of Offer, in which our Promoter is directly or indirectly interested; and no payments have been made to them in respect of these contracts, agreements or arrangements.

Further, except as stated above and as stated otherwise under the paragraph titled "Shareholding of our Directors" in the chapter titled "Our Management" beginning on page 132; in "Annexure XVII - Details of Related Party Transactions" in the chapter titled "Financial Information" beginning on page 183 and 215 and under the paragraph titled "Interest of Directors" in the chapter titled "Our Management" beginning on page 132, paragraph titled "Our Properties" in the chapter titled "Our Business" beginning on page 118 of this Letter of Offer, our Promoter does not have any other interests in our Company as on the date of this Letter of Offer.

Payment or Benefit to our Promoters and Promoters Group

No payment has been made or benefit given to our Promoter, Promoter Group or Group Companies in the two years preceding the date of this Letter of Offer except as mentioned / referred to in this chapter and in the chapter titled "Our Management" and in the chapter titled 'Financial Information' beginning on pages 132 and 160 respectively, of this Letter of Offer.

Related Party Transactions

For details pertaining to our Related Party Transactions please refer to "Annexure XVII - Details of Related Party Transactions" under the chapter titled "Financial Information" beginning on page 160 of this Letter of Offer.

Other Confirmations

Except as stated above under the para "Interest of our Promoters" on Page 144 of this Letter of Offer, our Company has neither made any payment in cash or otherwise to the Promoters or to firms or Companies or entities in which our Promoter Company or its promoter are interested as a member, Director or Promoter nor has our Promoter or its Promoter been offered any inducements to become a Director or otherwise to become interested in any firm or Company, in connection with the promotion or formation of our Company. No interest has been charged by our Company and the members of the Group Entities.

Details of Companies / Entities/ Firms from which our Promoters have disassociated themselves in last 3 (three) years

Our Promoters have not disassociated themselves from any Company, firm, or any other entity during the last three years preceding the date of filing this Letter of Offer.

OUR GROUP ENTITIES

Due to Mr. Mahendra Nahata being the Promoter of DigiVision Holdings Private Limited, which itself is the Promoter of our Company, following entities may constitute Group Companies of MMWL:

COMPANIES

1. Himachal Futuristic Communications Limited
2. Microwave Communications Limited
3. Exicom Tele-Systems Limited
4. HTL Limited
5. Polixel Security Systems Private Limited
6. Eminent Networks Private Limited
7. HFCL Dacom Infocheck Limited
8. Westel Wireless Limited
9. HFCL Bezeq Telecom Limited
10. HFCL Kongsung Telecom Limited
11. HFCL Satellite Communications Limited
12. DragonWave HFCL India Private Limited
13. ANM Enginnering & Works Private Limited
14. Moneta Finance Private Limited
15. NextWave Communications Private Limited
16. MN Ventures Private Limited
17. Digivision Wireless Private Limited

PARTNERSHIP CONCERNS

M N Televentures LLP

PROPRIETARY CONCERNS

NIL

TRUSTS

NIL

HUFs

NIL

A. FIVE LARGEST GROUP ENTITIES

As per Schedule VIII (IX)(C)(2) of the SEBI (ICDR) Regulations 2009, the financial information of top five Group Companies, Listed and Unlisted, on the basis of Market Capitalization and Turnover respectively, are given below:

LISTED COMPANIES

1. Himachal Futuristic Communications Limited

UNLISTED COMPANIES

2. Exicom Tele-systems Limited
3. HTL Limited
4. Polixel Security Systems Private Limited
5. HFCL Satellite Communications Limited

1) HIMACHAL FUTURISTIC COMMUNICATIONS LIMITED (HFCL)

HFCL was iincorporated on May 11, 1987 under the Companies Act, 1956 and is registered with the Registrar of Companies, Punjab, Himachal Pradesh and Chandigarh. The Corporate Identification Number of the Company (**CIN**) is L64200HP1987PLC007466. The Registered Office of HFCL is situated at 8, Electronics Complex, Chambaghat, Solan - 173213, Himachal Pradesh.

Change in Capital Structure

There has been no change in the Capital Structure of HFCL in the last six months prior to filing this Letter of Offer.

Current Nature of Activities

HFCL is engaged in the business of manufacturing of various telecommunications equipments and providing turnkey services to various Government/ Private telecom operators.

HFCL made Initial Public Issue of 6,50,000 Equity shares of Rs. 10/- each for cash at par aggregating to Rs. 65,00,000 in February, 1989 and got its Equity Shares listed at Bomaby Stock Exchange Limited, Calcutta Stock Exchange and The Ludhiana Stock Exchange. HFCL has also made Rights Issues in June, 1990 and April, 1993. At present, the Equity Shares of HFCL are listed on Bombay Stock Exchange Limited (BSE) and the National Stock Exchange of India Limited (NSE).

Issue of Global Depository Receipts (GDRs)

HFCL made an issue of 5,376,345 GDRs representing 21,505,380 Equity Shares of Rs.10/- each at premium of Rs. 63.12 per share aggregating to Rs. 15,724.73 Lacs in 1995. Each GDR represents 4 Equity Shares. These GDRs were listed at London Stock Exchange. HFCL also came out with second GDR issue in September, 2002. In this issue, 6,799,945 GDRs representing 54,399,560 Equity Shares of Rs.10/- each at a premium of Rs.36.61 per Equity Share aggregating to Rs.25,355.63 Lacs were issued. These GDRs were listed on Luxumberg Stock Exchange.

Board of Directors

Presently, the Board of Directors of HFCL comprises of:

Sr. No.	Name	Designation	DIN
1	Mr. M P Shukla	Chairman	00052977
2	Mr. Mahendra Nahata	Managing Director	00052898
3	Mr. Arvind Karabanda	Director (Finance)	00052270
4	Dr. R M Kastia	Director	00053059
5	Mr. Y L Agrawal	Director	00024770
6	Mr. S G Nadkarni	Nominee Director (IDBI)	03401830

Shareholding Pattern

The Shareholding pattern of HFCL as at December 31, 2012 is as follows:

Category	No. of Shareholders	No. of Shares	%
Promoter and Promoter Group	15	479,299,214	38.67
Mutual Funds/UTI/Financial Institutions Banks/ Insurance Companies/Trust/ etc.	39	235,719,264	19.02
FII's/OCBs/Foreign Banks/ GDRs	44	9,759,393	0.79
Bodies Corporates	3,198	251,232,802	20.27
Individuals/Public	270,177	263,366,521	21.25
Total	**273,473**	**1,239,377,194**	**100.00**

Audited Financial Information

Brief financials based on Audited Accounts for the last three years ended March 31, 2012 and period ended Sept 30, 2012 are given below: **(Rs. in Lacs)**

Details	30.09.2012 (6 month period)	31.03.2012 (12 month period)	31.03.2011 (6 month period)	30.09.2010 (18 month period)
Paid Up Equity Capital*	12,393.77	12,393.77	9,923.95	4,627.94
Reserves & Surplus (Net of Misc. expenses not written off)	49,203.76	45,176.11	22,200.06	3,011.30
Total Income	40,126.14	28845.29	32,745.70	39,309.14
Profit /(Loss) after Tax	4,027.65	1142.86	4,021.51	(51,259.50)
Earnings per Share per Rs.10/- paid up till 31.12.2009 and Re. 1/- thereafter. (in Rs.)	0.29	0.060	0.38	(1.88)
Net Asset Value per Equity Share. FV Rs.10/- each till 31.12.2009 and Re. 1/- thereafter.	4.97	4.64	3.24	1.65

**Pursuant to Scheme of Arrangement and Amalgamation between Sunvision Engineering Company Private Limited, its Shareholders and Optionally Convertible Debenture Holder and HFCL as approved by the Hon'ble High Court of Himachal Pradesh on 5th January, 2011, the Company's issued, subscribed and paid up Capital stands reduced from Rs.462,79,36,970/- divided into 462,793,697 equity shares of Rs.10/- each to Rs.462,793,697/-, divided into 462,793,697 equity shares of Re.1/- each by reduction in face value and paid up value from Rs.10/- per share to Re.1/- per share.*

The Face Value of Equity Shares stands reduced from Rs. 10/- to Re. 1/- with effect from 1st January, 2010.The Paid-Up capital stands increased from Rs.462,793,697 to Rs. 992,395,337 consequent upon merger of Sunvision Engineering Company Private Limited into HFCL. HFCL has subsequently issued 246,981,857 equity shares on 10th November, 2011 to Financial Institutions and Banks pursuant to approval of Rework Package under Corporate Debt Restructuring mechanism.

Stock Market Data

The Equity Shares of HFCL are listed on the BSE and the NSE. The details of the highest and lowest price on the BSE during the preceding six months are as follows:

Equity Shares of Face Value Re. 1/-

Month	High (Rs.)	Low (Rs.)
September 2012	11.75	10.56
October 2012	12.4	10.71
November 2012	11.5	10.0
December 2012	11.24	9.81
January 2013	11.15	9.42
February 2013	9.8	8.10

(Source: www.bseindia.com)

The details of the highest and lowest price on the NSE during the preceding six months are as follows:

Month	High (Rs.)	Low (Rs.)
September 2012	11.75	10.50
October 2012	12.40	10.75
November 2012	11.60	9.95
December 2012	11.25	9.80
January 2013	11.15	9.40
February 2013	9.55	8.10

(Source: www.nseindia.com)

Subsidiaries of HFCL

HFCL has two Subsidiaries, HTL Limited and Moneta Finance Private Limited, the details of which are given on Page 149 and Page 155 of this Letter of Offer.

Other disclosures:

The Equity Shares of HFCL are listed on BSE and NSE. GDRs issued by HFCL are listed on the London Stock Exchange and the Luxemberg Stock Exchange. HFCL has not made any Public/ Rights Issue in last five years. Further, no other action, other than what is stated in the paragraph below, has been taken against the Company by any Stock Exchange or SEBI.

In the year 2002, SEBI had issued a show cause notice under Section 11(4)(b) and 11B of the SEBI Act 1992 read with Regulation 11 of SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 against the Promoters and associates of Himachal Futuristic Communications Limited (HFCL), for the alleged violation of the provisions of Regulation 4 of the SEBI (PFUTP) Regulations, 1995 for the transactions pertaining to the period from October 1999 to March 2001. This matter was settled by way of a Consent Process and a Consent Order dated January 28, 2010 was passed by SEBI disposing of the proceedings under Section 11(4)(b) and 11 B of the SEBI Act, 1992 read with Regulation 11 of the PFUTP Regulations, 2003.

HFCL is not a Sick Company within the meaning of Sick Industrial Companies (Special Provisions) Act, 1985 and is not under the Board for Industrial and Financial Reconstruction. Further, HFCL is not under winding up, and does not have a negative Net-worth.

HFCL had approached in the past to Lenders viz. Financial Institutions and Banks for a financial restructuring package which had been approved under the Corporate Debt Restructuring (CDR) mechanism by the CDR Empowered Group (EG) in the year 2004 and subsequently by respective Lenders individually. The restructuring package, which inter-alia included funding of interest, reduction of interest rate, conversion of term loan into equity/ bond, etc. At the request of HFCL, CDR Empowered Group had further modified the CDR Package in the year 2005.

Due to continuous losses made by HFCL, it had defaulted in payment of interest and repayment of principal amount to certain lending institutions/banks in the past and could not adhere to some of the conditions prescribed by CDR EG. In order to tide over the difficult situation caused by the liquidity crunch, HFCL had again approached the lending institutions/ banks for the rework of CDR Package.

The Rework Package had been approved at the CDR EG meeting held on 9th February, 2011. The Rework Package inter-alia includes; waiver of penal interest, liquidated damages on all loans and premium on Zero Coupon Premium Bonds (ZCPBs); settlement of certain liabilities on one time settlement basis (OTS); reduction in interest rate on all loans with effect from cut-off date i.e. 1st January, 2011; re-schedulement and e-longation of repayment period of term loans; conversion of some of loans into equity etc. The aforesaid restructuring will improve the cash flow and strengthen the financial position of the HFCL.

Presently, there are no defaults in meeting any Statutory/Bank/Institutional dues. There are no defaults to Public Deposit/ Debenture holders. No proceedings have been initiated for economic offences against HFCL.

2) EXICOM TELE-SYSTEMS LIMITED (ETL)

ETL was incorporated on May 09, 1994 as Himachal Exicom Communications Limited under the Companies Act, 1956 and is registered with the Registrar of Companies, Punjab, Himachal Pradesh and Chandigarh. The name of the company was changed to its current name on August 11, 2008. The Corporate Identification Number (CIN) of the Company is U64203HP1994PLC014541. The registered office of ETL is located at 8, Electronics Complex, Chambaghat, Solan- 173 213, Himachal Pradesh.

Change in Capital Structure

The company has issued 6.94 Lacs equity shares (4.16 Lacs in August, 2012 and 2.78 Lacs in Dec 2012) to Shinano Retail Private Limited.

Current Nature of Activities..

The core business of ETL is manufacturing of telecom power equipment, and providing complete Telecommunication solutions.

Board of Directors

Presently, the Board of Directors of ETL is:

Sr. No.	Name	Designation	DIN
1	Mr. B B Tandon	Chairman	00740511
2	Mr. Anant Nahata	Managing Director	02216037
3	Dr. Ashok Jhunjhunwala	Director	00417944
4	Mr. Himanshu Baid	Director	00014008

Shareholding Pattern

The Shareholding pattern of ETL as at December 31, 2012 is as follows:

Sr. No	Name of Shareholder	No. of shares	% holding
1.	Nextwave Communications Private Limited	2,189,085	44.01%
2.	Vinsan Brothers Private Limited	1,082,692	21.77%
3.	Shinano Retail Private Limited	694,000	13.95%
4.	Himachal Futuristic Communications Limited	630,233	12.67%
5.	Satellite Finance Private Limited	377,500	7.59%
6.	Others	500	0.01%
	Total	**4,974,000**	**100.00%**

Audited Financial Information

Brief financials based on Audited Accounts for the last three years ended March 31, 2012 and period ended Sept 30, 2012 are given below: **(Rs. in Lacs)**

Details	30.09.2012 (6 month period)	31.03.2012	31.03.2011	31.03.2010
Paid Up Equity Capital	469.60	428.00	428.00	428.00
Reserves & Surplus(Net of Misc. expenses not written off)	4833.46	3,553.45	4,415.21	5,199.32
Total Income including Other Income (net)	3551.94	4,906.30	5,591.17	10,376.27
Profit /(Loss) after Tax	(175.98)	(861.75)	(784.11)	630.45
Earnings Per Share (Rs.)	(4.03)	(20.13)	(18.32)	14.73
Net Asset Value per Equity Share (F V Rs.10/-)	112.93	93.02	113.16	131.48

Other disclosures:

The Equity Shares of ETL are not listed on any Stock Exchange. ETL has not made any Public/ Rights Issue in last five years. Further, no action has been taken against the company by any Stock Exchange or SEBI.

ETL is not a Sick Company within the meaning of Sick Industrial Companies (Special Provisions) Act, 1985 and is not under the Board for Industrial and Financial Reconstruction. Further ETL is not under winding up. ETL is not having negative networth. There are no defaults in meeting any statutory dues. There are no defaults to Public Deposit/Debenture holders. No proceedings have been initiated for economic offences against ETL.

3) HTL LIMITED (HTL)

HTL was incorporated on December 14, 1960 under the Companies Act, 1956 and is registered with the Registrar of Companies, Tamilnadu at Chennai. The Corporate Identification Number of the Company is U93090TN1960PLC004355. The registered office of HTL is situated at GST Road, Guindy, Chennai - 600 032.

Change in Capital Structure

There has been no change in the capital structure of HTL in the last six months prior to filing this Letter of Offer.

Current Nature of Activities

The core business of HTL is switching transmission products, access and peripherals, turnkey projects - Broadband, STM, Wireless Transmission Towers and Solar Power Plants.

Board of Directors

Presently, the Board of Directors of HTL comprises of:

Sr. No.	Name	Designation	DIN
1	Mr. Mahendra Nahata	Director	00052898
2	Mr. M P Shukla	Director	00052977
3	Dr. R M Kastia	Wholetime Director	00053059
4	Mr. Y L Agrawal	Director	00024770
5	Mr. R K Pathak	Govt. Nominee	00237001
6	Mrs Shikha Mathur Kumar	Govt. Nominee	03228703

Shareholding Pattern

The shareholding pattern of HTL as at December 31, 2012 is as follows:

Sr. No	Name of Shareholder	No. of shares	% holding
1	HFCL	1,110,000	74.00
2	Government of India - President of India	389,996	26.00
3	Mr. S.S.Singh, DDG(PG), DoT.	2	0.00
4	Mr. N.K.Joshi, DDG(SU) , DoT.	1	0.00
5	Mr. V.N.Tandon, Director (TPF), DoT.	1	0.00
	Total	**1,500,000**	**100%**

Audited Financial Information

Brief financials based on Audited Accounts for the last three years ended March 31, 2012 and period ended Sept 30, 2012 are given below **(Rs. in Lacs)**

Details	30.09.2012 (6 month period)	31.03.2012	31.03.2011	31.03.2010
Paid Up Equity Capital	1500.00	1500.00	1500.00	1500.00
Reserves & Surplus(Net of Misc. expenses not written off)	(52578.62)	(56631.59)	0.00	0.00
Profit and Loss Account - Debit Balance	0.00	0.00	(49162.88)	(43252.88)
Total Income including Other Income	8055.36	1281.39	567.23	3111.18
Profit /(Loss) after Tax	4052.97	(7468.71)	(5910.00)	(4363.68)
Earnings Per Share (Rs.)	270.2	(497.91)	(394.00)	(290.91)
Net Asset Value Per Share (F V Rs. 10/-)	(250.52)	(367.54)	(317.75)	(278.35)

Other disclosures:

The Equity Shares of HTL are not listed on any Stock Exchange. HTL has not made any Public/ Rights Issue in last five years. Further, no action has been taken against HTL by any Stock Exchange or SEBI.

HTL is a Sick Company within the meaning of Sick Industrial Companies (Special Provisions) Act, 1985 and is not under the Board for Industrial and Financial Reconstruction since action under SARFAESI has been initiated by SBI and is in progress. Further, HTL is not under winding up, but the company has a negative networth.

There are no defaults in meeting any Statutory dues. There are no defaults to Public Deposit/Debenture holders. There are defaults in repayment of Bank's dues for which the action is in process to clear them. No proceedings have been initiated for economic offences against HTL.

Other Entities which have a negative networth

As per Schedule VIII (IX) (C) (2) of the SEBI (ICDR) Regulations 2009, the financial information of other loss making Companies/ entities with a negative networth are given below.

4) Polixel Security Systems Private Limited (Polixel)

Polixel Security Systems Private Limited was incorporated on February 15, 2010 under the Companies Act, 1956 vide Certification of Incorporation bearing registration no 199073 issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana. The CIN allotted to Polixel is U93000DL2010PTC199073. The Registered Office of Polixel is located at D-7, Dhawandeep Apartment, 6, Jantar Mantar Road, New Delhi - 110 001 and Polixel is in the business of designing, developing, installing and operating integrated and bundled security surveillance systems for surveillance of various places including important buildings like schools, places of worship, offices, malls, etc.

Change in Capital Structure

There has been no change in the capital structure of Polixel in the last six months prior to filing this Letter of Offer.

Current Nature of Activities

The core business of Polixel is designing, developing, installing and operating integrated and bundled security surveillance systems for surveillance of various places including important buildings like schools, places of worship, offices, malls, etc.

Board of Directors

Presently, the Board of Directors of Polixel comprises of:

Sr. No.	Name	Designation	DIN
1	Mr. Surendra Lunia	Director	00121156
2	Mr. Gurdial Singh Khandpur	Director	00121913
3	Mr. Wlodzimerz Nuta	Director	03606675

Shareholding Pattern

The shareholding pattern of Polixel as at December 31, 2012 is as follows:

Sr. No	Name of Shareholder	No. of shares	% holding
1	HFCL	10,000	47.95%
2	Polixel S.A	10,856	52.05%
	Total	**20,856**	**100.00**

Audited Financial Information

Brief financials based on Audited Accounts for the last two years ended March 31, 2012 and period ended Sept 30, 2012 are given below: **(Rs. in Lacs)**

Details	**30.09.2012 (6 months)**	**31.03.2012**	**31.03.2011**
Paid Up Equity Capital	2.08	2.08	2.08
Reserves & Surplus(Net of Misc. expenses not written off)	(664.42)	(407.42)	(196.92)
Total Income including Other Income	131.72	568.79	132.89
Profit /(Loss) after Tax	(257.00)	(210.49)	(196.92)
Earnings Per Share (in Rs.)	(1232)	(1236.59)	(946.78)
Net Asset Value per Share (in Rs.)	(3175.75)	(2173.99)	(936.78)

Other disclosures:

The Equity Shares of Polixel are not listed on any Stock Exchange. Polixel has not made any Public/ Rights Issue since inception. Further, no action has been taken against Polixel by any Stock Exchange or SEBI.

Polixel is not a Sick Company within the meaning of Sick Industrial Companies (Special Provisions) Act, 1985 and is not under the Board for Industrial and Financial Reconstruction. Further, Polixel is not under winding up, but it has a negative networth.

5) HFCL SATELLITE COMMUNICATIONS LIMITED (HSCL)

HSCL was incorporated on Sept 9, 1994 under the Companies Act, 1956 as Himachal Shinawatra Communications Limited and was registered with the Registrar of Companies, Punjab, Himachal Pradesh and Jalandhar at Jalandhar. The Corporate Identification Number of the Company is U64201DL1999PLC098301. The Registered Office of HSCL has been changed from 8, Electronics Complex, Chambaghat, Solan (Himachal Pradesh) to 8, Commercial Complex, Masjid Moth, Greater Kailash - II, New Delhi - 110048.

Change in Capital Structure

There has been no change in the Capital Structure of HSCL in the last six months prior to filing this Letter of Offer.

Current Nature of Activities

Presently, HSCL is into providing Very Small Aperture Terminal (VSAT) services in India.

Board of Directors

Presently, the Board of Directors of HSCL is:

Sr. No.	Name	Designation	DIN
1	Mr. Alok Jain	Director	01842150
2	Mr. M P Shukla	Director	00052977
3	Mr. Nawratan Mal Benghani	Director	00466093

Shareholding Pattern

The Shareholding pattern of HSCL as at December 31, 2012 is as follows:

Sr.No	Name of Share Holders	No of Share	Face value @ Rs.10/-	% of holding
1	Dr Deepak Malhotra	100	1000	0.001%
2	HFCL	2,400,000	24,000,000	29.998%
3	Mr. J.P Lakhotia	100	1000	0.001%
4	Mr. Baburaj E.	100	1000	0.001%
5	Mr. Vinod Kumar	50	500	0.001%
6	Mr. Prakash Chan Gulgulia	50	500	0.001%
7	Mr. S.P Jairath	100	1,000	0.001%
8	Wireless Telecom Limited	1,250,000	12,500,000	15.624%
9	Apex Enterprises	1,256,700	12,567,000	15.708%
10	Gulnar Industries Limited	1,546,700	15,467,000	19.333%
11	Burlington Finance Limited	1,546,600	15,466,000	19.331%
	Total	**8,000,500**	**80,005,000**	**100.00**

Audited Financial Information

Brief financials based on Audited Accounts for the last three years ended March 31, 2012 and period ended Sept 30, 2012 are given below: **(Rs. in Lacs)**

Details	30.09.2012 (6 month period)	31.03.2012	31.03.2011	31.03.2010
Paid Up Equity Capital	800.05	800.05	800.05	800.05
Share Application Money	895.00	895.00	895.00	895.00
Reserves & Surplus(Net of Misc. expenses not written off)	0.00	0.00	0.00	0.00
Profit and Loss Account-	(6435.36)	(6453.87)	(6398.84)	(6722.20)
Total Income including Other Income	111.10	205.04	853.33	853.73
Profit /(Loss) after Tax	18.51	(55.03)	323.35	(11.06)

Earnings Per Share (Rs.)	0.23	(0.69)	4.04	(0.14)
Net Asset Value per Equity Share(Rs.)	(70.44)	(70.66)	(69.98)	(74.02)

Other disclosures:

The Equity Shares of HSCL are not listed on any Stock Exchange. HSCL has not made any Public/ Rights Issue in last five years. Further, no action has been taken against HSCL by any Stock Exchange or SEBI.

HSCL is not a Sick Company within the meaning of Sick Industrial Companies (Special Provisions) Act, 1985 and is not under the Board for Industrial and Financial Reconstruction. Further, HSCL is not under winding up, but the entire Net worth of the Company is eroded.

6) MICROWAVE COMMUNICATIONS LIMITED (MCL)

MCL was incorporated on February 25, 1992 under the Companies Act, 1956 and is registered with the Registrar of Companies, Delhi & Haryana. The Corporate Identification Number of the Company is U64202DL1992PLCO47750. The Registered Office MCL is at 1514-15, 15th Floor, Hemkunt Chambers, 89, Nehru Place, New Delhi - 110019. .

Change in capital structure

There has been no change in the Capital Structure of MCL in the last six months prior to filing this Letter of Offer.

Current Nature of Activities

The company was into the business of a Call Centre (BPO) earlier which had been discontinued. As of now it is not doing any business and is identifying new business opportunities to enter into.

Board of Directors

Presently, the Board of Directors of MCL is:

Sr. No.	Name	Designation	DIN
1	Mr. Kamal Kumar Sharma	Director	00606090
2	Mr. Bharat Bhushan Chugh	Director	00472532
3	Mr. Nawratan Mal Benghani	Director	00466093

Shareholding Pattern

A Shareholding Pattern of MCL as at December 31, 2012 is as follow :

Name of Share holder	Address	No of Share	% of Holding
Mr. Vinay Maloo	S-319, Greater Kailash -II	10	0%
Mr. Mahentra Nahata	8/21, Sarvapria Vihar	10	0%
Mr. Deepak Malhotra	Eg3/16, Garden Estate, Gurgaon	10	0%
Mr. J P Lakhotia	H-57d, Saket, New Delhi	10	0%
Mr. Tarun Kalara	1/21, Subhash Nagar, New Delhi	10	0%
Mr. Ashok Kumar	150, Maitri Apartment, Patparganj	10	0%
HFCL	8, Electronic Complex, Chambaghat, Solan, HP	121,874,40	32.50
Amar Packaging Private Limited	T/24a, Green Park Extn, New Delhi	600,00	0.16
Arihant Advertising Private Limited	T/24a, Green Park Extn, New Delhi	8,000,00	2.13
Westel Wireless Limited	16, Netaji Subhash Road, 4th Floor, Calcutta	29,100,00	7.76
MKJ Securities Limited	Sagar Estate, 3rd floor, Calcutta	7,890,62	2.10
M K Jalan	15, Belveder Road, Alipore, Calcutta	8,671,88	2.32
Shashi Prabha Jalan	15, Belveder Road, Alipore, Calcutta	8,671,88	2.32
M K Jalan (HUF)	15, Belveder Road, Alipore, Calcutta	4,046,88	1.08
Master Monu Jalan	15, Belveder road, Alipore, Calcutta	4,046,87	1.08
MKJ Enterprises Limited	2, Clive ghat Street, Calcutta	1,171,87	0.31
MKJ Developers Limited	Tivoli court, 10 ballygunge road, Flat no 01, 11th floor, Calcutta	5,000,00	1.33
Montu Housing Projects Limited	Tivoli court, 10 ballygunge road, Flat no 01, 11th floor, Calcutta	10,000,00	2.67
Madan Lal Limited	2, Clive Ghat Street, Calcutta	5,000,00	1.33
Shinawatra International	1291/a, Phrava Tower, Plaza Phahon, Yothin road, Shamsen Naipaya Thai, Bagk	149,983,33	40.00
Silicon Valley Technology Private Limited	2384 , 2nd floor, Lal Bungalaw, S G road	10,900,00	2.91
Total		**374,958,33**	**100%**

Audited Financial Information

Brief financials based on Audited Accounts for the last three years ended March 31, 2012 and period ended Sept 30, 2012 are given below: **(Rs. In Lacs)**

Details	30.09.2012 (6 months)	31.03.2012	31.03.2011	31.03.2010
Paid Up Equity Capital	3749.58	3749.58	3749.58	3749.58
Share Application Money	1250.41	1250.41	1250.41	1250.41
Reserves & Surplus - Capital Reserve (Net of Misc. expenses not written off)	713.17	713.17	713.17	713.17
(Profit & Loss Account)	(15828.56)	(15491.30)	(15393.40)	(15114.83)
Total Income(including Other Income)	6.57	14.34	11.63	2628.19
Profit /(Loss) after Tax	(214.31)	(105.11)	(288.56)	1893.44
Earnings per Share per Rs.10/- paid up (in Rs.)	(0.57)	(0.77)	(0.74)	5.05
Net Asset Value per Equity Share (F V Rs.10/-)	(30.31)	(29.41)	(29.15)	(28.40)

Other disclosures:

The Equity Shares of MCL are not listed on any Stock Exchange. MCL has not made any Public/ Rights issue in last five years. Further, no action has been taken against MCL by any Stock Exchange or SEBI.

MCL is not a Sick Company within the meaning of Sick Industrial Companies (Special Provisions) Act, 1985 and is not under the Board for Industrial and Financial Reconstruction. Further MCL is not under winding up, but the Company has a negative networth.

There are no defaults in meeting any Statutory/Bank/Institutional dues. There are no defaults to Public Deposit/Debenture holders. No proceedings have been initiated for economic offences against MCL.

7) HFCL Dacom Infocheck Limited (HFCL Dacom)

HFCL Dacom Infocheck Limited was incorporated on January 17, 1995 under the Companies Act, 1956 vide Certification of Incorporation bearing registration no 55-64411 issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana. The CIN allotted to the Company is U74899DL1995PLC064411. The Registered Office of the Company is located at 8, Commercial Complex, Masjid Moth, Greater Kailash- II, New Delhi - 110 048 and the company was incorporated to carry on the business of Credit Card Information system, including credit card authorization, electronic fund transfer and other allied value added services.

Change in Capital Structure

There has been no change in the capital structure of HFCL Dacom in the last six months prior to filing this Letter of Offer.

Current Nature of Activities

Presently, HFCL Dacom is not carrying on any activity

Board of Directors

Presently, the board of directors of HFCL Dacom are:

Sr. No.	Name	Designation	DIN
1	Mr. Tarun Kalra	Director	00892579
2	Mr. Chetan Chaturvedi	Director	00092970
3	Mr. Lalit Kumar Parimoo	Director	00459078

Shareholding Pattern

The shareholding pattern of HFCL Dacom as at March 31, 2012 is as follows:

Sr. No	Name of Shareholder	No. of shares	% holding
1	Mr. Deepak Malhotra	100	0
2	Mr. Vinay Maloo	100	0
3	Mr. Chetan Chaturvedi	100	0
4	Mr. J P Lokhotia	100	0
5	Mr. Ashok Kumar	100	0
6	Dacom International Inc	23,03,000	49%
7	Himachal Futuristic Communications Ltd	14,09,500	30%
8	Westel Wireless Limited	9,87,000	21%
	Total	**47,00,000**	**100.00**

Audited Financial Information

Brief financials based on Audited Accounts for the last three years are given below: **(Rs. in Lacs)**

Details	30.09.2012 (6 months)	31.03.2012	31.03.2011	31.03.2010
Paid Up Equity Capital	470.00	470.00	470.00	470.00
Reserves & Surplus(Net of Misc. expenses not written off)	0.00	0.00	0.00	0.00
Share Application Money	0.00	67.02	67.02	67.02
Profit and Loss Account - Debit Balance	(525.71)	(525.66)	(525.39)	(525.27)
Total Income including Other Income	0.00	0.00	0.00	0.00
Profit /(Loss) after Tax	(0.05)	(0.27)	(0.12)	(0.33)
Earnings Per Share (Rs.)	(0.0012)	(0.0057)	(0.0026)	(0.0071)
Net Asset Value Per Share (F V Rs. 10/-)	(1.19)	(1.18)	(1.18)	(1.18)

Other disclosures:

The Equity Shares of HFCL Dacom are not listed on any Stock Exchange. HFCL Dacom has not made any Public/ Rights Issue in last five years. Further, no action has been taken against HFCL Dacom by any Stock Exchange or SEBI.

HFCL Dacom is not a Sick Company within the meaning of Sick Industrial Companies (Special Provisions) Act, 1985 and is not under the Board for Industrial and Financial Reconstruction. Further, HFCL Dacom is not under winding up, but the Company has a negative networth.

8) Westel Wireless Limited (WWL)

Westel Wireless Limited was incorporated on 6th April, 1995 under the Companies Act, 1956 vide Certification of Incorporation bearing registration no 097348 issued by the Registrar of Companies, Karnataka at Bangalore. The Registered Office of WWL was shifted to the National Capital Territory of Delhi on December 07, 1998. The CIN allotted to Westel Wireless Limited is U32204DL1995PLC097348. The Registered Office of the Company is currently located at 8, Commercial Complex, Masjid Moth, Greater Kailash- II, New Delhi - 110 048. WWL was incorporated to carry on the business of manufacturing and dealing in Wireless local loop Telephone Systems. WWL is currently not undertaking any activity.

Change in Capital Structure

There has been no change in the capital structure of WWL in the last six months prior to filing this Letter of Offer.

Current Nature of Activities

WWL is currently not undertaking any activity.

Board of Directors

Presently, the board of directors of WWL comprises of:

Sr. No.	Name	Designation	DIN3
1	Mr. Tarun Kalra	Director	00892579
2	Mr. Hanuman Mal Taber	Director	00020786
3	Mr. Anil Kumar Nahata	Director	00485160

Shareholding Pattern

The shareholding pattern of WWL as at December 31, 2012 is as follows:

Sr. No	Name of Shareholder	No. of shares	% holding
1	Burlington Finance Limited	65,000	20.97
2	Himachal Futuristic Communications Limited	89,700	28.94
3	Gulnar Industries Limited	74,300	23.97
	Apex Enterprises Private Limited	80,700	26.02
	Others	300	0.10
	Total	**310,000**	**100**

Audited Financial Information

Brief financials of WWL based on Audited Accounts for the last three years are given below: **(Rs. in Lacs)**

Details	30.09.2012 (6 months)	31.03.2012	31.03.2011	31.03.2010
Paid Up Equity Capital	31.00	31.00	31.00	31.00
Reserves & Surplus(Net of Misc. expenses not written off)	0.00	0.00	0.00	0.00
Profit and Loss Account - Debit Balance	(147.72)	(147.65)	147.44	147.19
Total Income including Other Income	0.00	0.00	0.00	0.00
Profit /(Loss) after Tax	(0.07)	(0.22)	(0.25)	(0.09)
Earnings Per Share (Rs.)	(0.02)	(0.07)	(0.08)	(0.029)
Net Asset Value Per Share (F V Rs. 10/-)	(37.42)	(37.63)	(37.56)	(37.48)

Other disclosures:

The Equity Shares of WWL are not listed on any Stock Exchange. WWL has not made any Public/ Rights Issue in last five years. Further, no action has been taken against WWL by any Stock Exchange or SEBI.

WWL is not a Sick Company within the meaning of Sick Industrial Companies (Special Provisions) Act, 1985 and is not under the Board for Industrial and Financial Reconstruction. Further, WWL is not under winding up, but the networth of the company has been completely eroded.

B. OTHER GROUP ENTITIES

1. **Eminent Networks Private Limited (ENPL)**

   Eminent Networks Limited was incorporated on August 11, 2008 under the Companies Act, 1956 vide Certificate of Incorporation bearing CIN NO: U64200DL2008PTC181893 issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana. The company's Registered Office has been shifted from 8, Commercial Complex, Masjid Moth, Greater Kailash - II, New Delhi - 110048 to Electronics Complex, Chambaghat, Solan, Himachal Pradesh. ENPL is in the business of manufacturing Telecommunication equipments. ENPL is not a sick company.

2. **HFCL Bezeq Telecom Limited (HFCL Bezeq)**

   HFCL Bezeq Telecom Limited was incorporated as Bestel Limited on March 14, 1995 under the Companies Act, 1956 vide Certificate of Incorporation bearing registration no.55-66338 issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana. The name of HFCL Bezeq was changed to its current name on May 24, 1995 vide fresh Certificate of Incorporation. The CIN number allotted to HFCL Bezeq is U74899DL1995PLC066338. Its Registered Office is located at 8, Commercial Complex, Masjid Moth, Greater Kailash- II, New Delhi - 110 048. HFCL Bezeq was incorporated to carry on the business of manufacturing, assembling, buying, selling of telecommunication equipments and providing telecommunication services. HFCL Bezeq, has however, not commenced any commercial activity. The Auditors of HFCL Bezeq, have, in their latest Audit Report expressed a qualification as to the ability of this company continuing as a going concern, due to absence of any further progress in projects taken up earlier. HFCL Bezeq is not a sick company.

3. **HFCL Kongsung Telecom Limited (HFCL Kongsung)**

   HFCL Kongsung Telecom Limited was incorporated on 6th February, 1995 under the Companies Act, 1956 vide Certificate of Incorporation bearing registration no 55- 065083 issued by the Registrar of Companies National Capital Territory of Delhi and Haryana. The CIN number allotted to the Company is U74899DL1995PLC065083. Its Registered Office is located at 8, Commercial Complex, Masjid Moth, Greater Kailash- II, New Delhi - 110 048 and it was incorporated to carry on the business of manufacturing and dealing in telecommunication equipment. HFCL kongsung has accumulated cash losses of Rs. 343.25 Lacs as at March 31, 2012. HFCL Kongsung is not a sick company.

4. **DragonWave HFCL India Private Limited (DragonWave)**

   DragonWave HFCL India Private Limited was incorporated on December 06, 2010 under the Companies Act, 1956 vide certificate of incorporation issued by the Registrar of Companies National Capital Territory of Delhi and Haryana. The Registered Office of Dragon Wave is located at 8, Commercial Complex, Masjid Moth, Greater Kailash- II, New Delhi - 110 048 and the CIN number allotted to it is U64200DL2010PTC211117. Dragon Wave is in the business of designing, assembling and dealing in all types of Radio Communication Systems and associated products for radio networks. Dragon Wave is not a Sick Company.

5. **Moneta Finance Private Limited (Moneta)**

   Moneta Finance Private Limited was incorporated on September 27, 1995 under the Companies Act, 1956 vide Certificate of Incorporation bearing registration no 06 - 17088 issued by the Registrar of Companies Punjab, Himachal Pradesh and Chandigarh. The Registered Office of Moneta is located at 8, Electronics Complex, Chamba Ghat, Solan, Himachal Pradesh.

The CIN Number is U65291HP1995PTC017088. Moneta is in the business of finance and investments. It is a wholly owned subsidiary of Himachal Futuristic Communications Limited. Moneta is not a Sick Company.

6. **ANM Enginnering & Works Private Limited (ANMEPL)**

ANMEPL was incorporated on August 11, 2008 under the Companies Act, 1956 vide Certificate of Incorporation issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana. The Registered Office of ANMEPL is located at 8, Commercial Complex, Masjid Moth, Greater Kailash- II, New Delhi - 110048 and the CIN number allotted to it is U28910DL2008PTC181901. ANMEPL was incorporated to carry on the business of designing and producing all types of engineering equipments, but it is yet to commence any commercial activity. ANMEPL is not a Sick Company.

7. **NextWave Communications Private Limited (NextWave)**

NextWave Communications Private Limited was incorporated on September 16, 2009 under the Companies Act, 1956 vide Certificate of registration issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana. The Registered Office of NextWave is located at W-48, Greater Kailash-II, New Delhi - 110048 and the CIN number allotted to it is U64100DL2009PTC194380. NextWave was incorporated to carry on the business of designing and manufacturing telecommunication equipments,. NextWave is not a Sick Company.

8. **M N Ventures Private Limited (MNVPL)**

MN Ventures Private Ltd was originally incorporated on April 01, 2010 under the Companies Act, 1956 vide Certificate of registration issued by the Registrar of Companies Punjab, Himachal Pradesh and Chandigarh as Infotel Wimax Private Limited. The name was changed to its current name on September 20, 2011. The Registered Office of MNVPL is located at C-157, Industrial Area, Phase Vii, Mohali - 160 055, Punjab, and the CIN number allotted to it is U51909PB2010PTC033762. MNVPL has been incorporated to carry on the business of trading as merchants, traders, commission agents and deal in goods and commodities. MNVPL is yet to commence any commercial activity. MNVPL is not a Sick Company.

9. **Digivision Wireless Private Limited (DWPL)**

Digivision Wireless Private Limited was incorporated on January 11, 2008 under the Companies Act, 1956, vide Certificate of Registration issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana as "Digivision DTH Services Private Limited". The name was changed to its current name on September 18, 2009. The Registered Office of DWPL is located at D-7, Dhawandeep Apartments, 6, Jantar Mantar Road, New Delhi - 110 001 and the CIN number allotted to it is U64202DL2008PTC172573. DWPL proposes to be in the business of providing products, systems and services in relation to safety, security, surveillance and disaster management. The company is yet to commence any commercial operations.

10. **M N Tele-Ventures LLP (MNTLLP)**

M N Tele-Ventures LLP was incorporated on September 06, 2011 under the Limited Liability Partnership Act 2008, vide Certificate of Registration issued by the Registrar of LLP, as "MN Tele-Ventures LLP". The Registered Office of MNT LLP is located at 8, Commercial Complex, Masjid Moth, Greater Kailash-II, New Delhi - 110 048 and the LLP Identity number allotted to it is AAA-6152. MN Tele-Ventures LLP proposes to be in the business of promoting various ventures relating to telecommunications instruments, web based services (including E- Commerce) manufacturers, traders etc., The LLP is yet to commence any commercial operations.

Other Confirmations

Further, Group Companies/Entities have confirmed that they have not been declared as wilful defaulters by the Reserve Bank of India (RBI) or any other Governmental authority and except for what is stated under para "Regulatory action by SEBI" on Page No. 238, of this Letter of Offer, there are no violations of securities laws committed by them in the past and no proceedings pertaining to such violations are pending against them or penalties imposed on them.

Additionally, none of the Group Entities have been restrained from accessing the Capital Markets for any reason by SEBI or any other authorities.

Litigation

There are no pending litigation against our Company or its Subsidiaries except as mentioned on page no 227-238 in this document.

For details on litigations pending against our Group Entities, please refer to the chapter titled "Legal and other Information" beginning on page 227-238 of this Letter of Offer.

Sales between our Company and Group Entities

Except as stated in the section titled "Financial Information- Details of Related Party Transaction" on page 183-185 and 215-217 of this Letter of Offer, there are no sales or purchases between Group Companies exceeding 10% in aggregate value of the total sales or purchases of our Company or Group Companies.

Defunct / Struck-off Companies

None of our Promoters Group Entities has become defunct or struck off in the five years preceding the filing of this Letter of Offer.

Interest of Group Entities in promotion of our Company

None of our Group Companies have any other interest in the promotion of our Company.

Interest of Group Entities in any transactions by our Company

Except as disclosed in "Annexure XVII- Details of Related Party transactions" under the section titled "Financial Information" beginning on page 160 of this Letter of Offer, none of our Group Companies were interested in any transaction by our Company.

Payment of amount or benefits to our Group Entities during last two years

Except as stated in "***Interests of our Promoter***s", "***Interest of Group Entities in promotion of our Company***", "***Interest of Group Entities in any transaction by our Company***" and "***Details of Related Party Transactions***" on pages 144, 157, 157, 183-185 and 215-217, respectively, there has been no payment of benefits to the Promoter, Promoter Group and Group Companies during Fiscal 2012, Fiscal 2011 and Fiscal 2010.

Common Pursuits

Our Company and NDPL, one of our Subsidiaries are engaged in trading of mobile handsets activity. MCL, one of our Group Companies, was engaged in the past in BPO activities which is similar in nature to the activities carried on by our subsidiary, DTPL.

Except as mentioned above, there are no common pursuits between our Company/Subsidiaries and our Group Companies and there exists no conflict of interest arising out of common pursuits between our Group Companies and our Company/ Subsidiaries.

We shall adopt the necessary procedures and practices as permitted by Law to address any conflict situations, if at all and as and when they may arise.

CURRENCY OF PRESENTATION

In this Letter of Offer, all reference to the word "Lac/Lacs" means "one hundred thousand" and "million/mn/millions" means "ten lac, "Crore" means "ten millions" and billion/bn/billions" means "one hundred crores". Further, any discrepancies in any table / this letter of offer between the total and the sum of net amounts are due to rounding off. Throughout the Letter of Offer, currency figures have been expressed in "Lakhs/Lac/lacs" except those, which have been reproduced / extracted from sources as specified at the respective places.

All reference to "India" contained in this Letter of Offer are to the Republic of India.

All reference to Rupees or Rs, Re. or "INR" or "`" are to Indian Rupees, the Official Currency of the Republic of India.

DIVIDEND POLICY

The declaration and payment of Dividends will be recommended by our Board of Directors and approved by our Shareholders, at their discretion, and will depend on a number of factors, including but not limited to our profits, capital requirements, and overall financial requirements. The amounts paid as Dividends, if any, in the past are not necessarily indicative of our Dividend policy or Dividend amounts, if any, in the future.

Our Company has not paid any Dividend in the last five years.

SECTION V – FINANCIAL INFORMATION

AUDITORS REPORT AND FINANCIAL INFORMATION OF OUR COMPANY

To,

The Board of Directors,

Media Matrix Worldwide Limited

155, Mittal Court "A" Wing

Nariman Point

Mumbai - 400 021

Dear Sirs,

1. We,Khandelwal Jain & Co., Chartered Accountants ('KJCO') have examined the attached Restated Standalone Summary Statement of assets and liabilities of Media Matrix Worldwide Limited ('the Company'), as of September 30, 2012, March 31, 2012, March 31, 2011, March 31, 2010, March31, 2009 and March 31, 2008 and the related Restated Standalone Summary Statement of profits and losses and Restated Standalone Summary Statement of cash flows for the financial years ended March 31, 2012, March 31, 2011, March 31, 2010, March 31, 2009 and March 31, 2008, and for period ended September 30, 2012 (collectively the 'Restated Standalone Financial Information').

   We have also examined the attached Restated Consolidated Summary Statement of assets and liabilities of the Company and its subsidiaries (collectively, 'the Group') as of September 30, 2012, March 31, 2012, March 31, 2009 and March 31, 2008 and the related Restated Consolidated Summary Statement of profits and losses and Restated Consolidated Summary Statement of cash flows for the financial years ended March 31, 2012, March 31, 2009 and March 31, 2008, and for period ended September 30, 2012 (collectively the 'Restated Consolidated Financial Statements').

   The above financial information have been prepared by the Company and approved by the Board of Directors, in accordance with the requirements of:

   a) Paragraph B (1) of Part II of Schedule II to the Companies Act, 1956 ('the Act'); and

   b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ('the Regulations') and the related amendments issued by the Securities and Exchange Board of India ('SEBI') to date'.

2. We have examined such restated financial information taking into consideration:

   a) The terms of reference dated August 7, 2012 received from the Company, requesting us to carry out the assignment, in connection with the offer document being issued by the Company for its proposed right issue ('Issue') of equity shares and

   b) The Guidance Note on Reports in Company Prospectuses (Revised) issued by the Institute of Chartered Accountants of India.

3. The above financial information of the Company have been extracted by the management from the Audited Standalone Financial Statements of the Company for the years ended March 31, 2012, March 31, 2011, March 31, 2010, March 31, 2009 and March 31, 2008 and for period ended September 30, 2012 which have been approved by the Board of Directors. Audit of the Standalone and consolidated Financial Statements of the Company for the period ended September 30, 2012 was conducted by KJCO. Audit of the Standalone Financial Statements of the Company for the year ended March 31, 2012 was conducted jointly by KJCO and N.S. Bhatt & Associates, Chartered Accountants (NSBA); for the year ended March31, 2011 was conducted solely by NSBA and for the years ended March 31, 2010, March 31, 2009 and March 31, 2008 was conducted solely by N.S. Bhatt & Co., Chartered Accountants ('NSBC'). Audit of the Consolidated Financial Statements of the Group for the year ended March 31, 2012 was conducted jointly by KJCO and NSBA and for the years ended March 31, 2009 and March 31, 2008 was conducted solely by NSBC.

   This report, in so far as it relates to the amounts included of Standalone Financial Statements for the financial years ended March 31,2011 is concerned, is based on the Standalone Audited Financial Statements of the Company which were audited solely by NSBA and whose Auditors Reports have been relied upon by us for the said year. Further, the amounts included for the financial years ended March 31, 2010, March 31, 2009 and March 31, 2008 are concerned, these are based on the Standalone Audited Financial Statements of the Company which were audited solely by NSBC and whose Auditors Reports have been relied upon by us for the said years. So far as it relates to the amounts included of the Consolidated Financial Statements of the Group, for the financial years ended March 31,2009 and March 31, 2008 are concerned, these are based on the Consolidated Audited Financial Statements of the Company which were audited solely by NSBC and whose Auditors Reports have been relied upon by us for the said years.

4. In accordance with the requirements of Paragraph B(1) of Part II of schedule II of the Act, the Regulations and terms of our engagement agreed with the company, we report that:

   a) The Restated Standalone Summary Statements of the Company as at and for the years ended March 31, 2010, March 31, 2009 and March 31, 2008 are based on the Audited Standalone Financial Statements of the Company which were solely audited by NSBC and whose Auditors' reports have been relied upon by us for the said years, for the year ended March 31, 2011 solely audited by NSBA and whose Auditors' reports have been relied upon by us for the said year and for the year ended March 31, 2012 jointly examined by KJCO and NSBA , for the period ended September 30, 2012 solely audited by KJCO, as set out in Annexure I, II and III to this report are after making adjustments and regrouping, as in our opinion, were appropriate and more fully described in Significant Accounting Policies and Notes to the Restated Standalone Summary Statements as set out in Annexure V to this report.

b) Based on the above and also as per the reliance placed by us on the Audited Standalone Financial Statements of the Company which were audited and the Auditors reports issued solely by NSBA for the year ended March 31, 2011 and for the years ended March 31, 2010, March 31, 2009 and March 31, 2008 which were audited solely by NSBC we are of the opinion that the Restated Standalone Summary Statements have been made, after incorporating:

i. Adjustments, if any, for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting periods and

ii. Adjustments, if any, for the material amounts in the respective financial years to which they relate.

iii. And there are no extraordinary items that need to be disclosed separately in the Restated Standalone Summary Statements and audit qualifications requiring adjustments.

c) The Restated Consolidated Summary Statements of the Group as at and for the years ended March 31, 2009 and March 31, 2008 based on the Consolidated Audited Financial Statements of the Group which were solely audited by NSBC and whose Auditors' reports have been relied upon by us and for the year ended March 31, 2012 jointly examined by KJCO and NSBA , for the period ended September 30, 2012 solely audited by KJCO as set out in Annexure IA, IIA and IIIA to this report are after making adjustments and regrouping, as in our opinion, were appropriate and more fully described in Consolidated Significant Accounting Policies and Consolidated Notes to the Restated Summary Statements as set out in Annexure VA to this report.

d) Based on the above and also as per the reliance placed by us on the Audited Consolidated Financial Statements of the Group which were audited solely by NSBC for the years ended March 31, 2009 and March 31, 2008, we are of the opinion that the Restated Consolidated Summary Statements have been made, after incorporating:

i. Adjustments, if any, for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting periods and

ii. Adjustments, if any, for the material amounts in the respective financial years to which they relate.

iii. And there are no extraordinary items that need to be disclosed separately in the Restated Summary Statements and audit qualifications requiring adjustments.

5. We have not audited any financial statements of the Company and Group as of any date or for any period subsequent to September 30, 2012.Accordingly, we express no opinion on the financial position, results of operations or cash flows of the Company as of any date or for any period subsequent to September 30, 2012.

6. At the Company's request, we have examined the following other Standalone Financial Information proposed to be included in the Offer Document, prepared by the management and approved by the Board of Directors of the Company and annexed to this report relating to the Company for the financial years ended March 31, 2012, March 31, 2011, March 31, 2010, March 31, 2009 and March 31, 2008 and for the period ended on September 30, 2012.

a) Statement of adjustments for restated Standalone profit and loss account arising out of changes in accounting policies and material adjustments relating to previous years (Annexure-IV)

b) Statement of restated Standalone Secured & Unsecured Long Term and Short Term Borrowings (Annexure VI & VII)

c) Statement of restated Standalone Contingent Liabilities (Annexure- VIII)

d) Statement of restated Standalone Non Current Investments (Annexure IX)

e) Statement of age-wise analysis of restated Standalone Trade Receivables(Unsecured and Considered good) (Annexure- X)

f) Statement of restated Standalone Short Term Loans & Advances and Other Current Assets (Annexure - XI)

g) Statement of restated Standalone Other income (Annexure- XII)

h) Statement of restated Standalone Dividend paid (Annexure-XIII)

i) Statement of restated Standalone Capitalization (Annexure-XIV)

j) Statement of restated Standalone accounting ratios based on adjusted profit relating to the earning per share, net asset value and return on net worth (Annexure-XV & XVI)

k) Statement of restated Standalone Related party transactions (Annexure-XVII)

l) Statement of restated Standalone Tax Shelter (Annexure-XVIII)

m) Changes in restated Standalone Significant accounting policies (Annexure-XIX)

n) Qualifications in restated Standalone Auditors report for the last five years (Annexure-XX)

o) Statement of restated Standalone segment reporting (Annexure-XXI)

In our opinion, the above other Standalone Financial Information as disclosed in the Annexure to this report as referred to above, read with the respective Significant Accounting Policies and Notes as set out in Annexure V, and also as per the reliance placed by us on the Audited Financial Statements of the Company which were audited solely by NSBA and the related Auditors' reports of NSBA for the year ended March 31, 2011 and as per the reliance placed by us on the Audited Financial Statements of the Company which were audited solely by NSBC and the related Auditors' reports of NSBC for the year ended March 31, 2010, March 31, 2009 and March 31, 2008 as stated above and prepared after making the adjustments and regrouping as considered appropriate have been prepared in accordance with Part II of Schedule II to the Act and the Regulations.

7. At the Company's request, we have also examined the following other Consolidated Financial Information proposed to be included in the Offer Document, prepared by the management and approved by the Board of Directors of the Company and annexed to this report relating to the Company for the financial years ended March 31, 2012, March 31, 2009 and March 31, 2008 and for the period ended September 30, 2012.

   a) Statement of adjustments for restated consolidated profit and loss account arising out of changes in accounting policie and material adjustments relating to previous years(Annexure-IV A)
   b) Statement of restated consolidated Secured & Unsecured Long Term and Short Term Borrowings (Annexure VI A& VII A)
   c) Statement of restated consolidated Contingent Liabilities (Annexure- VIII A)
   d) Statement of restated consolidated Non-Current Investments (Annexure IX A)
   e) Statement of age-wise analysis of restated consolidated Trade Receivables (Unsecured and Considered good) (Annexure- X A)
   f) Statement of restated consolidated Short Term Loans & Advances and Other Current Assets (Annexure - XI A)
   g) Statement of restated consolidated Other income (Annexure- XII A)
   h) Statement of restated consolidated Dividend paid (Annexure-XIII A)
   i) Statement of restated consolidated Capitalization (Annexure-XIV A)
   j) Statement of restated consolidated accounting ratios based on adjusted profit relating to the earning per share, net asset value and return on net worth (Annexure-XV A & XVI A)
   k) Statement of restated consolidated Related party transactions (Annexure-XVII A)
   l) Statement of restated Consolidated Tax Shelter (Annexure-XVIII A)
   m) Changes in restated Consolidated Significant accounting policies (Annexure-XIX A)
   n) Qualifications in restated consolidated Auditors report for the year ended March 31, 2012, 2009 and 2008 (Annexure-XXA)
   o) Statement of restated consolidated segment reporting (Annexure-XXI A)

   In our opinion, the above other Financial Information as disclosed in the Annexure to this report as referred to above, read with the respective Significant Accounting Policies and Notes as set out in Annexure VA, and also as per the reliance placed by us on the Consolidated Audited Financial Statements of the Company which were audited solely by NSBC and the related Auditors' reports of NSBC for the year ended March 31, 2009 and March 31, 2008 as stated above and prepared after making the adjustments and regrouping as considered appropriate have been prepared in accordance with Part II of Schedule II to the Act and the Regulations.

8. This report should not be in any way construed as a reissuance or re-dating of any of the previous audit reports issued by either any of us singly or issued jointly or by other firms of Chartered Accountants, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
9. This report is intended solely for your information and for inclusion in the Offer Document in connection with the proposed right Issue of the Company and is not be used, referred to or distributed for any other purpose except with our prior written consent.

Yours truly,

For Khandelwal Jain & Co.
Chartered Accountants
Firm Registration No.: 105049W

Sd/-
(Akash Shinghal)
Partner
Membership No. 103490
Date: 18.01.2013
Place: New Delhi

ANNEXURE I

STATEMENT OF RESTATED STANDALONE ASSETS AND LIABILITIES

(Rs. In Lacs)

PARTICULARS	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Non-Current Assets						
Fixed Assets						
(i)Tangible Assets	13.52	6.14	42.34	62.74	83.15	103.40
(ii)Intangible Assets	-	-	-	-	-	-
Non-Current Investments	5,157.49	4,659.49	524.71	574.71	909.49	909.49
Long-Term Loans and Advances	-	-	-	-	-	-
Sub - Total - 1	**5,171.01**	**4,665.63**	**567.05**	**637.45**	**992.64**	**1,012.89**
Current Assets						
Trade Receivables	1,486.16	176.64	442.90	856.03	500.33	637.34
Cash And Bank Balance:						
Cash on Hand	2.08	2.08	0.35	0.22	0.64	7.45
Balance With Bank:						
In Current Accounts	36.64	80.09	0.37	87.08	0.27	(6.55)
In Fixed Deposits - Margin Money						
- Less Than 1 Year	-	-	-	0.31	75.28	-
- More Than 1 Year	59.77	87.98	87.19	-	0.31	0.31
Short-Term Loans and Advances	637.05	925.17	231.00	241.26	299.07	7,874.58
Other Current Assets	73.77	55.59	35.07	4.79	16.68	10.22
Sub - Total - 2	**2,295.47**	**1,327.55**	**796.88**	**1,189.69**	**892.58**	**8,523.35**
Non-Current Liabilities						
Long-Term Borrowings	4.09	5,000.00	-	-	-	-
Deferred Tax Liabilities	0.22	0.39	4.17	8.18	9.64	4.20
Long-Term Provisions						
Provision for Leave Encashment	4.12	0.01	-	-	-	-
Provision for Gratuity	0.85	0.00	-	-	-	-
Sub - Total - 3	**9.28**	**5,000.40**	**4.17**	**8.18**	**9.64**	**4.20**
Current Liabilities						
(A) Short-Term Borrowings	209.81	137.31	223.12	598.14	680.17	8,077.70
(B) Trade Payables	1,429.96	178.82	173.10	281.80	270.52	538.54
(C) Other Current Liabilities	4,331.35	13.14	17.55	-	-	-
(D) Short-Term Provisions	277.09	34.31	19.98	14.34	9.00	7.23
Sub - Total - 4	**6,248.21**	**363.58**	**433.75**	**894.28**	**959.69**	**8,623.47**
Share Application Money Pending Allotment - 5		**- -**	**-**	**-**	**-**	**-**
Net Worth - 1 + 2 - 3 - 4 - 5	**1,208.99**	**629.20**	**926.01**	**924.68**	**915.89**	**908.57**
Particulars						
Shareholders' Funds						
(A) Share Capital						
Issued, Subscribed and Paid Up Share Capital - Comprising of Equity Shares of Re. 1 Each	1,008.65	808.65	808.65	808.65	808.65	808.65
(B) Reserves and Surplus						
Securities Premium Reserve	416.56	158.40	158.40	158.40	158.40	158.40
Debit Balance of Statement of Profit and Loss Account	(216.22)	(337.85)	(41.04)	(42.37)	(51.16)	(58.48)
Net Worth (A+B)	**1,208.99**	**629.20**	**926.01**	**924.68**	**915.89**	**908.57**

Note:
The above statement should be read with Significant Accounting Policies and the Notes to the Restated Summary Statements as appearing in Annexure V.

Working:-

Other Current Assets **(Rs. In Lacs)**

PARTICULARS	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Prepaid Expenses	0.47	0.08	0.00	0.00	0.00	0.00
Interest accrued but not due	10.50	12.63	10.78	4.79	16.68	10.22
Service tax recoverable	4.32	1.03	0.00	0.00	0.00	0.00
TDS recoverable	58.48	41.85	24.29	0.00	0.00	0.00
Total	**73.77**	**55.59**	**35.07**	**4.79**	**16.68**	**10.22**

Other Current Liabilities **(Rs. In Lacs)**

PARTICULARS	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Current Maturities of Long term borrowings	4,307.18	-	-	-	-	-
TDS Payable	5.85	11.18	0.19	-	-	-
Service tax Payable	-	1.59	17.36	-	-	-
Employees Payable	16.66	0.37	-	-	-	-
PF & Other Payable	1.66	-	-	-	-	-
Total	**4,331.35**	**13.14**	**17.55**	**-**	**-**	**-**

ANNEXURE II

STATEMENT OF RESTATED STANDALONE PROFITS AND LOSSES

(Rs. In Lacs)

	PARTICULARS	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
1	Revenue From Operations:						
	Sales	3,213.11	161.26	890.07	1,393.43	1,603.21	1,875.96
	Services	526.55	151.15	-	-	-	-
	Sub - Total	3,739.66	312.41	890.07	1,393.43	1,603.21	1,875.96
2	Other Income	4.62	7.58	90.98	0.02	44.86	18.40
3	Total Revenue(1+2)	3,744.28	319.99	981.05	1,393.45	1,648.07	1,894.36
4	Expenses:						
	Cost of Materials Consumed	3,096.70	155.97	954.13	1,352.64	1,552.09	1,716.80
	Employee Benefits Expense:						
	Salaries and Wages	194.37	53.73	0.22	2.52	18.11	22.72
	Contribution to Provident and Other Funds	5.16	0.01	-	-	-	-
	Staff Welfare Expenses	0.36	0.24	-	-	0.12	-
	Finance Costs:						
	Interest Expense	0.05	-	-	0.23	36.61	10.37
	Other Borrowing Costs	0.29	5.07	0.14	-	-	-
	Depreciation and Amortization Expense	0.56	14.12	20.41	20.41	20.40	196.34
	Other Expenses						
	Net Gain or Loss on Foreign Currency Transaction and Translation (Other than considered as Finance Cost);	-	-	-	-	-	-
	Operating Expenses						
	Administrative and Other Expenses	266.71	367.56	3.19	4.88	6.20	56.03
	Selling and Distribution Expenses	2.20	0.20	-	-	-	-
5	Total Expenses	3,566.40	596.90	978.09	1,380.68	1,633.53	2,002.26
6	Profit Before Exceptional and Extraordinary Items and Tax(4-5)	177.88	(276.91)	2.96	12.77	14.54	(107.90)
7	Exceptional Items	-	(12.07)	-	-	-	-
8	Profit Before Extraordinary Items and Tax (6-7)	177.88	288.98)	2.96	12.77	14.54	(107.90)
9	Extraordinary Items	-	-	-	-	-	-
10	Loss Before Tax (8-9)	177.88	(288.98)	2.96	12.77	14.54	(107.90)
11	Tax Expense:						
	(1) Current Tax	56.39	11.60	5.64	5.44	1.68	0.25
	(2) Fringe Benefit Tax	-	-	-	-	0.10	0.21
	(3) Deferred Tax	(0.16)	(3.78)	(4.01)	(1.45)	5.44	(37.01)
12	Profit/Loss for the Year(10-11)	121.65	(296.80)	1.33	8.78	7.32	(71.35)
	Earnings per Equity Share (in Rupees):						
	(1) Basic	0.14	(0.37)	0.00	0.01	0.01	(0.09)
	(2) Diluted	0.05	(0.37)	0.00	0.01	0.01	(0.09)

Note:-

The above statement should be read with Significant Accounting Policies and the Notes to the Restated Summary Statements as appearing in Annexure V.

The administrative expenses of Rs. 367.56 for FY2012 primarily includes Rs. 100.36 Lacs of Rates & taxes (including the fee paid for increase in authorized capital from Rs. 850 Lacs to Rs. 15,000 Lacs), Rs. 204.23 Lacs of sundry balances written off which were long pending realisation and outstanding since the time of the old management and were not likely to be recovered, and Rs. 63.20 Lacs of other operating expenses for FY2012.

The detailed break up of the administrative expenses as on 31.3.2012 is as under:

Sl.No.	Expenses Head	Amount (Rs. In Lacs)
1.	Sundry Balance w/ off	204.23
2.	Rates & Taxes	100.36
3.	Office Rent	23.18
4.	Legal & Professional Expenses	15.48
5.	Electricity and Water	11.86
6.	Interest on Statutory Dues	3.04
7.	Commission Charges	2.83
8.	Travelling Expenses	2.62
9.	Payment to the Auditor	1.80
10.	Security Charges	1.11
11.	Office Expenses	0.77
12.	Advertisement, Publicity & Sales Promotion	0.21
13.	Printing and Stationery	0.21
14.	Postage, Telex and Telephones	0.01
15.	Miscellaneous Expenses	0.01
	Total	**367.76**

ANNEXURE III

STATEMENT OF RESTATED STANDALONE CASH FLOW

(Rs. In Lacs)

PARTICULARS	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Cash Flow from Operating Activities (A)						
Profit before Tax	177.88	(288.98)	2.96	12.77	14.54	(107.90)
Adjustments for :						
(Profit)/Loss on sale of Fixed Assets	-	12.07	-	-	-	-
Depreciation and Amortisation	0.56	14.12	20.41	20.41	20.40	196.34
Other Income	(2.86)	(7.58)	(90.98)	(0.02)	(44.86)	(18.40)
Interest and Financial Charges	26.48	5.07	0.14	0.23	36.61	10.37
Miscellaneous Expenditure Written off	-	-	-	-	-	4.46
Operating Profit before Working Capital Changes	**202.06**	**(265.30)**	**(67.47)**	**33.39**	**26.69**	**84.87**
Adjustments for :						
Inventories	-	-	-	-	-	140.85
Trade & Other Receivables	(1,039.57)	266.26	413.12	(355.71)	137.01	838.78
Loan & Advances	-	(714.70)	(20.02)	69.71	(268.01)	(760.65)
Trade & Other Payables (Including CC Limit)	1,482.95	0.79	(91.24)	29.37	7,569.04	(7,478.61)
Cash Generated from Operations	**645.44**	**(712.95)**	**234.39**	**(223.24)**	**7,464.73**	**(7,174.76)**
Tax Paid (Net of Refund)	(29.44)	(17.57)	-	-	-	-
Net Cash Flow from Operating Activities	**616.00**	**(730.52)**	**234.39**	**(223.24)**	**7,464.73**	**(7,174.76)**
Cash Flow from Investing Activities (B)						
Sale of Investment	-	524.71	50.00	334.79	-	-
Proceeds from Sale of Fixed Assets	-	10.00	-	-	-	-
Purchase of Investment	(498.00)	(4,659.49)	-	-	-	(905.50)
Purchase of Fixed Assets	(7.94)	-	-	-	(0.15)	(4.99)
Interest Income	2.86	7.58	90.98	0.02	44.86	18.40
Net Cash Flow from Investing Activities	**(503.08)**	**(4,117.20)**	**140.98**	**334.81**	**44.71**	**(892.09)**
Cash Flow from Financing Activities (C)						
Proceeds from Unsecured Term Loans	(688.73)	5,000.00	-	-	-	8,077.70
Proceeds from Unsecured Short term Loans	72.50	(67.71)	-	-	-	-
Premium on redemption	(215.69)					
Payment of Unsecured Loans	-	-	(374.93)	(100.23)	(7,397.54)	-
Issue of Share Capital	200.00	-	-	-	-	-
Increase in Security Premium (net off share issue expense)	473.86	-	-	-	-	-
Interest Paid	(26.48)	(2.33)	(0.14)	(0.23)	(36.61)	(10.37)
Net Cash Flow from Financing Activities	**(184.54)**	**4,929.96**	**(375.07)**	**(100.46)**	**(7,434.15)**	**8,067.33**
Net (Decrease) / (Increase) in Cash and Cash Equivalents (A+B+C)	(71.62)	82.24	0.30	11.11	75.29	0.48
Cash and Cash Equivalents at the Beginning of the Year	170.15	87.91	87.61	76.50	1.21	0.73
Cash and Cash Equivalents at the end of the Year	**98.53**	**170.15**	**87.91**	**87.61**	**76.50**	**1.21**

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:**

(Rs. In Lacs)

	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Cash in Hand	2.08	2.08	0.35	0.22	0.64	7.45
Cheques in Hand	-	-	-	-	-	-
Balances With Scheduled Banks	-	-	-	-	-	-
In Current Accounts	36.64	80.09	0.37	87.08	0.27	(6.55)
In Fixed Deposits	59.77	87.98	87.19	0.31	75.59	0.31
	98.53	**170.15**	**87.91**	**87.61**	**76.50**	**1.21**

ANNEXURE IV

STATEMENT OF ADJUSTMENTS FOR RESTATED STANDALONE PROFIT AND LOSS ACCOUNT ARISING OUT OF CHANGES IN ACCOUNTING POLICIES AND MATERIAL ADJUSTMENTS RELATING TO PREVIOUS YEARS

(Rs. In Lacs)

Year / Period Ended	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Profit as per Profit & Loss Accounts (after Tax)	121.65	(296.80)	1.33	8.78	7.32	(71.35)
Add / (Less) Earlier Year / Prior Period Adjustments	-	-	-	-	-	-
Gratuity not accounted in the Books	-	-	-	-	-	-
Earlier Year expenses (Provident Fund)	-	-	-	-	-	-
Excess Provision Written Back	-	-	-	-	-	-
Deferred Tax Earlier Years	-	-	-	-	-	-
Stock Adjustment on account of CENVAT Credit	-	-	-	-	-	-
Net Profit as per Restated Profit & Loss A/c	**121.65**	**(296.80)**	**1.33**	**8.78**	**7.32**	**(71.35)**

ANNEXURE V

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS (BASED ON FY2011-12 STANDALONE FINANCIAL) SIGNIFICANT ACCOUNTING POLICIES

SIGNIFICANT ACCOUNTING POLICIES

i. Method of Accounting

a) The financial statements are prepared on the historical cost convention and in accordance with generally accepted accounting principles ('GAAP')

b) The Company follows accrual system of accounting in the preparation of accounts unless otherwise stated.

c) 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 as of date of the financial statements. Examples of such estimates include provision for doubtful debts, provision for doubtful loans and advances, provisions for diminution in value of investments, estimated period of utility of software package, provision for value of obsolete/non moving inventories etc. Actual results may differ from these estimates.

ii. Revenue Recognition

a) Revenue is recognized on accrual basis.

b) Revenue from Services rendered is recognized as and when the services are performed.

c) Sale of goods is recognized on dispatch to the customer.

d) Insurance claims are accounted for as and when admitted by the concerned authority.

e) Interest income is recognized as and when accrued.

iii. Securities Premium Account

Securities issue expenses and redemption premium payable on optionally or compulsorily convertible preference share or debentures can be adjusted against Securities Premium Account.

iv. Fixed Assets

a) Owned Assets

Fixed Assets are stated at cost, which includes freight, installation cost, duties, taxes and other incidental expenses but net of CENVAT.

b) Capital Work-in-progress

All expenses incurred for acquiring, erecting and commissioning of fixed assets including interest on long term loans utilized for meeting capital expenditure and incidental expenditure incurred during construction of projects are shown under capital work-in-progress and are allocated to the fixed assets on the completion of the respective projects.

c) Intangible Assets

Cost of software and expenses on development of new products are accounted for as intangible assets.

v. Lease

a) Fixed assets acquired on lease / hire purchase for an agreed period has been recognized as an asset and liability. Such recognition is at an amount equal to the fair value of leased asset at the inception of lease or present value of minimum lease payment, whichever is less.

b) Lease payment is apportioned between finance charge and reductions of the outstanding liability.

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

vi. Depreciation and Amortisation

a) Depreciation is provided for all the assets on straight line method, at the rates prescribed in the Schedule XIV of the Companies Act, 1956.

b) Depreciation due to increase or decrease in the liability on account of exchange fluctuation or on account of rollover charges on forward exchange contract is provided prospectively over the residual life of the assets.

c) Intangible assets are amortised over a period of five years or life of product considered at the end of each financial year whichever is earlier. Amortisation commences when the asset is available for use.

vii. Impairment of Assets3

The fixed assets or group of assets (cash generating unit) are reviewed for impairment at each Balance Sheet date. In case of such any indication, the recoverable amount of these assets or group of assets is determined and if such recoverable amount of the assets or cash generating unit to which the assets belong is less than its carrying amount, the impairment loss is recognized by writing down such assets to their recoverable amount. An impairment loss is reversed if there is change in the recoverable amount and such loss either no longer exists or has decreased.

viii. Investments

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

b) Non-current investments are carried at cost. Provision for diminution in value is made to recognize a decline other than temporary.

c) Investments which are intended to be held for less than one year are classified as current investments and are carried at lower of cost and fair value determined on an individual investment basis.

d) Advance against share application money are classified under the head "Investments".

ix. Inventories

Inventories are valued at lower of cost or net realizable value.

x. Foreign Currency Transactions

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

b) Monetary items denominated in foreign currency at the year end and not covered under forward exchange contracts are translated at the yearend rates.

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

xi. Employees Retirement Benefits

(Effective April 1, 2007, the Company has adopted the Revised Accounting Standard-15 (revised-2005) 'Employee Benefit').

The Relevant policies are :

Short Term Employee Benefits

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

Long Term Employee Benefits

a) 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.

The Company's contributions to both these schemes are expensed in the Profit and Loss Account.

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'. The Company makes annual contribution to the Life Insurance Corporation of India for the Gratuity Plan in respect of employee. 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.

b) Other long term benefit

i. 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.

Actuarial gains and losses are recognized as and when incurred.

xii. CENVAT Credit

TheCENVAT Credit available on raw materials, other eligible inputs and capital goods is adjusted against excise duty payable on clearance of goods produced. The unadjusted Cenvat credit is shown in note "Short Term Loans and Advances".

xiii. Borrowing Costs

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

xiv. Income Tax

Tax expense comprises both current and deferred taxes. Current tax is provided for on the taxable profits of the year at applicable tax rates. Deferred income taxes reflect the impact of timing differences between taxable income and accounting income for the year and reversal of timing difference of earlier years.

Deferred Tax is measured based on the tax rates and tax laws enacted or substantially enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that sufficient future taxable income will be available against which deferred tax assets can be realized. Unrecognized deferred tax assets of the earlier years are re-assessed and recognized to the extent it has become reasonably certain that future taxable income will be available against which such deferred tax assets can be realized.

xv. Earning Per Share

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

xvi. Segment Reporting

Segments are identified in line with the Accounting Standard on Segment Reporting (AS-17) taking into account the organization structure as well as the differential risk and returns of the segments. The unallocable items include income and expenses items which are not directly identifiable to any segment and therefore not allocated to any business segment.

xvii. Provision, Contingent Liabilities & Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is provable that there will be an 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.

II. NOTES TO ACCOUNTS

2. Media Matrix Worldwide Limited ('MMWL' or 'the Company'), a public limited company, was incorporated on June 07, 1985 in the State of Maharashtra. MMWL made its maiden public issue of Equity Shares in the year 1985 and got its Equity Shares listed at the Bombay Stock Exchange Ltd, Mumbai (BSE). Till September 30, 2012, the Company has been doing business of digital media content, mobile handsets and dealing in related activities in media and entertainment industry.

   DigiVision Holdings Private Limited (DHPL), the new promoter, on October 12, 2011 acquired 1,13,21,100 Equity Shares constituting 14% of the Paid-up Capital by way of market purchases. DHPL also entered into a Share

Purchase Agreements with erstwhile promoters of MMWL for acquisition of 12,767,148 equity shares of Rs. 1 each representing 15.79% (SPA1), as well as with one of the public shareholders i.e. Vimochan Pictures Limited for acquisition of 96, 67,622 equity shares of Rs. 1 each representing 11.96% (SPA2), both SPAs at a price of Re. 1.90 per equity share, payable in cash.

Pursuant to acquisition of more than 15% equity shareholding in MMWL, DHPL made an Open Offer under Securities Exchange Board of India (Substantial Acquisition of the Shares and Takeover) Regulations, 1997, to the public Shareholders of Media Matrix Worldwide Limited to acquire 21,024,900 equity shares representing 26% of the paid up and voting equity shares capital of the Company at Rs. 1.90 fully paid equity shares of face value of RS. 1/-. Accordingly, DHPL acquired 20,726,038 equity shares of Re. 1/- each representing 25.63% of the paid up share capital. As at September 30, 2012, the shareholding of Digivision Holdings Private Limited (DHPL) in the Company is 54.02%.

3. The Company was originally engaged in trading activities. The Company was registered with Reserve Bank of India (RBI) as NBFC vide registration No. 13.01287 dated 13th August 1999. The Company is currently engaged in media and entertainment business. Since the Company has not carried on NBFC activities nor it has intention of carrying on said activities in the future, the Company has, on September 13, 2011 submitted an application to RBI, seeking to de-register it as an NBFC. The process of de-registration is in advances stage and is expected to be completed in financial year 2013.

4. The Company has taken an amount of Rs. 50 crore from M/s V&A Ventures LLP on March 29, 2012 in the form of OFCD. The salient features of OFCDs is as follows:

i. 14,40,92,219 OFCDs issued of Rs.3.47 each aggregating to Rs.50.00 crore;

ii. In case the conversion option is exercised, each OFCD would be converted into one Equity Share of Re. 1/- each at a price of Rs.3.47 per equity share;

iii. After 4 months from the date of allotment of OFCDs and within 18 months from the date of allotment, OFCDs can be converted into equity shares at the option of the OFCD Holder. If the conversion option is not exercised by the OFCD holder within 18 months, the OFCDs would be redeemable by the Company at redemption premium of 15% of face value i.e. Rs.3.47 per OFCD;

iv. Coupon on the OFCD is 0% p.a. payable annually;

v. Tenure of the OFCDs is 18 months from the date of allotment.

Out of the above OFCDs, 2 crore OFCDs have been converted into 2 crore equity shares of Re. 1 as fully paid up at premium of Rs. 2.47 per equity share pursuant to the option exercised by the OFCDs holder on Aug 7, 2012.

5. Investment

a. The Company has invested an amount of Rs.19,900,000 in 19,90,000 equity shares of Digicall Holding Private Limited by way of conversion of Share application Money and Rs.49,800,000 in 4,980,000 shares of nexG Devices Private Limited by way of Short term loans given earlier.

b. The Company has made an investment of Rs.1,00,000 each in 10,000 equity shares each of M/s nexG Devices Private Limited and M/s Media Matrix Holdings Private Limited (formerly Digicall Holdings Private Limited) respectively. Pursuant to the aforesaid investments made by the Company, M/s nexG Devices Private Limited and M/s Media Matrix Holdings Private Limited (formerly Digicall Holdings Private Limited) have become the wholly owned subsidiaries of the Company w.e.f.05/03/2012.

c. The Company has also made an investment of Rs. 798.5 Lacs and Rs. 1,310 Lacs by way of equity shares and Rs. 1,650 Lacs and Rs. 700 Lacs by way of Optionally Fully Convertible Debentures(OFCDs) into DigiVive Services Private Limited and DigiCall Teleservices Private Limited respectively, on March 31, 2012 with the following terms and conditions:

i. Face Value: The face Value of OFCDs shall be Rs.1000/-.

ii. Coupon rate : 0%

iii. Redemption: The OFCDs may be redeemable on or after two months from the date of allotment. The Company has the option of redeeming the OFCD anytime by giving seven day's notice to the OFCD holder provided the OFCD holder has not exercised the conversion option. The same, if not redeemed earlier, shall be compulsorily redeemed after 5 years from the date of allotment.

iv. Conversion: The option to convert OFCDs into equity shares can be exercised after 1 month from the Date of Allotment of OFCDs at a price mutually to be agreed between the Company and OFCD holder.

v. Usage of Funds: The amount received by the Company on issue of OFCDs shall be at the exclusive disposal of the Board of Directors of the Company and may be utilized by the Company for any bona-fide purpose and in any manner as it may deem fit. The OFCD Holder shall not have any right to claim and/or question anything in this regard.

vi. Security and Rights: The OFCDs shall remain unsecured throughout and shall not carry any rights of a lender against the Company, other than the right to seek conversion as per clause d) above.

Further, Media Matrix Holdings Private Limited (formerly Digicall Holdings Private Limited), 100% subsidiary of the Company has made investment of Rs. 202 Lacs and Rs. 1383.46 Lacs in DigiCall Teleservices Private Limited and DigiVive Services Private Limited respectively on May 28, 2012 to acquire equity stake of 34.5% and 20.15% respectively.

6. Business Segment

(a) Primary (Business) Segment

The company is mainly engaged in the business of digital media content, producing/ distributing of television program, film, music, mobile handsets and dealing in related activities in media and entertainment industry and there is no separate reportable segment as per Accounting Standard (AS) 17 on segment reporting.

(b) Secondary (Geographical) Segment

The company caters mainly to the needs of Indian market and the export turnover is insignificant of the total turnover of the Company i.e 1.49% (Financial year ended March 2012: Nil and March 2011: Nil) for the period ended September 30, 2012, there are no reportable geographical segments.

7. In the opinion of the Board, current assets, loan and advances have a value on realization at least equal to the amount at which they are stated in the books of accounts and provision for all known liabilities have been made, except as mentioned otherwise.

8. Auditors Remuneration: (In Rs.)

Particular	For the Period ended 30.09.2012	For the Year ended 31.03.2012	For the Year ended 31.03.2011
Statutory Audit Fees	1,00,000	150,000	60,000
Tax Audit Fee	-	30,000	15,000
Total	1,00,000	180,000	75,000

9. Earnings Per Share

Computation of earnings per share is as under: **(Amount In Rs.)**

Particular	For the Period ended 30.09.2012	For the Year ended 31.03.2012*	For the Year ended 31.03.2011*
Profit after Taxation	121,62,381	(29,680,292)	132,777
Weighted average number of shares (Basic)	86,799,066	8,08,65000	8,08,65,000
Weighted average number of shares (Diluted)	224,957,219	81,654,546	8,08,65000
Basic/ EPS (Rs.)	0.140	(0.37)	0.002
Diluted EPS (Rs.)	0.054	(0.37)	0.002
Nominal Value per share (Re.)	1/-	1/-	1/-

* 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.

10. Deferred Tax

The company estimates deferred tax Assets/ Liabilities using the applicable rate of taxation based on the impact of timing difference between financial statements and estimated taxable income for the current year related to depreciation on fixed assets. Deferred tax liability/ (assets) for the year aggregating to Rs (16,361) (Financial Year ended March 2012 Rs. (378,234) and March 2011 Rs. (401,069)) has been recognised in Profit & Loss Account and net deferred tax liability as at 30th September, 2012 is Rs. 22,480 (Financial Year ended March 2012 Rs. 38,841 and March 2011 Rs. 417,075).

11. Related Party Disclosures

(a) Name of Related parties and its relationship:

Holding Company:

- DigiVision Holdings Private Limited

Subsidiary Companies:

- Media Matrix Holdings Private Limited (formerly Digicall Holdings Private Limited)

- DigiVive Services Private Limited
- DigiCall Teleservices Private Limited
- nexG Devices Private Limited

Fellow Subsidiary Companies:

- Digicall Global Private Limited
- Digivision Wireless Private Limited

In addition to the above, the following were the additional Related Parties which have been ceased to be Related Parties with effect from January 26, 2012 on account of the change in control and management of the Company:

- Mr. Anil Vedmehta (Director)
- M/s Mobile telecommunication Limited (Director was Managing Director)
- M/s Quantum E-Services Private Limited (Director was Director)

(b) Transactions with Related Parties **Amount in (Rs.)**

PARTICULAR	Digivision Holdings Pvt. Ltd.			Digicall Teleservices Pvt. Ltd.			Digicall Holdings Pvt. Ttd.			NexG Devices Pvt. Ltd.			Digivive Services Pvt. Ltd.		
Nature of Transaction	30-Sep-12	31-Mar-12	31-Mar-11	30-Sep-12	31-Mar-12	31-Mar-11	30-Sep-12	31-Mar-12	31-Mar-11	30-Sep-12	31-Mar-12	31-Mar-11	30-Sep-12	31-Mar-12	31-Mar-11
Sale of Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Goods	-	-	-	-	-	-	-	-	-	41,832,112	-	-	-	-	-
Debit Note Raised by Us (Expenses)	-	-	-	-	-	-	-	-	-	142,242,368	-	-	30,790	-	-
Payment made by us towards laon	165,450,400	1,370,000	-	18,500,000	9,001,000	-	-	100,000	-	17,450,000	64,340,000	-	-	6,650,000	-
Payments made towards Investment	-	-	-	-	200,999,000	-	-	19,900,000	-		-	-	-	244,949,800	-
Debit Notes raised on us (Expenses)		2,853,640	-	16,027,196	8,011,264	-	-	-	-	4,722,744	-	-	6,209,196	200,309	-
Purchase	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Repayment of Loan	-	-	-	-	-	-	-	-	-	131,268,665	-	-	-	-	-
										-					
Purchase of Equity Shares	-	-	-	-	130,999,000	-	-	-	-	49,800,000	-	-	-	79,949,800	-
Advance for Share Application Money	-	-	-			-	-	19,900,000	-	-	-	-	-	-	-
Purchase of 0% OFCD	-	-	-	-	70,000,000	-			-	-		-	-	165,000,000	-
Payments Received towards Investment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Repayment of Loan	-	-	-			-			-			-			-
Payments received by us toward Loan	172,700,000	10,000,000	-	-	-	-	-	-	-	-	-	-	-	1,500,000	-
Closing Balance Asset															
Short Term Loan	-	-	-	3,462,540	989,736	-	100,000	100,000	-	38,240,959	64,340,000	-	-	4,949,691	-
Trade Receivable	-	-	-	-	-	-			-	41,832,112		-			-
Closing Balance Libility															
Trade Payable	1,483,640	1,483,640	-			-			-			-	1,228,715		-
ShortTerm Loan	17,249,600	10,000,000	-	-	-	-	-	-	-	-	-	-	-	-	-

Beside the above, during the year, the Company has entered into financial transactions amounting to Rs. 18,704,418, Rs. 26,203,470 and Rs. 1,810,002 with Mr. Anil Vedmehta, Director of the Company, M/s Mobile Telecommunication Limited (Director was Managing Director) and M/s Quantum E-Services Private Limited (Director was Director), respectively. All of these have ceased to be Related Parties with effect from Jan 26, 2012.

12. Contingent liabilities not provided for: **(Amount in Rs.)**

Sr. No.	**Particular**	**Period ended September 30, 2012**	**Year ended March 31, 2012**	**Year ended March 31, 2011**
			Rs.	Rs.
I	Unexpired Letters of Credit (Margin money paid 35,813,901 (provided by third party); (Previous Year Rs. NIL)	26,841,985	32,558,092	NIL
II	Guarantees given by banks on behalf of the Company (Margin Money kept by way of Fixed deposits Rs8,795,300; (Previous Year Rs 8,795,300/-)	5,314,000	8,795,300	8,795,300
III	**Income Tax matters** There has been a pending litigation related to income tax for the assessment year 2003-04 related to disallowance of revenue expenditure related to software. The Assessing	855,135	855,135	NIL

	officer has passed an order demanding tax/penalty of Rs. 8,55,135 which has been upheld by the CIT (Appeal), Mumbai vide its order dated Feb 16, 2012. The Company had filed an appeal with Income Tax Appellate Tribunal against the order of CIT (Appeal) on April 12, 2012.			

13. **Disclosure required by clause 32 of the Listing Agreement** **(Amount in Rs.)**

Amount of loans/advances in nature of loans outstanding from Subsidiaries and Associates during 2011-2012

Sr. No.	Name of the Company	Outstanding as of September 30, 2012	Outstanding as of March 31, 2012	Outstanding as of March 31, 2011	Maximum amount outstanding during the Period ended Sept 2012	Maximum amount outstanding during the Year ended March 2012
1.	**Subsidiaries**					
(a)	Media Matrix Holdings Private Limited (formerly Digicall Holdings Private Limited)	100,000	100,000	NIL	100,000	100,000
(b)	DigiVive Services Private Limited	-	4,949,691	NIL	4,949,691	4,949,691
(c)	DigiCall Teleservices Private Limited	3,462,540	989,736	NIL	19,489,736	989,736
(d)	nexG Devices Private Limited	38,240,959	64,340,000	NIL	94,698,463	64,340,000
	Total	**41,803,499**	**70,379,427**	**NIL**	**119,237,890**	**70,379,427**

Notes :

The above-referred loans are interest free and repayable on demand.

14. **Schedule to the Balance Sheet of a non-deposit taking non-banking financial company (as required in terms of paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007).**

	Particulars	Amount in Rs.	
	Liabilities side :		
1	**Loans and advances availed by the non- banking financial company inclusive of interest accrued thereon but not paid:**	**Amount Outstanding**	**Amount Overdue**
A	(a) Debentures : Secured	NIL	NIL
	Unsecured : 0% Optionally fully Convertible (OFCDs) [refer note no. 21(4)above]	43,06,00,000	NIL
	(other than falling within the meaning of public deposits*)	NIL	NIL
	(b) Deferred Credits	NIL	NIL
	(c) Term Loans	NIL	NIL
	(d) Inter-corporate loans and borrowing	20,980,944	-
	(e) Commercial Paper	-	-
	(f) Other Loans (specify nature)		
	Secured Loans against hypothecation of Motor Car	5,26,770	-
	Loans against HP of vehicles	-	-
B	Loans other than (A) above	-	-

	Asset Side :	**Amount outstanding in Rs.**
2	**Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :**	
	(a) Secured	NIL
	(b) Unsecured	63,704,781

3	Break up of Leased Assets and stock on hire and other assets counting towards AFC activities	
	(i) Lease assets including lease rentals under sundry debtors : (a) Financial lease (b) Operating lease (ii) Stock on hire including hire charges under sundry debtors: (a) Assets on hire (b) Repossessed Assets (iii) Other loans counting towards AFC activities (a) Loans where assets have been repossessed (b) Loans other than (a) above	NIL

4. Break-up of Investments: **(Amount in Rs.)**

Current Investments :	
1. Quoted :	-
(i) Shares : (a) Equity	-
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others (please specify)	-
2. Un Quoted :	
(i) Shares : (a) Equity	
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others (please specify)	-
Long Term Investments :	
1. Quoted :	
(i) Shares : (a) Equity (Net of Provision)	-
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others (please specify)	-
2. UnQuoted :	
(i) Shares : (a) Equity of subsidiary companies (refer note no. 10)	280,749,000
(b) Preference	-
(ii) 0% Optionally Fully Convertible Debentures of subsidiary companies (refer note no. 10)	235,000,000
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others -Share Application Money in subsidiary (refer note no. 10)	19,900,000

5. Borrower group-wise classification of assets financed as in (2) and (3) above :**	**Amount Net of Provision (in Rs.)**		
Category	**Secured**	**Unsecured**	**Total**
1. Related Parties	-	-	-
(a) Subsidiaries	-	41,803,499	41,803,499
(b) Companies in the same group	-	-	-
(c) Other related parties	-	-	-
2. Other than related parties	-	21,901,281	21,901,281
Total	-	**63,704,780**	**63,704,780**

6. Investor group-wise classification of all Investments (current and long term) in shares and securities (both quoted and unquoted):	**Market Value / Breakup or fair value or NAV (in Rs.)**	**Book Value (Net of Provisions) (in Rs.)**
1. Related Parties***		
(a) Subsidiaries#	515,749,000	515,749,000
(b) Companies in the same group		
(c) Other related parties		
2. Other than related parties		
Total	515,749,000	515,749,000

7. Other information	
Particulars	*Amount*
Gross Non-Performing Assets	
(a) Related parties	-
(b) Other than related parties	-
Non-Performing Assets	
(a) Related parties	-
(b) Other than related parties	-
Assets acquired in satisfaction of debt	NIL

Notes:

*As defined in paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.

**Provisioning norms shall be applicable as prescribed in Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007

***All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/fair value/NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in (4) above.

considering the long term nature, fair value of investment in subsidiaries companies are shown at cost.

15. Hitherto, premium payable on the redemption of Optionally Fully Convertible Debentures (OFCDs) were charged to Statement of Profit & Loss. With effect from April 1, 2012, the Company has changed its policy for charging redemption premium on OFCDs and accordingly, as per the revised policy the same has been adjusted against Securities Premium Account. Had the same accounting policy been followed, the profits after tax for the current period ended September 30, 2012 would have been lower by Rs. 21,569,289.

16. Employee Benefits

During the year, company has recognised the following amounts in the financial statements as per Accounting Standard 15 (Revised) "Employee Benefits" issued by the ICAI:

Defined Benefits Plans

The Present value of Obligation is determined based on actuarial valuation using Project Unit Credit Method, which recognizes each period of services as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment is recognized in the same manner as gratuity

Actuarial assumptions

Particular	**Gratuity 30th Sept., 2012**	**Leave Encashment 30th Sept., 2012**	**Gratuity 31st March, 2012**	**Leave Encashment 31st March, 2012**
Discount Rate (per annum)	8.75%	8.75%	8.75%	8.75%
Rate of increase in compensation levels	5.00%	5.00%	5.00%	5.00%

Table Showing changes in present value of obligations

Particular	Gratuity 30th Sept., 2012 Rs.	Leave Encashment 30th Sept., 2012 Rs.	Gratuity 31st March, 2012 Rs.	Leave Encashment 31st March, 2012 Rs.
Present Value of obligation as at the beginning of the period	479	613	0	0
Present Value of obligation as at the end of the period	84,886	424,576	479	613

Amounts to be recognized in balance sheet

Particular	Gratuity 30th Sept., 2012 Rs.	Leave Encashment 30th Sept., 2012 Rs.	Gratuity 31st March, 2012 Rs.	Leave Encashment 31st March, 2012 Rs.
Present Value of obligation as at the end of the period	84,886	424,576	479	613
Fair value of plan assets as at the end of the period 2012	0	0	0	0
Net asset/ (liability) recognized in Balance Sheet	84,886	424,576	479	613
Funded Status	84,886	424,576	479	613

Particular(Rs)	Gratuity 30th Sept., 2012 Rs.	Leave Encashment 30th Sept., 2012 Rs.	Gratuity 31st March, 2012 Rs.	Leave Encashment 31st March, 2012 Rs.
Current service cost	29,689	138,899	479	613
Past service cost	Nil	Nil	Nil	Nil
Interest Cost	728	2,790	Nil	Nil
Expected return on plan assets	Nil	Nil	Nil	Nil
Net Actuarial (gain)/ loss recognized in the period	53,989	290,179	Nil	Nil
Expenses/(Income) recognized in the statement of Profit and Loss	84,806	431,868	479	613

17. Value of imports on CIF basis : Rs. 309,915,792 (Financial Year ended March 2012: Rs.65,08,510 and March 2011: Nil)

18. Expenditure in foreign currency (on payment basis): 238,718,695.5 (Financial Year ended March 2012: Nil and March 2011: Nil)

19. Sales and Purchase under broad heads **(Amount in Rs.)**

Particular (Rs.)	Sale for the period ended 30.09.2012	Purchase for the period ended 30.09.2012	Sale for the Year ended 31.3.2012	Purchase for the year ended 31.3.2012	Sale for the Year ended 31.3.2011	Purchase for the year ended 31.3.2011
Traded Goods Mobile Handsets	31,57,38,116	30,22,73,847	16,125,922/-	15,597,297/-	89,006,611/-	95,413,315/-

20. Earnings in foreign currency: Rs. 55,72,530/- (Financial Year ended March 2012: Nil and March 2011: Nil)

ANNEXURE VI

STATEMENT OF RESTATED STANDALONE SECURED LONG TERM AND SHORT TERM BORROWINGS

(Rs. in Lacs)

Particulars	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Working Capital Loan						
Total (A)	-	-	-	-	-	-
Term Loan	-	-	-	-	-	-
Total (B)	-	-	-	-	-	-
Vehicle Loan from Banks and Others	4.09	-	-	-	-	-
Total (C)	4.09	-	-	-	-	-
Total (A+B+C)	**4.09**	**-**	**-**	**-**	**-**	**-**

Principle Terms and Conditions of Outstanding Secured Loans:

***Vehicle Loans of are secured by way of exclusive hypothecation of respective Vehicle.**

ANNEXURE VII

STATEMENT OF RESTATED STANDALONE UNSECURED LONG TERM AND SHORT TERM BORROWINGS

(Rs. In Lacs)

Particulars	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
0% Optionally Fully Convertible Debentures (OFCDs)	-	5,000.00	-	-	-	-
From Holding Company						
DigiVision Holdings Private Limited	172.50	100.00	-	-	-	-
From Directors & Relatives						
Mr. Anil B. Ved Mehta	-	-	165.42	236.46	307.14	317.99
From Corporates						
Mobile Telecommunications Ltd.	-	-	-	303.88	333.78	227.22
Proximus Knowledge & Technology Services P Ltd.	-	-	16.80	16.80	16.45	-
Quantum E Services Pvt Ltd.	-	-	18.10	18.20	-	1.86
Vimochan Pictures Ltd.	37.31	37.31	-	-	-	-
Electra Financial Services Limited	-	-	22.80	22.80	22.80	22.80
Zee entertainment Enterprise limited	-	-	-	-	-	7,507.83
Total	**209.81**	**5,137.31**	**223.12**	**598.14**	**680.17**	**8,077.70**

Related Party outstanding balance in above:

(Rs. in Lacs)

Particulars	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
From Directors & Relatives						
Mr. Anil B. Ved Mehta	-	-	165.42	236.46	307.14	317.99
Total (A)	**-**	**-**	**165.42**	**236.46**	**307.14**	**317.99**
From Holding Company						
DigiVision Holdings Private Limited	172.50	100.00	-	-	-	-
Total(B)	**172.50**	**100.00**	**-**	**-**	**-**	**-**
From Corporates						
Mobile Telecommunications Ltd.	-	-	-	303.88	333.78	227.22
Proximus Knowledge & Technology Services P Ltd.	-	-	16.80	16.80	16.45	-
Quantum E Services Pvt Ltd.	-	-	18.10	18.20	-	1.86
Total (C)	**-**	**-**	**34.90**	**338.88**	**350.23**	**229.08**
Total (A+B+C)	**172.50**	**100.00**	**200.32**	**575.34**	**657.37**	**547.07**

ANNEXURE VIII

STATEMENT OF RESTATED STANDALONE CONTINGENT LIABILITIES

(Rs. in Lacs)

Particulars	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Sales Tax Surety given in favour of Third Parties	-	-	-	-	-	-
Bank Guarantee given against Bid Bonds/ Performance/ Advance	53.14	87.95	87.95	-	-	-
Unexpired Letters of Credit	268.42	325.58	-	-		
Inland Letter of credit issued in favour of Suppliers	-	-	-	-	-	-
Income Tax Matters	8.55	8.55	-	-	-	-
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	-	-	-	-	-	-

ANNEXURE IX

STATEMENT OF RESTATED STANDALONE NON CURRENT INVESTMENTS

(Rs. in Lacs)

Particulars	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
(A) In Shares (Quoted)						
Shri Krishna Devcon Ltd	-	-	-	3.99	3.99	3.99
Vishal Malleables Ltd	-	-	-	-	1.22	1.22
Electra Financial Services Ltd	-	-	-	-	-	-
Total	**-**	**-**	**-**	**3.99**	**5.21**	**5.21**
(B) In Shares (Unquoted)						
Digicall Teleservices Pvt Ltd.	1,309.99	1,309.99	-	-	-	-
Digivive Services Pvt Ltd.	798.50	798.50	-	-	-	-
Digicall Holding Pvt Ltd.	200.00	1.00	-	-	-	-
NexG Devices Pvt Ltd.	499.00	1.00	-	-	-	
Electra Financial Services Ltd	-	-	3.99	-	-	-
Osian Ltd	-	-	-	-	3.20	3.20
Proximus Knowledge and Technologies P Ltd	-	-	520.72	570.72	901.08	901.08
Total	**2,807.49**	**2,110.49**	**524.71**	**570.72**	**904.28**	**904.28**
(C) Shares Application Money in Subsidiary Company (Unquoted)						
Digicall Holding Pvt Ltd.	-	199.00	-	-	-	-
Total	**-**	**199.00**	**-**	**-**	**-**	**-**
(D) INVESTMENTS IN 0% optionally fully Convertible Debentures (OFCDs) in subsidiary companies- At Cost, Unquoted						
Digicall Teleservices Pvt Ltd.	700.00	700.00	-	-	-	-
Digivive Services Pvt Ltd.	1,650.00	1,650.00	-	-	-	-
Total 'D'	**2,350.00**	**2,350.00**	**-**	**-**	**-**	**-**
Total 'A' + 'B' + 'C'+'D'	**5,157.49**	**4,659.49**	**524.71**	**574.71**	**909.49**	**909.49**

The increase in Noncurrent investment in FY2012 over FY2011 was primarily on account of the acquisition of various subsidiaries in FY2012 by the Company

ANNEXURE X

STATEMENT OF AGE WISE ANALYSIS OF RESTATED STANDALONE TRADE RECEIVABLES (UNSECURED AND CONSIDERED GOOD)

(Rs. in Lacs)

Particulars	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Exceeding Six Months						
- Considered Good	-	-	-	-	-	545.95
- Considered Doubtful	-	-	-	-	-	-
	-	-	-	-	-	545.95
Less: Provision For Bad Debts	-	-	-	-	-	-
	-	-	-	-	-	545.95
Other	1,486.16	176.64	442.90	856.04	500.33	91.39
Total	**1,486.16**	**176.64**	**442.90**	**856.04**	**500.33**	**637.34**

Related Party Outstanding Balance in above: **(Rs. In Lacs)**

Particulars	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Exceeding Six Months						
- Considered Good	-	-	-	-	34.10	45.93
- Considered Doubtful	-	-	-	-	-	-
	-	-	-	-	34.10	45.93
Less : Provision for Bad Debts	-	-	-	-	-	-
	-	-	-	-	34.10	45.93
Other	**418.32**	**-**	**-**	**-**	**-**	**-**
Total	**418.32**	**-**	**-**	**-**	**34.10**	**45.93**

ANNEXURE XI

STATEMENT OF RESTATED STANDALONE SHORT TERM LOANS AND ADVANCES AND OTHER CURRENT ASSETS

(Rs. in Lacs)

Particulars	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Advance recoverable in cash or kind or for value to be received	172.42	96.82	31.29	241.26	247.82	7,748.41
Security and other deposits	-	-	-	-	50.00	125.28
Loans & advances	527.89	871.31	224.00	-	-	-
Dividend Receivable	-	-	-	-	1.25	0.89
Interest Accrued but not due	10.50	12.63	10.78	4.79	16.68	10.22
Total	710.81	980.76	266.07	246.05	315.75	7,884.80

Related Party outstanding balance in above: (Rs. in Lacs**)**

Particulars	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Advance recoverable in cash or kind or for value to be received	-	-	-	-	-	-
Security and other deposits	-	-	-	-	-	-
Loans & advances	418.03	703.79	-	-	-	-
Dividend Receivable	-	-	-	-	-	-
Interest Accrued but not due	-	-	-	-	-	-
Total	418.03	703.79	-	-	-	-

The loans and advances for FY2012 includes the amount advanced in the normal course of business to unrelated and related entities. The break up of Loans and advances, outstanding as on 31st March 2012, is given party wise, as under:

Sl.No.	Name of the Party	Sub -Head	Amount (In Rs. In Lacs)
1.	NEXG DEVICES PRIVATE LIMITED	Loans and advance to Related Parties	643.40
2.	MOBILE TELECOMMUNICATIONS LTD	Other Loans and Advances	118.74
3.	DIGIVIVE SERVICES PVT. LTD.	Loans and advance to Related Parties	49.49
4.	GLOBAL TRADE WELL PTE LTD	Advance to supplier	41.33
5.	ANIL B VEDMEHTA	Other Loans and Advances	24.24
6.	JAY GUPTA	Other Loans and Advances	24.00
7.	DIGICALL TELESERVICE PVT LTD	Loans and advance to Related Parties	9.89
8.	SHEEN CHIEF INTERNATIONAL LTD	Advance to supplier	6.25
9.	FEDEX SECURITIES LIMITED	Other Advance	5.00
10.	BOMBAY STOCK EXCHANGE LIMITED	Other Advance	1.25
11.	DIGICALL HOLDING PVT LTD	Loans and advance to Related Parties	1.00
12.	LODARIYA	Other Loans and Advances	0.52
13.	MANISH KHANNA	Other Advance	0.02
	Total		**925.17**

ANNEXURE XII

STATEMENT OF RESTATED STANDALONE OTHER INCOME

(Rs. in Lacs)

Particulars	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Recurring from Business Activities						
Other Income	1.75	-	-	-	-	-
Balance Written back	-	-	81.37	-	-	-
Recurring from Investment Activities						
Dividend on Investment	-	-	2.95	0.02	0.36	0.69
Interest Income	2.86	7.58	6.66	-	44.50	17.71
Total	**4.61**	**7.58**	**90.98**	**0.02**	**44.86**	**18.40**

ANNEXURE XIII

STATEMENT OF RESTATED STANDALONE DIVIDEND PAID

(Rs. in Lacs)

Particulars	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Dividend (Interim and final)	-	-	-	-	-	-
Dividend Rate (%)	-	-	-	-	-	-

ANNEXURE XIV

STATEMENT OF RESTATED STANDALONE CAPITALISATION

(Rs. in Lacs)

Particulars	Pre-issue as at Sept 30, 2012	Pre-issue as at March 31, 2012	Pre-issue as at March 31, 2011	Post Issue*
Debt				
Unsecured				
Long-term Debt	-	5,000.00	-	-
Unsecured				
Short-term Debt	6,248.21	363.58	433.75	6248.21
Total(A)	6,248.21	5,363.58	433.75	6248.21
Shareholder's Funds				
Share Capital	1,008.65	808.65	808.65	10086.5

Reserves and Surplus	200.34	(179.45)	117.36	2232.13
Less: Misc. Expenditure	-	-	-	
Total Shareholder's Fund (B)	1,208.99	629.20	926.01	12318.34
Long Term Debt/ Shareholders' Funds	-	7.95	-	-
Total Debt/Total Shareholder's Funds (A/B)	5.17	8.52	0.47	0.51

Notes:

*Information pertaining to Share Capital and Reserves post-issue can be ascertained only after completion of the rights Issue. Further, the postissue data has been considered based on actual financials till September 30, 2012.

Working

Short-term Debt* **(Rs. in Lacs)**

CurrentCurrent Liabilities & Provisions	6,038.40	226.27	210.63
Short term(Unsecured) Loan	209.81	137.31	223.12
Long term(Unsecured) Loan	**-**	**5,000.00**	**-**
Total	**6,248.21**	**5,363.58**	**433.75**

*Short term debt includes Creditors and other provisions

ANNEXURE XV

STATEMENT OF RESTATED STANDALONE ACCOUNTING RATIOS

(Rs. in Lacs)

Particulars	**30-Sep-12**	**31-Mar-12**	**31-Mar-11**	**31-Mar-10**	**31-Mar-09**	**31-Mar-08**
Net Profit After tax as restated	121.65	(296.80)	1.33	8.78	7.32	(71.35)
Net Worth	1,208.99	629.20	926.01	924.68	915.89	908.57
Return on Net worth (%)	10.06	(47.17)	0.14	0.95	0.80	(7.85)
Share at the end of year (In Lacs)	1,008.65	808.65	808.65	808.65	808.65	808.65
Face Value Rs.	1	1	1	1	1	1
Weighted No of Equity Shares (Without considering Bonus issue & split in previous years) (In No.'s)	867.99	808.65	808.65	808.65	808.65	808.65
Basic Earnings per Share (Without considering Bonus issue & split in previous years) (In Rupees)	0.14	(0.37)	0.00	0.01	0.01	(0.09)
Weighted No of Equity Shares (considering Bonus issue & split in previous years)* (In No.'s)	867.99	808.65	808.65	808.65	808.65	808.65
Basic Earnings per Share (considering Bonus issue & split in previous years)* (In Rupees)	0.14	(0.37)	0.00	0.01	0.01	(0.09)
Net Asset Value/Book Value per share (In Rupees) (Based on no. of shares at the end of year)	1.20	0.78	1.15	1.14	1.13	1.12

Notes:-

The Ratios have been calculated as below

I. Earning per Share (Rs.): Net profit attributable to equity shareholders / weighted average number of equity shares outstanding as at the end of the year / period. Earnings per share are calculated in accordance with Accounting Standard 20 "Earnings Per Share" , issued by the Institute of Chartered Accountants of India.

II. Return on Net Worth (%): Net Profit after tax / net Worth as at the end of the year / period.

III. Net Assets Value (Rs.): Net worth at the end of the year / Number of Equity Shares outstanding at the end of the year / period.

IV. Net profit, as appearing in the statement of restated profits & losses, has been considered for the purpose of computing the above ratios.

ANNEXURE XVI

STATEMENT OF RESTATED STANDALONE ACCOUNTING RATIOS (NON-MANDATORY)

(Rs. In Lacs)

Particulars	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Basis of Accounting Ratios						
Net Profit After tax (1)	121.65	(296.80)	1.33	8.78	7.32	(71.35)
Gross Profit (2)	642.96	156.44	(64.07)	40.79	51.12	159.16
Turnover (3)	3,739.66	312.41	890.07	1,393.43	1,603.21	1,875.96
Closing Stock (4)	-	-	-	-	-	-
Accounting Ratios						
Net Profit Ratio(NPR) (%) (1/3)	3.25	(95.00)	0.15	0.63	0.46	(3.80)
Gross Profit Ratio (GPR) (%) (2/3)	17.19	50.07	(7.20)	2.93	3.19	8.48
Stock Turnover Ratio (STR) (In times) (3/4)	-	-	-	-	-	-

Notes:-

The ratios have been computed as below:

1. Net Profit Ratio is determined by dividing net profit after tax with gross turnover
2. Gross Profit Ratio is determined by dividing gross profit with gross turnover

3 .Stock Turnover Ratio is calculated in times by dividing gross turnover with closing stock

4. Net profit, as appearing in the statement of restated profits & losses, has been considered for the purpose of computing the above ratios.

6. As Closing Stock at the end of Financial Year 2008, 09, 10, 11 and 12 is Nil, therefore ratio shown as 0.

ANNEXURE XVII

STATEMENT OF RESTATED STANDALONE RELATED PARTY TRANSACTIONS

As per Accounting Standard (AS-18) on related party disclosures issued by the ICAI, the disclosures of transaction with related party are as follows:

Party	Relationship	Remarks
DigiVision Holdings Private Limited	Holding	from 26th Jan 2012
Media Matrix Holdings Private Limited (formerly Digicall Holdings Private Limited)	Subsidiary	from 5th March 2012
DigiVive Services Private Limited	Subsidiary	from 31st March 2012
DigiCall Teleservices Private Limited	Subsidiary	from 31st March 2012
nexG Devices Private Limited	Subsidiary	from 5th March 2012
Digicall Global Private Limited	Fellow Subsidiary(Subsidiary of DigiCall Teleservices Private Limited)	from 22nd Feb 2012
Digivision Wireless Private Limited	Fellow Subsidiary	from 28st March 2012
Key Management Personnel		
Mrs. Priyanka Vedmehta	Managing Director	ceased on 1st Oct 2011
M/s. Mobile Telecommunications Ltd.	CMD's relatives are Directors	ceased on 26th Jan 2012
M/s. Vimochan Pictures Ltd.	CMD is Director	ceased on 1st Oct 2011
M/s. Quantum E Services P Ltd.	CMD and her relatives are Directors	ceased on 26th Jan 2012
M/s. Proximus Knowledge & Technologies Services Pvt. Ltd.	Subsidiary	ceased During FY-2009-10
Relatives of Key Management Personnel		
Mr. Anil B. Vedmehta		ceased on 26th Jan 2012

Statement of Restated Standalone Related Party Transactions - Continued **(Rs. in Lacs)**

Sr. No.	Name of Party	Relationship	Nature of Transaction	Volume of Transaction during the Period Sept 30, 12	Amount Outstanding as on 30th Sept 2012	Volume of Transaction during the Period 2011-12	Amount Outstanding as on 31st March 2012	Volume of Transaction during the Period 2010-11	Amount Outstanding as on 31st March 2011
1	Mrs. Priyanka Vedmehta	Managing Director	Remuneration						
2	M/s. Mobile Telecommunications Ltd.	CMD's relatives are Directors	Amount Received / Receivable					15.81	
			Amount Paid / Payable			262.03		319.70	
3	M/s. Vimochan Pictures Ltd.	CMD is Director	Purchase / Payable						
			Sales / Receivable						
4	M/s. Quantum E Services P Ltd.	CMD and her relatives are Directors	Amount Received / Receivable						
			Amount Paid / Payable			18.10		0.10	18.10
5	M/s. Proximus Knowledge & Technologies Services Pvt. Ltd.	Subsidary	Amount Received / Receivable						
			Amount Paid / Payable						16.80
6	Mr. Anil B. Vedmehta	Relatives of KMPs	Amount Received / Receivable					0.20	
			Amount Paid / Payable			187.04		71.24	165.42
7	DigiVision Holdings Private Limited	Holding	Debit note raised			28.54			
			Amount Received / Receivable	1727.00		100.00			
			Amount Paid / Payable	1654.50	187.34	13.70	114.84		
8	Media Matrix Holdings Private Limited (formerly Digicall Holdings Private Limited)	Subsidiary	Investment Made			199.00			
			Amount Received / Receivable		1.00		1.00		
			Amount Paid / Payable			1.00			
9	DigiVive Services Private Limited	Subsidiary	Debit note raised on us	62.09		2.00			
			Debit note raised on by	0.31					
			Investment Made			2449.50			
			Amount Received / Receivable			15.00	49.50		
			Amount Paid / Payable		12.28	66.50			
10	DigiCall Teleservices Private Limited	Subsidiary	Debit note raised on us	160.27		80.11			
			Investment Made			2009.99			
			Amount Received / Receivable	185.00	34.63		9.90		
			Amount Paid / Payable			90.01			
11	nexG Devices Private Limited	Subsidiary	Debit note raised on us	47.23					
			Debit note raised on by	1,422.43					
			Investment Made			1.00			
			Sale of Goods	418.32					
			Purchase of Equity Shares	498.00					
			Amount Received / Receivable	1312.69	800.73		643.40		
			Amount Paid / Payable	174.50		643.40			

Sr. No.	Name of Party	Relationship	Nature of Transaction	Volume of Transaction during the Period 2009-10	Amount Outstanding as on 31st March 2010	Volume of Transaction during the Period 2008-09	Amount Outstanding as on 31st March 2009	Volume of Transaction during the Period 2007-08	Amount Outstanding as on 31st March 2008
1	Mrs. Priyanka Vedmehta	Managing Director	Remuneration			6.00		6.00	
2	M/s. Mobile Telecommunications Ltd.	CMD's relatives are Directors	Amount Received / Receivable	27.48		5.02		647.11	
			Amount Paid / Payable	57.37	303.89	111.57	333.78	355.30	227.22
3	M/s. Vimochan Pictures Ltd.	CMD is Director	Purchase / Payable	424.39	77.74	704.90	34.10	739.01	0.00
			Sales / Receivable	380.75	0.00	624.72	0.00	421.22	45.93
4	M/s. Quantum E Services P Ltd.	CMD and her relatives are Directors	Amount Received / Receivable	18.33	0.00	36.66	0.00	216.61	0.00
			Amount Paid / Payable	0.13	18.20	36.66	0.00	214.75	1.86
5	M/s. Proximus Knowledge & Technologies Services Pvt.Ltd.	Subsidiary	Amount Received / Receivable	0.35	0.00	17.00	0.00	40.00	0.00
			Amount Paid / Payable	0.00	16.80	0.55	16.45	40.00	0.00
6	Mr. Anil B. Vedmehta	Relatives of KMPs	Amount Received / Receivable	0.60	0.00	9.90	0.00	473.30	0.00
			Amount Paid / Payable	71.28	236.46	2.25	307.14	155.31	317.99
7	DigiVision Holdings Private Limited	Holding	Debit note raised	NA	NA	NA	NA	NA	NA
			Amount Received / Receivable	NA	NA	NA	NA	NA	NA
			Amount Paid / Payable	NA	NA	NA	NA	NA	NA
8	Media Matrix Holdings Private Limited (formerly Digicall Holdings Private Limited)	Subsidiary	Investment Made	NA	NA	NA	NA	NA	NA
			Amount Received / Receivable	NA	NA	NA	NA	NA	NA
			Amount Paid / Payable	NA	NA	NA	NA	NA	NA
9	DigiVive Services Private Limited	Subsidiary	Debit note raised on us	NA	NA	NA	NA	NA	NA
			Debit note raised by us	NA	NA	NA	NA	NA	NA
			Investment Made	NA	NA	NA	NA	NA	NA
			Amount Received / Receivable	NA	NA	NA	NA	NA	NA
			Amount Paid / Payable	NA	NA	NA	NA	NA	NA
10	DigiCall Teleservices Private Limited	Subsidiary	Debit note raised on us	NA	NA	NA	NA	NA	NA
			Debit note raised by us	NA	NA	NA	NA	NA	NA
			Investment Made	NA	NA	NA	NA	NA	NA
			Amount Received / Receivable	NA	NA	NA	NA	NA	NA
			Amount Paid / Payable	NA	NA	NA	NA	NA	NA
11	nexG Devices Private Limited	Subsidiary	Debit note raised on us	NA	NA	NA	NA	NA	NA
			Debit note raised by us	NA	NA	NA	NA	NA	NA
			Investment Made	NA	NA	NA	NA	NA	NA
			Amount Received / Receivable	NA	NA	NA	NA	NA	NA
			Amount Paid / Payable	NA	NA	NA	NA	NA	NA

*NA refer to Not Applicable

ANNEXURE XVIII

STATEMENT OF RESTATED STANDALONE TAX SHELTER

(Rs. In Lacs)

Particulars	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Profit Before Tax	177.88	(288.98)	2.96	12.77	14.54	(107.90)
Tax rate						
-- Normal Tax rate	32.45	32.45	33.22	33.99	33.99	33.99
-- Minimum Alternative Tax rate						
Notional Tax at normal rates (A)	57.72	(93.76)	0.98	4.34	4.94	(36.67)
Permanent differences	-	-	-	-	-	-
Disallowances	-	-	-	-	-	-
Total (B)	-	-	-	-	-	-
Timing Differences						
Depreciation as per Books	0.56	14.12	20.41	20.41	20.40	196.34
Depreciation as per Income Tax	1.65	2.68	7.08	15.57	36.55	87.46
Difference between tax depreciation and book depreciation	(1.09)	11.44	13.33	4.84	(16.15)	108.88
Other adjustments	-	-	-	-	-	-
Foreign income included in the statement	-	-	-	-	-	-
Total (C)	(1.09)	11.44	13.33	4.84	(16.15)	108.88
Net Adjustments (B+C)	(1.09)	11.44	13.33	4.84	(16.15)	108.88
Tax expense/(savings) thereon (D)	(0.35)	3.71	4.43	1.64	(5.49)	37.01
Total Taxation (E = A+D)	57.37	(90.05)	5.41	5.98	(0.55)	0.33
Brought forward losses set off (Depreciation)	-	-	-	-	-	-
Tax effect on the above (F)	-	-	-	-	-	-
Net tax for the year/period (E+F)	57.37	(90.05)	5.41	5.98	(0.55)	0.33
Tax payable as per MAT						
Income Tax expense recognised as per profit and loss	56.39	11.60	5.64	5.44	1.68	0.25

ANNEXURE XIX

CHANGES IN RESTATED STANDALONE SIGNIFICANT ACCOUNTING POLICIES

1. Hitherto, premium payable on the redemption of Optionally Fully Convertible Debentures (OFCDs) were charged to Statement of Profit & Loss. With effect from April 1, 2012, the Company has changed its policy for charging redemption premium on OFCDs and accordingly, as per the revised policy the same has been adjusted against Securities Premium Account. Had the same accounting policy been followed, the profits after tax for the current period ended September 30, 2012 would have been lower by Rs. 21,569,289.

ANNEXURE XX

QUALIFICATIONS IN RESTATED STANDALONE AUDITORS REPORT FOR THE LAST FIVE YEARS

In Main Audit Report on Qualification: NIL

In CARO as under:

Point No.	Period ended Sept 30, 2012	2012	2011	2010	2009	2008
IX a)	Not applicable	As per the information and explanations given by the management, the company is not regular in depositing with the appropriate authorities, undisputed statutory dues including Income Tax, Sales Tax, Wealth Tax, Provident Fund, custom duty and other statutory dues applicable to it. According to the information and explanations given to us, there are no undisputed amounts payables in respect of such statutory dues, except fringe benefit tax for assessment year 2006-07 to 2008-09 of Rs.2, 13,493/- which has remained outstanding for more than six months as at 31st March, 2012.	As per the information and explanations given by the management, the company is not regular in depositing with the appropriate authorities, undisputed statutory dues including income tax, sales tax, wealth tax, provident fund, investor education and protection fund, custom duty and other statutory dues applicable to it. According to the information and explanations given to us, there are no undisputed amounts payable in respect of such statutory dues, except income tax for the assessment year 2005-06 to 2007-08, and 2010-11 of Rs. 10,51,773/- and fringe benefit tax for assessment year 2006-07 to 2008-09 of Rs.2, 13,493/- and service tax of Rs. 17,36,225/- which has remained outstanding for more than six months as at 31st March, 2011.	As per the information and explanations given by the management, the company is not regular in depositing with the appropriate authorities, undisputed statutory dues including income tax, sales tax, wealth tax, provident fund, investor education and protection fund, custom duty and other statutory dues applicable to it. According to the information and explanations given to us, there are no undisputed amounts payable in respect of such statutory dues, except income tax for the assessment year 2005-06 to 2007-08, of Rs. 5, 08,135/- and fringe benefit tax for assessment year 2006-07 to 2008-09 of Rs. 2, 13,493/- which has remained outstanding for more than six months as at 31st March, 2010.	As per the information and explanations given by the management, the company is not regular in depositing with the appropriate authorities, undisputed statutory dues including income tax, sales tax, wealth tax, provident fund, investor education and protection fund, custom duty and other statutory dues applicable to it. According to the information and explanations given to us, there are no undisputed amounts payable in respect of such statutory dues, except income tax for the assessment year 2005-06 to 2008-09, of Rs. 5,08,735/- and fringe benefit tax for assessment year 2006-07 to 2008-09 of Rs. 2, 13,493/- which has remained outstanding for more than six months as at 31st March, 2009.	As per the information and explanations given by the management, the company is not regular in depositing with the appropriate authorities, undisputed statutory dues including income tax, sales tax, wealth tax, provident fund, investor education and protection fund, custom duty and other statutory dues applicable to it.According to the information and explanations given to us, there are no undisputed amounts payable in respect of such statutory dues, except income tax for the assessment year 2005-06 to 2007-08, of Rs. 4,83,845/- and fringe benefit tax for assessment year 2006-07 to 2007-08 of Rs. 1,92,305/- which has remained outstanding for more than six months as at 31st March, 2008.

Annexure XXI

STATEMENT OF RESTATED STANDALONE SEGMENT REPORTING

For the period ended September 30, 2012

(A) **Primary (Business) Segment**

The company is mainly engaged in the business of digital media content, producing/ distributing of television program, film, music, mobile handsets and dealing in related activities in media and entertainment industry and there is no separate reportable segment as per Accounting Standard (AS) 17 on segment reporting.

(B) **Secondary (Geographical) Segment**

The company caters mainly to the needs of Indian market and the export turnover is insignificant of the total turnover of the Company i.e 1.49% for the period ended September 30, 2012, there are no reportable geographical segments..

ANNEXURE IA

STATEMENT OF RESTATED CONSOLIDATED ASSETS AND LIABILITIES

(Rs. In Lacs)

Non-Current Assets	30-Sep-12	31-Mar-12	31-Mar-09	31-Mar-08
Fixed Assets				
(i)Tangible Assets	4,158.52	2,982.94	525.58	702.57
(ii)Intangible Assets	2,718.15	1,869.08	0.00	0.00
(iii)Capital Work-in-Progress	348.54	378.40	11.44	11.44
Deferred Tax Assets				
Non - Current Investments	402.03	402.03	24.71	298.76
Long-Term Loans and Advances	1,257.57	814.12	53.62	188.12
Sub - Total - 1	8,884.81	6,446.57	615.35	1,200.89
Current Assets				
Current Investments	-	-	-	-
Inventories	705.59	505.31	0.53	0.53
Trade Receivables	4,584.14	1,917.94	501.03	637.91
Cash And Bank Balance:				
Cash on Hand	6.15	3.55	2.57	10.60
Balance With Bank:				
In Current Accounts	309.07	322.33	3.75	(9.50)
In Fixed Deposits - Margin Money				
Less Than 1 Year	16.81	544.77	83.85	-
More Than 1 Year	76.22	104.50	0.31	8.88
Short-Term Loans and Advances	332.73	612.37	1,567.15	8,737.49
Other Current Assets	922.04	975.78	16.68	10.22
Sub - Total - 2	6,952.75	4,986.55	2,175.87	9,396.13
Non-Current Liabilities				
Long-Term Borrowings	4,311.54	5,265.38	-	-
Deferred Tax Liabilities	19.27	38.51	9.64	4.20
Other Long Term Liabilities	-	-	-	-
Long-Term Provisions				
Provision for Leave Encashment	36.51	30.70	-	-
Provision for Gratuity	62.19	51.83	-	-
Sub - Total - 3	4,429.51	5,386.42	9.64	4.20
Current Liabilities				
(A) Short-Term Borrowings	289.50	1,818.44	663.72	8,078.04
(B) Trade Payables	3,019.22	1,648.39	363.27	726.43
(C) Other Current Liabilities	7,434.33	1,220.28	-	-
(D) Short-Term Provisions	568.16	41.18	9.08	7.22
Sub - Total - 4	11,311.21	4,728.29	1,036.07	8,811.69
Share Application Money Pending Allotment - 5	-	-	-	-
Minority Interest-6	-	711.86	867.78	891.00
Net Worth - 1 + 2 - 3 - 4 - 5 - 6	96.84	606.55	877.73	890.13
Particulars				
Shareholders' Funds				
(A) Share Capital				
Issued, Subscribed and Paid Up Share Capital - Comprising of Equity Shares of Rs 1 Each	1,008.65	808.65	808.65	808.65
(B) Reserves and Surplus				
Securities Premium Reserve	416.55	158.40	158.40	158.40
Debit Balance of Statement of Profit and Loss Account	(1,328.36)	(360.50)	(131.25)	(118.86)
Capital Reserve	-	-	41.93	41.93
Net Worth(A+B)	96.84	606.55	877.73	890.13

Note:-

The above above statement should be read with Consolidated Significant Accounting Policies and the Consolidated Notes to the Restated Summary Statements as appearing in Annexure V A.

For FY2012, Trade receivables have increased by Rs. 1475.0 Lacs, Long terms loans and advances have increased by Rs. 814.1 Lacs, increase of short loans & Advances by Rs. 381.4 Lacs and other current assets by Rs. 940.7 Lacs on consolidated basis. The substantial increase in FY2012 was on account of acquisition of various subsidiaries and their consolidation for FY12 as compared to FY2011 where there was no subsidiary.

The party wise outstanding of Trade and Other receivables on a consolidated basis, as on 31st March 2012, is as under.

Sr. No.	Particulars	Amount(Rs.)
	Media Matrix Worldwide Limited	
1	GLOBAL BRANDS ENTERPRISE SOLUTIONS	16,125,922
2	PRISM TELEVISION PRIVATE LIMITED	1,538,685
	Total -A	**17,664,607**
	Digivive Services Private Limited	
3	BHARAT SANCHAR NIGAM LTD	3,036,899
4	ETISALAT LANKA (PRIVATE) LIMITED	2,634,363
5	SMART BROADBAND SERVICES PVT. LTD.	8,437,950
	Total -B	**14,109,212**
	nexG Devices Private Limited	
6	CENTRAL EXPRESS & LOGISTICS	1,200
7	AGARWAL TRADING COMPANY	36,363
8	AJAY TELECOME	30,598
9	ANIL TRADERS	24,435
10	ARDAS TELEVENTURE PVT LTD.	51,542
11	AUDIO GALLERY	6
12	AVANTIKA ENTERPRISES	29,353
13	BAJRANG MARKETING COMPANY	5,657,340
14	BAWA BROS	312,700
15	BHARTI COMMUNICATION	74,976
16	DBM MARKETING (INDIA) PVT LTD.	372,008
17	DEVTA ELECTRONICS	18,537
18	GAIN CHAND & SONS	146,969
19	GOURAV KUMAR DEEPAK KUMAR	136,245
20	GUPTA INTERNATIONAL	164,029
21	GURU KRIPA TELESERVICES PVT.LTD.	19
22	HITECH MARKETING CO.	234,420
23	INDOLUBES	29,411
24	JAYPEE COMMUNICATIONS	8,373
25	JOYTI TRADERS	50,812
26	KHALSA CELLULAR PVT.LTD	300,035
27	KVOOS MARKETING CONSULTANTS PRIVATE LIMITED (RDS)	249,890
28	MITTAL AGENCIES	102,573
29	MOBILE HUT & CO.	607,600
30	NESCO INFOSYSTEM PVT LTD	36,187
31	N.V ELECTRONICS	217,398
32	OMEGA TELESERVICES	80,587
34	OM PARKASH DAULAT RAM	81,993
35	PRAKASH ENT	77,576
36	RAHUL TRADERS	128,354
37	R.S ASSOCIATS	31,980
38	R.TELECOM	35,053
39	SAHU COMM.	22,684
40	SAI DISTRIBUTOR	2,088,975
41	SATISFACTION	22,019
42	SHREE NIWAS ASSOCIATE	15,596

43	SHREE SHYAM ENTERPRICES	157,414
44	SHREE VALABH AGENCIES	49,393
45	SHRI INFOTEC	802,918
46	SHRI KRISHNA TELECOM	72,105
47	SHRI SHYAM ENTERPRISES	261,213
48	SHUBHAM DISTRIBUTORS	21,514
49	SHYAM TELECOM AND ELECTRONIC	52,435
50	SHYAM TRADING CO.	244,417
51	SIDARTH TELETECH	622,681
52	SINGH COMMUNICATION	10
53	SMV ELECTRONICS	1,182,979
54	SONI & SONS	154,199
55	SRI BABA BALAK NATH TRADERS	52,428
56	S.S ENTERPRISES	44,560
57	SUMEET COMMUNICATION	1,338,336
58	SUSIL AUTO MOBILE	20,304
59	THE TRADE BRIDGE	445,953
60	THUKRAL INTERNATIONAL	49,749
61	THUKRAL TRADERS	285,764
62	UMA ENTERPRICES	23,999
63	VAIBHAV ELECTRONICS PRIVATE LIMITED	1,700,060
64	VAIBHAV TRADERS	43,299
65	VARDHMAN TELE MARKETING	568,925
66	VIKRAM TELECOM	4,744
67	VIMLA AGENCIES	48,645
68	VIRAT SALES	39,478
69	V.R.ENTERPRISES	55,567
70	XCLUSIFSHOPPE	217,896
71	DISCO CELLULAR AGENCIES	3,846
72	G M COMMUNICATIONS	1,608
73	HALISEN DISTRIBUTORS	421,355
74	KVOOS MARKETING CONSULTANTS PRIVATE LIMITED	31,090
75	KWALITY TELECOM	359,988
76	MAHABIR SALES	447
77	MEERA MOBILE	369,342
78	MITTAL TRADERS	11
79	PAGAM ENTERPRISE	1
80	PAVANJAAS ENTERPRISES	38
81	SHREE MARUTI DISTRIBUTORS	6
82	SHWETA MOBILES	36
83	S. R. ENTERPRISES	3,327,128
84	SRI KRISHNA TRADERS HUF	3,012,569
85	UDAY CONSTRUCTION	31
86	VIJAY DEEP TELECOM	2
87	POLIXEL SECURITY SYSTEM LIMITED.	7,852
	Total-C	27,574,174
	Digicall Teleservices Private Limited	
88	HERITAGE FOODS INDIA LTD	17,500
89	KOTAK MAHINDRA OLD MUTUAL LIFE INSURANCE LTD	4,629,179
90	SECURE NOW INSURANCE BROKER PVT. LTD.	27,321
91	TATA COMMUNICATIONS LTD	153,611
92	TATA TELESERVICES LTD - KHAN ESTATE	765,707

93	TATA TELESERVICES PVT.LTD.	2,671,778
94	VIRGIN MOBILE INDIA LTD.	42,583
95	VODAFONE	398,754
96	ABN AMBRO BANK	66,251
97	ABP PVT LTD	187,521
98	AIRCEL LIMITED	100,934
99	AMERICAN EXPRESS BANKING CORPORATION	52,405
100	BANK OF BARODA	90,998
101	BENEFIT PLUS MEDIA PVT LTD	559,630
102	BHARAT BUSSINESS CHANNEL LTD	16,281,497
103	BHARTI AIRTEL LIMITED	19,097,755
104	BHARTI CELLULAR LTD	9,967,366
105	BHARTI INFOTEL LTD	2,378,674
106	CBS INTERACTIVE PTE LTD	172,651
107	END TO END MARKETING SOLUTIONS	5,040
108	ETISHA FINANCE PVT LTD	15,307
109	EUREKA FORBES LTD/PUNE	87,689
110	FORESIGHT PVT LTD	523,182
111	FUTURE GENERALI INDIA LIFE INS CO LTD	2,127,125
112	GNCT OF DELHI	990,721
113	HDFC BANK LIMITED	8,903
114	HIMACHAL FUTURISTIC COMMUNICATION LTD	7,310,381
115	KOOVS.COM	468,349
116	KOTAK MAHINDRA OLD MUTUAL LIFE INSURANCE LTD	3,303,451
117	KOTAK MAHINDRA OLD MUTUAL LIFE INSURANCE LTD	8,330,195
118	LAFARGE INDIA PVT LTD.	41,257
119	M/S VARUN BEVERAGES LTD (PEPSI)	33,091
120	MAHINDRA REVA ELECTRIC VEHICLES PVT LTD,	60,688
121	PEPSICO INDIA HOLDINGS PVT LTD	185,303
122	QWEST TELECOM	145,930
123	RELIANCE COMMUNICATION LTD	360,794
124	RELIANCE COMMUNICATIONS LTD(KOLKATA	2,627,472
125	SECURE NOW INSURANCE BROKER LTD	55,789
126	SMART DIGIVISION PVT LTD	1,211,175
127	TATA COMMUNICATIONS LTD	629,010
128	TATA TELESERVICES LIMITED	29,091,709
129	VIDEOCON INDUSTRIES LTD./VIDEOCON - PUNE	4,813,237
130	VIRGIN MOBILE INDIA LTD	43,112
131	VIVA MOBILES	112,506
132	VODAFONE ESSAR MOBILE SERVICES LTD	1,453,363
133	VODAFONE ESSAR SPACETEL LTD	4,317,740
	Total-D	126,014,633
	Digicall Global Private Limited	
134	LIQUID TELECOM LTD.,	144,545
135	TUXEDO MONEY SOLUTIONS	2,516,301
136	BERKS CREDIT & COLLECTIONS, INC	155,021
137	NATIONAL ASSET MANAGEMENT	2,248,445
138	SWISS SCIENCES LLC	690,659
139	TCC	126,334
140	ARC MANAGEMENT GROUP, LLC	550,020
	Total-E	6,431,325
	Total Trade Receivables As On 31.03.2012 (A+B+C+D+E)	**191,793,950**

The detail of Long Term Loans and Advances as per Consolidated Financial Statements as at 31.03.2012 is as under:

Sr. No.	Particulars	Amount(Rs.)
A.	**Security Deposit**	
	Digivive Services Private Limited	
1	TRAI	1,200,000
2	NARESH KUMAR	4,500,000
3	TV9- ASSOCIATED BROADCASTING	300,000
	Sub Total	**6,000,000**
	Digicall Global Private Limited	
1	SHUBHANGI AROMATICS PVT LTD	2,030,448
	Sub Total	**2,030,448**
	nexG Devices Private Limited	
1	SALE TAX DEPOSITS	95,000
2	GLOBAL BRANDS ENTERPRISE SOLUTIONS PVT LTD	10,000,000
3	ANKUSH GROVER	8,000
4	SISTEMA SHYAM TELESERVICES LIMITED	220,000
5	TATA TELESERVICES PVT LTD	100,000
	Sub Total	**10,423,000**
	Digicall Teleservices Private Limited	
1	MCL DEPOSITS	2,826,329
2	PADAM PETROLEUM	19,904
3	AIRCEL LIMITED	60,000
4	ALL INDIA CORPORATION	86,371
5	ALL INDIA DYEING CORPORATION	62,557
6	AMISHA H.KAMDAR	143,474
7	BOMBAY PROOFING INDUSTRIES	148,029
8	COLUMBIA ELECTRICAL STAMPING	579,456
9	HEMANT M.KAMDAR	112,686
10	HEMA UPADHYAY	290,628
11	JAGRUTI S.UPADHYAY	242,436
12	JASWANTI M.BAGADIA	195,445
13	JAYDEEP M.KAMDAR	116,647
14	JIGNA KAMDAR	115,216
15	KAVITA J.BAGADIA	190,216
16	LESHA J.KAMDAR	134,961
17	MANEKLAL M.BAGADIA	189,501
18	NILESH M.KAMDAR	87,677
19	SHIRISH UPADHYAY	293,292
20	DEPOSITS - OTHERS	2,221,058
21	RENT DEPOSIT OFFICE	23,110,351
22	SECURITY DEPOSITS - OTHERS	6,354,608
23	TELEPHONE DEPOSITS	1,161,004
24	ABHIJEET BHADEKAR-OA-BBY	6,950
25	BHARTI AIRTEL LTD	50,000
26	SHUBANGI AROMATICS (P) LTD	783,691
	Sub Total	**39,582,487**
	Total (A)	**58,035,935**
B.	**Capital Advances**	
	Digivive Services Private Limited	
1	PRIYAS GEN NEXT	60,500
	Sub Total	**60,500**

	Digicall Global Private Limited	
1	HUBRIS ENTERPRISES	49,612
	Sub Total	**49,612**
	Digicall Teleservices Private Limited	
1	AAKSHEE ELEC.SOLUTIONS PVT LTD	8,874,879
2	ARAVIND AIRCONDITIONER SALES & SERVICES PVT LTD	822,786
3	CORAL TELECOM LIMITED	83,988
4	DICE OFFICE SYSTEMS	28,350
5	DURGA ENTERPRISES	16,050
6	EMERSON NETWORKS POWER (I) PVT LTD	18,074
7	LAPTECH SOLUTIONS	271,282
8	LE-MEUBLE OFFICE TECH PVT LTD	85,339
9	MILESTONE ENGINEERS	170,949
10	PADMAJA ENTERPRISES	1,403,151
11	PLANET INTERIO	40,765
12	SELECT ENGINEERING & SYSTEMS	1,274,772
13	SHAILEY IT SOLUTIONS	101,355
14	SHREE COMMERCIAL INTERIORS PVT LTD	9,941,601
15	VIJAYA LAKSHMI ENGINEERING WORKS	132,740
16	HEWLETT PACKARD INDIA LTD	39
	Sub Total	**23,266,120**
	Total (B)	**23,376,232**
	Total (A+B)	**81,412,167**

The details of Short term loan and advances (Unsecured, Considered good unless otherwise stated) as of March 31, 2012 is as under:

Sr. No.	Particulars	Amount(Rs.)
A.	**Loans and Advances to related parties**	
	Digivive Services Private Limited	
1	BENEFITPLUS MEDIA PVT. LTD.	881,982
2	DIGIVISION WIRELESS PVT. LTD.	198,799
3	ONE CLICK TECHNOLOGIES PVT. LTD.	267,512
	Sub Total	**1,348,293**
	nexG Devices Private Limited	
1	SMART DIGIVISION PVT LTD	3,360,347
	Sub Total	**3,360,347**
	Digicall Teleservices Private Limited	
1	MICROWAVE COMMUNICATIONS LTD	22,895,518
	Sub Total	**22,895,518**
	Total(A)	**27,604,158**
B.	**Other Loans and Advances**	**-**
	Media Matrix Worldwide Limited	
1	ANIL B VEDMEHTA	2,424,720
2	JAY GUPTA	2,400,000
3	MOBILE TELECOMMUNICATIONS LTD.	11,874,000
4	LODARIYA	52,411
	Sub Total	**16,751,131**
	Total(B)	**16,751,131**
C.	**Advances Recoverable in cash or in Kind or for value to be received**	
	Digicall Global Private Limited	
1	K ARUNACHALAM	300,000
2	RAHUL KUMAR	3,000

3	TECHNOWARE SYSTEM INDIA PVT LTD	74,611
4	CUBE SOFTWARE	38,750
5	NASSCOM	60,444
6	TATA TELESERVICES LTD	16,005
7	RENT ADVANCE	373,426
8	STAFF LOAN	10,000
	Sub Total	**876,236**
	Media Matrix Holdings Private Limited (formerly Digicall Holdings Private Limited)	
1	INDSEC SECURITIES AND FINANCE LIMITED	5,000
	Sub Total	**5,000**
	Digicall Teleservices Private Limited	
1	KRISHAN KUMAR	5,086
2	MEENAKSHY NANDA	50,216
3	SEAN WILLIAMS	4,685
4	SUSHIL SHARMA	21,030
5	AMIT BANDU	51,129
6	B B CHUGH	8,815
7	GAUTAM JHA	12,500
8	GAUTAM JHA	4,979
9	K ARUNACHALAM	33,043
10	K.P.MISRA	8,500
11	NANDLAL VISHWAKARMA	867
12	PREPAID EXPENSES	455,351
13	PRISCILLA NELAMAN	6,000
14	RAJESH SARGAIYA	100,000
15	RANJAN KISHORE PANDA	3,000
16	VEENA N M	400
17	VINOD SHARMA	11,502
18	INT. ACCRUED ON INVESTMENT	36,976
19	PRAKASH VEER SINGH	5,067
20	SANDEEP KARNEKAR/OA/BBY	646
21	UNCLAIM/BBY	38,274
22	VIKAS KUMAR OA / ACCOUNT /BBY	10,000
23	ADVANCE TO CALL CENTRE STAFF	25,001
24	DIGIVIVE PROPERTIES (P) LTD	9,000
	Sub Total	**902,067**
	Media Matrix Worldwide Limited	
1	MANISH KHANNA	2,668
2	BOMBAY STOCK EXCHANGE LIMITED	125,000
3	FEDEX SECURITIES LIMITED	500,000
	Sub Total	**627,668**
	Total(C)	**2,410,971**
D.	**Advance to supplier**	
	Digivive Services Private Limited	
1	AO BSNL PUNE	22,060
2	BSNL NEW DELHI	450,000
3	DEVIYAL K & COMPANY	10,000
4	GLOBALHUNT INDIA PVT LTD	10,000
5	SACHIN AHUJA	67,972
6	SPACE LINK SYSTEMS PVT. LTD.	28,101
7	USHODAYAENTERPRISES PVT LTD	100,000
8	VINAY KUMAR	30,511

9	WOWZA MEDIA PVT LTD	23,526
	Sub Total	**742,170**
	Digicall Global Private Limited	
1	ASHISH KIRPAL PANDIT	66,022
	Sub Total	**66,022**
	nexG Devices Private Limited	
1	DRIVE INDIA ENTERPRISE SOLUTIONS LIMITED	176,844
2	JAMINI EXPORTS LIMITED	4,763,000
3	SISTEMA SHYAM TELESERVICES LIMITED	1,347,835
4	TATA TELE SERVICES LTD.	852,196
	Sub Total	**7,139,876**
	Digicall Teleservices Private Limited	
1	BHARTI AIRTEL LTD	42,900
2	BRITISH CERTIFICATION INC	27,940
3	GURPREET SINGH NAYYAR	16,560
4	HT MEDIA LTD	17,648
5	J.P TILES	19
6	KANCHAN CHOUDHARY	8,889
7	LAXMI NARAYAN SHARMA	13,905
8	MANGALAM	18,500
9	MANJU SINGHAL	5,321
10	MEENAKSHY NANDA	16,450
11	MOHD SAEED SHAFI	24,500
12	MRS KAILASH TALWAR	43,200
13	NANDLAL VISHWAKARMA	10,000
14	RUCHIKA BATRA	9,990
15	SINGH MOTORS	8,230
16	SMT SOMWATI	21,118
17	WALIA SERVICE STATION	429
18	A.J.BIOTECH	62,716
19	APLAB LTD	13,300
20	BIRAJ MANIMPEX PVT LTD	64,161
21	KUSHAGRA CHUGH	20,580
22	PASCHIMANCHAL VIDYUT VITRAN NIGAM LTD	372,000
23	SODEXO	2,323
24	INDIA MART INTERMESH LIMITED	3,309
25	RENT CREDITOR - VIHAR ESTATE BBY	174,999
26	IMPACT SAFETY GLASS WORKS PVT LTD	20,000
27	MANOJ ENTERPRISES	13,680
28	ROUNAQH PUBLICITY	200
29	AB DATA EXPERTS	46,602
30	HARESH KUMAR SINGH	2,000
31	JAY SOLUTION PUNE	25,000
	PIONEER SOLUTION PUNE	25,000
32	RELIABLE LINK SERVICES PUNE	2,500
33	RH GROUP PUNE	30
34	SANDEEP CHUMBALKAR PUNE	5,027
35	ROUTER SCHOOL PUNE	11,029
	Sub Total	**1,150,055**
	Media Matrix Worldwide Limited	
1	SHEEN CHIEF INTERNATIONAL LIMITED	625,124

2	GLOBAL TRADE WELL PTE LTD	4,133,585
	Sub Total	**4,758,709**
	Total(D)	**13,856,832**
E.	**Advance to employees**	
	Digivive Services Private Limited	
1	DAVINDER MANN	36,014
2	NALLUR KRISHNA KUMAR	80,347
3	SMRIDHI ANAND	2,361
	Sub Total	**118,722**
	nexG Devices Private Limited	
1	SUVADIP SARKAR	7,091
2	AMIT ASTHANA	5,000
3	GAURAV SINGHAL	1,678
4	ABHISHEK ANAND	3,349
5	RAVI KUMAR	(1,097)
6	TANUSHYAM KANJILAL	2,470
7	ANAND HARIHARAN	25,000
8	IMPREST YATISH CHANDRA	16,170
9	KULRAJ SHARMA	5,000
10	MRITYUNJAY GUPTA	39,070
11	PRAVEEN NAGPAL	5,000
12	RAJIV GUHA	7,151
13	RAKESH PRASAD	5,000
14	SUNIL BATRA	349,924
15	VINAY SINGH	25,000
	Sub Total	**495,806**
	Total(E)	**614,528**
	Total(A+B+C+D+E)	**61,237,620**

The details of Short term loan and advances (Unsecured, Considered good unless otherwise stated) as of March 31, 2012 is as under:

Sr. No.	Particulars	Amount(Rs.)
A.	**Prepaid Expenses**	
	Digivive Services Private Limited	
1	DIGIVISION CONTENT BILLING	888,659
2	GOIP GLOBAL SERVICES (P) LTD.	28,755
3	ASC DIGITAL (P) LTD.	837,913
4	GOIP GLOBAL SERVICES (P) LTD.	66,558
5	STAR INDIA	2,415,000
6	ZENGA MEDIA	6,428,571
7	MTNL MUMBAI DOLPHIN	3,000
8	IB CONSULTANT	75,000
9	TELECOM WATCH MEDIA	5,489
10	TATA COMMUNICATION LTD	496,250
	Sub Total	**11,245,195**
	nexG Devices Private Limited	**1,335,157**
	Media Matrix Worldwide Limited	**7,685**
	Digicall Global Private Limited	
1	TECHNOWARE SYSTEM INDIA (P) LTD	21,562
	Sub Total	**21,562**
	Total (A)	**12,609,599**
B.	Interest Accrued but not due	

	nexG Devices Private Limited	15,696
	Media Matrix Worldwide Limited	1,262,788
	Total (B)	**1,278,484**
C.	Interest Accrued and Due	
	nexG Devices Private Limited	**47,724**
D.	Duties & Taxes Recoverable	
	Digivive Services Private Limited	
1	CUSTOM DUTY RECOVERABLE	461,022
2	EXCISE DUTY RECOVERABLE	9,171
3	SERVICE TAX RECOVERABLE	8,485,771
4	TDS RECOVERABLE	9,623,315
	Sub Total	**18,579,279**
	Media Matrix Holdings Private Limited (formerly Digicall Holdings Private Limited)	
1	TDS RECOVERABLE	299,586
	Sub Total	**299,586**
	nexG Devices Private Limited	
1	SERVICE TAX RECOVERABLE	1,894,539
2	TDS RECOVERABLE	105,371
3	VAT RECOVERABLE	1,761,523
	Sub Total	**3,761,433**
	Digicall Teleservices Private Limited	
1	TDS RECOVERABLE	48,336,401
2	SERVICE TAX RECOVERABLE	8,377,822
	Sub Total	**56,714,223**
	Media Matrix Worldwide Limited	
1	TDS RECOVERABLE	4,185,296
2	SERVICE TAX RECOVERABLE	103,221
	Sub Total	**4,288,517**
	Total (D)	**83,643,038**
	Total (A+B+C+D)	**97,578,845**

Details of increase in Fixed Assets as of March 31, 2012

The details of Increase in Fixed Assets based on consolidated financials statement as of March 31 2012 is as under.

Details	**Amount (Rs. In Lacs)**
Tangible Assets	
Plant & Machinery	250.53
Computer	814.26
Furniture & Fixtures	386.85
Other Equipment	1284.23
Total of Tangible Assets	**2977.02**
Intangible Assets	
Software	167.73
Business Rights & goodwill	373.81
Total of Intangible Assets	**541.55**
Capital Work in Progress	378.39
Goodwill on consolidation	1327.52
Grand Total	**5224.50**

ANNEXURE -II A

STATEMENT OF RESTATED CONSOLIDATED PROFITS AND LOSSES

(Rs. in Lacs)

	Particulars	30-Sep-12	31-Mar-12	31-Mar-09	31-Mar-08
1	**Revenue From Operations:**				
	Sales	11,781.96	1,016.47	1,603.21	1,875.96
	Services	3,282.22	13.06	246.13	55.90
	Sub - Total	15,064.18	1,029.53	1,849.34	1,931.86
2	Other Income	107.77	7.68	92.75	19.23
3	Total Revenue (1+2)	15,171.95	1,037.21	1,942.09	1,951.09
4	Expenses:				
	Cost of Materials Consumed	10,350.30	795.85	1,552.09	1,716.81
	Employee Benefits Expense:				
	Salaries and Wages	2,572.79	106.71	22.39	24.48
	Contribution to Provident and Other Funds	225.32	2.07	-	-
	Staff Welfare Expenses	92.67	0.57	0.12	-
	Finance Costs:				
	Interest Expense	137.09	-	36.45	9.86
	Other Borrowing Costs	41.77	5.45	0.26	0.57
	Depreciation and Amortization Expense	263.13	14.35	169.47	257.17
	Other Expenses				
	Net Gain or Loss on Foreign Currency Transaction and Translation (Other than considered as Finance Cost);	5.84	-	-	-
	Operating Expenses	396.03	-	-	-
	Administrative and Other Expenses	1,655.20	383.91	193.15	109.24
	Selling and Distribution Expenses	354.35	28.03	-	42.69
	Total Expenses	16,094.49	1,336.94	1,973.93	2,160.82
5	Profit Before Exceptional and Extraordinary Items and Tax (3-4)	(922.54)	(299.73)	(31.84)	(209.73)
6	Exceptional Items	0.72	12.07	-	-
7	Profit Before Extraordinary Items and Tax (5-6)	(923.26)	(311.80)	(31.84)	(209.73)
8	Extraordinary Items	-	-	-	-
9	Loss Before Minority Interest and Tax (7-8)	(923.26)	(311.80)	(31.84)	(209.73)
10	Minority Interest for the year	-	-	(23.21)	(50.88)
11	Loss Before Tax	(923.26)	(311.80)	(8.63)	(158.85)
12	Tax Expense:				
	(1) Current Tax	56.39	11.60	1.68	0.25
	(2) Fringe Benefit Tax	-	-	0.19	0.21
	(3) Deferred Tax	(19.24)	(3.94)	5.43	(37.01)
13	Profit/Loss for the Year(IX - X)	(960.41)	(319.46)	(15.93)	(122.30)
	Earnings per Equity Share(In Rupees):				
	(1) Basic	(1.11)	(0.37)	(0.02)	(0.15)
	(2) Diluted	(1.11)	(0.37)	(0.02)	(0.15)

Note:-

The above statement should be read with Consolidated Significant Accounting Policies and the Consolidated Notes to the Restated Summary Statements as appearing in Annexure V A.

ANNEXURE -III A

STATEMENT OF RESTATED CONSOLIDATED CASH FLOW

(Rs. in Lacs)

Particulars	30-Sep-12	31-Mar-12	31-Mar-09	31-Mar-08
Cash Flow from Operating Activities (A)				
Profit/(Loss) for the year before Tax	(923.23)	(311.80)	(31.84)	(209.06)
Adjustments for:				
(Profit)/Loss on Sold/Discarded Fixed Assets	0.72	12.07	47.25)	-
Depreciation and Amortisation	263.13	14.35	169.47	257.17
Dividend Income	-	-	(0.36)	(0.69)
Interest and Financial Charges	178.86	5.45	36.45	9.86
Stock Reserve	(8.24)	-	-	-
Misc Exp. Written off	0.77	-	3.53	5.46
Provision for doubtful debts	4.45	-	-	-
Amount written back	0.44	-	-	-
Interest Income	(38.66)	(7.68)	(45.14)	(18.53)
Operating Profit before Working Capital Changes	(521.76)	(287.61)	84.86	44.21
Changes in assets and Liabilities				
Decrease/(Increase) in Inventories	(200.28)	(505.31)	-	140.31
(Increase)/ Decrease in Trade & Other Receivables	(2,782.67)	(3,593.68)	136.89	838.20
(Increase)/ Decrease in Loans & Advances and Other Assets	-	-	7,281.93	(8,540.06)
Increase/(Decrease) in Trade & Other Payables	7,873.02	2,787.59	(363.17)	(572.76)
Cash Provided by operating activities after tax	4,368.31	(1,599.01)	7,140.51	(8,090.10)
Tax Paid (Net of Refund)	(29.44)	(17.57)	-	-
Net Cash Provided by Operating Activities	4,338.87	(1,616.58)	7,140.51	(8,090.10)
Cash Flow from Investing Activities (B)				
Proceeds from Sale of Investment	-	524.71	274.05	-
Proceeds from Sale of Fixed Assets	0.39	10.00	60.00	8.30
Increase in Investment	-	(402.03)	-	(294.77)
Purchase/Increase in Goodwill	(894.23)	-	-	-
Purchase of CWIP	-	-	-	(11.43)
Purchase/Increase in Fixed Assets	(1,364.81)	(5,224.51)	(5.24)	(673.28)
Dividend Income	-	-	0.36	0.69
Interest Income	40.18	7.68	45.14	18.53
Net Cash Flow from Investing Activities	(2,218.47)	(5,084.15)	374.31	(951.96)
Cash Flow from Financing Activities (C)				
Issue of share capital	200.00	-	-	-
Increase in Security Pemium	494.00	-	-	-
Proceeds/Increase in Long Term Loan	(953.84)	5,265.38	-	-
Proceeds/Increase in Short term Loans	(1,528.93)	1,613.42	(7,397.87)	8,078.04
Minority Interest	(711.87)	711.87	-	941.21
Change in Capital Reserve	-	-	-	41.93
Finance Cost Paid	(186.64)	(2.71)	(36.45)	(9.86)
Net Cash Flow from Financing Activities	(2,687.28)	7,587.96	(7,434.32)	9,051.32
Net (Decrease) / Increase in Cash and Cash Equivalents (A+B+C)	(566.88)	887.23	80.50	9.26
Cash and Cash Equivalents at the Beginning of the Year	975.14	87.91	9.99	0.73
Cash and Cash Equivalents at the end of the Year	408.26	975.14	90.49	9.99

Notes:

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

1. **Figures in brackets indicate cash outflow**

(Rs. In Lacs)

3.	Cash & Cash Equivalents represents:	30-Sep-12	31-Mar-12	31-Mar-09	31-Mar-08
	Cash in Hand	6.16	3.55	2.57	10.60
	Cheques in Hand	-	-	-	-
	Balances With Scheduled Banks				
	In Current Accounts	309.07	322.33	3.75	(9.50)
	In Fixed Deposits	93.03	649.26	84.16	8.88
		408.26	**975.14**	**90.49**	**9.99**

ANNEXURE -IV A

STATEMENT OF ADJUSTMENTS FOR RESTATED CONSOLIDATED FINANCIAL STATEMENTS ARISING OUT OF CHANGES IN ACCOUNTING POLICIES AND MATERIAL ADJUSTMENTS RELATING TO PREVIOUS YEARS

(Rs. In Lacs)

Year / Period Ended 31st March	30-Sep-12	31-Mar-12	31-Mar-09	31-Mar-08
Profit as per Profit & Loss Accounts (after Tax)	(960.41)	(319.46)	(14.93)	(121.30)
Add / (Less) Earlier Year / Prior Period Adjustments	-	-	-	-
Gratuity not accounted in the Books	-	-	-	-
Earlier Year expenses (Provident Fund)	-	-	-	-
Excess Provision Written Back	-	-	-	-
Deferred Tax Earlier Years	-	-	-	-
Stock Adjustment on account of CENVAT Credit	-	-	-	-
Net Profit as per Restated Profit & Loss A/c	(960.41)	(319.46)	(14.93)	(121.30)

Annexure V A

Notes forming part of Consolidated Financial Statements

23. Notes forming part of Consolidated Financial Statements

A. Principles of Consolidation

1. The Consolidated Financial Statements relate to Media Matrix Worldwide Limited (hereinafter referred to as the "Parent Company") and its subsidiaries (these group entities and the Parent Company hereinafter collectively referred to as "the group"). In the preparation of these Consolidated Financial Statements, investments in Subsidiaries have been accounted for in accordance with AS 21 (Consolidated Financial Statements) issued by the ICAI. The Consolidated Financial Statements are prepared on the following basis-

   I. Subsidiary companies are consolidated on a line-by-line basis by adding together the book values of the like items of assets, liabilities, income and expenses after eliminating all significant intra-group balances and intra-group transactions and also unrealized profits or losses, except where cost cannot be recovered.

   II. The results of operations of a subsidiary with which Parent - Subsidiary relationship cease to exist are included in the consolidated statement of profit and loss until the date of cessation of the relationship.

   III. All the Subsidiary Companies, the Companies, in which Media Matrix Worldwide Limited has an ownership of more than one half of voting power or otherwise has power to exercise control over the operations to obtain economic benefits are considered for consolidation except where the control is intended to be temporary because the subsidiary is acquired and held exclusively with a view to its subsequent disposal in the near future. Where a subsidiary is acquired and held exclusively with a view to its subsequent disposal, the investment in the subsidiary is accounted for in accordance with Accounting Standard 13."Investments" which require that current investments should be valued at lower of cost or their fair value.

   IV. The difference between the cost to the Company of investment in Subsidiaries and the proportionate share in the equity of the subsidiaries as at the date of acquisition of stake is recognized in the consolidated financial statements as Goodwill or Capital Reserve, as the case may be. Goodwill has been recorded to the extent that the cost of acquisition, comprising purchase consideration and transaction costs, exceeds the book value of net assets in each acquired company.

   V. Minorities' interest in net profits of consolidated subsidiaries for the period ended Sept 30, 2012 is identified and adjusted against the income in order to arrive at the net income attributable to the shareholders of the Company. Their share of net assets is identified and presented in the Consolidated Balance Sheet separately.

VI. In case of associate where the Company directly or indirectly through subsidiary hold 20% or more of the equity, it is presumed that the investor has the significant influence, unless it can be clearly demonstrated that this is not the case. Investments in Associates are accounted for using equity method in accordance with Accounting Standard (AS-23) "Accounting of Investment in Associates in Consolidated Financial Statements" issued by ICAI.

VII. The company account for its share in the change of net assets of the associates, post-acquisition, after eliminatingunrealized profit and loss resulting from transaction between the company and its associates to the extent of its share, through its profit and loss account to the extent such change is attributable to the associates' profit and loss account and through its reserves for the balance, based on available information.

VIII. As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company's stand-alone financial statements. Differences in accounting policies are disclosed separately.

IX. The financial statements of the entities used for the purpose of consolidation are drawn up to reporting date as that of the Company i.e. Sept 30, 2012.

X. As per Accounting Standard Interpretation (ASI)-15 on Notes to the Consolidated Financial Statements, only the notes involving items which are material need to be disclosed. Materiality for this purpose is assessed in relation to the information contained in the consolidated financial statements. Further, additional statutory information disclosed in separate financial statements of the subsidiary and/or a parent having no bearing on the true and fair view of the consolidated financial statements need not be disclosed in the consolidated financial statements.

2. Significant Accounting Policies and notes to these consolidated financial statements are intended to serve as a means of informative disclosure and guide to better understanding the consolidated position of the companies. Recognizing this purpose, only such policies and notes from the individual financial statements, which fairly present the needed disclosures have been disclosed. Lack of homogeneity and other similar consideration made it desirable to exclude some of them, which in the opinion of the management, could be better viewed, when referred from the individual financial statements.

B. Significant Accounting Policies

xviii. Method of Accounting

d) The financial statements are prepared on the historical cost convention and in accordance with generally accepted accounting principles ('GAAP')

e) The Company follows accrual system of accounting in the preparation of accounts unless otherwise stated.

f) 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 as of date of the financial statements. Examples of such estimates include provision for doubtful debts, provision for doubtful loans and advances, provisions for diminution in value of investments, estimated period of utility of software package, provision for value of obsolete/non moving inventories etc. Actual results may differ from these estimates.

xix. Revenue Recognition

a) Revenue is recognized on accrual basis.

b) Revenue from Services rendered is recognized as and when the services are performed.

c) Sale of goods is recognized on dispatch to the customer.

d) Insurance claims are accounted for as and when admitted by the concerned authority.

e) Interest income is recognized as and when accrued.

xx. Securities Premium Account

Securities issue expenses and redemption premium payable on optionally or compulsorily convertible preference share or debentures can be adjusted against Securities Premium Account.

xxi. Fixed Assets

d) Owned Assets

Fixed Assets are stated at cost, which includes freight, installation cost, duties, taxes and other incidental expenses but net of CENVAT.

e) Capital Work-in-progress

All expenses incurred for acquiring, erecting and commissioning of fixed assets including interest on long term loans utilized for meeting capital expenditure and incidental expenditure incurred during construction of projects are shown under capital work-in-progress and are allocated to the fixed assets on the completion of the respective projects.

f) Intangible Assets

Cost of software and expenses on development of new products are accounted for as intangible assets.

xxii. Lease

d) Fixed assets acquired on lease / hire purchase for an agreed period has been recognized as an asset and liability.

Such recognition is at an amount equal to the fair value of leased asset at the inception of lease or present value of minimum lease payment, whichever is less.

e) Lease payment is apportioned between finance charge and reductions of the outstanding liability.

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

xxiii.Depreciation and Amortisation

d) Depreciation is provided for all the assets on straight line method, at the rates prescribed in the Schedule XIV of the Companies Act, 1956.

Except as follows:

Digivive Services Private Limited

Depreciation is provided pro-rata to the period of use on straight-line method based on the estimated useful life of the assets as follows:

Assets	Useful life (in Years)
Mobile Phone (capitalized under Plant & Machinery)	2 Years
Software & Licenses	3 Years

e) Depreciation due to increase or decrease in the liability on account of exchange fluctuation or on account of rollover charges on forward exchange contract is provided prospectively over the residual life of the assets.

f) Intangible assets are amortised over a period of five years or life of product considered at the end of each financial year whichever is earlier. Amortisation commences when the asset is available for use.

xxiv. Impairment of Assets

The fixed assets or group of assets (cash generating unit) are reviewed for impairment at each Balance Sheet date. In case of such any indication, the recoverable amount of these assets or group of assets is determined and if such recoverable amount of the assets or cash generating unit to which the assets belong is less than its carrying amount, the impairment loss is recognized by writing down such assets to their recoverable amount. An impairment loss is reversed if there is change in the recoverable amount and such loss either no longer exists or has decreased.

xxv. Investments

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

f) Non-current investments are carried at cost. Provision for diminution in value is made to recognize a decline other than temporary.

g) Investments which are intended to be held for less than one year are classified as current investments and are carried at lower of cost and fair value determined on an individual investment basis.

h) Advance against share application money are classified under the head "Investments".

xxvi. Inventories

Inventories are valued at lower of cost or net realizable value.

xxvii. Foreign Currency Transactions

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

e) Monetary items denominated in foreign currency at the year end and not covered under forward exchange contracts are translated at the yearend rates.

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

xxviii. Employees Retirement Benefits

(Effective April 1, 2007, the Company has adopted the Revised Accounting Standard-15 (revised-2005) 'Employee Benefit'). The Relevant policies are :

Short Term Employee Benefits

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

Long Term Employee Benefits

c) Defined Contribution plan

iii. 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.

The Company's contributions to both these schemes are expensed in the Profit and Loss Account.

iv. 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'. The Company makes annual contribution to the Life Insurance Corporation of India for the Gratuity Plan in respect of employee. 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.

d) Other long term benefit

ii. 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.

Actuarial gains and losses are recognized as and when incurred.

xxix. CENVAT Credit

TheCENVAT Credit available on raw materials, other eligible inputs and capital goods is adjusted against excise duty payable on clearance of goods produced. The unadjusted Cenvat credit is shown in note "Short Term Loans and Advances".

xxx. Borrowing Costs

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

xxxi. Income Tax

Tax expense comprises both current and deferred taxes. Current tax is provided for on the taxable profits of the year at applicable tax rates. Deferred income taxes reflect the impact of timing differences between taxable income and accounting income for the year and reversal of timing difference of earlier years.

Deferred Tax is measured based on the tax rates and tax laws enacted or substantially enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that sufficient future taxable income will be available against which deferred tax assets can be realized. Unrecognized deferred tax assets of the earlier years are re-assessed and recognized to the extent it has become reasonably certain that future taxable income will be available against which such deferred tax assets can be realized.

xxxii. Earning Per Share

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

xxxiii. Segment Reporting

Segments are identified in line with the Accounting Standard on Segment Reporting (AS-17) taking into account the organization structure as well as the differential risk and returns of the segments. The unallocable items include income and expenses items which are not directly identifiable to any segment and therefore not allocated to any business segment.

xxxiv. Provision, Contingent Liabilities & Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is provable that there will be an 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 Statement

C. OTHER NOTES

1. Information of Subsidiary companies

The following is the list of all subsidiary companies along with the proportion of voting power held. Each of them is incorporated in india.

Subsidiary	Holding	Country of incorporation and other particulars
Media Matrix Holdings Private Limited (formerly Digicall Holdings Private Limited)	100%	A company registered under the Companies Act, 1956 of India and subsidiary of the Company since March 5, 2012.

nexG Devices Private Limited	100%	A company registered under the Companies Act, 1956 of India and subsidiary of the Company since March 5, 2012.
DigiCall Teleservices Private Limited	100%	A company registered under the Companies Act, 1956 of India and subsidiary of the Company since March 31, 2012.
DigiVive Services Private Limited	100%	A company registered under the Companies Act, 1956 of India and subsidiary of the Company since March 31, 2012.
DigiCall Global Private Limited	100%	A company registered under the Companies Act, 1956 of India and subsidiary of the DigiCall Teleservices Private Limited (subsidiary of the Company) since February 22, 2012.

2. Contingent liabilities not provided for:

Sl. No.	Particulars	Sept 30, 2012 (Rs.)	March 31, 2012 (Rs.)
I	Unexpired Letters of Credit	26,841,985	32,558,092
II	Others -Income Tax matters	855,135	855,135
III	Liability of License Fees	30,282,000	30,282,000
IV	Interest on License Fees	22,478,760	20,661,840
V	Bank Guarantee	67,214,000	50,695,300
VI	Contract remaining to be executed on capital account	23,288,200	49,613

3. The Company has taken an amount of Rs. 50 crore from M/s V&A Ventures LLP on March 29, 2012 in the form of OFCD. The salient features of OFCDs is as follows:

vi. 14,40,92,219 OFCDs issued of Rs.3.47 each aggregating to Rs.50.00 crore;

vii. In case the conversion option is exercised, each OFCD would be converted into one Equity Share of Re. 1/- each at a price of Rs.3.47 per equity share;

viii. After 4 months from the date of allotment of OFCDs and within 18 months from the date of allotment, OFCDs can be converted into equity shares at the option of the OFCD Holder. If the conversion option is not exercised by the OFCD holder within 18 months, the OFCDs would be redeemable by the Company at redemption premium of 15% of face value i.e. Rs.3.47 per OFCD;

ix. Coupon on the OFCD is 0% p.a. payable annually;

x. Tenure of the OFCDs is 18 months from the date of allotment.

Out of the above OFCDs, 2 crore OFCDs have been converted into 2 crore equity shares of Re. 1 as fully paid up at premium of Rs. 2.47 per equity share pursuant to the option exercised by the OFCDs holder on Aug 7, 2012.

4. Depreciation is provided for all the fixed assets on straight line method at the rates prescribed in the Schedule XIV of the Companies Act, 1956 except in case of DigiVive Services Private Limited. Had the depreciation been provided based on straight line method, depreciation could have been lower by Rs. 867,930 for DigiVive Services Private Limited.

5. Business Segment

(a) Primary (Business) Segment

The company is mainly engaged in the business of digital media content, producing distributing of television program, film, music, mobile handsets and dealing in related activities in media and entertainment industry and there is no separate reportable segment as per Accounting Standard (AS) 17 on segment reporting.

(d) Secondary (Geographical) Segment

The Company caters mainly to the needs of Indian market and the export turnover being 0.029% (Financial Year ended March 2012: Nil) of the total turnover of the Company, there are no reportable geographical segments.

6. Directors' remuneration

	Period ended Sept 30, 2012 Rs.	Year ended March 31, 2012 Rs.
Basic salary	258,247	2,306,183
Employer Contribution to PF etc.	5,942	86,119
Total	264,189	2,392,302

7. In the opinion of the Board, current assets, loan and advances have a value on realization at least equal to the amount at which they are stated in the books of accounts and provision for all known liabilities have been made, except as mentioned otherwise.

8. Earning Per Share

Computation of earning per share is as under:

Particulars	30-Sep-12	31-Mar-12
Profit after Taxation	(96,038,592)	(31,945,766)
Weighted average number of shares (Basic)	86,875,929	80,865,000
Weighted average number of shares (Diluted)	224,957,219	81,654,546
Basic / Diluted EPS (Rs.)	(1.105)/(1.105)	(0.395)/(0.395)
Nominal Value per share (Re.)	1/-	1/-

9. Hitherto, premium payable on the redemption of Optionally Fully Convertible Debentures (OFCDs) were charged to Statement of Profit &Loss. With effect from April 1, 2012, the Company has changed its policy for charging redemption premium on OFCDs and accordingly, as per the revised policy the same has been adjusted against Securities Premium Account. Had the same accounting policy been followed, the profits after tax for the current period ended September 30, 2012 would have been lower by Rs. 21,569,289.

10. Employee Benefits

During the year, company has recognised the following amounts in the financial statements as per Accounting Standard 15 (Revised) "Employee Benefits" issued by the ICAI :

Defined Contribution Plan

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

Particulars	**For the period ended Sept 30, 2012 (Rs.)**	**For the period ended ended March 31, 2012 (Rs.)**
Employer's Contribution to Provident Fund*	11,155,380	72,302

Defined Benefits Plans

Actuarial assumptions

Particular	**Gratuity 30th Sept., 2012**	**Leave Encashment 30th Sept., 2012**	**Gratuity 31st March, 2012**	**Leave Encashment 31st March, 2012**
Discount Rate (per annum)	8.75%	8.75%	8.75%	8.75%
Rate of increase in compensation levels	5.00%	5.00%	5.00%	5.00%

Table Showing changes in present value of obligations

Particular	**Gratuity 30th Sept., 2012 Rs.**	**Leave Encashment 30th Sept., 2012 Rs.**	**Gratuity 31st March, 2012 Rs.**	**Leave Encashment 31st March, 2012 Rs.**
Present Value of obligation as at the beginning of the period	5,518,522	3,421,280	Nil	Nil
Present Value of obligation as at the end of the period	6,417,976	3,803,054	5,518,522	3,421,280

Amounts to be recognized in balance sheet

Particular	**Gratuity 30th Sept., 2012 Rs.**	**Leave Encashment 30th Sept., 2012 Rs.**	**Gratuity 31st March, 2012 Rs.**	**Leave Encashment 31st March, 2012 Rs.**
Present Value of obligation as at the end of the period	5,518,522	3,421,280	Nil	Nil

Fair value of plan assets as at the end of the period 2012	Nil	Nil	Nil	Nil
Net asset/ (liability) recognized in Balance Sheet	(6,417,976)	(3,803,054)	Nil	Nil
Funded Status	(6,417,976)	(3,803,054)	5,518,522	3,421,280

Expenses recognized in Statement of Profit and Loss:

Particular(Rs)	Gratuity 30th Sept., 2012 Rs.	Leave Encashment 30th Sept., 2012 Rs.	Gratuity 31st March, 2012 Rs.	Leave Encashment 31st March, 2012 Rs.
Current service cost	2,415,695	956,448	27,743	14,325
Past service cost	Nil	Nil	Nil	Nil
Interest Cost	334,679	362,918	Nil	Nil
Expected return on plan assets	Nil	Nil	Nil	Nil
Curtailment and settlement cost /(credit)	Nil	Nil	Nil	Nil
Net Actuarial (gain)/ loss recognized in the period	(1,455,272)	(88,415)	Nil	Nil
Expenses/(Income) recognized in the statement of Profit and Loss	1,194,387	783,246	27,743	14,325

Current and Non Current Liability:

Particulars	Gratuity		Leave Encashment	
	30th Sept., 2012	31st March, 2012	30th Sept., 2012	31st March, 2012
	Rs.	Rs.	Rs.	Rs.
Current Liability	**199,222**	**335,823**	**151,972**	**350,966**
Non Current Liability	**6,218,754**	**5,182,699**	**3,651,082**	**3,070,314**
TOTAL	**6,417,976**	**5,518,522**	**3,803,054**	**3,421,280**

11. Deferred Tax

The Company estimates deferred tax Assets/ Liabilities using the applicable rate of taxation based on the impact of timing difference between financial statements and estimated taxable income for the current year related to depreciation on fixed assets. Deferred tax liability/ (assets) for the period aggregating to Rs. (1,923,984)(Previous year Rs. (394,212) has been recognised in Profit & Loss Account and net deferred tax liability as at Sept 30, 2012 are Rs. 1,926,769 (as at March 31,2012 are Rs. 3,850,753)

12. Related Party Disclosures

(c) Name of Related parties and its relationship:

Holding Company:

- DigiVision Holdings Private Limited

Fellow Subsidiary Company:

- Digivision Wireless Private Limited

Key Management Personnel:

- Mr. BB Chugh, Director (Finance)
- Mr. Sunil Batra, Managing Director

Companies under Common Control of Key Management Personnel:

- Microwave Communications Limited
- Smart Digivision Private Limited
- Digivision Entertainment Private Limited
- Smart Broadband Services Private Limited
- Intouch Infotech Services Private Limited

(d) Transactions with Related Parties **Amount in (Rs.)**

PARTICULARS	Holding Company	Fellow Subsidiary	KMPs	Companies under KMPs*
Nature of Transaction				
Debit note raised on Company (Expenses)	- 2,853,640	- -	- -	- -
Debit note raised by Company	- -	- (3,270,373)	- -	11,973,461 (18,531,401)
Payment made by us	165,450,400 (1,370,000)	- -	- -	- -
Loan received by us	138,800,000 (10,000,000)	- -	- -	7,500,000 -
Loan Given	-	-	-	16,015
	-	-	-	(9,448,341)
Advance Given	- -	- (198,799)	- -	- -
Closing Balances:				
Loans Payable	138,800,000 (10,000,000)	- -	- -	7,500,000 -
Loans Receivable	-	-	-	3,360,347
	-	-	-	(3,380,347)
Other Payables	1,483,640	-	-	-
	(1,483,640)	-	-	-
Advance recoverable	- -	198,799 (198,799)	- -	- -

***** Debit note raised by the Company includes Rs. 11,973,461 on Microvave Communications Limited(Previous Year Rs. 8,437,950 on Smart Broadband Services Private Limited and Rs. 10,093,547 on Microwave Communications Limited) ; Loan received includes Rs. 7,500,000 from IntouchInfotech Services Private Limited(Previous year Rs. Nil); Loan given includes Rs. 16,015 to Microwave Communications Limited(Previous Year Rs. 6,118,916 to Smart Broadband Services Private Limited and Rs. 3,329,425 to Microwave Communications Limited); Closing balance of Loan Receivable includes Rs. 3,360,347 from Smart Digivision Private Limited (Previous Year Rs. 3,380,347 from Smart Digivision Private Limited); Closing balance of Advance receivable includes Rs. 35,625,583/- from Microvave Communications Limited(Previous Year Rs. 8,437,950 from Smart Broadband Services Private Limited and Rs. 22,895,519 from Microwave Communications Limited); Closing balance of Loan payable include Rs. 7,500,000 to IntouchInfotech Services Private Limited(Previous Year Rs. Nil).

13. In the cases of Subsidiary Companies

A. DigiCall Teleservices Private limited

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 license fee regime for city radio license 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 license fee will be charged @ 5% of Adjusted Gross Revenue (AGR).License 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 24.8.2004to DoT. While accepting relief package, company had conveyed to retain the paging license for Bangalore city only. The DoT has refused to accept the conditional acceptance of relief package for Mumabi / Pune/ Hyderabad as the company had shown their reluctance to retain the licenses 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 Banaglore city. Further, the Company vide their letter dated 27.11.2009 has informed DoT that the company has surrendered its Paging license w.e.f. 1st Jan 2010. In absence of any demand from DOT towards payment of liability the company has reversed license fees liability of Rs. 302.82 lacs along with interest liability of Rs 206.62 lacs and shown as contingent liability. The interest liability will increase by 12% per annum. Demand arising if any in future for payment of license fee shall be accounted for on actual settlement.

B. DigiCall Global Private limited

The company has changed the method of depreciation from WDV to Straight Line Method W.e.f April 1, 2012 as a result of which a sum of Rs. 8.85 Lacs has been written back to the Statement of Profit and Loss as an extraordinary item for the period ended 30.9.2012.

C. Media Matrix Holdings Private Limited (Formerly Digicall Holdings Private Limited)

Company has received an interest free Convertible loan of Rs. 181,985,866/- (PY: Rs. 26,373,416/-) repayable on demand after the last day of availability period i.e. 31st March, 2014. At the option of the lender, the loan can be converted into equity shares at any time during the period of 10 years from the date of receipt of loan.

D. DigiVive Services Private Limited

- Subsequent to allotment of additional share capital on 31.03.2012, the paid -up share capital of the company stand at Rs. 10 Crore, which requires the company to appoint a full time company secretary, in accordance with the provision of the companies Act, 1956. The company is presently in process of identifying a suitable candidate as company secretary.
- The company has revised the rates of depreciation on certain Fixed Assets retrospectively w.e.f. 13th March 2010, to make them commensurate with the rates prescribed by the Companies Act, 1956. As a result of this change, Rs. 3,497,829/- depreciation excess provided in earlier year has been written back and disclosed under the head 'Depreciation written back'.

E. nexG Devices Private Limited

During the period, the company has changed its Depreciation rates, which hitherto considered at the rates prescribed under Schedule XIV of the companies Act. Depreciation Expenses amounted to Rs. 87,195/- have been written back during the year which have been excess charged as per earlier depreciation rates in preceding financial periods, resulting in loss for the period as per Statement of Profit and Loss, have reduced by Rs. 87,195/-.

ANNEXURE VI A

STATEMENT OF RESTATED CONSOLIDATED SECURED LONG TERM AND SHORT TERM BORROWINGS

(Rs. in Lacs)

Particulars	30-Sep-12	31-Mar-12	31-Mar-09	31-Mar-08
Working Capital Loan	-	-	-	-
Total (A)	-	-	-	-
Term Loan	-	-	-	-
Total (B)	-	-	-	-
Vehicle Loan from Banks and Others	4.58	1.65	-	-
Total (C)	**4.58**	**1.65**	**-**	**-**
Total (A+B+C)	**4.58**	**1.65**	**-**	**-**

Principle Terms and Conditions of Outstanding Secured Loans:Vehicle Loans are secured by hypothecation of vehicles

ANNEXURE - VII A

STATEMENT OF RESTATED CONSOLIDATED UNSECURED LONG TERM AND SHORT TERM BORROWINGS

(Rs. in Lacs)

Particulars	30-Sep-12	31-Mar-12	31-Mar-09	31-Mar-08
0% Optionally Fully Convertible Debentures (OFCDs)	-	5000.00	-	-
From Holding Company				
DigiVision Holdings Private Limited	1,388.00	100.00	-	-
From Directors & Relatives				
Mr. Anil B. Ved Mehta	-	-	307.14	317.99
From Corporates				
DigiVive Holdings Private Limited	10.00	110.00	-	-
Digivision Infotainment Pvt Ltd	-	163.74	-	-
Infotel Business Solutions Limited	4.69	-	-	-
Vimochan Pictures Ltd.	37.31	37.31	-	-
Gopalka Savings & Investment Pvt Ltd	100.00	-	-	-
Parmesh Finlease Ltd	513.76	1,000.00	-	-
Customised Call Centre	64.24	65.00	-	-
In Touch Infotech Services Pvt Ltd	300.00	-	-	-
Kamlesh Mercantile	100.00	-	-	-
Monika Builders	300.00	-	-	-
Padma Logistics	400.00	-	-	-
Bhushan Power	500.00	-	-	-
Digivive Ventures	-	0.38	-	-
Mobile Telecommunications Ltd.	-	-	333.78	227.22
Quantum E Services Pvt Ltd.	-	-	-	1.86
Sweety Trade & Agency Pvt Ltd	100.00	-	-	-
mpurse services private limited	49.10	-	-	-
Polixel Security Systems Pvt Ltd	50.00	-	-	-
Electra Financial Services Limited	-	-	22.80	22.80
Zee entertainment Enterprise limited	-	-	-	7,507.83
Others	-	-	-	0.34
From Banks	-	605.74	-	-
Total	**3,917.10**	**7,082.17**	**663.72**	**8,078.04**

Related Party outstanding balance in above: **(Rs. In Lacs)**

Particulars	**30-Sep-12**	**31-Mar-12**	**31-Mar-09**	**31-Mar-08**
From Directors & Relatives				
Mr. Anil B. Ved Mehta	-	-	307.14	317.99
Total (A)	**-**	**-**	**307.14**	**317.99**
From Holding Company				
DigiVision Holdings Private Limited	1,388.00	100.00	-	-
Total(B)	**1,388.00**	**100.00**	**-**	**-**
From Corporates				
In Touch Infotech Services Pvt Ltd	75.00	-	-	-
Mobile Telecommunications Ltd.	-	-	333.78	227.22
Proximus Knowledge & Technology Services P Ltd.	-	-	-	-
Quantum E Services Pvt Ltd.	-	-	-	1.86
Total (C)	**75.00**	**-**	**333.78**	**229.08**
Total (A+B+C)	**1,463.00**	**100.00**	**640.92**	**547.07**

ANNEXURE - VIII A

STATEMENT OF RESTATED CONSOLIDATED CONTINGENT LIABILITIES **(Rs. In Lacs)**

Particulars	**30-Sep-12**	**31-Mar-12**	**31-Mar-09**	**31-Mar-08**
Sales Tax Surety given in favour of Third Parties	-	-	-	-
Bank Guarantee given against Bid Bonds/	672.14	506.95	-	-
Unexpired Letters of Credit	268.42	325.58	-	-
Inland Letter of credit issued in favour of Suppliers	-	-	-	-
Income Tax Matters	8.55	8.55	-	-
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	232.88	-	-	-
Liability of License Fees	302.82	302.82	-	-
Interest of License Fees	224.79	206.62	-	-

ANNEXURE IX A

STATEMENT OF CONSOLIDATED NON-CURRENT INVESTMENTS

(Rs. in Lacs)

Particulars	**30-Sep-12**	**31-Mar-12**	**31-Mar-09**	**31-Mar-08**
(A) In Shares (Quoted)				
Electra Financial Services Ltd.	-	-	3.99	3.99
Vishal Melleables Ltd.	-	-	1.22	1.22
Feim Industries Ltd.	-	-	-	259.05
Network 18 Media and Investment Limited	394.72	394.72	-	-
Total	394.72	394.72	5.21	264.26
(B) In Shares (Unquoted)				
Osian Industries Limited	-	-	7.00	7.00
Vimochan Pictures Limited	-	-	12.50	12.50
Sentinel Support Pvt. Ltd.	-	-	-	15.00
Customsied Call Center Services Private Ltd	7.21	7.21	-	-
Contribution-Ms Digiventures LLP*	0.10	0.10	-	-
Total	**7.31**	**7.31**	**19.50**	**34.50**
Total 'A' + 'B'	**402.03**	**402.03**	**24.71**	**298.76**

ANNEXURE -X A

STATEMENT OF RESTATED CONSOLIDATED TRADE RECEIVABLES (UNSECURED AND CONSIDERED GOOD)

(Rs. in Lacs)

Particulars	30-Sep-12	31-Mar-12	31-Mar-09	31-Mar-08
Exceeding Six Months				
- Considered Good	206.43	313.53	-	545.95
- Considered Doubtful	-	-	-	-
	206.43	313.53	-	545.95
Less : Provision for Bad Debts	4.45	-	-	-
Other	4,382.17	1,604.41	501.03	91.96
Total	**4,584.15**	**1,917.94**	**501.03**	**637.91**

Related Party outstanding balance in above: **(Rs. in Lacs)**

Particulars	30-Sep-12	31-Mar-12	31-Mar-09	31-Mar-08
Exceeding Six Months				
- Considered Good	-	-	34.10	45.93
- Considered Doubtful	-	-	0.00	0.00
	-	-	34.10	45.93
Less : Provision for Bad Debts	-	-	0.00	0.00
Other	-	-	0.00	0.00
Total	**-**	**-**	**34.10**	**45.93**

ANNEXURE -XI A

STATEMENT OF RESTATED CONSOLIDATED SHORT TERM LOANS AND ADVANCES AND OTHER CURRENT ASSETS

Loans & Advances and Other Current Assets **(Rs. in Lacs)**

Particulars	30-Sep-12	31-Mar-12	31-Mar-09	31-Mar-08
Advance recoverable in cash or kind or for value to be received	1,094.07	1,131.83	1,565.34	8,736.59
Security and other deposits	-	-	-	-
Loans & advances	149.07	443.55	-	-
Dividend Receivable	-	-	1.26	0.89
Interest Accrued but not due	10.83	12.78	16.68	10.22
Total	**1,254.77**	**1588.16**	**1600.28**	**8747.70**

Related Party outstanding balance in above:

Particulars	30-Sep-12	31-Mar-12	31-Mar-09	31-Mar-08
Advance recoverable in cash or kind or for value to be received	-	-	-	-
Security and other deposits	-	-	-	-
Loans & advances	391.85	349.13	-	-
Dividend Receivable	-	-	-	-
Interest Accrued but not due	-	-	-	-
Total	**391.85**	**349.13**	**0.00**	**0.00**

ANNEXURE XIIA

STATEMENT OF RESTATED CONSOLIDATED OTHER INCOME

(Rs. in Lacs)

Particulars	30-Sep-12	31-Mar-12	31-Mar-09	31-Mar-08
Recurring from Business Activities				
Other Income	-	-	-	-
Balance Written back	-	-	-	-
Recurring form Investment Activities				
Dividend on Investment	-	-	0.36	0.69
Interest Income	24.03	7.68	45.14	18.54
Others				
Other Non Operating Income	75.46	-	-	-
Foreign Fluctuation income	0.22	-	-	-
Misc Income	8.05	-	-	-
Profit on sale of Fixed Assets	-	-	47.25	-
Total	107.76	7.68	92.75	19.23

ANNEXURE XIII A

STATEMENT OF RESTATED CONSOLIDATED DIVIDEND PAID

(Rs. In Lacs)

Particulars	30-Sep-12	31-Mar-12	31-Mar-09	31-Mar-08
Dividend (Interim and final)	-	-	-	-
Dividend Rate (%)	-	-	-	-

ANNEXURE XIV A

STATEMENT OF RESTATED CONSOLIDATED CAPITALISATION

(Rs. in lacs)

Particulars	Pre-issue as at Sept 30, 2012	Pre-issue as at March 31, 2012	Post Issue*
Debt	-	-	-
Unsecured	-	-	-
Long-term Debt	4,306.96	5,263.73	4306.96
Unsecured	-	-	-
Short-term Debt	11,311.21	1,818.47	11311.21
Total (A)	**15,618.17**	**7,082.20**	**15618.17**
Shareholder's Funds	**-**	**-**	**-**
Share Capital	1,008.65	808.65	10086.5
Reserves and Surplus	(911.80)	(202.10)	903.77
Less: Misc. Expenditure	-	-	-
Total Shareholder's Funds (B)	**96.85**	**606.55**	**10990.27**
Long Term Debt/ Shareholders' Funds	**44.47**	**8.68**	**0.39**
Total Debt/Total Shareholder's Funds (A/B)	**161.27**	**11.68**	**1.42**

Notes:

*Information pertaining to Share Capital and Reserves post-issue can be ascertained only after completion of Right Issue.

Working:-

*Short term debt includes Creditors and other provisions **(Rs. In Lacs)**

Short-term Debt*	Pre-issue as at Sept 30, 2012	Pre-issue as at March 31, 2012
Current Liabilities & Provisions	11,021.71	0.03
Short term(Unsecured) Loan	289.50	1,818.44
Long term(Unsecured) Loan	4,306.96	5,263.73
Total	**15,618.17**	**7,082.20**

ANNEXURE TO FINANCIAL INFORMATION
ANNEXURE - XVA
STATEMENT OF RESTATED CONSOLIDATED ACCOUNTING RATIOS

(Rs. In Lacs)

Particulars	30-Sep-12	31-Mar-12	31-Mar-09	31-Mar-08
Net Profit After tax as restated	(960.41)	(319.46)	(15.93)	(122.30)
Net Worth	96.84	606.55	877.73	890.13
Return on Net worth (%)	(991.79)	(52.67)	(1.81)	(13.74)
Shares at the end of year(In Lacs)	1,008.65	808.65	808.65	808.65
Face Value Rs.	1	1	1	1
Weighted No of Equity Shares (Without considering Bonus issue & split in previous years) (In Lacs)	868.76	808.65	808.65	808.65
Basic Earnings per Share (Without considering Bonus issue & split in previous years) (In Rupees)	(1.1055)	(0.3951)	(0.0197)	(0.1512)
Weighted No of Equity Shares (considering Bonus issue & split in previous years)*	868.76	808.65	808.65	808.65
Basic Earnings per Share (considering Bonus issue & split in previous years)* (In Rupees)	(1.1055)	(0.3951)	(0.0197)	(0.1512)
Net Asset Value/Book Value per share (In Rupees)	0.10	0.75	1.09	1.10
(Based on no. of shares at the end of year)				

Notes:-

The Ratios have been calculated as below

The ratios have been computed as below:

I. Earning per Share (Rs.): Net profit attributable to equity shareholders / weighted average number of equity shares outstanding as at the end of the year / period. Earnings per share are calculated in accordance with Accounting Standard 20 "Earnings Per Share" , issued by the Institute of Chartered Accountants of India.

II. Return on Net Worth (%): Net Profit after tax / Net Worth as at the end of the year / period.

III. Net Assets Value (Rs.): Net worth at the end of the year / Number of Equity Shares outstanding at the end of the year / period.

IV. Net profit, as appearing in the statement of restated profits & losses, has been considered for the purpose of computing the above ratios.

ANNEXURE XVI A
STATEMENT OF RESTATED CONSOLIDATED ACCOUNTING RATIOS (NON- MANDATORY) (Rs. In Lacs)

Particulars	30-Sep-12	31-Mar-12	31-Mar-09	31-Mar-08
Basis of Accounting Ratios				
Net Profit After tax (1) (Rs. in lacs)	(960.41)	(319.46)	(15.93)	(122.30)
Gross Profit (2) (Rs. in lacs)	4,713.89	233.68	297.24	215.05
Turnover (3) (Rs. in lacs)	15,064.18	1029.53	1849.34	1931.86
Closing Stock (4) (Rs. in lacs)	705.59	505.31	0.53	0.53
Accounting Ratios				
Net Profit Ratio (NPR) (%) (1/3)	(6.38)	(31.03)	(0.86)	(6.33)
Gross Profit Ratio (GPR) (%) (2/3)	31.29	22.70	16.07	11.13
Stock Turnover Ratio (STR) (In times) (3/4)	21.35	2.04	3459.29	3613.65

Notes:-

The ratios have been computed as below:

1.Net Profit Ratio is determined by dividing net profit after tax with gross turnover

2.Gross Profit Ratio is determined by dividing gross profit with gross turnover

3.Stock Turnover Ratio is calculated in times by dividing gross turnover with closing stock

4.Net profit, as appearing in the statement of restated profits & losses, has been considered for the purpose of computing the above ratios.

ANNEXURE -XVII A

STATEMENT OF RESTATED CONSOLIDATED RELATED PARTY TRANSACTIONS

As per Accounting Standard (AS-18) on related party disclosures issued by the ICAI, the disclosures of transaction with related party are as follows:

Party	Relationship	Remarks
DigiVision Holdings Private Limited	Holding	from 26th Jan 2012
Media Matrix Holdings Private Limited (formerly Digicall Holdings Private Limited)	Subsidiary	from 5th March 2012
DigiVive Services Private Limited	Subsidiary	from 31st March 2012
DigiCall Teleservices Private Limited	Subsidiary	from 31st March 2012
nexG Devices Private Limited	Subsidiary	from 5th March 2012
Digicall Global Private Limited	Fellow Subsidiary(Subsidiary of DigiCall Teleservices Private Limited)	from 22nd Feb 2012
Digivision Wireless Private Limited	Fellow Subsidiary	from 28th March 2012
Key Management Personnel		
Mrs. Priyanka Vedmehta	Managing Director	ceased on 1st Oct 2011
Mr. BB Chugh	Director	from 26th Jan 2012
Mr. Sunil Batra	Managing Director	from 31st March 2012
M/s. Mobile Telecommunications Ltd.	CMD's relatives are Directors	ceased on 26th Jan 2012
M/s. Vimochan Pictures Ltd.	CMD is Director	ceased on 1st Oct 2011
Quantum E Services P Ltd.	CMD and her relatives are Directors	ceased on 26th Jan 2012
Proximus Knowledge & Technologies Services Pvt. Ltd.	Subsidiary	ceased During FY-2009-10
MicroWave Communications Limited	Under Common Control of KMP's	from 31st March 2012
Smart Digivision Private Limited	Under Common Control of KMP's	from 31st March 2012
Smart BroadBand Services Pvt. Ltd	Under Common Control of KMP's	from 31st March 2012
Digivision Entertainment Pvt. Ltd.	Under Common Control of KMP's	from 31st March 2012
Intouch Infotech Services Private Limited	Under Common Control of KMP's	from 31st March 2012
Relatives of Key Management Personnel		
Mr. Anil B. Vedmehta		ceased on 26th Jan 2012

(Rs. in Lacs)

Sr. No.	Name of Party	Relationship	Nature of Transaction	Volume of Transaction during the Period 2012-13	Amount Outstanding as on 30th Sept 2012	Volume of Transaction during the Period 2011-12	Amount Outstanding as on 31st March 2012	Volume of Transaction during the Period 2008-09	Amount Outstanding as on 31st March 2009	Volume of Transaction during the Period 2007-08	Amount Outstanding as on 31st March 2008
1	Mrs. Priyanka Vedmehta	Managing Director	Remuneration					6.00		6.00	
2	M/s. Mobile Telecommunications Ltd., M/s. Vimochan Pictures Ltd., M/s.Quantum E-Services P Ltd.	CMD and CMD's relatives are Directors	Amount Received / Receivable					1,031.52		863.72	45.93
			Amount Paid / Payable			280.13		119.94	299.67	570.05	229.08
			Sales					877.62		421.22	
			Purchase					70.49		739.01	
3	M/s. Proximus Knowledge & Technologies Service Pvt. Ltd.	Subsidiary	Amount Received / Receivable								
			Amount Paid / Payable								

4	Mr. Anil B. Vedmehta	Relatives of KMPs	Amount Received / Receivable					24.98		693.93	489.38
			Amount Paid / Payable			187.04		17.33	307.14	1,183.31	
5	DigiVision Holdings Private Limited	Holding	Debit note raised by company			28.54					
			Amount Received / Receivable	1,388.00		100.00					
			Amount Paid / Payable	1,654.50	1,402.84	13.70	114.84				
6	Digivision Wireless Private Limited	Fellow Subsidiary	Debit note raised by company								
			Investment Made								
			Amount Received / Receivable		1.99		1.99				
			Amount Paid / Payable			1.99					
7	Microwave Communications Limited	Common Control of KMP's	Debit note raised by company	119.73		100.93					
			Investment Made								
			Amount Received / Receivable		356.26		228.96				
			Amount Paid / Payable	0.16		33.29					
8	Smart Digivision Private Limited	Common Control of KMP's	Debit note raised								
			Investment Made								
			Amount Received / Receivable		33.60		33.80				
			Amount Paid / Payable			61.19					
9	Intouch Infotech Services Private Limited	Common Control of KMP's	Debit note raised								
			Investment Made								
			Amount Received / Receivable	75.00							
			Amount Paid / Payable		75.00						
10	Smart Broadband Services Private Limited	Common Control of KMP's	Debit note raised			84.38					
			Investment Made								
			Amount Received /				84.38				
			Receivable Amount Paid / Payable								

Note:

It may be noted that the party-wise break-up of the Related Parties transactions pertaining to companies in which Directors are interested is not available so far consolidated financials of MMWL for FY2007-08 and FY2008-09 is concerned and the amount shown above has been reflects the transaction amount on consolidated basis.

Party wise breakup of the Companies under KMPs, outstanding as at March 31, 2012 is as under:

Sr.No.	Name of the Company	Nature of transaction	Amount in Rs.
1.	Microwave Communication Ltd.	Debit Note raised by Company Loan Given	10,093,451 3,329,425
2.	Smart Digivision Pvt. Ltd	Loan Given	6,118,916
3.	Smart Broadband Service Pvt. Ltd.	Debit Note raised by Company	8,437,950

ANNEXURE -XVIII A

STATEMENT OF RESTATED CONSOLIDATED TAX SHELTER

This financial information is prepared for consolidated entity, therefore Annexure-XVIII A of tax shelter is not applicable

ANNEXURE - XIX A

CHANGES IN RESTATED CONSOLIDATED SIGNIFICANT ACCOUNTING POLICIES

1. Hitherto, premium payable on the redemption of Optionally Fully Convertible Debentures (OFCDs) were charged to Statement of Profit & Loss. With effect from April 1, 2012, the Company has changed its policy for charging redemption premium on OFCDs and accordingly, as per the revised policy the same has been adjusted against Securities Premium Account. Had the same accounting policy been followed, the profits after tax for the current period ended September 30, 2012 would have been lower by Rs. 21,569,289.
2. In the cases of Subsidiary Companies

A. Digicall Global Private Limited

The company has changed the method of depreciation from WDV to Straight Line Method W.e.f April 1, 2012 as a result of which a sum of Rs. 8.85 Lacs has been written back to the Statement of Profit and Loss as an extraordinary item for the period ended 30.9.2012.

B. Digicall Teleservices Private Limited

The company has revised the rates of depreciation on certain Fixed Assets retrospectively w.e.f. 13th March 2010, to make them commensurate with the rates prescribed by the Companies Act, 1956. As a result of this change, Rs. 3,497,829/- depreciation excess provided in earlier year has been written back and disclosed under the head 'Depreciation written back'.

C. nexG Devices Private Limited

During the period, the company has changed its Depreciation rates, which hitherto considered at the rates prescribed under Schedule XIV of the companies Act. Depreciation Expenses amounted to Rs. 87,195/- have been written back during the year which have been excess charged as per earlier depreciation rates in preceding financial periods, resulting in loss for the period as per Statement of Profit and Loss, have reduced by Rs. 87,195/-.

ANNEXURE - XX A

QUALIFICATIONS IN RESTATED CONSOLIDATED AUDITORS REPORT FOR THE YEAR ENDED 2012,2009,2008

In Main Audit Report on Qualification: NIL

ANNEXURE - XXI A

STATEMENT OF RESTATED CONSOLIDATED SEGMENT REPORTING

(a) Primary (Business) Segment

The Company is mainly engaged in the business of digital media content, producing distributing of television program, film, music, mobile handsets and dealing in related activities in media and entertainment industry and there is no separate reportable segment as per Accounting Standard (AS) 17 on segment reporting.

(b) Secondary (Geographical) Segment

The company caters mainly to the needs of Indian market and the export turnover being Nil of the total turnover of the Company, there are no reportable geographical segments.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of our financial condition and results of operations together with our financial statements included in this Letter of Offer. You should also read the Section titled 'Risk Factors' beginning on page 11 of this Letter of Offer, which enumerates number of factors and contingencies that could impact our financial condition and results of operations. The following discussion relates to our Company on a standalone basis, and unless otherwise stated, is based on our restated standalone financial statements, which have been prepared in accordance with Indian GAAP, the accounting standards and other applicable provisions of the Companies Act, 1956, and the SEBI (ICDR) Regulations, 2009. Our Financial year ends on March 31 of each year.

Business Overview

We are currently into trading of mobile handsets/ software development for next generation value added services and providing technical and support services to third parties in India. Currently, the Company is into procurement and distribution of mobile handsets directly and through its wholly owned subsidiary, NDPL. MMWL has also entered into distributorship agreement on March 31, 2012 with Pantel Technologies Private Limited, a company engaged in the business of design, manufacture and sale of various Penta branded tablets, for distribution of the same in India. Post takeover by DHPL, media and content business is also expected to be continued by the Company either directly or through its Subsidiaries.

Acquisition by DHPL was made to make investments in next generation businesses including contents and Media businesses which are expected to have substantial growth over the next decade on account of rising demand from online and e-commerce businesses. Keeping in view this objective, we propose to carry out the following business activities, directly as well as through our Subsidiaries.

Activity/Business	To be carried out by	Nature of relationship with us
Media and entertainment business	By the Company/DigiVive Services Private Limited	Wholly owned Subsidiary.
Mobile Television application and Services and Gaming	Our Company /DigiVive Services Private Limited	Wholly owned Subsidiary.
Distribution/Trading in Mobile handsets	By us as well as by nexG Devices Private Limited	Wholly owned Subsidiary.
BPO Services	DigiCall Teleservices Private Limited	Wholly owned Subsidiary.
Technical services	By the Company/DigiVive Services Private Limited	Wholly owned Subsidiary.
Investment activities	By the Company/Media Matrix Holdings Private Limited (Formerly DigiCall Holdings Private Limited	Wholly owned Subsidiary.

For the last three years, the Company was operating only in one segment which was trading of software and media content. There has been de-growth in revenue of the Company in last three years on account of the economic slowdown and change in market dynamics.

Future outlook

The strategy of MMWL has been towards investing in the new application and/or technologies related to Mobile on account of rising demand for data services/solution in 3G/4G era, and making investments in next generation businesses including contents and Media businesses which are expected to have substantial growth over the next decade on account of rising demand from online and e-commerce businesses. The Company would be working either directly or through its subsidiaries to take up existing and/or new projects to achieve the above.

Apart from the existing businesses, the Company currently is proposing to import smartphones, tablets and other mobile devices beside GSM handsets, which in turn would be sold through NDPL. NDPL has already developed distribution network for sales and marketing of GSM handsets, tablets and other mobile devices. The Company is also looking for opportunities in value added services domain for mobile applications along with technical services and support. Further, the Company may enter into sourcing of content business for its mobile Tv business either directly or through DSPL.

Threat/Concern

MMWL operates in a competitive environment as mentioned in detail in one of the risk factors also. MMWL faces competition from both the international as well as domestic players and within domestic industry, from both the organised and unorganised players. However, no player in the industry is an integrated player, which is one of the focus areas of MMWL going forward.

The trading of the mobile handsets is a low margin segment and the overall profitability depends upon the scale of operations and competition in the segment. To counter this, MMWL has plans to enter into high volume and high margin segments of mobile devices. Futher, considering the uncertainty associated with the roll out of 4G and various associated technologies by players, there could be risk associated with the cash flow of content business.

Our/our subsidiaries Competitive Strengths

- A technical team of 35 employees with experience in developing new applications and technologies required for supporting the Mobile Content distribution platform.
- Promoter Background of telecom and VAS industry
- Combination of technical expertise and understanding of Indian consumer behaviour/preference
- Product marketing capabilities

- Efficient and speedy execution capability
- Extensive nationwide distribution network along with after sales support
- Scalable asset-light business model
- Diversified across products, geographies and distributors
- Deep and long term customer relationship
- End to end BPO services for the telecom, retail and financial services industry

Our/our subsidiaries' Business Strategy

- Investing in new application and technologies relating to Mobile phone
- To make investments in next generation businesses including contents and Media Businesses
- Deliver BPO services out of additional contact centres with non-telecom business contributing significantly to its revenue growth
- On the customer management horizontal for BPO, the focus will be on the fast-growing BFSI services segment and Telecom Data services
- Keep the client acquisition strategy cost effective, without compromising on building a healthy pipeline
- Joint-marketing through existing clients, including opportunities of horizontal growth from existing clients thereby providing more scalability options.

Significant developments subsequent to the month of December 31, 2012

One of our Joint Auditors, M/s N S Bhatt & Associates has resigned on June 19, 2012 on account of their preoccupation and M/s Khandewal Jain & Associates continuted to be Statutory Auditor of the Company.

As of December 2012, the Directors of MMWL confirm that in their opinion, there has not been any significant material developments related to the business.

Factors affecting our results of operations

Our Company/our subsidiaries' future results of operations could be affected by the factors including but not limited to as mentioned hereunder:

- Increase in interest rates;
- Increase in competition from existing players;
- Capital expenditure, including capacity expansion;
- Growth of unorganized sector and threat from national/regional players;
- General economic and business conditions;
- Company's ability to successfully implement its marketing, business and growth strategies.
- Changes in laws and regulations relating to the industry in which we/our subsidiaries operate;
- Changes in the regulations / regulatory framework / economic policies / political conditions in India.
- Loss or shutdown of operations of our Company/its subsidiaries at any time due to strike or labour unrest or any other reason.

Components of Income and Expenditure

The components of our income and expenditure based on restated standalone financials of FY2012 are as set forth below:

Income

Our income comprises gross sales and income earned on services rendered.

Sales

Our operating income comprises of domestic sales of mobile handsets. It is substantially derived from the sale of mobiles handsets. Payment terms vary with each customer. We also earn income from technical services rendered in India to third parties for managing and monitoring their networks.

Expenditure

Our expenditure comprises the cost of traded goods, employee costs, administrative expense, Financial Costs and depreciation.

Material Cost

Our expenditure on materials cost comprises the costs of traded mobile handsets as adjusted for inventory levels.

Employee Costs

Our employee costs comprise salaries and wages, bonus and allowances to our employees, gratuity, provident fund, medical expenses, training expenses, ex-gratia and staff welfare expenses such as food and transport costs.

Administrative & Selling Expenses

Our administrative expenses primarily comprise expenditure on legal & professional expenses, rent rates and taxes, telephone & mobile phone expenses, motor car, staff bus and conveyance expenses, charity & donation, postages & stationery, travelling expenses, insurance charges, computer expenses, membership & subscription charges, auditors' remuneration, packing material expenses, local and export commission, Advertisement expenses, export freight and forwarding expenses, exhibition expenses, Sales/VAT tax, Service tax, Loss on sale of fixed assets and bad debts written off, general office expenses, other miscellaneous expense, etc.

Financial Charges

Our financial charges comprise bank charges, bank interest on working capital limits and bank interest on term loans and unsecured deposits.

Depreciation

Depreciation on fixed assets is being provided on straight line method as per the rates prescribed in schedule XIV of the Companies Act, 1956. Depreciation on assets added/disposed off during the year is being provided on pro-data basis with reference to the month of addition/disposal.

Discussion on Results of Operation:

The following discussions on results of operations should be read in conjunction with the audited restated financial results of our Company for the years ended 31st March, 2008, 2009, 2010, 2011 and 2012.

Set forth below is our restated profit and loss statement, the components of which are expressed as a percentage increase / decrease from the previous year of total income of each year.

(Rs. in lacs)

Revenue From Operations	31-Mar-12	% age to total	31-Mar-11	% age to total	31-Mar-10	% age to total	31-Mar-09	% age to total	31-Mar-08	% age to total
Sales	161.26	0.50	890.07	0.91	1,393.43	1.00	1,603.21	0.97	1,875.96	0.99
Services	151.15	0.47	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sub - Total	312.41	0.00	890.07	0.00	1,393.43	0.00	1,603.21	0.00	1,875.96	0.00
Other Income	7.58	0.02	90.98	0.09	0.02	0.00	44.86	0.03	18.40	0.01
Total Revenue Expenses:	319.99	0.00	981.05	0.00	1,393.45	0.00	1,648.07	0.00	1,894.36	0.00
Cost of Materials Consumed	155.97	0.49	954.13	0.97	1,352.64	0.97	1,552.09	0.94	1,716.80	0.91
Salaries and Wages	53.73	0.17	0.22	0.00	2.52	0.00	18.11	0.01	22.72	0.01
Employee Benefits Expense:										
Contribution to Provident and Other Funds	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Staff Welfare Expenses Other Expenses	0.24	0.00	0.00	0.00	0.00	0.00	0.12	0.00	0.00	0.00
Net Gain or Loss on Foreign Currency Transaction and Translation (Other than considered as Finance Cost);	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Operating Expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.03
Administrative and Other Expenses	367.56	1.15	3.19	0.00	4.88	0.00	6.20	0.00	56.03	0.03
Selling and Distribution Expenses	0.20	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Expenses	577.71	1.81	957.54	0.98	1,360.04	0.98	1,576.52	0.96	1,795.55	0.95
Profit before interest depreciation and tax	(257.72)	(0.81)	23.51	0.02	33.41	0.02	71.55	0.04	98.81	0.05
Depreciation and Amortization Expense	14.12	0.04	20.41	0.02	20.41	0.01	20.40	0.01	196.34	0.10
Profit before Interest and taxes	(271.84)	(0.85)	3.10	0.00	13.00	0.01	51.15	0.03	(97.53)	(0.05)
Finance Costs:								0.03		0.01
Interest Expense	0.00	0.00	0.00	0.00	0.23	0.00	36.61	0.02	10.37	0.01

Other Borrowing Costs	5.07	0.02	0.14	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Profit before Exceptional Items	(276.91)	(0.87)	2.96	0.00	12.77	0.01	14.54	0.01	(107.90)	(0.06)
Exceptional Items	(12.07)	(0.04)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(0.06)
Profit Before Extraordinary Items and Tax	(288.98)	(0.90)	2.96	0.00	12.77	0.01	14.54	0.01	(107.90)	(0.06)
Extraordinary Items	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(0.06)
Profit / Loss Before Tax	(288.98)	(0.90)	2.96	0.00	12.77	0.01	14.54	0.01	(107.90)	0.00
Tax Expense:	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(1) Current Tax	11.60	0.04	5.64	0.01	5.44	0.00	1.68	0.00	0.25	0.00
(2) Fringe Benefit Tax	0.00	0.00	0.00	0.00	0.00	0.00	0.10	0.00	0.21	(0.02)
(3) Deferred Tax	(3.78)	(0.01)	(4.01)	(0.00)	(1.45)	(0.00)	5.44	0.00	(37.01)	(0.02)
Profit/Loss for the Year	(296.80)	(0.93)	1.33	0.00	8.78	0.01	7.32	0.00	(71.35)	(0.04)
Earnings per Equity Share (In Rs.)										
(1) Basic	(0.37)		0.00		0.01		0.01		(0.09)	
(2) Diluted	(0.37)		0.00		0.01		0.01		(0.09)	

Fiscal Year Ended March 31, 2012 compared to Fiscal Year Ended March 31, 2011

Income

Sales: Our sales decreased from Rs. 890.07 lacs in fiscal 2011 to Rs. 312.41 lacs in fiscal 2012, a drop of 64.90%. This was primarily due to the takeover of the Company by the new management, DHPL which was in the process of infusing funds and deciding on the new activities to be taken up by us.

Other Income: Our other income decreased by 91.67% from Rs. 90.98 lacs in fiscal 2011 to Rs. 7.58 lacs in fiscal 2012. This was primarily due to the fact that there was a non-recurring item related to write-up of sundry balance of Rs. 81.37 Lacs relating to old creditors in FY2011.

Expenditure

Our total expenditure including depreciation and interest / financial charges decreased by 38.97% from Rs. 978.09 lacs in fiscal 2011 to Rs.596.90 lacs in fiscal 2012. This decrease was partially due to a decrease in turnover of the Company by 64.90% and partially on account of the takeover by the new management, which was in the process of infusing funds and deciding on the new activities to be taken up by the Company.

Material Cost. Our expenditure on materials cost decreased to Rs.155.97 lacs in FY2012 from Rs. 954.13 lacs in FY2011. This decrease was primarily due to lower turnover and on account of the Company taken over by the new management, which was in the process of infusing funds and deciding on the new activities to be taken up by the Company.

Wage and Staff Costs: Wage and Staff costs increased from Rs. 0.22 lacs in FY2011 to Rs. 53.98 lacs in FY2012 on account of the Company taken over by the new management.

Administrative, Selling & Distribution Expenses. Administrative selling & distribution expenses increased to Rs.367.76 Lacs in FY2012 from Rs. 3.19 lacs in FY2011 primarily on account of one-time expenses related to fees for increases in authorized capital and on account of write-off of old debtors related to previous management, which were not likely to be recoverable.

Depreciation: Depreciation on our fixed assets decreased from Rs. 20.41 lacs in FY2011 to Rs.14.12 lacs in FY2012, on account of sale of some of old assets during FY2012.

Financial charges: Finance costs have shown a marginal increase from Rs. 0.14 lacs in FY2011 to Rs.5.07 lacs in FY2012 due to availment of fresh credit facilities by the new management for carrying on activities as envisaged by the new management.

Profit before Tax

For the reasons stated above, we incurred a loss before tax of Rs.288.98 lacs during FY2012 as compared to a profit before tax of Rs.2.96 lacs in FY2011 for the reasons explained above.

Profit after extraordinary items / adjustments

As a result of the foregoing factors, our Company made a loss of Rs.288.98 for the FY2012 as compared to a profit of Rs.2.96 lacs for FY2011.

Fiscal Year Ended March 31, 2011 compared to Fiscal Year Ended March 31, 2010

Income

Sales: Our sales decreased from Rs. 1393.43 in FY2010 to Rs. 890.07 lacs in FY2011, a decrease by 36.12%. This was primarily due to the slowdown in economy, which resulted in the drop in sales.

Other Income : Our other income increased from Rs. 0.02 Lacs in FY2010 to Rs. 90.98 Lacs in FY2011. This was primarily due to due to the fact that there was a non-recurring item related to write-up of sundry balance of Rs. 81.37 Lacs relating to old creditors in FY2011.

Expenditure

Our total expenditure including depreciation and interest/financial charges decreased by 29.16% from Rs. 1380.68 lacs in FY2010 to Rs. 978.09 Lacs in FY2011. This decrease was primarily due to drop in trading sales.

Material Cost: Our expenditure on materials cost decreased to Rs.954.13 lacs in FY2011 from Rs. 1352.64 Lacs in FY2010. This was primarily due to drop in trading sales.

Wage and Staff Costs: Wage and Staff costs decreased to Rs. 0.22 lacs in FY2011 from Rs. 2.52 lacs in FY2010 on account of some of our employees leaving the company on account of slowdown.

Administrative, Selling & Distribution Expenses:. Administrative selling & distribution expenses decreased marginally to Rs. 3.19 Lacs in FY2011 from Rs.4.88 Lacs in FY2010 on account of lower volume of trading activities.

Depreciation: Depreciation on our fixed assets remained the same in the two fiscals at Rs. 20.41 Lacs due to non-addition of any new assets.

Financial charges. Finance costs reduced marginally to Rs 0.14 lacs in FY2011 from Rs. 0.23 Lacs in FY2010.

Profit before Tax

For the reasons stated above, there was decrease in profits before tax from Rs.12.77 lacs in the FY2010 to Rs.2.96 lacs in the FY2011.

Profit after extraordinary items adjustments

As a result of the foregoing factors, we made a net profit of Rs. 2.96 Lacs for FY2011 as compared to the net profit of Rs.12.77lacs for FY2010.

Fiscal Year Ended March 31, 2010 compared to Fiscal Year Ended March 31, 2009

Income

Sales: Our sales decreased from Rs. 1603.21 lacs in FY2009 to Rs.1393.43 Lacs in FY2010 a decrease by 13.09%. This was primarily due to the slowdown in economy, which resulted in the drop in sales.

Other Income: Our other income decreased from Rs. 44.86 lacs in FY2009 to Rs.0.02 Lacs in FY2010. This was primarily due to interest income of Rs. 44.86 Lacs in FY2009.

Expenditure

Our total expenditure including depreciation and interest / financial charges decreased by 15.48% from Rs.1633.53 lacs in Rs.2009 to Rs.1380.68 lacs in FY2010. This decrease was primarily due to lower sales volume which resulted in lower expenditure.

Material Cost. Our expenditure on materials cost decreased to Rs.1352.64 lacs in FY2010 from Rs.1552.09 Lacs in FY2009 This was primarily due to lower sales volumes.

Wage and Staff Costs. Wage and Staff costs decreased from Rs. 18.23 lacs in FY2009 to Rs. 2.52 lacs in FY2010 on account of some of our employees leaving the company due to drop in sales.

Administrative, Selling & Distribution Expenses. Administrative selling & distribution expenses decreased marginally to Rs.4.88 lacs in FY2010 from Rs. 6.20 lacs in FY2009.

Depreciation. Depreciation on our fixed assets has marginally increased to Rs.20.41 Lacs in FY2010 from Rs.20.40 Lacs in FY2009.

Financial charges. Finance costs have reduced from Rs.36.61 Lacs in FY2009 to Rs.0.23 Lacs in FY2010 due to no fresh borrowings and repayment of some of existing loans by the old management.

Profit before Tax

For the reasons stated above, there was decrease in profits before tax from Rs.14.54 lacs in FY2009 to Rs.12.77 Lacs in the FY2010.

Profit after extraordinary items adjustments

As a result of the foregoing factors, MMWL made a net profit of Rs.12.77 lacs for FY2010 as compared to Rs.14.54 Lacs in FY2009.

Fiscal Year Ended March 31, 2009 compared to Fiscal Year Ended March 31, 2008

Income

Sales: Our sales decreased from Rs. 1875.96 Lacs in FY2008 to Rs. 1603.21 Lacs in FY2009, a decrease by 14.54%. This was primarily due to the slowdown in trading activities of the Company, which resulted in the drop in sales.

Other Income: Our other income increased from Rs. 18.40 Lacs in FY2008 to Rs. 44.86 Lacs in FY2009. This was primarily due to interest income of Rs. 44.86 Lacs in FY2009.

Expenditure

Our total expenditure including depreciation and interest / financial charges decreased by 18.42% from Rs.2002.26 lacs in FY 2008 to Rs.1633.53 Lacs in FY2009. This decrease was primarily due to lower sales volume which resulted in lower expenditure.

Material Cost. Our expenditure on materials cost decreased to Rs. 1552.09 Lacs in FY2009 from Rs. 1716.80 Lacs in FY2008. This was primarily due to lower sales volumes.

Wage and Staff Costs. Wage and Staff costs decreased from Rs. 22.72 Lacs in FY2008 to Rs. 18.23 Lacs in FY 2009 on account of some of our employees leaving the company due to drop in sales.

Administrative, Selling & Distribution Expenses. Administrative selling & distribution expenses decreased substantially to Rs. 6.20 Lacs in FY2009 from Rs. 56.03 lacs in FY2008 on account of lower volume of trading activities.

Depreciation: Depreciation on our fixed assets decreased to Rs.20.40 Lacs in FY2009 from Rs. 196.34 Lacs in FY2008.

Financial charges: Finance costs have increased from Rs.10.37 Lacs in FY2008 to Rs.36.61 lacs in FY2009 due to fresh borrowings.

Profit before Tax

For the reasons stated above, there was increase in profits before tax from loss of Rs. 107.90 Lacs in FY2008 to Rs. 14.54 Lacs in the FY2009 on account of lower depreciation and amortization in FY2009.

Net Profit after extraordinary items adjustments

As a result of the foregoing factors, MMWL made a net profit of Rs.14.54 Lacs for FY2009 as compared to loss of Rs.107.90 Lacs in FY2008.

FACTORS THAT MAY AFFECT THE RESULTS OF THE OPERATIONS:

Several factors influence our results of operations, financial condition and cash flow significantly. The key factors affecting our operations include:

1. **Unusual or infrequent events or transactions.**

   There have been no unusual or infrequent events or transactions that have taken place.

2. **Significant economic changes that materially affected or are likely to affect income from continuing operations.**

   The Government of India's focus on the telecom sector will have a major bearing on the companies involved in this industry. Accordingly, any major changes in the policies of the Government of India may have an impact on our operations or operations of our subsidiaries. Except the above, there are no significant economic changes that may materially affect or likely to affect income from continuing operations.

3. **Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations.**

   Other than described in the Chapter titled "Risk Factors" and "Management's Discussion and Analysis of Financial Conditions and Results of Operations" beginning on pages 11 and 218, respectively of this Letter of Offer, to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on our revenues or income from continuing operations.

4. **Future changes in relationship between costs and incomes**

   Other than described in the Chapter titled "Risk Factors" and "Management's Discussion and Analysis of Financial Conditions and Results of Operations" beginning on pages 11 and 218, respectively of this Letter of Offer, to our knowledge there are no known factors which will have a material adverse impact on our operational cost and finances.

5. **Extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices.**

   The increase in net sales or revenue is mainly on account of increase in volume and general increase in sales price in the normal course of business.

6. **Total turnover of each major industry segment in which the issuer company operated.**

   Please refer to Chapter titled 'Industry Overview' beginning on page 98 of this Letter of Offer. However, there are no published data available with our Company for total turnover of the industry in which our Company operates.

7. Status of any publicly announced new products or business segment.

Our Company has not announced any new product and segment except in the ordinary course of our business.

8. Seasonality in our operations

Our Company is not affected by the weather patterns.

9. Any significant dependence on a single or few suppliers or customers

The Company does not depend on a single or few suppliers or customers. However, there has been dependence of MMWL on the group companies for using their infrastructure and/or distribution network for its operations. Further, there are related party transactions between MMWL and subsidiaries as mentioned on page 183-185 and 215-217 of this Letter of Offer.

10.Competitive conditions

Competitive conditions are as described under the section titled "Our Business" beginning on page 109 of this Letter of Offer.

Note on the performance of the Company during the period ended April 1, 2012 and September 30, 2012 (Standalone)

The sales of the Company for the period ended September 30, 2012 was Rs. 3744.27 Lacs as against total sales of Rs. 319.99 Lacs for the year ended March 31, 2012. The increase was primarily on account of the surge in volume of trading business of the Company.

During the same period, the total expenditure of the Company was Rs. 3566.41 Lacs as against Rs. 596.90 Lacs for the year ended March 31, 2012.

The profit after tax during the period ended was Rs. 121.62 Lacs as against loss of Rs. 296.80 Lacs for the year ended March 31, 2012.

The basis and diluted EPS for the period were Rs. 0.12 and Rs. 0.05 respectively.

During this period, there has been change in accounting policy of the Company. Hitherto, premium payable on the redemption of optionally Fully Convertible Debentures (OFCDs) were charged to profit & loss account under finance cost. With effect from April 1, 2012, the Company has changed its policy for charging redemption premium on OFCDs and accordingly, as per the revised policy the same has been adjusted against Securities Premium Account. Had the same accounting policy been followed, the profits for the current quarter and half year ended September 30, 12 would have been lower by Rs. 108.43 Lacs and Rs. 215.69 Lacs respectively.

WORKING RESULTS OF THE COMPANY

INFORMATION AS REQUIRED BY THE GOVERNMENT OF INDIA. MINISTRY OF FINANCE CIRCULAR NO: F2/5/SE/76 DATED FEBRUARY 05, 1977 AS AMENDED VIDE THEIR CIRCULAR OF EVEN NUMBER DATED MARCH 08, 1977 AND IN ACCORDANCE WITH SUB-ITEM (B) OF ITEM X OF PART E OF THE SEBI (ICDR) REGULATIONS.

- Unaudited Financial Results for the period between April 01, 2012 to December 31, 2012

Particulars	Amount (Rs. in Lacs)
Income from operations	5051.50
Other Income	4.93
Total Income	5056.5
Total Expenditure	4865.63
Interest and financials charges	32.79
Earnings after Interest but before Depreciation	158.07
Depreciation	0.96
Profit / (Loss) before Tax	157.10
Provision for Tax	49.12
Estimated Net Profit (loss) / after Tax	107.99

*provision for tax would be done on year end

- There are no material changes and commitments, which are likely to affect the Financial position of the Company since December 31, 2012
- Stock Market Data

The week end prices, highest and lowest prices of the Equity Shares of the Company as quoted at BSE for last four weeks are provided in the table below:

Week ended on	Closing Price (Rs)	Highest Price (Rs.)	Date of Highest Price	Lowest Price (Rs.)	Date of Lowest price
15/02/2013	5.67	5.68	11/02/2013	5.16	11/02/2013
22/02/2013	5.75	6.06	22/02/2013	5.24	21/02/2013
01/03/2013	5.00	6.03	22/02/2013	4.9	01/03/2013
08/03/2013	5.80	5.80	05/08/2013	4.59	05/03/2013

STOCK MARKET DATA FOR EQUITY SHARES OF OUR COMPANY

Our Equity Shares are currently listed at BSE and MPSE. For details of listing of our Equity Shares, please see the section "History and Certain Corporate Matters" on page no 124-131 of this Letter of Offer.

The Closing Price of the Equity Shares of our Company, of face value Re. 1/- on March 6, 2013, the day on which the Resolution of our Board of Directors approved this Issue, was Rs. 5.27 at BSE.

The High and Low closing prices of our Equity Shares recorded at BSE during the preceding three years are stated below:

BSE								
Year Ending March 31	Date of High	High (Rs.)	Volume traded on the date of High (No. of Equity Shares)	Date of Low	Low (Rs)	Volume traded on the date of Low (No. of Equity Shares)	Average price for the year (Rs.)	No. of Trading days
2012	23/03/2012	5.11	41987	12/12/2011	1.75	1	2.81	191
2011	16/07/2010	5.95	316383	11/03/2011	2.55	6065	4.13	231
2010	14/01/2010	6.58	3112	21/08/2009	4.05	2214	5.28	231

(Source: www.bseindia.com)

Notes

- High, Low and Average prices are of the daily Closing Prices.
- In case of two days with the same closing price, the date with higher volume has been considered.

Monthly High and Low of the Closing Prices and trading volumes on BSE for the six months preceding the date of filing of the Letter of Offer are stated below:

BSE								
Month ended	**Date of High**	**High (Rs.)**	**Volume traded on the date of High (No. of Equity Shares)**	**Date of Low**	**Low (Rs)**	**Volume traded on the date of Low (No. of Equity Shares)**	**Average price for the month (Rs.)**	**Total No. of Trading days**
August 2012	14/08/2012	4.91	5415	31/08/20122	3.76	2395	4.68	20
September 2012	10/09/2012	4.85	1535	17/09/2012	3.65	1231	4.19	17
October 2012	03/10/2012	4.63	3200	23/10/2012	3.5	3202	3.93	20
November 2012	23/11/2012	4.65	38000	01/11/2012	3.62	17894	4.19	20
December 2012	28/12/2012	7.69	80178	04/12/2012	4.25	415554	5.54	20
January 2013	04/01/2013	6.64	9097	18/01/2013	5.03	5146	5.92	23
February 2013	01/02/2013	6.55	4951	28/02/2013	5.15	710	5.67	15

(Source: www.bseindia.com)

Notes

- High, Low and Average Prices are of the daily Closing Prices.
- In case of two days with the same Closing price, the date with higher volume has been considered.

The closing prices of Equity Shares as on February 27, 2012 (the trading day immediately following the day on which the Resolution by the Board of Directors was adopted approving the Rights Issue) at BSE was Rs.3.28.

LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

Except as stated below, there are no outstanding litigations, suits, civil or criminal prosecutions, proceedings before any judicial, quasi- judicial, arbitral or administrative tribunals, including pending proceedings for violation of statutory regulations or alleging criminal or economic offences or tax liabilities or show cause notices or legal notices pending or penalties imposed in the last five years against our Company, our Subsidiaries, our Promoter Company and Group Entities promoted by our Promoter Company/ its Promoters that would have a material adverse effect on our business and there are no defaults, non-payments or overdue of Statutory dues, Institutional / Bank dues and dues payable to holders of Debentures, Fixed Deposits and arrears on cumulative Preference Shares that would have a material adverse effect on our business or the business of our Subsidiaries except as mention elsewhere in the offer document.

Further, except as stated below, our Company, our Subsidiaries, our Directors, our Promoter and Promoters of our Promoter Company and Group Entities promoted by our Promoter/promoters of our Promoter Company have not been declared as wilful defaulters by the Reserve Bank of India, have not been debarred from dealing in securities and/or accessing Capital Markets by SEBI and no disciplinary action has been taken against them by SEBI or any Stock Exchanges or any other Governmental authority and, except as disclosed in this section in relation to litigation, there are no violations of securities laws committed by them in the past or pending against them. Also none of our Promoter Company and its Promoters or Directors was or is a Promoter, Director or person in control of any other Company that is debarred from accessing the Capital Market under any order or directions made by SEBI.

This chapter has been divided into six parts:

I. Contingent Liabilities

II. Outstanding litigations involving our Company and its Subsidiaries

III. Outstanding litigations involving our Group Entities

IV. Outstanding litigations involving our Promoters / Directors

V. Past penalties levied in the last five years

VI. Outstanding dues to small scale undertaking(s) or any other creditors

I. Contingent Liabilities

As on March 31, 2012, our Company and its Subsidiaries have no Contingent Liabilities except the following:

In case of Media Matrix Worldwide Limited: **(Amount in Rs.)**

Sr. No.	Particular	Period ended September 30, 2012	Year ended March 31, 2012
		Rs.	Rs.
I	Unexpired Letters of Credit (Margin money paid 35,813,901 (provided by third party); (Previous Year Rs. NIL)	26,841,985	32,558,092
II	Guarantees given by banks on behalf of the Company (Margin Money kept by way of Fixed deposits Rs8,795,300; (Previous Year Rs 8,795,300/-)	5,314,000	8,795,300
III	**Income Tax matters** There has been a pending litigation related to income tax for the assessment year 2003-04 related to disallowance of revenue expenditure related to software. The Assessing	855,135	855,135

Sl. No.	Particulars	Period ended September 30, 2012 (Rs.)
I	Unexpired Letters of Credit (Margin money paid 29,526,184 (provided by third party); (Previous Year Rs. 35,813,901)	26,841,985
II	Guarantees given by banks on behalf of the Company (Margin Money kept by way of Fixed deposits Rs 5,314,000; (Previous Year Rs 8,795,300/-)	5,314,000
III	**Income Tax matters** There has been a pending litigation related to income tax for the assessment year 2003-04 related to disallowance of revenue expenditure related to software. The Assessing officer has passed an order demanding tax/penalty of Rs. 8,55,135 which has been upheld by the CIT (Appeal), Mumbai vide its order dated Feb 16, 2012. The Company had filed an appeal with Income Tax Appellate Tribunal against the order of CIT (Appeal) on April 12, 2012.	855,135

In case of Media Matrix Holdings Private Limited (formerly Digicall Holdings Private Limited):

NIL

In case of Digicall Global Private Limited:

NIL

In case of DigiCall Teleservices Private Limited: (Rs. in Lacs)

Particulars	As at 30.09.2012	As at 31.03.2012	As at 31.03.2011
(a) Guarantees given by the bank on behalf of the company	1.00	1.00	1.00
(b) Liability of licence fees	302.82	302.82	302.82
(c) Interest on licence fees	224.78	206.61	170.28

In case of DigiVive Services Private Limited: (Rs. in Lacs)

Particulars	As at 30.09.2012	As at 31.03.2012	As at 31.03.2011
Guarantees given by the bank on behalf of the company (100% margin Money kept by way of Fixed deposits)	18.00	18.00	1.00
Total	**18.00**	**18.00**	**1.00**

In case of nexG Devices Private Limited (Rs. in Lacs)

Particulars	As at 30.09.2012	As at 31.03.2012
Guarantees given by the bank on behalf of the company Fixed deposites)	600.00	400.00
Total	**600.00**	**400.00**

II. Litigations involving our Company and its Subsidiaries

A FILED AGAINST OUR COMPANY OR ITS SUBSIDIARIES

1 Litigation involving civil laws : Nil

2. Litigation involving Criminal Laws: Nil

3. Litigation involving Statutory Law: Nil

4. Litigation involving Labour Laws: Nil

B. FILED BY OUR COMPANY OR ITS SUBSIDIARIES

1 Litigation involving civil laws : Nil

2. Litigation involving Criminal Laws: Nil

3. Litigation involving Statutory Law: (Income Tax) : Rs. 8.55 lacs

4. Litigation involving Labour Law: Nil

III. Litigations involving our Group Companies

A. Filed against our Group Companies

SR NO.	FILED BY	FILED AGAINST	FORUM IN WHICH SUIT HAS BEEN FILED	ISSUE INVOLVED	Amount Involved (Rs. In Lac approx.)	CURRENT STATUS
1	A Elancheriathan	HTL Chennai	The High Court,	The employee was terminated on 29.09.2003 without enquiry stating that his services were no longer required. He challenged the termination order. The High Court granted stay. He was taken back on 06.10.2003 without prejudice. He attained superannuation on 31.12.2005 and his dues were settled except for the period 30.09.2003 to 05.10.2003 pending disposal of this case.	1.00	Not yet Listed
2	P Dhanapalan	HTL	The High Court, Chennai	The employee was terminated on 08.10.2003 for being absent without intimation. He has challenged the termination Order. Court granted stay. He was permitted to rejoin on 05.01.2005 and has retired on superannuation on 31.10.2009. His dues were settled except for the period 19.03.2003 to 04.01.2005 pending disposal of this case.	2.00	Counter filed. Not yet Listed
3	BSNL	HTL	The High Court, New Delhi	HTL supplied EKBS system to BSNL. BSNL disallowed a portion of the amount for non installation. HTL went to arbitration. The arbitrator passed an award in favour of HTL. BSNL has filed an appeal against this award. If the said appeal is in favour of HTL. BSNLwill pay this or otherwise there is no liability on HTL since it has already been recovered from HTL.	Nil	Hearing is in Progress
4	Santhamurthy & 13 others	HTL	The High Court Chennai	The company notified VRS and invited applications in 2003. 14 people challenged the irrevocable clause in the VRS and obtained stay. The Management not contested and allowed all the 14 to retire in the normal course on superannuation.	Nil	Not listed after granting stay.
5	Sundaramurthy & 8 others	Ministry of Communications and HTL	The High Court Chennai	The company notified VRS and invited applications in 2003. 9 people challenged the irrevocable clause in the VRS and obtained stay. The management has not contested and allowed 8 out of 9 to retire in the normal course. 1 is in service.	Nil	Not listed after granting stay.
6	Shyam Sunder	HTL	The High Court, Chennai	The employee had applied for Voluntary Retirement. Pending this, he submitted a letter stating that he may be relieved under VRS or otherwise treat this letter as letter of resignation. This letter was treated as resignation and he has been relieved. He accepted the terminal benefits. Thereafter he filed a petition before the Labour Court claiming VRS Compensation. The award passed by the Labour Court in favour of HTL is being challenged	Nil	Posted for arguments

7	Systems & Components	HTL	The High Court, Chennai	M/s. Systems and Components had filed a winding up petition in 2005 and the company had entered into memorandum of settlement dated 28.02.2007. The high Court passed an order dated March 01, 2007 forming part of the above settlement. Thereafter the party had taken back delivery of material worth Rs. 37.57 Lacs from HTL after adjusting the same, a sum of Rs. 167.60 Lacs is p ayable. A petition to revive the winding up petition has been filed by the supplier.	167.60	Direction petition dismissed, impleading petition still alive
8	T Chitra	HTL	The High Court Chennai	The employee, an ex-officer, resigned without proper notice and claimed for wage revision arrears in the labour court. The labour court ruled that she is not a Workman and hence she has filed a Writ Petition in the High Court.	1.12	Counter will be filed at the time of hearing
9	Electrohms	HTL	The City Civil Court, Bangalore	Claim for supplies made with interest. Petition filed by HTL to invoke arbitration clause and have informed the Court that HTL is referred to BIFR	3.87	Date of hearing not yet fixed
10	GNFC	HTL	The Civil Court, Bharuch	GNFC Gujarat claimed outstanding amount of Rs. 2,41,41,089 plus interest for supplies made. Petition filed by HTL to invoke arbitration clause and have informed the Court that HTL is referred to BIFR	241.41	Petition on preliminary issues filed. Posted for hearing
11	Omega Engineer Manufacturers	HTL	Industrial Facilitation Council, Bangalore	Omega Enterprises has claimed outstanding amount of Rs.92,117 plus interest for supplies made.	0.92	Awaiting date of hearing
12	CPs 1168 to 1192, 1193 to 1203, 1400 to 1403, 1565 to 1567, 1571 to 1575 of 2010, 285, 286 and 322 of 2011 and 275 & 327 of 2011	HTL	The Labour Court, Chennai	The Ex-Workmen have claimed VRS Exgratia recalculation based on company circulars consequent to wage revision	55.22	Posted for enquiry/ counter to be filed
13	P Krishnaswamy	HTL	The principal City Civil Court, Chennai	Appeal against the dismissal of his claim disputing the reduction of the Retirement age from 60 to 58 by the City Civil Court.	Nil	Not yet listed
14	OS 2647 to 2651, 2699 to 2702, 2748 &2749 and 5208 of 2011	HTL	The City Civil Court , Chennai	The ex- Officers have claimed the recalculation of the VRS Exgratia .	31.48	Hearing is in progress.
15	CP 195/2012 filed by Amararaja Battaries	HTL	The High Court of Madras, Chennai	Requesting winding up and Claiming the dues of Rs. 1,52, 46,123/- along with interest @ 24%.P.A.	NIL	Defended against Winding up prayer and Hearing is in progress.
16	CS 468/12 filed by Amararaja Battaries	HTL	The High Court of Madras, Chennai (Civil Jurisdiction)	Claiming dues of Rs. 1,51,93,514.60 plus interest @ 13.5%P.A., totalling Rs. 3,31,13,685.52	331.14	Not listed.

17	CIT	HFCL	Income Tax Authorities	In ITAT, the Department has disputed the allowance given by CIT(A) in respect of purchase of software as revenue expenditure and also for allowance u/s 80HHE regarding export sale	149.87	Order is awaited
18	BSNL	HFCL	The Supreme Court of India	HFCL supplied OFC to MP Circle, Bhopal. Dispute has arisen on the issue of rates to be applied for the supplies already made in time. The matter was referred to Arbitration and the award was given in favour of BSNL. The matter was referred for fresh arbitration who delivered his award in favour of HFCL. Aggrieved with the second award BSNL has filed objections before the District Judge, which was dismissed. BSNL filed an appeal before the MP High Court, Jabalpur and aggrieved by Jabalpur High Court's Order, BSNL has filed SLP before the Supreme Court.	No liability	BSNL's SLP has been listed for final arguments on since it could not be taken up at the last hearing. The matter is yet to be heard and disposed off by the Supreme Court.
19	Union of India	HFCL	Delhi High Court	HFCL has filed claim before the Arbitral Tribunal on 30.01.2005for Rs.56.49 crore along with interest @ 18% p.a. from 9.9.2002. HFCL has filed claim for nonpayment of claim by DoT on account of post closing adjustments regarding acquisition of 74% stake of HTL as per SPA. Arbitration Award in favour of HFCL for Rs.55 crores to be paid along with interest of 9% p.m from date of award till payment or realization and the cost of the arbitration proceedings quantified in the sum of Rs. 5 lacs which has been contested by DoT before the High Court.	5649.00	The matter h as been decided in favour of HFCL on 05-12-12 by upholding the Arbitration Award. DoT has filed appeal against the same which has been dismissed on 25/02/2013. DOT may file the appeal before the Apex Court in due course.
20	Credit Agricole CIB	Microwave Communications Ltd.	Debt Recovery Appellate Tribunal	DRT-II Delhi has directed for payment of Rs 3.30 crores by Microwave Communications in case the same amount is paid by the bank to DoT against invocation of BG by DoT. Aggrieved by above order, bank has filed appeal before DRAT with the prayer that payment should be deposited with the bank immediately without bank first making payment to DoT.	330.00	Next date of hearing in the matter is on 25-04-2013
21	IFCI	HFCL Satellite, HFCL & Others	Debt Recovery Appellate Tribunal	IFCI has filed case against HFCL Satellite for recovery of Rs.14.58 crores. HFCL has been made a party as a guarantor. IFCI has also filed application for attachment of shares of HTL held by HFCL against their dues	1458.00	HFCL Satellite has settled the case with IFCI on One Time Settlement of Rs.5 crores, which has been paid. IFCI

						is to withdraw the case on next date of hearing on 23-05-13.
22	DOT	HFCL	Arbitral Tribunal	HFCL has filed its claims on 2/6/2011 before the Adjudicator to the Government of India, for Rs.24.49 crores recoverable from DoT. The Adjudicator has given its decision on 28/06/2011. Being dissatisfied with the decision of the Adjudicator, DoT has invoked Arbitration Clause. The Arbitral Tribunal has been constituted	Nil	HFCL has taken the stand that since there is delay by DoT in invoking the arbitration clause, invocation of the clause is time barred and therefore the Adjudicator's decision has already become final and binding on both the parties. Date of Next Hearing : 15/03/2013
23	I T I	HFCL	Arbitral Tribunal	ITI has terminated HFCL contract for supply of IFWT and subsequently encashed performance bank guarantees for Rs.109 lacs. On 30/12/2007 HFCL has filed claim for Rs.52.88 crores. ITI has filed a Counter claim for Rs.91.26 crores	91.26	The Arbitral Tribunal has given the award in favour of HFCL dated 7-7-12 directing ITI to make payment of Rs. 12.70 crores to HFCL. ITI has filed appeal in the High Court OMP 1057 of 2012.Next date of hearing 05-04-13.

B. Filed by our Group Companies

SR NO.	FILED BY	FILED AGAINST	FORUM IN WHICH SUIT HAS BEEN FILED	ISSUE INVOLVED	AMOUNT INVOLVED (RS. IN LAC APPROX.)	CURRENT STATUS
1	HTL	Hegde & Goley	The Civil Court	Claim made by HTL for refund of advance money paid to M/s. Hedge and Goley. Company under liquidation	0.57	A letter came from official liquidator asking for proof of debts which we have sent on 12.07.2010
2	HTL	Interface Electronics	The Civil Court	Claim made by HTL for refund of advance money paid to M/s. Interface Electronics.Company under liquidation	2.39	Awaiting orders
3	HTL	BSNL	The High Court	Petition filed to restrain BSNL from invoking a Bank Guarantee of Rs.61 Lacs	61.00	Injunction granted
4	HFCL	CIT	The High Court	Against the treatment of interest on margin money as derived from Industrial Undertaking for the AY 1992-93, 1993-94, 1996-97 and 1997-98	Nil	Next date for hearing is fixed for 07.09.2012
5	HFCL	CIT (Appeals) New Delhi		Against Order U/s 272A(1)(c) and 153A/143(3) of the Income Tax Act, 1961. - 8 appeals in all	Nil	Matter is yet to come up for hearing
6	HFCL	BSNL	Delhi High Court	BSNL has invoked PBG for 18GhZ Order. The Delhi High Court has restrained Bank from releasing the amount of PBG valid up to 30.04.2009	28.21	The matter has been referred by the High Court to the Registrar of the High Court for completion of pleadings and recording of evidence. Next date of Hearing is on 28/4/2013.
7	HFCL Trade Invest Ltd (Since merged with HFCL)	Classic Credit & Burlington Finance - 2 cases	The Bombay High Court	Recovery of amount along with interest	Rs.22552.26 lacs with interest on principal of Rs.19899.00 lacs at 18% p.a. till date of payment or realization Rs.9652.22 lacs with interest on principal of Rs.8429.99 lacs @18% per annum till payment or realization	Reply not yet filed by Classic Credit. Last date of hearing was on 23.09.2008. The case is pending for directions in the category of undefended suits. Next date of hearing is 28-03-2013.
8	HFCL	BSNL	The Division Bench Delhi High Court	DoT has invoked performance bank guarantee for alleged failure to offer the equipment. HFCL has filed objection on the Arbitration Award passed. HFCL has deposited a sum of Rs.42,54,082 on 20/09/2007 with	Rs.42.54 lacs	The matter is yet to be fixed for arguments. Last date of hearing was

				High Court, New Delhi and accordingly BSNL has vide letter dated 17/10/2007 returned the original Bank Guarantee for cancellation		on 11/12/ 2009. The matter has been ordered to be listed on its own turn.
9	HFCL	Union of India	Supreme Court of India	HFCL has filed refund claim of Rs.59.16 lacs and Rs.74.66 lacs totaling Rs133.82 lacs for refund of Excise Duty due to reduction in the prices of the supplies made to MTBL during the year 1994-95, which was disallowed by Adjudicating Authority on 19/2/2002. On appeal before CCE(Appeal) the refund was allowd to HFCL. Against which revenue preferred an Appeal with the CESTAT which was rejected on 18/3/2003. HFCL has filed writ before the High Court for the implementation of the Order of the CESTAT. Revenue has also filed an Appeal which was admitted on 9/12/2004. On 8/1/2010, the Shimla High Court allowed the Appeal of Central Excise and dismissed the Writ Petition of HFCL.	Rs.133.82 lacs	The matter was admitted on 1/8/2011 by the Hon'ble Supreme Court. Next date of hearing is 28-03-2013
10	HFCL	Gujarat Narmada Valley Fertilizers Company Limited (GNFC)	High Court of Gujarat at Ahmedabad	GNFC has filed Special Civil Suit 227 of 1996 before the Civil Judge of Bharuch on 2/12/1996 of the recovery of Rs.22,48,068.68 with running interest @18% p.a. from the date of the suit till the date of realization and costs in connection with supply of PCB Board to erstwhile Himachal Telematics Limited since merged with HFCL. ON 30/6/2011 the Court has passed the decree for payment of Rs.22.48 lacs with interest @12% p.a. from the date of institution of the suit till realization of the decreed amount. HFCL has filed appeal before the Gujarat High Court	Rs.22.48 lacs	On 28/12/ 2011, notice was issued for admission of appeal by High Court returnable on 30/1/2012. Appeal is admitted on 15/2/2012. The matter is yet to taken up for hearing
11	HFCL	Union of India	Arbitral Tribunal, New Delhi	DoT invoked the PBG given for 100W SSPA order due to non supply of equipment on account of dispute over indigenous or imported one	Rs4.40 lacs and Rs10.22 lacs	Claim has been filed by HFCL before Arbitrator on 26/11/02. Next date of hearing is yet to be fixed. HFCL has not extended the Performance Guarantees which expired in November / December 2006.
12	HFCL	BSNL	Arbitral Tribunal	DoT invoked the bid on bank guarantee for Rs.70.00 Lacs and Rs.136 Lacs against which HFCL obtained stay from the High Court	Rs.206 lacs	Claim has been filed by HFCL before the Arbitrator on 3/3/2008

						for permanent injunction of BGs for Rs.70 lacs plus Rs.136 lacs and for Rs. 8.4 crores towards compensation. Next date of hearing in the matter is fixed for 02/03/ 2013 for final arguments.
13	HFCL	K C Agarwal & Others	National Consumer Disputes Redressal Commission	HFCL has filed appeal against the order dated 25.08.2006 of State Consumer Dispute Redressal Commission, Delhi directing HFCL to allot shares against public issue made in year.	No liability	Next date of hearing is fixed for 14/03/13.
14	HFCL	BSNL	The Delhi High Court	HFCL has supplied MARR system to DOT. On 12.09.99 DoT invoked bank guarantee of Rs.42 Lacs on ground of alleged overpayment by DoT to HFCL amounting to Rs.43.23 Lacs on account of unilateral price reduction by DoT based on new tender prices, whereas on the contrary HFCL was claiming outstanding payment of Rs.612.86 Lacs from DoT. HFCL obtained ex parte ad interim stay and an award was passed by arbitrator in favour of HFCL. BSNL has filed objections to the Arbitration Award.	612.86	This matter has been disposed off by the High Court on 30-05-12. HFCL has filed appeal before the division bench of High Court - FA(OS) 391/ 2012, which is yet to be decided.

The details of Litigations settled between date of filing the Draft Letter of Offer with BSE and date of this Letter of Offer are as follows:

S.R No	Name of the Company	Name of the Party	Remark
1	HTL	K.M. Gopakumar	Dismissed on 30.10.2009
2	HTL	S Babu & 16 others	Dismissed on 6.9.2012
3	HTL	P Subban	Dismissed on 20.06.2012
4	HTL	Vinayaga Engineering	Dismissed on 27.09.2012
5	HTL	EPS 110 to 115 and 127 & 128 of 2011	Settled out of Court
6	HFCL Bezeq Telecom Limited	Union of India	Dismissed on 02-01-12.
7	Himachal Futuristic Communications Limited	BSNL	Dismissed on 30-05-12
8	HFCL	Smt. Rattan Kanwar	Dismissed on 04.09.2012
9	HFCL	Gillard Electronics	Dismissed on 01.02.2013
10	HTL	Maria John & Others	Returned by Registry and not resubmitted being settled out of court.
11	HFCL	Union of India	Dismissed on 19-04-2012.
12	HFCL	ITI	Dismissed on 07-07-2012

DEFAULTS

Our Company or any of its Subsidiaries have not defaulted in repayment of Loans obtained from Banks/Financial Institutions/ Deposit holders or Debenture holders. There is no default in repayment of any borrowing from any other entity.

Defaults by Group Companies

There is no default to Banks or Financial institution except in HTL for which details have been provided on page 150 of this Letter of Offer.

C. Show Cause Notices (SCN) Received by our Group Companies

Apart from the above, 17 show cause notices have been received by Himachal Futuristic Communications Limited from Excise/Service Tax authorities for disputed claims aggregating to Rs.1254.26 Lacs as on 31.12.2012.

The details of the show cause notices received by HFCL is given as under:

SR. NO.	SCN	SCN ISSUED BY	SCN AGAINST	FORUM IN WHICH SUIT HAS BEEN FILED	ISSUE INVOLVED	AMOUNT INVOLVED (RS. IN LAC APPROX.)	CURRENT STATUS
1.	C.no.V(85)15/CE/ ADJ/59/05/5615 dt. 16.12.05	Excise Department	HFCL	Custom Excise Service Tax Appellate Tribunal (**CESTAT**), New Delhi	In respect of disputed liability of Rs.185.46 Lac approx under Central Excise.	185.46	Stay granted up to disposal of Appeal. Matter is pending for hearing before CESTAT. Next date of hearing is awaited.
2.	C.No.V(15)/ADC/ P&V/11/05 date 28.11.05	Excise Department	HFCL	CESTAT, New Delhi	In respect of disputed liability of Rs.31.94 Lac approx under Central Excise.	31.94	Stay granted up to disposal of Appeal. Matter is pending for hearing before CESTAT. Next date of hearing is awaited.
3.	C.no.V(85)15/CE/ Adj/62/05/231 DT. 17.01.07	Excise Department	HFCL	CESTAT	In respect of disputed liability of Rs.20.00 Lac approx under Central Excise.	20.00	CESTAT given stay vide Order no. 1056/2007 Dt. 07.11.07 after pre-deposit of Rs. 2 Lacs. Matter is pending for hearing before CESTAT. Next date of hearing is awaited.
4.	C.no.V(85)D/S/12 0/SML/05/10464 DT. 13.10.06	Excise Department	HFCL	-	In respect of disputed liability of Rs.3.86 Lac approx under Central Excise.	3.86	Reply filed with the department on 27.11.06.
5.	C. No .V(85) /D /S /205 /04 /3806 dt.25.04.06	Excise Department	HFCL	Asstt. Commissioner, Central Excise, Shimla	In respect of disputed liability of Rs.1.85 Lac approx under Central Excise.	1.85	Reply submitted. Hearing attended on 11.06.2012 before Asstt. Commissioner, CE Shimla. Decision awaited.
6.	C.No.V(85)15/CE/ Adj/98/09/2045 dt 24.11.09	Excise Department	HFCL	Commissioner, Central Excise, Chandigarh	In respect of disputed liability of Rs.94.18 Lac approx under Central Excise.	94.18	SCN was received on 10.12.09 and reply submitted on 01.01.10. Hearing attended before Commissioner, C.E Chandigarh on 05.08.10. Decision awaited.

7.	C.NoV(85)SCN/ADC(ADT)ADJ/SML/25/09/4809 dt. 28.10.09	Excise Department	HFCL	-	In respect of disputed liability of Rs.6.82 Lac approx under Central Excise.	6.82	SCN was received on 03.12.09 and reply submitted on 02.02.10. Hearing was attended on 13.09.10. Decision is awaited.
8.	C.NO V (15) SCN /59 /04 /122 dt. 26.03.04	Excise Department	HFCL	Addl. Commissioner (Tech.) Chandigarh	In respect of disputed liability of Rs.31.32 Lac approx under Central Excise.	31.32	Hearing attended on 28.05.04 before Addl. Commissioner (Tech.) Chandigarh. Decision awaited.
9.	C. No.V(85) D/S /120 /SML /05 /10463dt.13.10.06	Excise Department	HFCL	-	In respect of disputed liability of Rs.3.86 Lac approx under Central Excise.	3.86	Reply filed with the department on 27.11.06.
10.	C. No.V(15) SCN /78/ 2004 /497 dt. 01.02.07	Excise Department	HFCL	Commissioner, Chandigarh	In respect of disputed liability of Rs.387.81 Lac approx under Central Excise.	387.81	Reply submitted on 07.06.2007. Decision awaited.
11.	C.No. V(15) SCN/ 79/04 /612 date 25.07.05	Excise Department	HFCL	CESTAT, New Delhi	In respect of disputed liability of Rs.37.37 Lac approx under Central Excise.	37.37	Stay granted up to disposal of Appeal. Matter is pending for hearing before CESTAT. Next date of hearing is awaited.
12.	V(Misc)17/PA/HFCL/03/SML/99/Pt/2771 dt. 26.02.04	Excise Department	HFCL	CESTAT, New Delhi.	In respect of disputed liability of Rs.9.11 Lac approx under Central Excise.	9.11	Stay granted up to disposal of Appeal. Matter is pending for hearing before CESTAT. Next date of hearing is awaited.
13.	V(ST)ADC/ADJ/CHD/19/07/369 Dt. 24.03.08	Excise & Service Tax Department	HFCL	CESTAT, New Delhi.	In respect of disputed liability of Rs.12.78 Lac approx under Service Tax.	12.78	Stay granted up to disposal of Appeal. Matter is pending for hearing before CESTAT. Next date of hearing is awaited.
14.	V(ST)ADC/ADJ/CHD/19/07/1048 Dt. 09.05.08	Excise & Service Tax Department	HFCL	CESTAT, New Delhi.	In respect of disputed liability of Rs.1.20 Lac approx under Service Tax.	1.20	Stay granted up to disposal of Appeal. Matter is pending for hearing before CESTAT. Next date of hearing is awaited.
15.	V(16)D/S/199/09/2756 dated 22.04.10	Excise & Service Tax Department	HFCL	-	In respect of disputed liability of Rs.0.21Lac approx under Service Tax.	0.21	Reply submitted. Decision is awaited.
16.	V(STC)15/CE/ADJ/185/2010/11931 dated 20.10.2010	Excise & Service Tax Department	HFCL	CESTAT	In respect of disputed liability of Rs.140.68 Lac approx under Service Tax.	140.68	Stay granted up to disposal of Appeal.Matter is pending for hearing before CESTAT. Next date of hearing is awaited.
17.	V(STC)15/CE/ADJ/07/2011/610 dated 15.04.2011	Excise & Service Tax Department	HFCL	CESTAT	In respect of disputed liability of Rs.285.81 Lac approx under Service Tax.	285.81	Stay granted up to disposal of Appeal. Matter is pending for hearing before CESTAT. Next date of hearing is awaited.

D. REGULATORY ACTION UNDER SEBI ACT AGAINST OUR GROUP COMPANY - HFCL

i) SEBI had issued a show cause notice Under Section 11(4)(b) and 11B of the SEBI Act 1992 read with Regulation 11 of SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 against the promoters and associates of Himachal Futuristic Communications Limited for the alleged violation of the provisions of Regulation 4 of the SEBI (PFUTP) Regulations, 1995 for the transactions pertaining to the period from October 1999 to March 2001. This matter was settled by way of a Consent Process and a Consent Order dated January 28, 2010 was passed by SEBI disposing of the proceedings under Section 11(4)(b) and 11 B of the SEBI Act, 1992 read with Regulation 11 of the PFUTP Regulations, 2003.

IV Litigations involving our Promoters / Directors

i. Litigations filed against our Promoter / Directors

Civil Cases	-	Nil
Labour Cases	-	Nil
Criminal Cases	-	Nil
Taxation Cases	-	NIl

ii. Litigations filed by our Promoters / Directors -

Civil Cases	-	Nil
Labour Cases	-	Nil
Criminal Cases	-	Nil
Taxation Cases	-	NIl

V Past penalties levied in the last five years

Except what is stated above under para "Regulatory action by SEBI" on page No. 238 of this Letter of Offer, there are no cases in which any penalties were imposed on our Company, our Subsidiaries, our Promoter Company/its Promoters, Directors and Group Entities in the last five years in the last five years.

VI. Outstanding dues to small scale undertaking(s) / SMEs or any other creditors.

The disclosures required to be made relating to Small Scale undertakings have not been furnished in view of the non-availability of the relevant information with our Company from all such enterprises. However, in the considered view of our management and as relied upon by the auditors, impact of interest, if any, is not expected to be material.

VII Material Developments

There are no material developments after the date of the last financial statements disclosed in the Letter of Offer, which is likely to materially and adversely affect or is likely to affect the profitability of our company or the value of the assets or its ability to pay its liabilities.

GOVERNMENT AND OTHER APPROVALS

Except for pending approvals mentioned under this heading, our Company has received all the necessary consents, licenses, permissions and approvals from the Government of India and various Government Agencies/private Certification Bodies wherever required for our present business activities and that of our Subsidiaries and to undertake the Issue. No further material approvals are required for carrying on our/our Subsidiaries' present business activities and to undertake the Issue except as disclosed in this Letter of Offer. Unless otherwise stated, these approvals are all valid as of the date of the Letter of Offer.

It must be distinctly understood that, in granting these approvals, the Government of India and various Government agencies / private Certification bodies does not take any responsibility for our Company's financial soundness or financial soundness of our subsidiaries or for the correctness of any of the statements made or opinions expressed in this behalf. For further details in connection with the regulatory and legal framework within which our Company /our Subsidiaries operate, please see the section titled "Key Industrial Regulations and Policies" beginning on page number 120 of this Letter of Offer.

Our Company has received the following Government approvals that are material to our business:

I. Approvals related to the Issue

1. The Issue has been authorized by the resolution of the Board of Directors passed at their meeting held on February 24, 2012 and by the Equity Shareholders at their EGM held on March 26, 2012;
2. Our Board has, pursuant to its resolution dated 23.08.2012 approved Draft Letter of Offer and final letter of offer was approved vide resolution passed on March 6, 2013.

II. Corporate Approvals

Certificate of Incorporation bearing no. L51900MH1985PLCO36518 dated June 7, 1985 issued in the name of our Company by Registrar of Companies, Maharashtra.

III. Business related Approvals

1. Our Company's TAN (Tax Deduction Account Number) issued by the Income Tax Department as per the provisions of the Income Tax Act, 1961 is MUMM18328C. The same is valid until cancelled.
2. Our Company's PAN (Permanent Account Number) issued by the Income Tax Department as per the provisions of the Income Tax Act, 1961 is AAACL2966P. The same is valid until cancelled.
3. Our Company's TIN No. is 06511832926 under the provisions of the Haryana Value Added Tax Act, 2003. The same is valid until cancelled.
4. Importer-Exporter Code bearing No 0301017123 dated July 2, 2011 issued to our Company by Ministry of Commerce, Office of Additional Director General of Foreign Trade, Mumbai under the hand of Foreign Trade Development Officer.
5. Our Company's Professional Tax Registration Number is 99831719714P.
6. Service Tax Registration under the provisions of the Finance Act, 1994 is AAACL2966PSD003 dated May 28, 2012. The same is valid until cancelled.

BUSINESS RELATED APPROVALS

NIL

APPLICATIONS PENDING RENEWAL

NIL

Our Subsidiaries have received the following Government approvals that are material to their business:

Name of Subsidiary: DigiVive Services Private Limited

I. Corporate Approvals

Certificate of Incorporation bearing no. U93000DL2010PTC200097; dated March 13 , 2010 issued in the name of DigiVive Services Private Limited by Registrar of Companies, National Capital Territory of Delhi and Haryana.

II. Business related Approvals

1. TAN (Tax Deduction Account Number) issued by the Income Tax Department as per the provisions of the Income Tax Act, 1961 is DELD12011G;. The same is valid until cancelled.
2. Income Tax PAN (Permanent Account Number) issued by the Income Tax Department as per the provisions of the Income Tax Act,1961 is AADCD6390K. The same is valid until cancelled.
3. Sales Tax Registration no. 06601832440 under the provisions of the Haryana Sales Tax Act. The same is valid until cancelled.
4. Central Sales Tax Registration No. under section 7(1)/7(2) of the Central Sales Tax Act, 1956 is 06601832440. The same is valid until cancelled.

5. Service Tax Registration No. under the provisions of the Finance Act, 1994 is AADCD3680KSD002 dated May 16, 2011. The same is valid until cancelled.
6. Importer-Exporter Code bearing No 0510066071 dated 02/12/2010 issued Ministry of Commerce, Office of Joint Director General of Foreign Trade, New Delhi under the hand of Foreign Trade Development Officer.

BUSINESS RELATED APPROVALS

NIL

APPLICATIONS PENDING RENEWAL

NIL

Name of Subsidiary: DigiCall Teleservices Private Limited

I. Corporate Approvals

1. Fresh Certificate of Incorporation bearing no. U84200DL1992PTC219215 issued in the name of DigiCall Teleservices Private Limited by Registrar of Companies, National Capital Territory of Delhi and Haryana on 28.03.2011 and originally incorporated on 13.07.1992 in the name of Page Point Services (India) Private Limited and later on the word "Private" deleted on 1/07/1998 and again the word "Private" has been added on 12/08/2002.

II. Business related Approvals

1. TAN (Tax Deduction Account Number) issued by the Income Tax Department as per the provisions of the Income Tax Act, 1961is DELP15606D. The same is valid until cancelled.
2. Income Tax PAN (Permanent Account Number) issued by the Income Tax Department as per the provisions of the Income Tax Act, 1961 is AABCP9794Q. The same is valid until cancelled.
3. VAT Registration no. for Noida, Uttar Pradesh is 9565711563 and for Hyderabad, Andhra Pradesh is 28359521883.
4. Service Tax Registration No. under the provisions of the Finance Act, 1994 is AABCP9794QST007. The same is valid until cancelled.

BUSINESS RELATED APPROVALS

NIL

APPLICATIONS PENDING RENEWAL

NIL

Name of Subsidiary: Media Matrix Holdings Private Limited (formerly Digicall Holdings Private Limited)

I. Corporate Approvals

1. Certificate of Incorporation bearing no. U67120DL2011PTC214508 originally Issued in the name of Digicall Holdings Private Limited on Febraury 1, 2011 and subsequently name has been changed to Media Matrix Holdings Private Limited on Janruary 18, 2013 by Registrar of Companies, National Capital Territory of Delhi and Haryana.

II. Business related Approvals

1. TAN (Tax Deduction Account Number) issued by the Income Tax Department as per the provisions of the Income Tax Act, 1961 is DELD13031E. The same is valid until cancelled.
2. Income Tax PAN (Permanent Account Number) issued by the Income Tax Department as per the provisions of the Income Tax Act, 1961 is AADCD7247E. The same is valid until cancelled.

BUSINESS RELATED APPROVALS

NIL

APPLICATIONS PENDING RENEWAL

NIL

Name of Subsidiary: nexG Devices Private Limited

I. Corporate Approvals

1. Certificate of Incorporation bearing no. U32300DL2011PTC215856 dated March 15, 2011 issued in the name of nexG Devices Private Limited by Registrar of Companies, National Capital Territory of Delhi & Haryana.

II. Business related Approvals

1. TAN (Tax Deduction Account Number) issued by the Income Tax Department as per the provisions of the Income Tax Act, 1961 is DELN11332G. The same is valid until cancelled.
2. Income Tax PAN (Permanent Account Number) issued by the Income Tax Department as per the provisions of the Income Tax Act, 1961 is AADCN5660R. The same is valid until cancelled.

3. Sales Tax Regn. No. under Delhi Value Added Tax under the provisions of the Delhi Value Added Act is 07630397971. The same is valid until cancelled.
4. Central Sales Tax Registration no. under section 7(1)/7(2) of the Central Sales Tax Act, 1956 is 07630397971. The same is valid until cancelled
5. Importer-Exporter Code bearing No 0511004524 dated April 20, 2011 issued Ministry of Commerce, Office of Joint Director General of Foreign Trade Central Licensing Area, A Wing, New Delhi under the hand of Foreign Trade Development Officer.
6. Service Tax Registration No. under the provisions of the Finance Act, 1994 is AADCN5660RSD001. The same is valid until cancelled.

BUSINESS RELATED APPROVALS

NIL

APPLICATIONS PENDING RENEWAL

NIL

Name of fellow Subsidiary: Digicall Global Private Limited

III. Corporate Approvals

Certificate of Incorporation bearing no. U72900DL2011PTC216458 originally Issued in the name of Digicall Solutions Private Limited on 24th March 2011 and changed to Digicall Global Private Limited on May 12, 2011 by Registrar of Companies, National Capital Territory of Delhi and Haryana.

IV. Business related Approvals

1. TAN (Tax Deduction Account Number) issued by the Income Tax Department as per the provisions of the Income Tax Act, 1961 is DELD13109F. The same is valid until cancelled.
2. Income Tax PAN (Permanent Account Number) issued by the Income Tax Department as per the provisions of the Income Tax Act, 1961 is AADCD8435G. The same is valid until cancelled.

BUSINESS RELATED APPROVALS

NIL

APPLICATIONS PENDING RENEWAL

NIL

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

Pursuant to the resolutions passed by the Board of Directors at their meeting held on February 24, 2012, and by the members of our Company held on March 26, 2012, it has been decided to make the following offer to the Equity Shareholders of our Company, on Rights basis with a right to renounce.

Prohibition by SEBI

Neither the Company, nor its Directors, Promoter, the Promoter Group, the Directors of the promoter Company, the persons in control of the Company have been prohibited from accessing or operating in the Capital Markets or have been restrained from buying, selling or dealing in securities under any order or direction passed by SEBI.

None of the Directors of our Company except Mr. Suresh Bohra is associated with the securities market in any manner and SEBI has not initiated any action against any of our Directors.

Mr. Suresh Bohra, Director of MMWL is proprietor of Beta Stock Broker, which is a member of the Inter Connected Stock Exchange of India Ltd (ISE) (SEBI Reg. No. INB241226019). Black Fox Finance Private Limited, a Company in which he is promoter Director, is a member of the Bombay Stock Exchange Ltd (BSE) (SEBI Regn. No. INB011429231) and the currency segment of the United Stock Exchange of India Ltd (SEBI Regn. No. INE271429230). Crest Comrade Private Limited, a Company of which he is promoter director, is a member of the Multi Commodity Exchanges of India Ltd. (MCX) and National Commodity & Derivatives Exchange Ltd. (NCDEX), which is in Commodity broking and arbitrage business. Neither Mr. Suresh Bohra, nor any of the above entities have been prohibited from accessing or operating in the Capital Markets or have been restrained from buying, selling or dealing in securities under any order or direction passed by SEBI.

Prohibition by RBI and other Governmental Authorities

Further, our Promoter and Promoter Group Companies have confirmed that they have not been named as wilful defaulters by RBI or any other government authority and except for what is stated in the paragraph below, there are no violations of securities laws committed by them in the past and no prosecution or other proceedings for any such alleged violation is pending against them.

In the year 2002, SEBI had issued a show cause notice under Section 11(4)(b) and 11B of the SEBI Act 1992 read with Regulation 11 of SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 against the promoters and associates of Himachal Futuristic Communications Limited, a promoter group Company of us, for alleged violation of the provisions of Regulation 4 of the SEBI (PFUTP) Regulations, 1995 for the transactions pertaining to the period from October 1999 to March 2001. This matter was settled by way of a Consent Process and a Consent Order dated January 28, 2010 was passed by SEBI disposing of the proceedings under Section 11(4)(b) and 11 B of the SEBI Act, 1992 read with Regulation 11 of the PFUTP Regulations, 2003.

Eligibility for the Issue

The Company is an existing Company registered under the Companies Act and its Equity Shares are listed on the BSE and MPSE. The Company is eligible to make this Rights Issue in terms of Chapter IV of SEBI (ICDR) Regulations.

Compliance with Part A of Schedule VIII of the SEBI ICDR Regulations

This Letter of Offer is in compliance with Part A of Schedule VIII of SEBI (ICDR) Regulations.

DISCLAIMER CLAUSE OF SEBI

AS REQUIRED, A COPY OF THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT THE SUBMISSION OF THE DRAFT LETTER OF OFFER TO SEBI SHOULD NOT, IN ANY WAY BE DEEMED / CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPOSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE, OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT LETTER OF OFFER. THE LEAD MANAGER, FEDEX SECURITIES LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT LETTER OF OFFER ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT LETTER OF OFFER, THE LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE THE LEAD MANAGER, FEDEX SECURITIES LIMITED HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED AUGUST 29, 2012, WHICH READS AS FOLLOWS:

WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE DRAFT LETTER OF OFFER PERTAINING TO THE SAID ISSUE;

ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER, WE CONFIRM THAT:

THE DRAFT LETTER OF OFFER FILED WITH THE BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;

ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ ISSUED BY THE BOARD, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND

THE DISCLOSURES MADE IN THE DRAFT LETTER OF OFFER ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.

WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT LETTER OF OFFER ARE REGISTERED WITH THE BOARD AND THAT TILL DATE, SUCH REGISTRATION IS VALID.

WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS.

- NOT APPLICABLE

WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT LETTER OF OFFER WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE LETTER OF OFFER. - NOT APPLICABLE

WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT LETTER OF OFFER. - NOT APPLICABLE

WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. - NOT APPLICABLE

WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.

WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 73 OF THE COMPANIES ACT, 1956 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE LETTER OF OFFER. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION. - IN ACCORDANCE WITH CLAUSE 56 THE ISSUER SHALL UTILISE FUNDS COLLECTED IN RIGHTS ISSUE AFTER FINALISATION OF BASIS OF ALLOTMENT IN ACCORDANCE WITH SEBI REGULATION AND APPLICABLE LAWS;

WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT LETTER OF OFFER THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE;

WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN THE VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.

WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT LETTER OF OFFER:

AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER; AND AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.

WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE.

WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OF THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE, ETC.

WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT LETTER OF OFFER WHERE THE REGULATION HAS BEEN COMPLIED WITH AND THE COMMENTS, IF ANY.

THE FILING OF THE DRAFT LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER SECTION 63 OR SECTION 68 OF THE COMPANIES ACT OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THIS DRAFT LETTER OF OFFER.

Disclaimer from our Company and Lead Manager

Our Company and the Lead Manager accept no responsibility for statements made otherwise than in this Letter of Offer or in any advertisement or other material issued by our Company or at the instance of our Company and that anyone placing reliance on any other source of information would be doing so at his own risk. Investors who invest in the issue will be deemed to have been represented by our Company and Lead Manager and their respective Directors, Officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the shares of our Company, and are relying on independent advice / evaluation as to their ability and quantum of investment in this Issue.

The Lead Manager and our Company shall make all information available to the Equity Shareholders and no selective or additional information would be available for a section of the Equity Shareholders in any manner whatsoever including at presentations, in research or sales reports etc. after filing of this Letter of Offer with SEBI.

Caution

Investors who apply in this Issue will be required to confirm and will be deemed to have represented to our Company and the Lead Manager and their respective Directors, Officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not offer, sell, pledge or transfer the Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares. Our Company, the Lead Manager and their respective Directors, Officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares in the Issue.

Disclaimer with respect to jurisdiction

The Letter of Offer has been prepared under the provisions of Indian laws and the applicable rules and regulations there under. Any disputes arising out of this Issue will be subject to the jurisdiction of the appropriate court(s) in Mumbai, India only.

DISCLAIMER CLAUSE OF THE BSE

As required, a copy of the draft Letter of Offer has been submitted to the BSE. BSE vide its letter dated Sepetmebr 26, 2012 has granted in principle approval for listing of equity shares arising out of this issue. The Disclaimer clause as intimated by the BSE to the Company, post scrutiny of the draft letter of Offer is reproduced as under:

"BSE Limited ("Bombay Stock Exchange"/"the Exchange") has given, vide its letter dated 26th September, 2012, permission to this Company to use the Exchange's name in this Letter of Offer as one of the stock exchanges on which this Company's securities are proposed to be listed. The Exchange has scrutinized this Letter of Offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner;

i. warrant, certify or endorse the correctness or completeness of any of the contents of this letter of offer; or

ii. warrant that this Company's securities will be listed or will continue to be listed on the Exchange; or

iii. take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed that this Letter of Offer has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever."

Selling Restrictions

The distribution of this Letter of Offer and the issue of Equity Shares on a Rights basis to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Letter of Offer may come are required to inform themselves about and observe such restrictions. Our Company is making this Issue of Shares on a Rights basis to the Shareholders of our Company and will dispatch the Letter of Offer/Abridged Letter of Offer and CAFs to Shareholders who have provided an Indian address. The Abridged Letter of Offer, along with CAF, shall be dispatched through registered post or speed post to all the existing Shareholders at least three days before the date of opening of the issue. The Letter of Offer shall be given by our Company or Lead Manager to any existing Shareholder who has made a request in this regard.

No action has been or will be taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that the Letter of Offer has been filed with SEBI. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and this Letter of Offer may not be distributed in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction.

Receipt of this Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, this Letter of Offer must be treated as sent for information only and should not be copied or redistributed. Accordingly, persons receiving a copy of this Letter of Offer should not, in connection with the issue of the Equity Shares, distribute or send the same in or into the United States or any other jurisdiction where, to do so, would or might contravene local securities laws or regulations. If this Letter of Offer is received by any person in any such territory, or by their agent or nominee, they must not seek to subscribe to the Equity Shares.

Neither the delivery of this Letter of Offer nor any sale hereunder, shall under any circumstances create any implication that there has been no change in our Company's affairs from the date hereof or that the information contained herein is correct as of any time subsequent to this date. For further details, please see "Notice to Overseas Shareholders" on page 8 of this Letter of Offer.

Filing

The Draft Letter of Offer is filed with the Corporation Finance Department, of Securities and Exchange Board of India (SEBI) located at SEBI Bhavan, C-4A, G Block, Bandra Kurla Complex, Bandra (East) Mumbai - 400 051, India, for its Observations. The Letter of Offer shall be filed with the Stock Exchange as per the provisions of the Companies Act. Pursuant to the receipt of Observations from the SEBI, the Letter of Offer shall be filed with the Designated Stock Exchange as per the provisions of the Companies Act.

Impersonation

As a matter of abundant caution, attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68A of the Companies Act which is reproduced below:

"Any person who makes in a fictitious name an application to a Company for acquiring, or subscribing for, any shares therein, or otherwise induces a Company to allot, or register any transfer of shares therein to him, or any other person in a fictitious name, shall be punishable with imprisonment for a term which may extend to five years"

Dematerialized dealing

Our Company has entered into agreements dated April 12, 2001 and March 23, 2001 with National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) respectively, and our Equity Shares bear the ISIN INE200D01020.

Listing

The existing Equity Shares of our Company are listed on the BSE and MPSE. The application for "in-principle" approval for listing of Equity Shares to be issued pursuant to this issue was filed with the BSE and BSE, vide its Letter No. DCS/PREF/SI/IP-RT/450/12-13 dated September 26, 2012 has conveyed In Principle approval for the same. Our Company will apply to BSE for listing of the Equity Shares to be issued pursuant to this Issue.

If the permission to deal in and for an official quotation of the Equity Shares is not granted by the Designated Stock Exchange mentioned above, the Company shall forthwith repay, without interest, all monies received from applicants in pursuance of the Letter of Offer. If such money is not repaid within eight days from the day the Company becomes liable to repay it, the Company and every Director of the Company who is an Officer in default shall, on and from expiry of eight days, be jointly and severally liable to repay the money with interest as prescribed under Section 73 of the Companies Act.

Consents

Consents in writing of the Directors, Auditors of the Company, Lead Manager to the Issue, Registrar to the Issue and Bankers to the Issue to act in their respective capacities have been obtained and filed with SEBI, along with a copy of the Draft Letter of Offer and such consents have not been withdrawn up to the time of delivery of this Letter of Offer to the designated Stock Exchange.

Khandewal Jain & Co., the Auditors of the Company has given their written consent for the inclusion of their Report in the form and content as appearing in this Letter of Offer and such consents and reports have not been withdrawn up to the time of delivery of this Letter of Offer to the designated Stock Exchange.

Khandewal Jain & Co. has given their written consent for inclusion of Statement of Tax Benefits in the form and content as appearing in this Letter of Offer, accruing to the Company and its members.

All the necessary consents required for this Issue including consents from the lenders, Bankers to the Company, industry sources and other third parties have been obtained by our Company. To the best of the Company's knowledge, there are no other consents required for this Issue. However, should the need arise, necessary consents shall be obtained by the Company.

Expert Opinion

Except as stated in "Financial Information" and "Statement of Tax Benefits" on pages 160-217 and 90-97, respectively, provided by Khandewal Jain & Co., Chartered Accountants, Statutory Auditors of our Company, no expert opinion has been obtained by the Company in relation to this Letter of Offer.

Issue related expenses

The expenses of the Issue payable by the Company include reimbursement and fees payable to the Lead Manager, Registrar to the Issue, printing and distribution expenses, publicity, listing fees, stamp duty and other expenses and will be met out of the Issue proceeds.

Activity	**Amount* (Rs. in Lacs)**	**% of Issue Size***	**% of Total expenses***
Fee payable to the Lead Manager to the Issue	25.00	0.229%	42%
Fees to the Registrar to the Issue	1.00	0.009%	2%
Professional and Statutory Fees	9.00	0.083%	15%
Advertising, Travelling and Publicity Expenses	10.00	0.092%	17%
Printing, Postage, Stationary Expenses	5.00	0.046%	8%
Banker charges	5.00	0.046%	8%
Other miscellaneous Expenses	5.00	0.046%	8%
Total	60.00	0.551%	100%

Investor grievances and re-dressal system

Our Company has made adequate arrangements for the re-dressal of investor complaints. Well arranged correspondence systems have been developed for letters of a routine nature. The share transfer and dematerialization for the Company is being handled by the Company and the Registrar and Share Transfer Agents. The Company estimates that the average time required for the redressal of routine investor complaints, including from its Shareholders, is 7 days from the date of receipt of the complaint.

The contact details of the Registrar and Share Transfer agent of our Company are:

SHAREX DYNAMIC (INDIA) PVT.LTD.
SEBI Regn. No. INR000002102
Unit -1, Luthra Ind. Premises, Safed Pool,
Andheri Kurla Road, Andheri (East),
Mumbai - 400 072
Tel. Nos. (022) 22702485 /22641376
Fax. No. (022) 28512885
Email : sharexindia@vsnl.com
Website: www.sharexindia.com
Contact Person: **Mr. B S Baliga**

Status of complaints

The status of the investor complaints for the FY 2010 - 2011 are as follows:

Sr. No.	Details of Investor Complaints	No. of Investor Complaints
1	Complaints outstanding as on April 01, 2010	NIL
2	Complaints received from April 01, 2010 to March 31, 2011	NIL
3	Complaints redressed during April 01, 2010 to March 31, 2011	NIL
4	Complaints pending as on March 31, 2011	NIL

Details of Complaints received for the period April 01, 2011 to March 31 2012 are as follows:

Sr. No.	Details of Investor Complaints	No. of Investor Complaints
1	Complaints outstanding as on April 1, 2011	NIL
2	Complaints received from April 01, 2011 to March 31, 2012	NIL
3	Complaints redressed during April 01, 2011 to March 31, 2012	NIL
4	Complaints pending as on March 31, 2012	NIL

Details of Complaints received for the period April 1, 2012 to June 30, 2012 are as follows:

Sr. No.	Details of Investor Complaints	No. of Investor Complaints
1	Complaints outstanding as on April 1, 2012	NIL
2	Complaints received from April 1, 2012 to December 31, 2012	NIL
3	Complaints redressed during April 01, 2012 to December 31, 2012	NIL
4	Complaints pending as on December 31, 2012	NIL

Investor grievances arising out of this Issue

The Investor grievances arising out of the Issue will be handled by Sharex Dynamic (India) Private Limited who is the Registrar to the Issue. The Registrar will have a separate team of personnel handling only post-Issue correspondence.

The agreement between our Company and the Registrar will provide for retention of records with the Registrar for a period of one year from the last date of dispatch of Allotment Advice/ share certificate / refund orders to enable the investors to approach the Registrar for redressal of their grievances. All grievances relating to the Issue may be addressed to the Registrar to the Issue giving full details such as folio number, name and address, contact telephone/cell numbers, email id of the first Investor, number and type of shares applied for, CAF serial number, amount paid on application and the name of the bank and the branch where the application was deposited, along with a photocopy of the acknowledgement slip. In case of renunciation, the same details of the Renouncee should be furnished. The average time taken by the Registrar for attending to routine grievances will be seven days from the date of receipt. In case of non-routine grievances where verification at other agencies is involved, it would be the endeavour of the Registrar to attend to them as expeditiously as possible. The Company undertakes to resolve the Investor grievances in a time bound manner.

The contact details of the Registrar to the Issue are:

SHAREX DYNAMIC (INDIA) PRIVATE LIMITED

SEBI Regn. No. INR000002102

Unit -1, Luthra Ind. Premises, Safed Pool,
Andheri Kurla Road, Andheri (East),
Mumbai - 400 072
Tel. Nos. (022) 22702485 /22641376
Fax. No. (022) 28512885
Email : sharexindia@vsnl.com
Website: www.sharexindia.com
Contact Person: **Mr. B S Baliga**

Investors may contact the Compliance Officer in case of any pre-Issue / post-Issue related problems such as non-receipt of allotment advice / share certificates / demat credit / refund orders etc on the following address

Mr. Mohd. Zafar
Company Secretary & Compliance Officer
Media Matrix Worldwide Limited
Registered Office:
Flat No: 155, 15th Floor,
Mittal Court A Wing Nariman Point,
Mumbai - 400 021
Tel. No. : 91 22 2283 3006
Fax No : 91 22 43473206
Email ID: compliance@mmwlindia.com
Website: www.mmwlindia.com
Corporate Office:
77B, 3rd Floor, IFFCO Road, Sector -18
Gurgaon, Haryana - 122 015
Tel No: +91 124 4310000
Fax No: +91 124 4310050

Previous Public/Rights Issues by the Company in the last five years

Our Company has not made any Rights or Public issues in India or abroad in the five years preceding the date of filing this Letter of Offer.

Issues for consideration other than cash

The Company has not issued Equity Shares for consideration other than Cash or out of revaluation reserves, other than issuances mentioned in chapter titled "Capital Structure" beginning on page 69 of this Letter of Offer. The details of Issuances for consideration other than Cash is given below:

Date Of Allotment	Number of Equity Shares	Face Value (Rs).	Reason	List of Allottees
24.10.1994	1,98,000	10	Bonus in the ratio of 4:5 out of share premium account	All shareholders
14.12.2000	7,50,000	10	Acquisition of business of Vimochan Pictures Limited	Vimochan Pictures Limited
19.06.2001	53,91,000	10	Bonus in the ratio of 2:1 out of share premium account	All Shareholders

Commission or brokerage on previous issues

As our Company has not made any previous Rights or Public Issues in India or abroad in the five years preceding the date of filing the Letter of Offer, our Company has not paid any commission or brokerage on previous issues with respect to these five years.

Changes in Auditors during the last three years

The Company has appointed M/s Khandelwal Jain & Co., Chartered Accountants, Delhi as Joint Statutory Auditors along with the existing Statutory Auditors M/s N S Bhat & Associates, Chartered Accountants pursuant to necessary resolution passed by the Shareholders at their Extraordinary General Meeting held on 26th March, 2012.

Further, M/s N S Bhatt & Associates have tendered their resignation vide their letter dated June 19, 2012 on account of their preoccupation with other assignments, which was placed before the Board of Directors on their meeting held on August 7, 2012.

Capitalization of Reserves or Profits

Our Company has not capitalized any of its Reserves or Profits in the last five years other than as mentioned in the chapter titled "Capital Structure" beginning on page 69 of this Letter of Offer.

Revaluation of Fixed Assets

There has been no revaluation of the Company's Fixed Assets for the last five years.

SECTION VII - ISSUE RELATED INFORMATION

TERMS OF THE ISSUE

The Equity Shares proposed to be issued on a Rights basis, are subject to the terms and conditions contained in the Letter of Offer, the Abridged Letter of Offer, the CAF, the Memorandum of Association and Articles of Association of the Company, and the provisions of the Companies Act, 1956, FEMA, the guidelines and regulations issued by SEBI, the guidelines, notifications and regulations for the issue of capital and for listing of securities issued by the Government of India and other statutory and regulatory authorities from time to time, the terms of listing agreements entered into by the Company with the Stock Exchanges and terms and conditions as stipulated in the allotment advice or security certificate.

Please note that QIB applicants and other applicants whose application amount exceeds Rs 200,000 can participate in the Issue only through the ASBA process. The Investors who are not QIBs or whose application amount is not more than Rs.200,000 can participate in the Issue through the ASBA process as well as the non ASBA process. ASBA Investors should note that the ASBA process involves application procedures that may be different from the procedure applicable to non ASBA process. ASBA Investors should carefully read the provisions applicable to such applications before making their application through the ASBA process. For details, please see "Procedure for Application through the Applications Supported by Blocked Amount ("ASBA") Process" on page 255 of this Letter of Offer.

Authority for the Issue

This issue is pursuant to the resolution passed by the Board in their meeting held on February 24, 2012, and by the members of our Company held on March 26, 2012.

Ranking of Equity Shares

The Equity Shares being issued shall be subject to the provisions of our Memorandum of Association and Articles of Association. The Equity Shares allotted pursuant to this Issue shall rank pari passu with the existing Equity Shares in all respects including dividend.

Mode of Payment of Dividend

Our Company shall pay dividend to the shareholders as per the provisions of the Companies Act, 1956.

Basis for the Issue

The Equity Shares are being offered for subscription for cash to the existing Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of the Equity Shares held in the electronic form and on the register of members of the Company in respect of the Equity Shares held in physical form at the close of business hours on the Record Date, i.e. March 19, 2013 fixed in consultation with the Stock Exchange.

Rights Entitlement

As your name appears as a beneficial owner in respect of the Equity Shares held in the electronic form or appears in the register of members as an Equity Shareholder of the Company in respect of the Equity Shares held in physical form as on the Record Date, i.e., March 19, 2013, you are entitled to the number of Equity Shares as set out in Part A of the CAF.

The distribution of the Letter of Offer, Abridged Letter of Offer and the issue of Equity Shares on a Rights basis to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. The Company is making the issue of Equity Shares on a Rights basis to the Equity Shareholders and the Letter of Offer/Abridged Letter of Offer and the CAFs will be dispatched only to those Equity Shareholders who have a registered address in India. Any person who acquires Rights Entitlements or Equity Shares will be deemed to have declared, warranted and agreed, by accepting the delivery of the Letter of Offer, that it is not and that at the time of subscribing for the Equity Shares or the Rights Entitlements, it will not be, in the United States.

PRINCIPAL TERMS OF THE EQUITY SHARES / ISSUE STRUCTURE

Face Value

Each Equity Share will have the face value of Re. 1.

Issue Price

Each Equity Share shall be offered at an Issue Price of Rs. 1.20 for cash at a premium of Rs. 0.20 per Equity Share. The Issue Price has been arrived at after consultation between the Company and the Lead Manager.

Rights Entitlement Ratio

The Equity Shares are being offered on a Rights basis to the Equity Shareholders in the ratio of 9 Equity Shares for every 1 Equity Share held on the Record Date.

Terms of Payment

Full amount of Rs. 1.20 per Equity Share is payable on application.

Fractional Entitlements

The Equity Shares are being offered on a rights basis to the existing equity Shareholders in the ratio of 9 Equity Shares for every 1 Equity Shares held as on the Record Date. For Equity Shares being offered on a rights basis under this Issue, the fractional entitlement, if any, of such Equity Shareholders shall be ignored for computation of the Rights Entitlements. However, Equity Shareholders whose fractional entitlement, if any, are being ignored will be given preference in the allotment of one additional Equity Share each, if such Equity Shareholders have applied for additional Equity Shares over and above their Right Entitlement. Since the ratio for right issue is 9:1, fractional entitlement does not arise.

Ranking

The Equity Shares being issued shall be subject to the provisions of the Memorandum of Association and Articles of Association. The Equity Shares allotted in the Issue shall rank pari passu with the existing Equity Shares.

Listing and trading of Equity Shares proposed to be issued

The Company's existing Equity Shares are currently traded on the BSE under the ISIN INE200D01020. The Company's equity shares are also listed at MPSE and no trading takes place in the shares of the Company at MPSE. The fully paid up Equity Shares proposed to be issued on a Rights basis shall be listed and admitted for trading on the Stock Exchanges under the existing ISIN for fully paid up Equity Shares of the Company.

The listing and trading of the Equity Shares shall be based on the current regulatory framework applicable thereto. Accordingly, any change in the regulatory regime would affect the listing and trading schedule.

The Equity Shares allotted pursuant to this Issue will be listed as soon as practicable and all steps for completion of the necessary formalities for listing and commencement of trading shall be taken within seven working days of finalisation of the basis of Allotment. The application for in-principle approval for listing of Equity Shares to be issued pursuant to this issue has been filed with the BSE. The BSE already granted their in- principle approval vide letter dated 26th September, 2012

Rights of the Equity Shareholder

Subject to applicable laws, the Equity Shareholders of the Company shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote in person or by proxy;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation;
- Right to free transferability of Equity Shares; and
- Such other rights as may be available to a shareholder of a listed public company under the Companies Act and the Memorandum of Association and Articles of Association.

General Terms of the Issue

Market Lot

The Equity Shares of the Company are tradable only in dematerialized form. The market lot for Equity Shares in dematerialised mode is one. In case an Equity Shareholder holds Equity Shares in physical form, the Company would issue to the allottees one certificate for the Equity Shares allotted to each folio ("Consolidated Certificate").

Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as joint tenants with the benefit of survivorship subject to the provisions contained in the Articles of Association.

Nomination

Nomination facility is available in respect of the Equity Shares in accordance with the provisions of the Section 109A of the Companies Act. An Equity Shareholder can nominate any person by filling the relevant details in the CAF in the space provided for this purpose. In case of Equity Shareholders who are individuals, a sole Equity Shareholder or the first named Equity Shareholder, along with other joint Equity Shareholders, if any, may nominate any person(s) who, in the event of the death of the sole Equity Shareholder or all the joint Equity Shareholders, as the case may be, shall become entitled to the Equity Shares offered in the Issue. A person, being a nominee, becoming entitled to the Equity Shares by reason of the death of the original Equity Shareholder(s), shall be entitled to the same advantages to which he would be entitled if he were the registered Equity Shareholder. Where the nominee is a minor, the Equity Shareholder(s) may also make a nomination to appoint, in the prescribed manner, any person to become entitled to the Equity Shares, in the event of death of the said Equity Shareholder, during the minority of the nominee. A nomination shall stand rescinded upon the sale of the Equity Shares by the person nominating. A transferee will be entitled to make a fresh nomination in the manner prescribed. When the Equity

Shares are held by two or more persons, the nominee shall become entitled to receive the amount only on the demise of all such Equity Shareholders. Fresh nominations can be made only in the prescribed Form available on request at the Registered Office of the Company or such other person at such addresses as may be notified by the Company.

Only one nomination would be applicable for one folio. Hence, in case the Investor(s) has already registered the nomination with the Company, no further nomination needs to be made for Equity Shares that may be allotted in this Issue under the same folio.

In case the allotment of Equity Shares is in dematerialised form, there is no need to make a separate nomination for the Equity Shares to be allotted in this Issue. Nominations registered with respective Depositary Participant ("DP") of the Investor would prevail. Any Investor desirous of changing the existing nomination is requested to inform its respective DP, in case shares are held in dematerialised form and to Registrar / Company if shares are in physical form.

Notices

All notices to the Equity Shareholder(s) required to be given by the Company shall be published in one English language national daily newspaper, one Hindi national daily newspaper and one Marathi language daily newspaper with wide circulation in Maharashtra and/or, will be sent by post to the registered address of the Equity Shareholders in India or the Indian address provided by the Equity Shareholders from time to time.

Additional Subscription by the Promoter

Our Promoter, has, vide their letter dated August 23, 2012, confirmed that they intend to subscribe to the full extent of their entitlement of Equity Shares in the Rights Issue and also apply for additional Equity Shares over and above their Rights entitlement. Our Promoter reserves their right to subscribe to their entitlement and/or apply for additional Equity Shares in the Rights Issue, either by themselves or a combination of entities controlled by them, including subscribing for renunciation, if any, made by other Eligible Equity Shareholders. Our Promoter has also, by their above letter, confirmed that in addition to the subscription to the Equity Shares as stated above, subject to applicable statutory and/or regulatory requirements, they shall subscribe to, and/or make arrangements for the subscription of, additional Equity Shares in the Rights Issue as per the relevant provisions of law such that at least 90% of the Issue is subscribed.

As such, other than meeting the requirements indicated in the section on "Objects of the Issue" on page 76-86 of this Letter of Offer, there is no other intention/purpose for the Issue, including any intention to delist our Company, even if, as a result of allotments to our promoter, in this Issue, the shareholding of our promoter/Promoter Group in our Company exceeds their current shareholding. As a result of subscription to their entitlement and any unsubscribed portion and consequent allotment, our Promoter/Promoter Group may acquire Equity Shares over and above their entitlement in the Rights Issue, which may result in an increase of our Promoters' shareholding in our Company. Such subscription and acquisition of such additional Equity Shares by our Promoter and Promoter Group, if any, will not result in change of control of the management of our Company and our promoter & promoter group shall, subject to compliance of the conditions stipulated under 10(4)(a),10(4)(b)(i) and 10(4)(b(ii) of SEBI (SAST) Regulations 2011, be exempt from making an Open Offer as stipulated under 3(2) of SEBI (SAST) Regulations, 2011.

Allotment to our Promoter and Promoter Group of any unsubscribed portion in the Rights Issue, over and above their entitlement shall be done in compliance with the listing agreements with the Stock Exchange and other applicable laws prevailing at that time relating to continuous listing requirements. Our Company hereby confirms that, in case the Issue is completed with our Promoter and Promoter Group subscribing to Rights Securities over and above their entitlement, the public shareholding in our Company after the Issue will not fall below the minimum level of public shareholding as specified in Clause 40 A of the listing agreement.

Procedure for Application / Issue Procedure

The CAF for the Equity Shares would be printed in black ink for all Equity Shareholders. In case the original CAFs are not received by the Equity Shareholder or is misplaced by the Equity Shareholder, the Equity Shareholder may request the Registrar to the Issue, for issue of a duplicate CAF, by furnishing the registered folio number, DP ID Number, Client ID Number and their full name and address. In case the signature of the Investor(s) does not match with the specimen registered with the Company, the application is liable to be rejected.

Please note that neither the Company nor the Registrar to the Issue shall be responsible for delay in the receipt of the CAF/ duplicate CAF attributable to postal delays or if the CAF/duplicate CAF are misplaced in transit.

Please note that QIB applicants and other applicants whose application amount exceeds Rs. 200,000 can participate in the Issue only through the ASBA process. The Investors who are not QIBs and whose application amount is not more than Rs. 200,000 can participate in the Issue through the ASBA process as well as the non ASBA process.

Option available to the Equity Shareholders

The CAFs will clearly indicate the number of Equity Shares that the Equity Shareholder is entitled to. If the Equity Shareholder applies for an investment in Equity Shares, then he can:

Apply for his Rights Entitlement of Equity Shares in full; Apply for his Rights Entitlement of Equity Shares in part;

Apply for his Rights Entitlement of Equity Shares in part and renounce the other part of the Equity Shares;

Apply for his Rights Entitlement in full and apply for additional Equity Shares; Renounce his Rights Entitlement in full.

Acceptance of the Issue

You may accept the offer to participate and apply for the Equity Shares offered, either in full or in part, by filling Part A of the CAFs and submit the same along with the application money payable to the Bankers to the Issue or any of the collection centers as mentioned on the reverse of the CAFs before the close of the banking hours on or before the Issue Closing Date i.e. April 13, 2013 or such extended time as may be specified by our Board of Directors in this regard. Investors at centres not covered by the collection branches of the Bankers to the Issue can send their CAFs together with the cheque / Demand Draft (net of bank charge) drawn in favor of Media Matrix Worldwide limited-Right Issue 2013 - Resident in case Resident / Non Resident Indian applying on non-repatriable basis and Media Matrix Worldwide limited-Right Issue 2013 - Non Resident Indian in case of Non Resident Indian applying on repatriable basis payable at par at Mumbai to the Registrar to the Issue by registered post. Such applications sent to anyone other than the Registrar to the Issue are liable to be rejected. For further details on the mode of payment, see "Mode of Payment for Resident Investors" and "Mode of Payment for Non-Resident Investors" on pages 256 - 258 and 256-258, respectively of the Letter of Offer.

Additional Equity Shares

You are eligible to apply for additional Equity Shares over and above your Rights Entitlement, provided that you are eligible to apply under applicable law and have applied for all the Equity Shares offered to you without renouncing them in whole or in part in favour of any other person(s). Applications for additional Equity Shares shall be considered and allotment shall be made at the sole discretion of the Board of Directors of the Company / Committee, subject to sectoral caps and in consultation if necessary with the Designated Stock Exchange and in the manner prescribed under "Basis of Allotment" on page 259 of this Letter of Offer.

If you desire to apply for additional Equity Shares, please indicate your requirement in the place provided for additional Equity Shares in Part A of the CAF. The Renouncee applying for all the Equity Shares renounced in their favour may also apply for additional Equity Shares. Where the number of additional Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange.

Renunciation

The Issue includes a right exercisable by you to renounce the Equity Shares offered to you either in full or in part in favour of any other person or persons. Your attention is drawn to the fact that the Company shall not Allot and/or register the Equity Shares in favour of (i) more than three persons (including joint holders); (ii) partnership firm(s) or their nominee(s); (iii) minors; or (iv) any trust or society (unless the same is registered under the Societies Registration Act, 1860 or the Indian Trust Act, 1882 or any other applicable law relating to societies or trusts and is authorized under its constitution or bye-laws to hold Equity Shares, as the case may be). Additionally, existing Equity Shareholders may not renounce in favour of persons or entities in the United States or who would otherwise be prohibited from being offered or subscribing for Equity Shares or Rights Entitlement under applicable securities laws.

Any renunciation (i) from resident Indian Equity Shareholder(s) to non-resident(s); (ii) from non-resident equity shareholder(s) to resident Indian(s); or (iii) from a non-resident Equity Shareholder(s) to other non-resident(s), is subject to the renouncer(s)/ renouncee(s) obtaining the necessary regulatory approvals. The Company proposes to apply to the RBI for seeking approval for renunciation of Rights Entitlement by (a) an Investor resident in India, in favour of any person resident outside India (other than OCBs); (b) an Investor resident outside India (other than OCBs), in favour of any person resident in India; and (c) an Investor resident outside India (other than OCBs), in favour of any other person resident outside India (other than OCBs). In case the Company does not receive such approval, the renouncer/ renouncee is required to obtain such approval and attach to the CAF. All such renunciations shall be subject to any conditions that may be specified in the RBI approval. Applications not complying with conditions of the approval/ not accompanied by such approvals are liable to be rejected.

By virtue of the Circular No. 14 dated September 16, 2003 issued by the RBI, Overseas Corporate Bodies ("OCBs") have been derecognized as an eligible class of investors and RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Accordingly, the existing Equity Shareholders of the Company who do not wish to subscribe to the Equity Shares being offered but wish to renounce the same in favour of Renouncee shall not renounce the same (whether for consideration or otherwise) in favour of OCB(s).

Part "A" of the CAF must not be used by any person(s) other than those in whose favour this offer has been made. If used, this will render the application invalid. Submission of the CAF to the Banker to the Issue at its collecting branches specified on the reverse of the CAF with the form of renunciation (Part "B" of the CAF) duly filled in shall be the conclusive evidence for the Company of the fact of renouncement to the person(s) applying for Equity Shares in Part "C" of the CAF for the purpose of Allotment of such Equity Shares. The Renouncees applying for all the Equity Shares renounced in their favour may also apply for additional Equity Shares. Part "A" of the CAF must not be used by the Renouncee(s) as this will render the application invalid. Renouncee(s) will have no right to further renounce any Equity Shares in favour of any other person.

Procedure for renunciation

To renounce all the Equity Shares offered to an Equity Shareholder in favour of one Renouncee

If you wish to renounce the offer indicated in Part "A", in whole, please complete Part "B" of the CAF. In case of joint holding, all joint holders must sign Part "B" of the CAF. The person in whose favour renunciation has been made should complete and sign Part "C" of the CAF. In case of joint Renouncees, all joint Renouncees must sign Part "C" of the CAF.

To renounce in part/or renounce the whole to more than one person(s)

If you wish to either (i) accept this offer in part and renounce the balance, or (ii) renounce the entire offer under this Issue in favour of two or more Renouncees, the CAF must be first split into requisite number of forms. Please indicate your requirement of SAFs in the space provided for this purpose in Part "D" of the CAF and return the entire CAF to the Registrar to the Issue so as to reach them latest by the close of business hours on 6th April, 2013 the last date of receiving requests for SAFs. On receipt of the required number of SAFs from the Registrar, the procedure as mentioned in paragraph above shall have to be followed.

In case the signature of the Equity Shareholder(s), who has renounced the Equity Shares, does not match with the specimen registered with the Company/Depositories, the application is liable to be rejected.

Renouncee(s)

The person(s) in whose favour the Equity Shares are renounced should fill in and sign Part "C" of the CAF and submit the entire CAF to the Bankers to the Issue or any of the collection branches as mentioned on the reverse of the CAFs on or before the Issue Closing Date i.e 13th April, 2013 along with the application money in full.

Change and/or introduction of additional holders

If you wish to apply for Equity Shares jointly with any other person(s), not more than three including you, who is/are not already a joint holder with you, it shall amount to renunciation and the procedure as stated above for renunciation shall have to be followed. Even a change in the sequence of the name of joint holders shall amount to renunciation and the procedure, as stated above shall have to be followed.

However, this right of renunciation is subject to the express condition that the Board of Directors shall be entitled in its absolute discretion to reject the request for Allotment from the Renouncee(s) without assigning any reason therefor.

Instructions for Options

The summary of options available to the Equity Shareholder is presented below. You may exercise any of the following options with regard to the Equity Shares offered, using the CAF:

Option Available	**Action Required**
1. Accept whole or part of your Rights Entitlement without renouncing the balance.	Fill in and sign Part A (All joint holders must sign)
2. Accept your Rights Entitlement in full and apply for additional Equity Shares	Fill in and sign Part A including Block III relating to the acceptance of entitlement and Block IV relating to additional Equity Shares (All joint holders must sign)
3. Accept a part of your Rights Entitlement and renounce the balance to one or more Renouncee(s) OR Renounce your Rights Entitlement to all the Equity Shares offered to you to more than one Renouncee	Fill in and sign Part D (all joint holders must sign) requesting for SAFs. Send the CAF to the Registrar to the Issue so as to reach them on or before the last date for receiving requests for SAFs. Splitting will be permitted only once. On receipt of the SAF take action as indicated below. (i) For the Equity Shares you wish to accept, if any, fill in and sign Part A. (ii) For the Equity Shares you wish to renounce, fill in and sign Part B indicating the number of Equity Shares renounced and hand it over to the Renouncees. (iii) Each Renouncee should fill in and sign Part C for the Equity Shares accepted by them.
4. Renounce your Rights Entitlement in full to one person (Joint Renouncees are considered as one).	Fill in and sign Part B (all joint holders must sign) indicating the number of Equity Shares renounced and hand it over to the Renouncee. The Renouncee must fill in and sign Part C (All joint Renouncees must sign)
5. Introduce a joint holder or change the sequence of joint holders	This will be treated as renunciation. Fill in and sign Part B and the Renouncee must fill in and sign Part C.

Please note that:

Part A of the CAF must not be used by any person(s) other than the Equity Shareholder to whom the Letter of Offer / Abridged Letter of Offer has been addressed. If used, this will render the application invalid.

Request for each SAF should be made for a minimum of one Equity Share or, in each case, in multiples thereof and one SAF for the balance Equity Shares, if any.

Request by the Investor for the SAFs should reach the Registrar on or before April 6, 2013.

Only the Equity Shareholder to whom the Letter of Offer has been addressed shall be entitled to renounce and to apply for SAFs. Forms once split cannot be split further.

SAFs will be sent to the Investor(s) by post at the applicant's risk.

Equity Shareholders may not renounce in favour of persons or entities in the United States or who would otherwise be prohibited from being offered or subscribing for Equity Shares or Rights by the Company.

Entitlement under applicable securities laws.

While applying for or renouncing their Rights Entitlement, joint Equity Shareholders must sign the CAF in the same order and as per specimen signatures recorded with the Company/ Depositories.

Availability of duplicate CAF

In case the original CAF is not received, or is misplaced by the Equity Shareholder, the Registrar to the Issue will issue a duplicate CAF on the request of the Investor who should furnish the registered folio number/ DP and Client ID number and his/ her full name and address to the Registrar to the Issue. Please note that the request for duplicate CAF should reach the Registrar to the Issue within 7 days from the Issue Opening Date. Please note that those who are making the application in the duplicate form should not utilize the original CAF for any purpose including renunciation, even if it is received/ found subsequently. If the Investor violates such requirements, he / she shall face the risk of rejection of either original CAF or both the applications. The Company or the Registrar to the Issue will not be responsible for postal delays or loss of duplicate CAF in transit, if any.

Application on Plain Paper

An Investor who has neither received the original CAF nor is in a position to obtain duplicate CAF may make an application to subscribe to the Issue on plain paper, along with a cheque / Demand Draft (net of bank charge) in favor of “Media Matrix Worldwide Limited -Right Issue 2013 - Resident” in case of Resident or Non Resident Indian applying on non - repatariable basis and “Media Matrix Worldwide Limited - Right Issue 2013 - Non Resident Indian applying on repatariable basis, net of bank and postal charges payable at Mumbai and the Investor should send the same by registered post directly to the Registrar to the Issue. For details of the mode of payment, please see "Modes of Payment" on page 256 and 258. Applications on plain paper will not be accepted from any address outside India.

If any shareholder makes an application on application form as well as on plain paper, both his applications shall be liable to be rejected at the option of the issuer.

The envelope should be superscribed "Media Matrix Worldwide Limited - Rights Issue" and should be postmarked in India. The application on plain paper, duly signed by the Investors including joint holders, in the same order and as per specimen recorded with the Company/ Depositories, must reach the office of the Registrar to the Issue before the Issue Closing Date and should contain the following particulars:

- Name of Issuer, being Media Matrix Worldwide Limited;
- Name and address of the Investor including joint holders;
- Registered Folio Number/ DP and Client ID no.;
- Number of Equity Shares held as on Record Date;
- Number of Equity Shares entitled to;
- Number of Equity Shares applied for;
- Number of additional Equity Shares applied for, if any;
- Total number of Equity Shares applied for;
- Total amount paid at the rate of Rs 1.20 per Equity Share;
- Details of the ASBA Account such as the account number, name, address and branch of the relevant SCSB;
- In case of non-resident investors, details of the NRE/FCNR/NRO account such as the account number, name, address and branch of the SCSB with which the account is maintained;
- Except for applications on behalf of the Central or State Government, residents of Sikkim and the officials appointed by the courts, PAN number of the Investor and for each Investor in case of joint names, irrespective of the total value of the Equity Shares applied for pursuant to the Issue; and

- A representation that the Investor is not and that at the time of subscribing for the Equity Shares or the Rights Entitlements, it will not be, in the United States and is not a "U.S. Person" (as defined in Regulation S under the Securities Act).
- Option to receive Equity Shares in Dematerialized Form

Please ote that those who are making an application otherwise than on an original CAF shall not be entitiled to renounce their rights and should not utilize the original CAF for any purpose including renunciation even it is received subsequently. If the investor violates any of these requirements he / she shall face the risk of rejection of both the applications. The company shall refund such application amount to the investor without any interest thereon. Separate DDs are to be attached for amounts to be paid for Equity Shares for each CAF.

General instructions for Investors applying under the ASBA Process

(a) Please read the instructions printed on the respective CAF carefully.

(b) QIB applicants and other applicants whose application amount exceeds Rs. 200,000 can participate in the Issue only through the ASBA process. The Investors who are not QIBs and whose application amount is not more than Rs. 200,000 can participate in the Issue through the ASBA process as well as the non ASBA process.

(c) Application should be made on the printed CAF only and should be completed in all respects. The CAF found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of the Letter of Offer are liable to be rejected. The CAF must be filled in English.

(d) The CAF in the ASBA Process should be submitted at a Designated Branch of the SCSB and whose bank account details are provided in the CAF and not to the Bankers to the Issue/Collecting Banks (assuming that such Collecting Bank is not a SCSB), to the Company or Registrar or Lead Managers to the Issue.

(e) All applicants, and in the case of application in joint names, each of the joint applicants, should mention his/her PAN number allotted under the Income-Tax Act, 1961, irrespective of the amount of the application. Except for applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, CAFs without PAN will be considered incomplete and are liable to be rejected. With effect from 16 August 2010, the demat accounts for Investors for which PAN details have not been verified shall be "suspended credit" and no allotment and credit of Equity Shares pursuant to the Issue shall be made into the accounts of such Investors.

(f) All payments will be made by blocking the amount in the ASBA Account. Cash payment is not acceptable. In case payment is affected in contravention of this, the application may be deemed invalid and the application money will be refunded and no interest will be paid thereon.

(g) Signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in English or Hindi and thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Investors must sign the CAF as per the specimen signature recorded with the Company/or Depositories.

(h) In case of joint holders, all joint holders must sign the relevant part of the CAF in the same order and as per the specimen signature(s) recorded with the Company/ Depositories. In case of joint applicants, reference, if any, will be made in the first applicant's name and all communication will be addressed to the first applicant.

(i) All communication in connection with application for the Equity Shares, including any change in address of the Investors should be addressed to the Registrar to the Issue prior to the date of Allotment in this Issue quoting the name of the first/ sole applicant Investor, folio numbers and CAF number.

(j) Only the person or persons to whom the Equity Shares have been offered and not renouncee(s) shall be eligible to participate under the ASBA process.

(k) Only persons outside the United States and who are eligible to subscribe for Rights Entitlement and Equity Shares under applicable securities laws are eligible to participate.

Do's:

(a) Ensure that the ASBA Process option is selected in part A of the CAF and necessary details are filled in. In case of non receipt of CAF, application can be made on plain paper mentioning all necessary details as mentioned under "Application on Plain Paper" on page 254 of this Letter of Offer.

(b) Ensure that you submit your application in physical mode only. Electronic mode is only available with certain SCSBs and not all SCSBs and you should ensure that your SCSB offers such facility to you.

(c) Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as Equity Shares will be allotted in the dematerialized form only.

(d) Ensure that the CAFs are submitted at the SCSBs and details of the correct bank account have been provided in the CAF.

(e) Ensure that there are sufficient funds (equal to {number of Equity Shares as the case may be applied for} X {Issue Price of Equity Shares, as the case may be}) available in the ASBA Account before submitting the CAF to the respective Designated

Branch of the SCSB.

(f) Ensure that you have authorised the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the CAF, in the ASBA Account, of which details are provided in the CAF and have signed the same.

(g) Ensure that you receive an acknowledgement from the SCSB for your submission of the CAF in physical form.

(h) Except for CAFs submitted on behalf of the Central or State Government, residents of Sikkim and the officials appointed by the courts, each applicant should mention their PAN allotted under the I. T. Act.

(i) Ensure that the name(s) given in the CAF is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the CAF is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the CAF.

(j) Ensure that the Demographic Details are updated, true and correct, in all respects.

(k) Ensure that you apply through ASBA process if you are a QIB or if you are an applicant whose application amount exceeds Rs. 200,000.

Don'ts

(a) Do not apply if you are in the United States or are not eligible to participate in the Issue under the securities laws applicable to your jurisdiction.

(b) Do not apply on duplicate CAF after you have submitted a CAF to a Designated Branch of the SCSB

(c) Do not pay the amount payable on application in cash, by money order or by postal order.

(d) Do not send your physical CAFs to the Lead Managers to Issue / Registrar / Collecting Banks (assuming that such Collecting Bank is not a SCSB) / to a branch of the SCSB which is not a Designated Branch of the SCSB / Company; instead submit the same to a Designated Branch of the SCSB only.

(e) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.

(f) Do not instruct your respective banks to release the funds blocked under the ASBA Process.

(g) Do not submit more than five CAFs per ASBA Account;

(h) Do not apply through non ASBA process if you are a QIB or if you are an applicant whose application amount exceeds Rs. 200,000.

Grounds for Technical Rejection under the ASBA Process

In addition to the grounds listed under "Grounds for Technical Rejection" on page 262-263 applications under the ABSA Process are liable to be rejected on the following grounds:

(a) Application for Rights Entitlements or additional shares in physical form

(b) DP ID and Client ID mentioned in CAF not matching with the DP ID and Client ID records available with the Registrar.

(c) Sending CAF to a Lead Managers / Registrar / Collecting Bank (assuming that such Collecting Bank is not a SCSB) / to a branch of a SCSB which is not a Designated Branch of the SCSB / Company.

(d) Renouncee applying under the ASBA Process.

(e) Submission of more than five CAFs per ASBA Account.

(f) Insufficient funds are available with the SCSB for blocking the amount.

(g) Funds in the ASBA Account whose details are mentioned in the CAF having been frozen pursuant to regulatory orders.

(h) Account holder not signing the CAF or declaration mentioned therein.

(i) CAFs that do not include the certification set out in the CAF to the effect that the subscriber does not have a registered address (and is not otherwise located) in the United States and is authorized to acquire the rights and the securities in compliance with all applicable laws and regulations.

(j) CAFs which have evidence of being executed in/dispatched from the United States. (k) Application by ASBA Investors on SAFs.

Modes of Payment

Modes of Payment for the Issue (non-ASBA) : Mode of payment for Resident Equity Shareholders/ Investors or Non Resident Equity Shareholder who are applying in the issue on Non-Repatriable basis • All cheques/ drafts accompanying the CAF should be drawn in favour of the Company (specified on the reverse of the CAF), crossed 'A/c Payee only' and marked **"MEDIA MATRIX WORLDWIDE LIMITED– Rights Issue 2013-Resident"**; • Investors residing at places other than places where the bank collection centres have been opened by us for collecting applications, are requested to send their CAFs together with Demand Draft for the full application amount, net of bank and postal charges favouring the Company, crossed 'A/c Payee only' and marked **"MEDIA MATRIX WORLDWIDE LIMITED– Rights Issue 2013-Resident"** payable at Mumbai directly to the Registrar to the Issue by registered post so as to reach them on or before the Issue Closing Date.

We or the Registrar to the Issue will not be responsible for postal delays or loss of applications in transit, if any. Applications through mails should not be sent in any other manner except as mentioned above. The CAF along with the application money must not be sent to our Company or the Lead Manager. Applicants are requested to strictly adhere to these instructions. **Mode of payment for Non-Resident Equity Shareholders/ Investors applying on Repatriable basis :** • As regards the application by non-resident Equity Shareholders/ Investors, the following conditions shall apply: • Individual non-resident Indian applicants who are permitted to subscribe for Equity Shares by applicable local securities laws can also obtain application forms from the following address: SHAREX DYNAMIC (INDIA) PVT. LTD., Unit -1, Luthra Ind. Premises, Safed Pool, Andheri Kurla Road, Mumbai - 400 072; Tel. Nos. (022) 22702485/22641376; Fax. No. (022) 28152885 ; Email ID : sharexindia@vsnl.com; Website: www.sharexindia.com; Contact Person: Mr. B S Baliga; SEBI Regn. No. INR000002102. Note: the Letter of Offer/ Abridged Letter of Offer and CAFs to NRIs shall be sent only to their Indian address, if provided • Applications will not be accepted from non-resident from any jurisdiction where the offer or sale of the Rights Entitlements and Equity Shares may be restricted by applicable securities laws. • All non-resident investors should draw the cheques/ demand drafts in favour of **"MEDIA MATRIX WORLDWIDE LIMITED– Rights Issue 2013 - Non Resident Indian"**, crossed "A/c Payee only" for the full application amount, net of bank and postal charges and which should be submitted along with the CAF to the Bankers to the Issue/ collection centres or to the Registrar to the Issue. • Non-resident investors applying from places other than places where the bank collection centres have been opened by the Company for collecting applications, are requested to send their CAFs together with Demand Draft for the full application amount, net of bank and postal charges drawn in favour of the Company, crossed "A/c Payee only" and marked **"MEDIA MATRIX WORLDWIDE LIMITED– Rights Issue 2013 - Non Resident Indian"** payable at Mumbai directly to the Registrar to the Issue by registered post so as to reach them on or before the Issue Closing Date. The Company or the Registrar to the Issue will not be responsible for postal delays or loss of applications in transit, if any. • Payment by non-residents must be made by demand draft payable at Mumbai / cheque payable drawn on a bank account maintained at Mumbai or funds remitted from abroad in any of the following ways: Application with repatriation benefits : i. By Indian Rupee drafts purchased from abroad and payable at Mumbai or funds remitted from abroad (submitted along with Foreign Inward Remittance Certificate); ii. B By local cheque / bank drafts remitted through normal banking channels or out of funds held in Non- Resident External Account (NRE) or FCNR Account maintained with banks authorized to deal in foreign currency in India, along with documentary evidence in support of remittance; iii. By Rupee draft purchased by debit to NRE/ FCNR Account maintained elsewhere in India and payable in Mumbai; iv. FIIs registered with SEBI must remit funds from special non-resident rupee deposit account; or v. Non-resident investors applying with repatriation benefits should draw cheques/ drafts in favour of **'MEDIA MATRIX WORLDWIDE LIMITED – Rights Issue 2013-Non Resident Indian'** and must be crossed 'account payee only' for the full application amount. vi. Investors may note that where payment is made by drafts purchased from NRE/ FCNR accounts as the case may be, an Account Debit Certificate from the bank issuing the draft confirming that the draft has been issued by debiting the NRE/ FCNR account should be enclosed with the CAF. Otherwise the application shall be considered incomplete and is liable to be rejected. vii. In the case of NRI Investors who remit their application money from funds held in FCNR/NRE Accounts, refunds and other disbursements, if any, shall be credited to such account details of which should be furnished in the appropriate columns in the CAF. In the case of NRI Investors who remit their application money through Indian Rupee drafts from abroad, refunds and other disbursements, if any, will be made in U.S Dollars at the rate of exchange prevailing at such time subject to the permission of RBI. Our Bank will not be liable for any loss on account of exchange rate fluctuation for converting the Rupee amount into U.S. Dollar or for collection charges charged by the Investor's bankers. viii. Payments through NRO accounts will not be permitted. ix. Investors may note that where payment is made by drafts purchased from NRE/ FCNR accounts as the case may be, an Account Debit Certificate from the bank issuing the draft confirming that the draft has been issued by debiting the NRE/ FCNR account should be enclosed with the CAF. Otherwise the application shall be considered incomplete and is liable to be rejected. Application without repatriation benefits : i. As far as non-residents holding Equity Shares on non-repatriation basis are concerned, in addition to the modes specified above, payment may also be made by way of cheque drawn on Non-Resident (Ordinary) Account maintained in India or Rupee Draft purchased out of NRO Account maintained elsewhere in India but payable at Mumbai. In such cases, the Allotment of Equity Shares will be on non-repatriation basis. ii. All cheques/ drafts submitted by non-residents applying on a non-repatriation basis should be drawn in favour of **'MEDIA MATRIX WORLDWIDE LIMITED – Rights Issue 2013 – Resident'** and must be crossed 'account payee only' for the full application amount. The CAFs duly completed together with the amount payable on application must be deposited with the Collecting Bank indicated on the reverse of the CAFs before the close of banking hours on or before the Issue Closing Date. A separate cheque or bank draft must accompany each CAF. iii. Investors may note that where payment is made by drafts purchased from NRE/ FCNR/ NRO accounts as the case may be, an Account Debit Certificate from the bank issuing the draft confirming that the draft has been issued by debiting the NRE/ FCNR/ NRO account should be enclosed with the CAF. Otherwise the application shall be considered incomplete and is liable to be rejected. iv. New demat account shall be opened for holders who have had a change in status from resident Indian to NRI. Any application from a demat account which does not reflect the accurate status of the Applicant are liable to be rejected. Mode of payment for ASBA : The Eligible Equity Shareholder applying under the ASBA Process agrees to block the entire amount payable on application with the submission of the CAF, by authorizing the SCSB to block an amount, equivalent to the amount payable on application, in an ASBA Account. After verifying that sufficient funds are available in the in an ASBA Account details of which are provided in the CAF, the SCSB shall block an amount equivalent to the amount payable on application mentioned in the CAF until it receives instructions from the Registrar. Upon receipt of intimation from the Registrar, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account. This amount will be transferred in terms of the SEBI ICDR Regulations, into the separate bank account maintained by us as per the provisions of section 73(3) of the Companies Act. The balance amount remaining after the finalisation of the Basis of Allotment shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue and the Lead Manager to the respective SCSB. The Equity Shareholders applying under the ASBA Process would be required to give instructions to the respective SCSBs to block the entire amount payable on their application at the time of the submission of the CAF. The SCSB may reject the application at the time of acceptance of CAF if the ASBA Account with the SCSB details of which have been provided by the Equity Shareholder in the CAF does not have sufficient funds equivalent to the amount payable on application mentioned in the CAF. Subsequent to the acceptance of the application by the SCSB, we would have a right to reject the application only on technical grounds.

Depository Account and Bank details for Investors applying under the ASBA Process

IT IS MANDATORY FOR ALLTHE INVESTORSAPPLYING UNDER THE ASBA PROCESS TO RECEIVE THEIR EQUITY SHARES IN DEMATERIALISED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH THE EQUITY SHARES ARE HELD BY THE INVESTOR AS ON THE RECORD DATE. ALL INVESTORS APPLYING UNDER THE ASBA PROCESS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE CAF. INVESTORS APPLYING UNDER THE ASBA PROCESS MUST ENSURE THAT THE NAME GIVEN IN THE CAF IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE CAF IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORYACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE CAF/PLAIN PAPER APPLICATIONS, AS THE CASE MAY BE.

Investors applying under the ASBA Process should note that on the basis of name of these Investors, Depository Participant's name and identification number and beneficiary account number provided by them in the CAF/plain paper applications, as the case may be, the Registrar to the Issue will obtain from the Depository demographic details of these Investors such as address, Bank account details for printing on refund orders and occupation ("Demographic Details"). Hence, Investors applying under the ASBA Process should carefully fill in their Depository Account details in the CAF.

These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblock of bank account of the respective Investor. The Demographic Details given by the Investors in the CAF would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants.

By signing the CAFs, the Investors applying under the ASBA Process would be deemed to have authorised the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

Letters intimating Allotment and unblocking or refund (if any) would be mailed at the address of the Investor applying under the ASBA Process as per the Demographic Details received from the Depositories. Refunds, if any, will be made directly to the bank account linked to the DP ID. Investors applying under the ASBA Process may note that delivery of letters intimating unblocking of Bank account may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the Investor in the CAF would be used only to ensure dispatch of letters intimating unblocking of bank account.

Please note that any such delay shall be at the sole risk of the Investors applying under the ASBA Process and none of the Company, the SCSBs or the Lead Managers shall be liable to compensate the Investor applying under the ASBA Process for any losses caused due to any such delay or liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that matches three parameters, (a) names of the Investors (including the order of names of joint holders), (b) the DP ID and (c) the beneficiary account number, then such applications are liable to be rejected.

Underwriting

The Issue is not underwritten.

Issue Schedule

Issue Opening Date:	**March 30, 2013**
Last date for receiving requests for SAF	**April 6, 2013**
Issue Closing Date:	**April 13, 2013**

The Board may however decide to extend the Issue period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date.

Basis of Allotment

Subject to the provisions contained in the Letter of Offer, the Articles of Association of the Company and the approval of the Designated Stock Exchange, the Board will proceed to Allot the Equity Shares in the following order of priority:

(a) Full Allotment to those Investors who have applied for their Rights Entitlement either in full or in part and also to the Renouncee(s) who has/ have applied for Equity Shares renounced in their favour, in full or in part.

(b) Investors whose fractional entitlements are being ignored would be given preference in allotment of one additional Equity Share each if they apply for additional Equity Share. Allotment under this head shall be considered if there are any unsubscribed Equity Shares after allotment under (a) above. If number of Equity Shares required for allotment under for this head are more than number of Equity Shares available after allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange. The ratio being 9:1, question of fractional entitlement does not arise

(c) Allotment to the Investors who having applied for all the Equity Shares offered to them as part of the Issue and have also applied for additional Equity Shares. The Allotment of such additional Equity Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there are any unsubscribed Equity Shares after making full Allotment in (a) and (b) above. The Allotment of such Equity Shares will be at the sole discretion of the Board of Directors in consultation with the Designated Stock Exchange, as a part of the Issue and will not be a preferential allotment.

(d) Allotment to Renouncees who having applied for all the Equity Shares renounced in their favour, have applied for additional Equity Shares provided there is surplus available after making full Allotment under (a), (b) and (c) above. The Allotment of such Equity Shares will be at the sole discretion of the Board of Directors in consultation with the Designated Stock Exchange, as a part of the Issue and not preferential allotment.

The Promoter has, through its letter dated August 23, 2012, confirmed that they and the shareholders forming part of the Promoter Group as on the Record Date intend to subscribe to the full extent of their Rights Entitlement in the Issue. In addition to subscription to their Rights Entitlements, the Promoter and Promoter Group Shareholders intend to subscribe to additional Equity Shares for any unsubscribed portion in the Issue. As a result of such additional subscription, our Promoters and Promoter Group Shareholders may acquire Equity Shares over and above their respective Rights Entitlements, which may result in an increase of the shareholding of the Promoter and the Promoter Group Shareholders above the current shareholding along with the Rights Entitlement. The subscription to such additional Equity Shares to be made by the Promoter and Promoter Group Shareholders will be in accordance with Regulation 10(4)(b) of the Takeover Regulation and other applicable provisions of law.

Allotment Advices / Refund Orders

The Company will issue and dispatch Allotment advice/ share certificates/ demat credit and/or letters of regret along with refund order or credit of the allotted Equity Shares to the respective beneficiary accounts, if any, within a period of 15 days from the Issue Closing Date. If such money is not repaid within eight days from the day the Company becomes liable to repay it, (i.e. 15 days after the Issue Closing Date or the date of the refusal by the Stock Exchange(s), whichever is earlier) the Company and every Director of the Company who is an officer in default shall, on and from expiry of eight days, be jointly and severally liable to pay the money with interest as prescribed under Section 73 of the Companies Act.

Investors residing at centers where clearing houses are managed by the RBI will get refunds through National Electronic Clearing Service ("NECS") except where Investors have not provided the details required to send electronic refunds.

In case of those Investors who have opted to receive their Rights Entitlement in dematerialized form using electronic credit under the depository system, advice regarding their credit of the Equity Shares shall be given separately. Investors to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post intimating them about the mode of credit of refund within 15 days of the Issue Closing Date.

In case of those Investors who have opted to receive their Rights Entitlement in physical form and the Company issues letter of allotment, the corresponding share certificates will be kept ready within three months from the date of Allotment thereof or such extended time as may be approved by the Company Law Board under Section 113 of the Companies Act or other applicable provisions, if any. Investors are requested to preserve such letters of allotment, which would be exchanged later for the share certificates.

The letter of allotment / refund order exceeding Rs. 1,500 would be sent by registered post/speed post to the sole/first Investors registered address. Refund orders up to the value of Rs. 1,500 would be sent by ordinary post. Such refund orders would be payable at par at all places where the applications were originally accepted. The same would be marked "Account Payee only" and would be drawn in favour of the sole/first Investor. Adequate funds would be made available to the Registrar to the Issue for this purpose.

Payment of Refund

Mode of making refunds

The payment of refund, if any, would be done through any of the following modes:

1. NECS - Payment of refund would be done through NECS for Investors having an account at any of the 68 centres where such facility has been made available. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code as appearing on a cheque leaf, from the Depositories/the records of the Registrar. The payment of refunds is mandatory for Investors having a bank account at any centre where NECS facility has been made available (subject to availability of all information for crediting the refund through NECS).
2. NEFT - Payment of refund shall be undertaken through NEFT wherever the Investors" bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Investors have registered their nine digit MICR number and their bank account number with the registrar to the Company or with the depository participant while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.
3. Direct Credit - Investors having bank accounts with the Bankers to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by the Company.
4. RTGS - If the refund amount exceeds Rs. 200,000, the investors have the option to receive refund through RTGS. Such eligible Investors who indicate their preference to receive refund through RTGS are required to provide the IFSC code in the CAF. In the event the same is not provided, refund shall be made through NECS or any other eligible mode. Charges, if any, levied by the refund bank(s) for the same would be borne by the Company. Charges, if any, levied by the Investor's bank receiving the credit would be borne by the Investor.
5. For all other Investors the refund orders will be despatched through Speed Post/ Registered Post. Such refunds will be made by cheques, pay orders or demand drafts drawn in favour of the sole/first Investor and payable at par. Refund Orders upto the value of Rs.1500/- would be sent by ordinary post.
6. Credit of refunds to Investors in any other electronic manner permissible under the banking laws, which are in force, and is permitted by the SEBI from time to time.

Printing of Bank Particulars on Refund Orders

As a matter of precaution against possible fraudulent encashment of refund orders due to loss or misplacement, the particulars of the Investor's Bank account are mandatorily required to be given for printing on the refund orders. Bank account particulars, where available, will be printed on the refund orders/refund warrants which can then be deposited only in the account specified. The Company will in no way be responsible if any loss occurs through these instruments falling into improper hands either through forgery or fraud.

Allotment advice / Share Certificates/ Demat Credit

Allotment advice/ share certificates/ demat credit or letters of regret will be dispatched to the registered address of the first named Investor or respective beneficiary accounts will be credited within 15 days, from the Issue Closing Date i.e 13th April, 2013. In case the Company issues Allotment advice, the relative share certificates will be dispatched within three month from the date of the Allotment. Allottees are requested to preserve such allotment advice (if any) to be exchanged later for Share certificates.

Option to receive Equity Shares in Dematerialized Form

Investors shall be allotted the Equity Shares in dematerialized (electronic) form at the option of the Investor. The Company has signed a tripartite agreement with NSDL and Sharex Dynamic (India) Private Limited on April 12, 2001, which enables the Investors to hold and trade in Equity Shares in a dematerialized form, instead of holding the Equity Shares in the form of physical certificates. The Company has also signed a tripartite agreement with CDSL and Sharex Dynamic (India) Private Limited on March 23, 2001 which enables the Investors to hold and trade in Equity Shares in a dematerialized form, instead of holding the Equity Shares in the form of physical certificates.

In this Issue, the allottees who have opted for Equity Shares in dematerialized form will receive their Equity Shares in the form of an electronic credit to their beneficiary account as given in the CAF, after verification with a depository participant. Investor will have to give the relevant particulars for this purpose in the appropriate place in the CAF. Allotment advice, refund order (if any) would be sent directly to the Investor by the Registrar to the Issue but the Investor's depository participant will provide to him the confirmation of the credit of such Equity Shares to the Investor's depository account. CAFs, which do not accurately contain this information, will be given the Equity Shares in physical form. No separate CAFs for Equity Shares in physical and/ or dematerialized form should be made. If such CAFs are made, the CAFs for physical Equity Shares will be treated as multiple CAFs and is liable to be rejected. In case of partial Allotment, Allotment will be done in demat option for the Equity Shares sought in demat and balance, if any, will be allotted in physical Equity Shares. Equity Shareholders of the Company holding Equity Shares in physical form may opt to receive Equity Shares in the Issue in dematerialized form.

INVESTORS MAY PLEASE NOTE THAT THE EQUITY SHARES OF THE COMPANY CAN BE TRADED ON THE STOCK EXCHANGES ONLY IN DEMATERIALIZED FORM.

The procedure for availing the facility for Allotment of Equity Shares in this Issue in the electronic form is as under:

Open a beneficiary account with any depository participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of the Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of the Company). In case of Investors having various folios in the Company with different joint holders, the Investors will have to open separate accounts for such holdings. Those Investors who have already opened such beneficiary account(s) need not adhere to this step.

For Equity Shareholders already holding Equity Shares of the Company in dematerialized form as on the Record Date, the beneficial account number shall be printed on the CAF. For those who open accounts later or those who change their accounts and wish to receive their Equity Shares pursuant to this Issue by way of credit to such account, the necessary details of their beneficiary account should be filled in the space provided in the CAF. It may be noted that the Allotment of Equity Shares arising out of this Issue may be made in dematerialized form even if the original Equity Shares of the Company are not dematerialized. Nonetheless, it should be ensured that the depository account is in the name(s) of the Investors and the names are in the same order as in the records of the Company/ Depositories.

The responsibility for correctness of information (including Investor's age and other details) filled in the CAF vis-à-vis such information with the Investor's depository participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in CAF should be the same as registered with the Investor's depository participant.

If incomplete / incorrect beneficiary account details are given in the CAF the Investor will get Equity Shares in physical form.

The Equity Shares allotted to applicants opting for issue in dematerialized form, would be directly credited to the beneficiary account as given in the CAF after verification. Allotment advice, refund order (if any) would be sent directly to the applicant by the Registrar to the Issue but the applicant's depository participant will provide to him the confirmation of the credit of such Equity Shares to the applicant's depository account.

Renouncees will also have to provide the necessary details about their beneficiary account for Allotment of Equity Shares in this Issue. In case these details are incomplete or incorrect, the application is liable to be rejected.

General instructions for Investors

(a) Please read the instructions printed on the CAF carefully.

(b) QIB applicants and other applicants whose application amount exceeds Rs. 200,000 can participate in the Issue only through the ASBA process. The Investors who are not QIBs and whose application amount is not more than Rs. 200,000 can participate in the Issue through the ASBA process as well as the non ASBA process.

(c) Application should be made on the printed CAF, provided by the Company except as mentioned under the head "Application on Plain Paper" in this section on page 254 of this Letter Offer and should be completed in all respects. The CAF found incomplete with regard to any of the particulars required to be given therein, and/ or which are not completed in conformity with the terms of the Letter of Offer are liable to be rejected and the money paid, if any, in respect thereof will be refunded without interest and after deduction of bank commission and other charges, if any. The CAF must be filled in English and the names of all the Investors, details of occupation, address, father's / husband's name must be filled in block letters. The CAF together with the cheque/demand draft should be sent to the Bankers to the Issue/Collecting Bank or to the Registrar to the Issue and not to the Company or Lead Manager to the Issue. Investors residing at places other than cities where the branches of the Bankers to the Issue have been authorised by the Company for collecting applications, will have to make payment by Demand Draft payable at Mumbai of an amount net of bank and postal charges and send their CAFs to the Registrar to the Issue by registered post. If any portion of the CAF is/are detached or separated, such application is liable to be rejected. Applications where separate cheques/demand drafts are not attached for each CAF for amounts to be paid for Equity Shares are liable to be rejected.

(d) Except for applications on behalf of the Central and State Government, the residents of Sikkim and the officials appointed by the courts, all Investors, and in the case of application in joint names, each of the joint Investors, should mention his/ her PAN number allotted under the I.T. Act, 1961, irrespective of the amount of the application. CAFs without PAN will be considered incomplete and are liable to be rejected.

(e) Investors are advised that it is mandatory to provide information as to their savings/current account number and the name of the bank with whom such account is held in the CAF to enable the Registrar to the Issue to print the said details in the refund orders, if any, after the names of the payees. Application not containing such details is liable to be rejected.

(f) All payment should be made by cheque/demand draft only. Application through the ASBA process as mentioned above is acceptable. Cash payment is not acceptable. In case payment is effected in contravention of this, the application may be deemed invalid and the application money will be refunded and no interest will be paid thereon.

(g) Signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in English or Hindi and thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/ her official seal. The Investors must sign the CAF as per the specimen signature recorded with the Company.

(h) In case of an application under power of attorney or by a body corporate or by a society, a certified true copy of the relevant power of attorney or relevant resolution or authority to the signatory to make the relevant investment under this Issue and to sign the application and a copy of the Memorandum and Articles of Association and / or bye laws of such body corporate or society must be lodged with the Registrar to the Issue giving reference of the serial number of the CAF. In case the above referred documents are already registered with the Company, the same need not be a furnished again. In case these papers are sent to any other entity besides the Registrar to the Issue or are sent after the Issue Closing Date, then the application is liable to be rejected. In no case should these papers be attached to the application submitted to the Bankers to the Issue.

(i) In case of joint holders, all joint holders must sign the relevant part of the CAF in the same order and as per the specimen signature(s) recorded with the Company/Depositories. Further, in case of joint Investors who are Renouncees, the number of Investors should not exceed three. In case of joint Investors, reference, if any, will be made in the first Investor's name and all communication will be addressed to the first Investor.

(j) Application(s) received from NRs/NRIs, or persons of Indian origin residing abroad for Allotment of Equity Shares shall, inter alia, be subject to conditions, as may be imposed from time to time by the RBI under FEMA in the matter of refund of application money, Allotment of Equity Shares, subsequent issue and Allotment of Equity Shares, interest, export of share certificates, etc. In case a NR or NRI Investor has specific approval from the RBI, in connection with his shareholding, he should enclose a copy of such approval with the CAF. Additionally, applications will not be accepted from NRs/NRIs in the United States or its territories and possessions, or any other jurisdiction where the offer or sale of the Rights Entitlements and Equity Shares may be restricted by applicable securities laws.

All communication in connection with application for the Equity Shares, including any change in address of the Investors should be addressed to the Registrar to the Issue prior to the date of Allotment in this Issue quoting the name of the first/ sole Investor, folio numbers and CAF number. Please note that any intimation for change of address of Investors, after the date of Allotment, should be sent to the Registrar and Transfer Agents of the Company, in the case of Equity Shares held in physical form and to the respective depository participant, in case of Equity Shares held in dematerialized form.

(l) SAFs cannot be re-split.

(m)Only the person or persons to whom Equity Shares have been offered and not Renouncee(s) shall be entitled to obtain SAFs. (n) Investors must write their CAF number at the back of the cheque /demand draft.

(o) Only one mode of payment per application should be used. The payment must be by cheque / demand draft drawn on any of the banks, including a co-operative bank, which is situated at and is a member or a sub member of the Bankers Clearing House located at the centre indicated on the reverse of the CAF where the application is to be submitted.

(p) A separate cheque / draft must accompany each CAF. Outstation cheques / demand drafts or post-dated cheques and postal / money orders will not be accepted and applications accompanied by such cheques / demand drafts / money orders or postal orders will be rejected. The Registrar will not accept payment against application if made in cash.

(q) No receipt will be issued for application money received. The Bankers to the Issue / Collecting Bank/ Registrar will acknowledge receipt of the same by stamping and returning the acknowledgment slip at the bottom of the CAF.

(r) The distribution of the Letter of Offer and issue of Equity Shares and Rights Entitlements to persons in certain jurisdictions outside India may be restricted by legal requirements in those jurisdictions. Persons in the United States and such other jurisdictions are instructed to disregard the Letter of Offer and not to attempt to subscribe for Equity Shares.

Grounds for Technical Rejections

Investors are advised to note that applications are liable to be rejected on technical grounds, including the following:

- Amount paid does not tally with the amount payable;
- Bank account details (for refund) are not given;
- Age of Investor(s) not given (in case of renouncees);
- Except for CAFs on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN number not given for application of any value;
- In case of CAF under power of attorney or by limited companies, corporate, trust, relevant documents are not submitted;
- If the signature of the Investor does not match with the one given on the CAF and for renounce(s) if the signature does not match with the records available with their depositories;
- CAFs are not submitted by the Investors within the time prescribed as per the CAF and the Letter of Offer;

- CAFs not duly signed by the sole/joint Investors;
- CAFs by OCBs;
- CAFs accompanied by Stockinvest;
- In case no corresponding record is available with the depositories that matches three parameters, namely, names of the Investors (including the order of names of joint holders), the Depositary Participant's identity (DP ID) and the beneficiary's identity;
- CAFs that do not include the certifications set out in the CAF to the effect that, among other thing, the subscriber is not located in the United States and is authorized to acquire the Rights Entitlements and Equity Shares in compliance with all applicable laws and regulations;
- CAFs which have evidence of being executed in/dispatched from the United States or any other jurisdiction where the offer or sale of the Rights Entitlements and Equity Shares may be restricted by applicable securities laws;
- CAFs by ineligible non-residents (including on account of restriction or prohibition under applicable local laws) and where a registered address in India has not been provided;
- CAFs where the Company believes that CAF is incomplete or acceptance of such CAF may infringe applicable legal or regulatory requirements;
- In case the GIR number is submitted instead of the PAN;
- Applications by renouncees who are persons not competent to contract under the Indian Contract Act, 1872, including minors;
- Multiple CAFs, including cases where an Investor submits CAFs along with a plain paper application; and
- Applications by QIB applicants or applicants whose application amount exceeds Rs. 200,000, not through ASBA process.

Please read the Letter of Offer and the instructions contained therein and in the CAF carefully before filling in the CAF. The instructions contained in the CAF are an integral part of the Letter of Offer and must be carefully followed. The CAF is liable to be rejected for any non- compliance of the provisions contained in the Letter of Offer or the CAF.

Investment by FIIs

In accordance with the current regulations, the following restrictions are applicable for investment by FIIs:

The Issue of Equity Shares under this Issue to a single FII should not exceed 10% of the post-issue paid up capital of the Company. In respect of an FII investing in the Equity Shares on behalf of its sub-accounts the investment on behalf of each sub-account shall not exceed 5% of the total paid up capital of the Company.

Applications will not be accepted from FIIs in the United States or its territories and possessions, or any other jurisdiction where the offer or sale of the Rights Entitlements and Equity Shares may be restricted by applicable securities laws.

QIB applicants and other applicants whose application amount exceeds Rs. 200,000 can participate in the Issue only through the ASBA process. The Investors who are not QIBs and whose application amount is not more than Rs. 200,000 can participate in the Issue through the ASBA process as well as the non ASBA process.

Investment by NRIs

Investments by NRIs are governed by the Portfolio Investment Scheme under Regulation 5(3)(i) of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000. Applications will not be accepted from NRIs in the United States or its territories and possessions, or any other jurisdiction where the offer or sale of the Rights Entitlements and Equity Shares may be restricted by applicable securities laws.

Procedure for Applications by Mutual Funds

A separate application can be made in respect of each scheme of an Indian mutual fund registered with the SEBI and such applications shall not be treated as multiple applications. The applications made by asset management companies or custodians of a mutual fund should clearly indicate the name of the concerned scheme for which the application is being made.

QIB applicants and other applicants whose application amount exceeds Rs. 200,000 can participate in the Issue only through the ASBA process. The Investors who are not QIBs and whose application amount is not more than Rs. 200,000 can participate in the Issue through the ASBA process as well as the non ASBA process.

Impersonation

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of sub-section (1) of section 68A of the Companies Act which is reproduced below:

"Any person who makes in a fictitious name an application to a company for acquiring, or subscribing for, any shares therein, or otherwise induces a company to allot, or register any transfer of shares therein to him, or any other person in a fictitious name, shall be punishable with imprisonment for a term which may extend to five years".

Dematerialized dealing

The Company has entered into agreements with NSDL and CDSL, respectively, and the ISIN No. is INE200D01020 .

Payment by Stockinvest

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated 5 November 2003, the Stockinvest Scheme has been withdrawn. Hence, payment through Stockinvest would not be accepted in this Issue.

Disposal of application and application money

No acknowledgment will be issued for the application moneys received by the Company. However, the Bankers to the Issue / Registrar to the Issue receiving the CAF will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each CAF.

The Board reserves its full, unqualified and absolute right to accept or reject any application, in whole or in part, and in either case without assigning any reason thereto.

In case an application is rejected in full, the whole of the application money received will be refunded. Wherever an application is rejected in part, the balance of application money, if any, after adjusting any money due on Equity Shares allotted, will be refunded to the Investor within a period of 15 days from the Issue Closing Date. If such money is not repaid within eight days from the day the Company becomes liable to repay it, the Company and every Director of the Company who is an officer in default shall, on and from expiry of eight days, be jointly and severally liable to repay the money with interest as prescribed under Section 73 of the Companies Act.

For further instructions, please read the CAF carefully.

Utilisation of Issue Proceeds

Our Board of Directors declares that

(i) This amount will be transferred in terms of the SEBI Regulations, into the separate Bank account maintained by the Company as per the provisions of section 73(3) of the Companies Act;

(ii) Details of all monies utilized out of the Issue shall be disclosed, and continue to be disclosed till the time any part of the Issue Proceeds remains unutilised, under an appropriate separate head in the balance sheet of the Company indicating the purpose for which such monies have been utilised;

(iii) Details of all unutilized monies out of the Issue, if any, shall be disclosed under an appropriate separate head in the balance sheet of the Company indicating the form in which such unutilized monies have been invested; and

(iv) The Company may utilize the funds collected in the Issue only after the basis of Allotment is finalized.

Undertakings by the Company

The Company undertakes the following:

1. The complaints received in respect of the Issue shall be attended to by the Company expeditiously and satisfactorily.
2. All steps for completion of the necessary formalities for listing and commencement of trading at all Stock exchanges where the Equity Shares are to be listed will be taken within seven working days of finalization of basis of Allotment.
3. The funds required for making refunds to unsuccessful applicants as per the modes disclosed shall be made available to the Registrar to the Issue by the Company.
4. Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Investor within 15 days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.
5. The Company accepts full responsibility for the accuracy of information given in the Letter of Offer and confirms that to the best of its knowledge and belief, there are no other facts the omission of which makes any statement made in the Letter of Offer misleading and further confirms that it has made all reasonable enquiries to ascertain such facts.
6. Adequate arrangements shall be made to collect all ASBA applications and to consider them similar to non-ASBA applications while finalising the basis of Allotment.
7. At any given time there shall be only one denomination for the Equity Shares of the Company.
8. We shall comply with such disclosure and accounting norms specified by SEBI from time to time.

Minimum Subscription

If the Company does not receive the minimum subscription of 90% of the Issue, or the subscription level falls below 90% after the Issue Closing Date on account of cheques being returned unpaid or withdrawal of applications, the Company shall forthwith refund the entire subscription amount received within 15 days from the Issue Closing Date. If such money is not repaid within eight days from the day the Company becomes liable to repay it, (i.e. 15 days after the Issue Closing Date or the date of the refusal by the Stock Exchange(s), whichever is earlier) the Company and every Director of the Company who is an officer in default shall, on and from expiry of eight days, be jointly and severally liable to repay the money with interest as prescribed under sub-section (2) and (2A) of Section 73 of the Companies Act.

Important

Please read the Letter of Offer carefully before taking any action. The instructions contained in the CAF are an integral part of the conditions of the Letter of Offer and must be carefully followed; otherwise the application is liable to be rejected.

All enquiries in connection with the Letter of Offer or CAF and requests for SAFs must be addressed (quoting the Registered Folio Number/ DP and Client ID number, the CAF number and the name of the first Equity Shareholder as mentioned on the CAF and super scribed, Media Matrix Worldwide Limited - Rights Issue on the envelope and postmarked in India) to the Registrar to the Issue at the following address:

SHAREX DYNAMIC (INDIA) PVT.LTD.

SEBI Regn. No. INR000002102

Unit -1, Luthra Ind. Premises, Safed Pool

Andheri Kurla Road, Andheri (East)

Mumbai - 400 072

Tel. Nos. (022) 22702485 /22641376

Fax. No. (022) 28512885

Email : sharexindia@vsnl.com

Contact Person: **Mr. B S Baliga**

The Rights Entitlement and the Equity Shares are not intended to be offered or sold to persons in the United States or any other jurisdiction where such offer or sale may be prohibited. The offering to which the Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any Shares or rights to sale in the United States, the territories or possessions thereof, or a solicitation therein of an offer to buy any of the said shares or rights.

Accordingly, the Letter of Offer and the CAF should not be dispatched or forwarded to or transmitted in or to, the United States at any time. The Company and the Lead Manager reserve absolute discretion in determining whether to allow such participation as well as the identity of the persons who may be allowed to do so. Any person who acquires Rights Entitlements or Equity Shares will be deemed to have declared, warranted and agreed, by accepting the delivery of the Letter of Offer, that it is not and that at the time of subscribing for the Equity Shares or the Rights Entitlements, it will not be, in the United States or any other jurisdiction where such acquisition may be prohibited.

The Issue will remain open for a minimum 15 days. However, the Board will have the right to extend the Issue period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Foreign investment is allowed up to 100% under automatic route in the Company.

The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India ("DIPP"), issued Circular 1 of 2011 ("Circular 1 of 2011"), which with effect from April 1, 2011, consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP that were in force and effect as on March 31, 2011. The Government updates the consolidated circular on FDI policy once every six months and therefore, Circular 1 of 2011 will be valid until the DIPP issues an updated circular (expected on September 30, 2011).

FIIs are permitted to subscribe to shares of an Indian company in a public offer without the prior approval of the RBI, so long as the price of the equity shares to be issued is not less than the price at which the equity shares are issued to residents.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment ("FDI") Policy and transfer does not attract the provisions of the Takeover Regulations (ii) the non-resident shareholding is within the sectoral limits under the FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI/RBI.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue.

SECTION VIII - MAIN PROVISIONS OF OUR ARTICLES OF ASSOCIATION

SHARE CAPITAL

The Authorized capital of our Company is Rs150 crores divided into 150,00,00,0000 Equity Shares of Re. 1 each.

CAPITAL

3 Share Capital

The Authorised Share Capital of the Company is as mentioned at Clause V of the Memorandum of Association of the Company with power to increase or reduce the share capital or to subdivide or consolidate the shares with power from time to time, to issue any shares of the original capital with an d subject to any preferential, qualified or special rights, privileges or conditions as may be thought fit and to vary, modify, abrogate any such rights, privileges or conditions as may be thought fit and to vary, modify, abrogate any such rights, privileges or conditions in such manner as may for the time being be provided in the Articles of Association of the Company.

(As altered by Special Resolution adopted at the Extra-Ordinary General Meeting of the Company held on Monday, the 26th March, 2012)

4. Redeemable Preference Shares

The Company shall have power to issue Preference Shares carrying right to redemption out of profits which would otherwise be available for dividend or out of the proceeds of fresh issue of shares made for the purpose of such redemption or liable to be redeemed at the option of the company and the Board may subject to the provision of Section 80 of the Act, exercise such power in such manner as it thinks fit.

5. Allotment of Shares

Subject to the provisions of these Articles, the shares shall be under the control of the Board who may allot or otherwise dispose of the same to such persons on such terms and conditions, and at such times, as the Directors thinks fit and with power to issue any shares as fully paid up in consideration of services rendered to the company in its formation or otherwise provided that where the Directors decide to increase the issued capital of the company by the issue of further shares. The provisions of Section 81 of the Act will be complied with provided further that the option or right to call of shares shall not be given to any person except with the sanction of the company in general meeting.

7. Commission for placing shares

The Company may subject to compliance with the provisions of Section 76 of the Act exercise the power of paying commission on the issue of shares and debentures. The commission may be paid or satisfied in cash or shares, debentures or debenture stock of the company.

8. Brokerage

The company may pay a reasonable sum of brokerage subject to the ceiling prescribed under the Act.

9. Trusts not recognised

Save as herein otherwise provided, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not, except as ordered by a Court of competent jurisdiction, or as by law required, be bound to recognize any trust, benami or equitable or other claim to or interest in such shares on any fractional part of a share whether or not it shall have express or other notice thereof.

CERTIFICATES

11. Members Right to Certificate

Every member shall be entitled free of charge to one certificate for all of the shares of each class shares registered in his name or if any members so wishes, to several certificates each for one or more of such shares. Unless the conditions of issue of any shares otherwise provide, the Company shall either within three months after the date of allotment and on surrender to the company of its letter making the allotment or of its fractional coupons of requisite value (save in the case of issue against letters of acceptance or of renunciation or in cases of issue of bonus shares) or within one month of the receipt of the application for registration of the transfer, sub-division, consolidation, renewal or exchange of any of its shares, as the case may be, complete and have ready for delivery the certificates of such shares. Every certificate of shares shall specify the name of the person in whose favour the certificate is issued, the share to which it relates and the amount paid up thereon. Particulars of every certificate issue d shall be entered in the Register maintained in the form set out in the Companies (Issue of Share Certificates) Rules, 1960.

JOINT HOLDERS OF SHARES

13. JOINT HOLDERS

Where two or more persons are registered as joint holders of any share, they shall be deemed to hold the same as joint tenants with benefit of survivorship, subject to the following provisions and to other provision of these Articles relating to Joint Holders:

a. The company shall not be bound to register more than three persons as the joint holder of any share.

b. The joint holders of a share shall be liable severally as well as jointly in respect of such shares.

c. On the death of any one of such joint holders the survivor shall be the only person recognized by the company having any title to or interest in such shares but the Board may require such evidence of death as it may deem fit.

d. Only the person whose name stands person whose name stands first in the register as one of the joint holders of any shares shall be entitled to delivery of certificate relating to such shares.

CALLS

14. Calls

The Directors may, from time to time, subject to the terms on which any shares may have been issued, make such calls as they think fit upon the members in respect of all moneys unpaid on the shares held by them respectively, and not by the conditions of allotment thereof made payable at fixed times and each member shall pay the amount of every call so made on him to the persons and at the time and places appointed by the Directors. A call may be made payable by instalment.

15. When Call shall be deemed to have been made

A call shall be deemed to have made when the resolution of the Directors authorizing such call was passed.

16. Notice of Calls

Not less than thirty days notice of any call shall be given specifying the time and place of payment and to whom such call be paid.

17. Amount payable

If by the amount of issue of any share or otherwise the whole or part of the amount of issue price, thereof, is made payable at any fixed time or by installment thereof, shall be payable, as if it were a call duly made by the Directors and of which due notice had been given, and all the provisions herein contained in respect if calls shall relate to such amount or installments accordingly.

18. Interest to be charged on non-payment of calls

If the sum payable in respect of any call or installment be not paid on or before the day appointed for payment thereof, the holder for the time being in respect of which the call shall have been made or the installment shall be due shall pay interest for the same at the rate of 12% percent per annum, from the day appointed for the payment thereof to the time of the actual payment or at such other rates the Directors may determine but they shall have power to waive the payment thereof wholly or in part.

19. Evidence in actions by Company against share holders.

On the trial or hearing of any action or suit brought by the Company against any shareholder or his representatives to recover any debt or money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the defendant, is or was, when the claim arose, on the Register of the company as a holder or one of the holders of the number of shares in respect of which such claim is made, that the resolution making the call is duly recorded in the minute book and that the amount claimed is not entered as paid in the books of the Company and it' shall not be necessary to prove the' appointment of the Directors who made any call, nor that a quorum was present at the Meeting at which any call was made nor that the meeting was made duly convened or constituted, nor any other matter whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.

20. Payment of Calls in advance

The Board may if it thinks fit, receive from any member willing to advance the same, all or any part of the money due upon the share held by him beyond the sums actually called for, and upon the money so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of calls then made upon the share in respect of which such advance has been made, the Company may pay interest at such rate not exceeding unless the company in general meeting shall otherwise direct, 6% per annum as the member paying such sum as advance and the Board agree upon. Money so paid in excess of the amount of calls shall not rank for dividends or confer a right to participate in profits. The Board may at any time repay the amount so advanced upon giving to such member not less than three months notice in writing.

FORFEITURE AND LIEN

21. Notice may be given if calls or installments not paid

If any member fails to pay any call or installment on or before the day appointed for the payment of the same, the Directors may, at the time thereafter during such time as the call or installment remains unpaid, serve a notice on such member requiring him to pay the same, together with any interest that may have accrued and expenses that may have been incurred by the Company by reason of such non-payment.

22. Form of notice

The notice shall name a day (not being less than 30 days from the date of notice) and a place or places on and at which such call or installment and such interest and expenses as aforesaid are to be paid. The notice shall also state in event of non-payment at or before the time, and at the place appointed, the shares in respect of which such call was made or installment is payable will be liable to be forfeited.

23. If notice not complied with shares may be forfeited.

If the requirements of any such notice as aforesaid be not complied with, any share in respect of which such notice has been given may, at any time thereafter, before the payment of all calls or installments interest and expenses, due in respect thereof be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture., neither the receipt by the company of portion of any money which shall from time to time be due from any member of the company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the company in respect of the payment of any such money shall preclude the company from thereafter proceeding to enforce a forfeiture of such shares as herein provided.

24. Notice after forfeiture

When any share shall have been so forfeited, notice of the Board resolution shall be given to the member in whose name it stood immediately prior to the forfeiture and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make such entry as aforesaid.

25. Forfeited share to become property of the Company

Any share so forfeited shall be deemed to be the property of the Company, and the Directors may sell, re-allot or otherwise dispose off the same in such Manner as it thinks fit.

26. Power to annual forfeiture.

The Directors may at any time before any share so forfeited and not sold or re-allotted or otherwise disposed off, annul the forfeiture thereof upon such conditions as it thinks fit.

28. Effect of forfeiture

The forfeiture of a share shall involve the extinction of all interest in and also of all claims and demands against the company in respect of the share, and all other rights incidental to the share except only such of those rights as by these Articles are expressly saved.

29. Evidence of forfeiture

A duly verified declaration in writing that the declarant is a Director, of the Company and that certain shares in the Company have been duly forfeited on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to be shares and the receipt of the Company for the consideration, if any, given for the shares on the sale or disposition thereof shall constitute a good title to such shares.

30. Company's lien on shares

The company shall have the first and paramount lien upon every share (not fully paid up) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such share and no equitable interest in any share shall be created except upon the footing and condition that Article 9 hereof is to have full effect. Such lien shall extend to all dividends, from time to time declared in respect of such share. Unless otherwise agreed, the registration of a transfer of share shall operate as a waiver of the Company's lien, if any, on such shares.

31. Intention as to enforcing lien & Application of proceeds of sale

For the purpose of enforcing such lien, the Directors may sell the share subject thereto in such manner as they think fit, but no sale shall be made until such time for payment as aforesaid shall have elapsed and until notice in writing of the intention to sell shall have been served on such member, committee, curator bonis, or other person recognized by the company as entitled to represent such member default shall have been made by him or them in payment of the sum payable as aforesaid for thirty days after such notice. The net proceeds of any such sale shall be applied in or towards satisfaction of such part of the amount in respect of which the lien exists as is presently payable by such member, and the residue (if any) paid to such member, his executors, administrators or other representatives or persons recognized as aforesaid.

32. Validity of Shares

Upon any sale after forfeiture or enforcing a lien in purported exercise of the powers by these presents given, the Directors may appoint some person to execute an instrument of transfer of the share sold and cause the purchaser's name to be entered in the register in respect of the share so sold and after his name has been entered in the Register in respect of such shares his title to shall such shares shall not be affected by any irregularity or invalidity in the proceedings in reference to such forfeiture, sale or disposition, not impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the company exclusively.

33. Power to Issue new certificates

Where any share under the powers in that behalf herein contained are sold by the Directors and the Certificate in respect thereof has not been delivered to the Company by the former holder of such share, the Directors may issue a new certificate in lieu of certificate not so delivered up.

TRANSFER AND TRANSMISSION

34. Execution of transfer

Subject to the provisions of the Act, no transfer of a share shall be registered unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee has been delivered to the Company together with the certificate or certificates of such shares, or if no such certificate is in existence, the letter of allotment of shares. The instrument of transfer of any shares shall be signed both or on behalf of the transfer or and by or on behalf of transferee and the transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the Register in respect thereof.

35. Application by transferor

Application for the registration of the transfer of a share may be made either by the transferor or the transferee, provided that, where such application is made by the transferor, no registration shall, in the case of partly paid shares, be effected unless the Company gives notice of the application to the transferee in the 'manner prescribed by the Act, and subject to the provisions of Articles 8, 37 and 38 hereof, the Company shall, unless objection is made by the transferee within two weeks from the date of receipt of the notice, enter in the Register the name of the transferee in the same manner and subject to the same conditions as if the application for registration, of the transfer was made by the transferee.

36. Notice of transfer to registered holder

Before registering any transfer tendered for registration the company may, if it so thinks fit, give notice by letter posted in the ordinary course to the registered holder that such transfer deed has been lodged and that, unless objection is taken, the transfer will be registered and if such registered holder fails to lodge an objection in writing at the office of the company with seven days from the posting of such notice to him he shall be deemed to have admitted the validity of the said transfer.

37. Register of Transfer

The company shall keep a "Register of Transfers" and therein shall be fairly and distinctly entered particulars of every transfer of any share.

38. In what case to refuse transfer of shares

Subject to the provisions of Section 111 of the Act, the Board without assigning any reason for such refusal, may within one month from the date on which the instrument of transfer was delivered to the Company refuse to register any transfer of a share upon which the company has a lien and in the case of a share not fully paid up, may refuse to register a transfer to a transferee of whom the Board does not approve. Provided that the registration of a transfer of share shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the company on any account whatsoever.

39. No Transfer to minor etc

(1) No transfer shall be made to a minor person or a person of unsound mind.

(2) No fee shall be charged for registration of transfer, grant of probate, grant of letter of administration, certificate of death or marriage, power of attorney or similar other instruments.

40. When instrument of Transfer to be retained

All instruments of transfer duly approved shall be retained by the company and in case of refusal, instrument of transfer shall be returned to the person who lodges the transfer deeds.

41. Notice or refusal to register transfer

If the Directors refuse to register the transfer of any shares, the shall within one month from the date on which the instrument of transfer was lodged with the Company or intimation given, sent to the transfer and the transferee or the person giving intimation of such transfer notice of such refusal.

42. Poser to close transfer books and register

On giving seven days notice by advertisement in a newspaper circulating the district in which the office of the company is situated the Register of Members may be closed during such time as the Directors think fit not exceeding on the whole forty five days in each year, but not exceeding thirty days at a time.

43. Transmission of registered share

The executor or administrator or succession certificate holder or a deceased member (not being one of several joint holders) shall be the only person recognized by the Company as having any title to the share registered in the name of such member and that, in case of death of anyone or more of the joint holders in any registered share the survivor shall be only person recognized by the company as having any title to or interest in such share but nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on the share held by him jointly with any other person and before recognizing any executor or administrator or succession certificate holder, the Board may require him to obtain the grant of probate or letters of Administration or succession or other legal representation, as the case may be, from a competent

Court in India having Jurisdictions in that behalf, Provided nevertheless that in any case where the Board in its absolute discretion thinks fit, it shall be lawful for the Board to dispense with the production of Probate or Letters of Administration or a succession certificate or such other legal representation upon such terms as to indemnity or otherwise as the Board, may consider desirable.

44. As to transfer shares of deceased or insolvent members

Any person becoming entitled to transfer shares in consequence of the death or insolvency of any member, upon producing such evidence that he sustains the character in respect of which proposes to act under this article, as the directors think sufficient, may with the consent of the Directors (which they shall not be under any obligation to give) be registered as a member in respect of such shares or may subject to the regulations as to transfer hereinbefore contained transfer / such shares. This article is hereinafter referred to as The Transmission Article subject to any other provisions of these articles if the person so becoming entitled under this or the last preceding Article shall elect to be registered as a member in respect of the shares himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects. If he shall elect to transfer the share to some other person, he shall execute the instrument of transfer in accordance with the provision of these articles relating to transfer of shares. All the limitation, restrictions and provision of these Articles relating to the right to transfer and the registration of instrument of transfer of a share be applicable to any such notice as aforesaid.

45. Rights of Executors and Trustees

Subject to any other provisions of these articles, if the directors in their sole discretion are satisfied in regard thereof, a person becoming entitled to a share in consequence of the death or insolvency of a member may receive and give a discharge for any dividends or other moneys payable in respect of the share.

SHARE WARRANTS

47 Subject to the provisions of section 114 and 115 of the Act and subject to any directions which may be given by the company in general meeting, the Board may issue share warrants in such manner and on such terms and conditions as the Board may deem fit. In case of such issue regulations 40 to 43 of Table "A" in Schedule I to the Act shall apply.

ALTERATION OF CAPITAL

49 Power to subdivide and consolidate

The company may by ordinary resolution from time to time alter the conditions of the Memorandum of Association as follows:

a) Increase the share capital by such amount to be divided in shares of such amount as may be specified in the resolution.
b) Consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
c) Sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum so, however, that in the sub-divided share shall be the same as it was in the case of the share from which the sub-divided shares is derived; and
d) Cancel any shares which at the date of the passing of the Resolution have not been taken or agreed to be taken by any person and diminish the amount of the share capital by the amount of the shares so cancelled.

50 Surrender

Subject to the provisions of Sections 100 to 104 (both) of the Act, the Board may accept from any member the surrender of all or any of the shares on such terms and conditions as shall be agreed.

MODIFICATION OF RIGHTS

51. Power of modify rights

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may whether or not the Company is being wound up, be varied with the consent in writing of the holders of not less than three-fourths of the issued shares of that class or with the sanction of a Special Resolution passed at separate General Meeting of the holders of the shares of that class. To every such separate meeting, the provisions of these Articles relating to General Meeting shall apply, but so that the necessary quorum shall be two persons at least holding or representing by proxy one tenth of the issued shares of the calls but so that if at any adjourned meeting of such holders quorum as defined above is not present those members who are present shall be quorum, and that any holder of shares of that class present in person or by proxy may demand a poll and, on a poll, shall have one vote for each share of the classes of which he is the holder. The company shall comply with the provisions of Section 192 of the Act as to forwarding a copy of any such agreement or resolution to the registrar.

BORROWING POWERS

52. Power to borrow

The Board may, from time to time, at its discretion subject to the provisions of Sections 58A, 292 and 293 of the Act raise or borrow, either from the Directors or from elsewhere and secure the payment of any sum or sums of money for purpose of the Company.

53. Conditions on which money may be borrowed

The Board may raise or secure the payment of such sum or sums in such manner and upon such terms and conditions in all respects as it thinks fit and, in particular, by the issue of bonds, perpetual or redeemable, Debentures Stock, or any mortgage or other security on the undertaking of the whole or any part of the property of the Company (both present and future) including its uncalled capital for the time being, provided that debentures with the rights to allotment of or conversion into shares shall not be issued except with the sanction of the company in general meeting and subject to the provisions of the Act.

54. Issue at discount or with special privileges

Any Debenture, Debenture Stock, bonds or other securities may be issued at a discount, premium or otherwise and with any special privileges, as to redemption, surrender, drawings, allotment of share, appointment of directors and otherwise. Debenture, Debenture Stock, bonds and other Securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.

55. Instrument of transfer

Save as provided in Section 109 of the Act, no transfer of Debentures (other than Bearer Debentures) shall be registered unless a proper instrument of transfer as may be prescribed in the Act or the rules made there under and duly stamped and executed by the transferor and transferee has been delivered to the Company together with the certificate or certificates of the Debentures

RESERVES

57. Reserves

Subject to the provisions of the Act the Board shall in accordance with Sections 205(2A) of the Act, before recommending any dividend, set aside out of the of the profits of the Company such sums as it thinks proper as Reserves to which shall at the discretion of the Board be applicable for any purpose to which the profits of the company may be properly applied and pending such application may at the like discretion either be employed in the business of the company or be invested in such investments (other than shares of the Company as the Board may from time to time think fit). The board may also carry forward any profit which it may think prudent not to divide without setting them aside as a reserve.

58. Capitalisation:

Any General Meeting, may resolve that t the whole or any part of the undivided profits of the company (which expression shall include any premiums received out of the issue of shares and any profits or other sums which have been carried forward without being divided) be capitalized and distributed amongst such of eth members as would be entitled to receive the same if distributed by way of dividend and in the same proportions on the footing that they become entitled thereto as capital and that all or any pert of such capitalized amount be applied on behalf of such members in paying up in full any unissued shares, debentures, debenture stock of the company which shall be distributed accordingly or in or towards payment of the uncalled liability on any issued shares and that such distribution payment shall be accepted by such members in full satisfaction of their interest in the said capitalized amount provided that any sums standing to the credit of a shares premium account or a capital redemption reserve account may for the purposes of this Article only be applied in the paying up of unissued shares to be issued to members of eh company as fully paid bonus shares.

59. Fractional Certificates:

For the purpose of giving effect to any resolution under the last proceeding Articles, the Directors may settle any difficulty which may arise in regard to the distribution as it thinks expedient and in particular may issue fractional certificates, and may fix the value for distribution of any specific assets and may determine that cash payments hall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties and may vest such cash or specific assets in trustees upon such trusts for the persons entitled to the dividend or capitalized funds as may seem expedient to the Board. Where requisite a proper contract shall be filed in accordance with Section 75 of the Act and the Board may appoint any person to sign contract on behalf of the person entitled to the dividend or capitalized fund and such appointment shall be effective.

GENERAL MEETINGS

60. Extra Ordinary General Meeting

The directors may, whenever they thinks fit call an extra ordinary general meeting provided however if at any time there are not in India directors capable of acting who are sufficient in number to form a quorum any Directors or two members present in India may call an extra ordinary general meeting in the same manner as nearly as possible as that in which such a meeting may be called by the Board.

61. Calling of Extra Ordinary General Meeting on requisition

The Board of Directors of the company shall on the requisition of such members or member of the company as is specified in sub- section (4) of Section 169 of the Act, forthwith proceed to call an extra ordinary general meeting of eth company and in respect of any such requisition of an of any meeting be called pursuant thereto, all the other provisions of Section 169 of the Act and of any statutory modification thereof for the time being will apply.

62. Quorum

The quorum for a General Meeting shall be five members present in person.

63 Chairman

At every General Meeting, the chair shall be taken by the Chairman of the Board of Directors. If at any meeting, the Chairman of the Board be not present within fifteen minutes after the time appointed for holding such meeting or though present unwilling to act as Chairman, the members present shall choose one of the directors present to be Chairman or if no Directors shall be present decline and or unwilling to take the chair, then the members present shall, choose one of their number, being a member entitled to vote to be Chairman.

64 Sufficiency of Ordinary Resolution

Any act or Resolution, which under the provision of these Articles or of the Act, is permitted shall be sufficiently so done or passed if effected by an ordinary Resolution unless either the act or the Articles specifically require such act to be done or Resolution passed by a Special Resolution.

65 When if quorum be not present, meeting to be dissolved and when adjourned

If within half an hour from the time appointed for the Meeting a quorum be not present the meeting, if convened upon such requisition as per Article 69 above shall be dissolved but in any other case, it will stand adjourned to the same day in the next week at same time and place, unless the same shall be a public holiday when the meeting shall stand adjourned to the next day not being a public holiday at the same time and place and if at such adjourned meeting a quorum be not present within half an hour from the time appointed for the meeting those members who are present and not being less than two persons shall be a quorum and may transact the business for which the meeting was called.

66 How question or resolution to be decided at meetings

In the case of an equality of vote, the chairman shall both on a show of hands, and on a poll. have a casting vote in addition to the vote or votes to which he may be entitled as a member.

67 Power to adjourn General Meeting

The Chairman of a General Meeting may, adjourn the same from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the Meeting from which the adjournment took place. It shall not be necessary to give notice to such members of such adjournment or the time, date and place appointed for the holding of the adjourned meeting.

68 Business may proceed notwithstanding demand of poll

If a poll be demanded, the demand of a poll shall not prevent the continuance of a meeting for the transaction of any business other than the questions on which a poll has been demanded.

VOTES OF MEMBERS

69. Vote of Members

1) On a show of hands every member present in person and being a holder of equity shares shall have one vote and every person present as a duly authorised representative of a body corporate being a holder of equity shares if shall have one vote.
2) On a poll the voting rights of holder of equity shares shall be as specified in section 87 of the Act.
3) The voting rights of the holders of the preference shares including the Redeemable cumulative preference shares shall be in accordance with the provisions of Section 87 of the Act.
4) No company or body corporate shall vote by proxy so long as a Resolution of its Board of Directors under the provisions of Section 187 of the Act is in force and the representative named in such Resolution is present at the General Meeting at which the vote by proxy is tendered.

70. Vote in respect of deceased, insolvent and insane members

Any person entitled to a share shall not before being registered as a member in respect of the share entitled to exercise in respect thereof any right conferred by membership in relation to the meeting of the company. If any member be a lunatic or idiot, he may vote whether on a show of hands or at a poll by his committee or other legal curator and such last mentioned persons may give their votes by proxy provided that at least twenty four hours before the time of holding the meeting or adjourned meeting as the case may be, at which, any such person proposes to vote, he shall satisfy the Board of his rights under this Articles unless the Board shall have previously admitted his rights to vote at such meeting in respect thereof

71. Joint Holders

Where there are joint holders of any share, any one of such persons may vote at any meeting either personally or by proxy, in respect of such share as if he were solely entitled thereto; and if more than one such joint holders be present at any meeting either personally or by proxy, then one of the said persons so present whose name stands first on the register in respect of such share alone can be entitled to vote in respect thereof. Several executors or administrators of a deceased member in whose name any share stands shall for the purpose of this Article be deemed joint holders thereof.

72. Instrument appointing proxy too in writing

The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorized in writing or if such appointer is a corporation corporate be under its common seal or the hands of its attorney

73. Instrument appointing proxy to be deposited at the Office

The instrument appointing a proxy and the power of Attorney or other authority (if any) under which it is signed, or a Notarially certified copy of that power or authority, shall be deposited at the office not less than forty eight hours before the time of holding the meeting at which the person named in the instrument proposes to vote; in default the instrument of proxy shall not be treated as valid.

74. When vote by proxy valid though authority revoked

A vote given in accordance with the terms of an instrument appointing a proxy shall be valid notwithstanding the previous death or insanity of the principal, or the revocation of the instrument, or transfer of the share in respect of which the vote is given, provided no intimation in writing of the death, insanity of the principal, or the revocation of the instrument, or transfer of the share, shall have been received at the office or by the Chairman of the Meeting before the vote is given. Provided, nevertheless, that the Chairman of any meeting shall be entitled to require such evidence as he may in his discretion think fit of the due execution of an instrument of proxy and that the same has not been revoked.

75. Form of instrument appointing proxy

Every instrument appointing a proxy shall as nearly as circumstances will admit be in the form set out in Schedule IX to the Act.

76. Validity of Vote

No objection shall be taken to the validity of any vote except at the meeting or poll at which such vote shall be tendered any every vote not disallowed at such meeting or poll and whether given personally or by proxy or otherwise shall be deemed valid for all purposes.

77 Restriction on voting

No member shall be entitled to exercise any voting rights either personally or by proxy at any meeting of the Company in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the company has, and has exercised, any right of lien.

DIRECTORS - GENERAL PROVISIONS

78. Number of Directors

The number of Directors of the Company shall not be less than three, nor more than twelve inclusive of nominee directors.

79. The first Directors of the Company.

a. Kailash Chandra Chowdhary.

b. Gurmangat Singh Sahni

c. Rajendra Prasad Singh

80 Power of Directors to add its number

The Directors shall have power, at any time and from time to time, to appoint any person as a Director as an addition to the Directs but so that the total number of Directors shall not at any time exceed the maximum number fixed by these Articles. Any Director so appointed shall hold office only until next Annual General Meeting of the company and shall then be eligible for re-election.

81. Share Qualification of Directors

Unless otherwise determined by the Company in General Meeting, a Director shall not be required to hold any share qualification.

82. Remuneration of Directors

"Each Non - Executive Director shall be entitled to be paid out of the funds of the Company by way of remuneration for his services in attending Board or Committee Meetings, such sums as may be fixed by the Board of Directors from time to time within such limits as may be prescribed by the Act or the Central Government from time to time for every meeting of the Board of Directors or Committee thereof attended by him."

(As altered by Special Resolution adopted at the Annual General Meeting of the Company held on Saturday, 29th September, 2012)

83. Continuing Directors may act

The continuing Directors may act notwithstanding any vacancy in their body but so that if the number falls below the minimum number above fixed, the Directors shall not except for the purpose of filling vacancies or of summoning a General Meeting act so long as the number is below the minimum.

84. Directors may contract with Company

Subject to the provisions of Sections 297, 2999, 300 and 314 of the Act, the Directors (including Managing Director) shall not be disqualified by reason of his or their office as such, from holding office under the Company or from contracting with the Company either as vendor, purchaser, lender, agent, broker, lessor or otherwise nor shall any such contract or any arrangement entered into by or on behalf of the Company with a relative or such Director or the Managing Director or with any firm in which any Director or a relative shall be a partner or with any other partner or with a private company in which such Director is a member or Director interested be avoided nor shall any Director or otherwise so contracting or being such member or so interested be liable to account to the company for any profit realized by such contract or arrangement by reason only of such Director holding that office of the fiduciary relation thereby established.

APPOINTMENT OF DIRECTORS

85. Appointment of Directors

The company in General Meeting may subject to the eh provisions of these Articles and the Act, at any time elect any person to be a Director and may also determine in what rotation such increased or reduced number is to go out of office.

86 Board may fill up casual vacancies

If any Director appointed by the Company in General Meeting vacant office as a Director before his terms of office expires in the normal course, the resulting casual vacancy may be filled by the Board at a meeting of the board. But any person so appointed shall retain his office so long only as the vacating director would have retained the same if no vacancy had occurred. Provided that the Board may not fill such a vacancy by appointing thereto any person who has been removed from the office of Director under Section 284 of the Act.

87 Nominee Director

The company shall subject to the provisions of the Act, be entitled to agree with any person, firm or corporation that he or it shall have the rights to appoint his or its nominee on the Board of Directors of the Company upon such terms and conditions as the Company may deem fit. The Corporation firm or person shall be entitled from time to time to remove any such Director or Directors and appoint another or others in his places. He shall be entitled to the same right and privileges and be subject to the same obligations as any other Director of the company.

88 Alternate Directors

Subject to the provisions of Section 313 of the Act, the Board may appoint any person to act as an Alternate Director for a Director during the latter's absence for a period of not less than three months from the state, in which meetings of the Board are ordinarily held and such appointment shall effect and such appointee whilst he holds office as an alternate director, shall be entitled to notice of meeting of the Board and attend and vote thereat accordingly, but he shall ipso facto vacate office if and when the absent director returns to state in which meetings of the Board are ordinarily held or the absent Director vacates office as a Director.

ROTATION OF DIRECTORS

89. Proportion of retire by rotation:

(1) Not less than two -thirds of the total number of directors shall be persons whose period of office is liable to determination by retirement of directors by rotation.

(2) At each Annual General Meeting of the Company one-third of such of the Director for the time being as are liable to retire by rotation or if their number is not three or any multiple of three, then the number nearest to one- third shall retire from office.

(3) The Directors to retire by rotation at every Annual General Meeting shall be those who have been longest in office since their last appointment, but as between person who became Directors on the same day, those to retire shall in default of and subject to any agreement amongst themselves be determined by lot.

(4) If at any Annual General meeting all the Directors appointed under Article 87 and 108 hereby are not exempt from retirement by rotation under Section 255 of the Act, then to the extent permitted by the said section , the exemption shall extend to the Director or Directors appointed under Article 87, subject to the foregoing provisions as between Directors or Directors who shall not be liable to retire by rotation shall be determined by and in accordance with their respective seniorities as may be determined by the Board.

90. Retiring Director shall be eligible for re-election and shall act as a Director throughout the meeting at which he retires.

91. Retiring Directors eligible for re-election

Subject to any resolution for reducing the number of Directors, if at any meeting at which an election of Directors ought to take place, the place of the retiring directors not filled up, the meeting shall stand adjourned till the next succeeding day which is not a public holiday at the same time and place and if at the adjourned meeting, the places of the retiring director are not filled up, the retiring director or such of them as have not had their places filled up shall (if willing to continue in office) be deemed to have been re-elected at the adjourned meeting.

PROCEEDINGS OF DIRECTORS

92. Meetings of Directors

The Directors may meet together for the dispatch of business adjourned and otherwise regulate their meetings and proceedings as they think fit subject to Section 285 of the Act. Notice in writing of every meeting of the Director shall be given by a Director or such other officer of the company duly authorized in this behalf to every Director for the time being in India and at his usual address in India.

93. Quorum

The quorum for a meeting of the Directors shall be determined from time to time in accordance with the provisions of Section 287 of the Act. If a quorum shall not be present within fifteen minutes from the time appointed by holding a meeting of the Board, it may either be cancelled or adjourned, until such date and time as the Directors present shall appoint.

94 Summoning a meeting of Directors

The secretary may at any time and upon request of any two directors shall summon a meeting of the Directors.

95 Voting at Meeting

Subject to the provisions of section 316, 372(5) and 386 of the Act, questions arising at any meeting shall be decided by a majority of votes. Each Director having one vote and in case of equality of votes, the chairman shall have a second or casting vote.

96 Chairman

The Chairman of the Board of Directors shall be the Chairman of meeting of Directors, provided that if the Chairman of the board of Directors is not present within 5 minutes after the appointed time for holding the same, the directors present shall choose one of their numbers to be chairman of such meeting.

97 Act of Meeting

A meeting of Directors for the time being at which a quorum is present shall be competent to exercise all or any of the authorities powers and discretion by or under the Articles of eh Company and the Act for the time being vested in or exercisable by the Directors generally.

98. To appoint Committee and to delegate power and revoke it

The Directors Board may subject to the compliance of the provisions of the Act, from time to time, delegate. any of their powers to a committee consisting of such member Director of Directors as it thinks fit, and may from time to time and at any time revoke such delegation. Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be in force and imposed upon it by the Directors. The meetings and proceedings of any such committee, if consisting of two or more members shall be governed by the provisions herein contained for regulating the meeting and proceedings of eth Directors so far as the same are applicable thereto and are not superseded by any regulation made by the Directors under this Article.

99. Validity of Act

All acts done at any meeting of Directors or of a Committee of the Directors or by an person acting as a Director shall be valid notwithstanding that it be afterwards discovered that there was some defect acting as aforesaid or any of them were disqualified.

100. Resolution by Circulation

A resolution may be passed by the Directors or Committee thereof by circulation in accordance with the provisions of Section 289 of the Act.

And any such minutes of any meeting of Directors or of any Committee or of the Company if purporting to be signed by the Chairman of such meeting or by the Chairman of next succeeding meeting shall be receivable as prima facie evidence of the matters in such minutes.

POWERS OF DIRECTORS

101. General Powers of the company vested in the Directors

Subject to the provisions of the act, the control of the Company shall be vested in the Directors who shall be entitled to exercise all such powers and to do all such acts and things as may be exercised or done by the Company and are not hereby or by law expressly required or directed to the exercised or done by the Company in General Meeting , but subject nevertheless to the provision of any law and of these present from time to time made by the company in General Meeting, provided that no regulation so made shall invalidate any prior act of the Director which would have been valid if such regulation had not been made.

102. Power to Delegate

Without prejudice to the general power conferred by the preceding article the Directors may from time to time and at any time subject to the restrictions contained in the Act, delegate to managers, secretaries, officers, assistant and other employees or other person (including any firm or body corporate) any of the power authorized and discretion for the time being vested in the Directors.

103 Power to authorize sub delegate

The Directors may authorise any such delegate or attorney as aforesaid to sub-delegate all or any of the powers, authorities and discretions for the time being vested in him.

104 Signing of Documents

All deeds, agreements and documents and all cheques, promissory notes, drafts, hundies, bill of exchange and other negotiable instruments and all receipts for moneys paid to the company shall be signed drawn, accepted or endorsed or otherwise executed as the case may be by such persons (including any firm or body corporate) whether in the employment of the company or not and in such manner as the Directors shall form time to time by resolution determine.

105 Management Abroad

The Directors may make such arrangements as may be thought fit of the managements of eth company affairs abroad and may for this purpose (without prejudice to the generality of their powers) appoint local bodies and agents and fix their remuneration and delegate to them such powers as may be deemed requisite or expedient. The foreign seal shall be affixed but the authority and in the presence of an instrument sealed therein shall be signed by such persons the Directors shall from time to time by writing under the common seal appoint. The company may also exercise the power of keeping foreign register, such regulation not being inconsistent with the provisions of section 157 and 158 of the Act. The Board may from time to time make such provisions as it may think fit relating thereto to comply with the requirements of any local law.

106 Manager or Secretary

A manager or secretary may be appointed by the Directors on such terms at such remuneration and upon such conditions as they may think fit and any Manager or Secretary so appointed may be removed by the directors. A Director may be appointed as a manager or a Secretary subject to Section 314, 197A, 387 and 388 of the Act.

107 Act of Director, Manager or Secretary

A provisions of the Act or these regulations required or authorizing a thing to be done by a Director manager or secretary shall not be satisfied by its being done by the same person acting both as a Director and as or in place of the manager or secretary.

MANAGING DIRECTOR

108 Power to appoint Managing Director

Subject to the provisions of Sections 197A, 269, 316 and 317 of the Act, the Board may from time to appoint one or more Directors to be Managing Director of the Company and from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him from office and appoint any other in his place or their places.

109. To what provision he shall be subject to:

Subject to the provisions of Section 255 of the Act and Article 89(4) , the Managing Director shall not, while he continues to hold that office, be subject to retirement by rotation and he shall not be reckoned as a director for the purpose of determining the rotation or retirement of directors or in fixing the number of Directors to retire, but (subject to the provisions of any contract between him and the Company) he shall be subject to the same provisions as to resignation and removal as the other Directors, and he shall, ipso factor and immediately cease to be Managing Director if he ceases to hold the office of director from any cause.

110. Remuneration of Managing Director:

Subject to the provisions of Sections 198, 309, 310 311 and 312 of the Act, a Managing Director shall receive such additional remuneration as may from time to time be sanctioned by the Company.

111. Powers of Managing Director:

Subject to the provisions of the act, in particular the prohibitions and restrictions contained in Section 292 thereof, the Board may, from time to time entrust to and confer upon the Managing Director for the time being such of the powers exercisable under these present by the Board as it may think fit and may confer such powers for such time and to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions as it thinks fit, and the Board may confer such powers either collaterally with or to the exclusion of and in substitution for all or any of the powers of the Board in that behalf, and may from time to time revoke, withdraw, alter or vary all or any such powers.

COMMON SEAL

113. Custody of Seal

The Directors shall provide for the safe custody of the Seal and the seal shall never be used except by the authority previously given by the Director or by a Committee of the Directors previously given and one Director shall at least sign every instrument to which the seal is affixed provided nevertheless that any instrument bearing the seal of the Company and issued for valuable consideration shall be binding on the Company notwithstanding any irregularity touching the authority of the Board to issue the same.

DIVIDENDS

114. How Profits shall be divisible - Dividend out of profits only

Subject to the rights of members entitled to shares (if any) with preferential or special rights attached to them, the profit of the company from time to time be determined to be distributed as dividend in respect of any year or other period shall be applied for payment of dividend on shares in proportion to the amount of capital paid up on the shares provided that unless the Board otherwise determines all dividend shall be apportioned and paid proportionately to the amounts paid or credited as paid up on the shares during any portion or portions of eth period in respect of which dividend is paid provided always that subject as aforesaid any capital paid up on a share during the period in respect of which a dividend is declared shall (unless the Board otherwise determines or the terms of issue otherwise provide as the case may be) only entitle the holder of such shares to an apportioned amount of such dividend as from the date of payment but so that where capital is paid up in advance of calls such capital shall not confer a right to participate in profits.

115. Declaration of dividends:

The company in General Meeting may declare a dividend to be paid to the members and according to their right and interest in the profits and may, subject to the provisions of Section 207 of the Act, fix the time for payment.

116. Restriction on amount of dividends:

No larger dividend shall be declared than in recommended by the Board, but the Company in General Meeting may declare a smaller dividend.

117. Dividend out of profits only

No dividend shall be payable except out of the profits of the company of the year or any other undistributed profit and no dividend shall carry interest as against the company.

118 What to be deemed net profits

The declaration of the Directors as to the amount of the net profits of the Company for any year shall be conclusive.

119 Interim Dividends

The Directors may from time to time pay to the members such interim dividends as in their judgement the position of the company justifies.

120 Debts may be deducted

The director may retain any dividends on which the company has a lien and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists subject to Section 205 A of the Act.

121 Dividend and Call together

Any general meeting declaring a dividend may make a call on the members of such amounts as the meeting fixes but so that the call on each member shall not exceed the dividend payable to him and so that the call be made payable at the same time as the dividend and the dividend may if so arranged between the company the member be set off against the call.

No dividend shall be payable except in cash; provided that nothing contained in the foregoing shall be deemed to prohibit the capitalization of profits or reserves the company for the purpose of issuing fully paid-up bonus equity shares held by the members of the Company.

122 Effect of transfer

A transfer of shares shall not pass the rights to any dividend declared thereon before the registrations of the transfer by the company.

123 Retention in certain cases

The Directors may retain the dividends payable upon shares in respect of which any person is under the transmission article entitled to become a member or which any person under that Article is entitled to transfer until such person shall duly become a member in respect thereof or shall transfer the same.

124 Dividend to Joint Holders

Any one of the several persons who are registered as a joint holder of any share may give effectual receipts of all dividends and payments on account of dividends in respect of such shares.

125. Payment by post

Unless otherwise directed any dividend, may be paid by cheque or warrant sent through the post to the registered address of the person or member entitled thereto or in the case of joint holders, to the registered address of that one of joint holders who is the first named in respect of the joint holding or to such person and such address as the holder or joint holders, as the case may be, may direct and every cheque or warrant so sent shall be made payable at par to the person to whom it is sent or to the order of such other person as the member or person or person entitled or such joint holder as the case may be direct.

126. The payment of every cheque or warrant sent under the provisions of the last preceding article shall, if such cheque or warrant purports to be duly endorsed be a good discharge to the company in respect thereof provided nevertheless that the company shall not be responsible for the loss of any cheque dividend warrants which shall be sent by post to any member or by his order to any other person in respect of any dividend.

(A) Any dividend remaining unpaid or unclaimed after having been declared shall be dealt in accordance with section 205(A) and 205(B) of the Companies Act, 1956.

(B) No unclaimed dividend shall be forfeited by the Board and the company shall comply with the provisions of Section 205(A) of the Companies Act, in respect of such dividend.

BOOKS AND DOCUMENTS

127 Where to be kept

The Books of Accounts shall be kept at the registered office or such other place as the Directors think fit, and shall be open to inspection by Directors during the business hours.

128 Inspection by Members

The Director shall from time to time determine whether and to what extent at what times and places and under what conditions or regulations the accounts or books or documents of the company or any of them shall be open for Inspection to members not being Directors and no member (not being a Director) shall have any right of inspecting any books of account or documents of the Company except as conferred by law or authorized by the Directors or by the Company in a General Meeting.

SERVICE OF NOTICE AND DOCUMENTS

129. How notice to be served on members

The company shall comply with the provisions of Sections 53 172 and 190 of the Act as to the serving of Notices.

130. Transfer etc., bound by prior notice

Every person who by operation of law, transfer or other means whatsoever shall become entitled to any share shall be bound by every notice in respect of such share which, previous to his name and address being entered on the Register, shall have been duly given to the person from whom he derives his title to such shares.

131. Notice valid through member deceased

Any notice or document delivered or sent by post to or left at the Registered address of any member in pursuance of these presents shall , notwithstanding such members be then deceased and whether or not the Company have notice of his demise, be deemed to have been duly served in respect of any registered shares whether held solely or jointly with other persons by such member until some other person be registered in his stead as the holder or joint holders thereof and such service shall for all purposes of these presents be deemed a sufficient service of such notice or documents on his heirs, executors or administrators and all persons, if any, jointly interested with him in any such share.

132. How Notice to be signed

The signature to any notice to be given by the company may be written or printed.

RECONSTRUCTION

133. Reconstructions:

On any sale of the undertaking of the Company, the Board or the Liquidators on a winding up may, if authorized by a Special Resolution accept fully paid or partly paid up shares, debentures or securities of any other Company, whether incorporated in India or not either then existing or to be formed for the purchase in whole or in part the property of the Company and the Directors (if the profits of the Company permit) or the Liquidators (in a winding up) may distribute such shares or securities or any other property of the company amongst the members without realization, or vest the same in trustees for them and any special resolution may provide for the distribution or appropriation of the cash, shares or other securities, benefit or property, otherwise than in accordance with the strict legal rights of the members or contribution of the company , and for the valuation of any such securities or property at such price and in such manner as the meeting may prove and holder of share shall be bound to accept, and shall be bound by any valuation or distribution so authorized and waive all rights in relation thereto, save only in case the company is propose to be or is the course of being wound up, such statutory rights if any under Section 494 of the Act as are incapable of being varied or excluded by these presents.

SECRECY

134. No shareholder to enter the premises of the Company without permission

No member or other person (not being a Director) shall be entitled to enter upon the property of the Company or to inspect or examine the Company's premises or properties of the Company without permission of the Directors, to require discovery of or any information respecting any detail of the company trading or any matter which is or may be in the nature of the trade secret, mystery of trade, or secret process, or of any matter whatsoever which may relate to the conduct of the business of the company and which in the opinion of the Directors it will be inexpedient in the interests of the Company to communicate.

WINDING UP

135. Distribution of Assets

If the company shall be wound up and the assets available for distribution among the members as such shall be insufficient to repay the whole of the paid-up capital such assets shall be distributed so that as nearly as may be in losses shall be borne by the members in proportion to the capital paid- up or which ought to have been paid up at the commencement of winding up on the shares held by them respectively. And if by winding up the assets available for distribution among the members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed amongst the members in proportion to the capital at the commencement of the winding up, paid up or which ought to have been paid up on the shares held by them respectively. But this Article is to be without prejudice to the rights of the holders of shares issued upon special terms and conditions.

136 Distribution of assets in specie:

If the company shall b wound up whether voluntarily or otherwise the liquidators may, with the sanction of a Special Resolution, divide among, the contributories, in specie or in kind any part of the assets of the Company and may, with the like sanction, vest any part of the assets of the company in Trustees upon such trusts for the benefit of the contributories or any of them, as the Liquidator with the like sanction, shall think fit.

INDEMNITY

137 Indemnity

Subject to the provisions of Section 201 of the Act every Director, Manager, Secretary and other officer or employee of the Company shall be indemnified by the company against and it shall the duty of Directors to pay out of the funds of the Company all costs losses and expenses (including traveling expenses) which any Director, Manager or Secretary or other Officer or employee may incur or become liable to by reason of any contract entered in any way in the discharge of his or their duties and in particular and so as not to limit the generality of the foregoing provisions against all liabilities incurred by him or by them such Director, Manager, Secretary, or other officer, or employee in defending any proceedings whether civil or criminal in which judgment is given in his or their favour or he is or they are acquitted or in connection with any application under section 366 of the Act in which relief is granted by the Court and the amount for which such indemnity is provided shall immediately attach as a lien on the property of the company and have priority as between eh members over all other claims.

138 Individual Responsibility of the Director

Subject to the provisions of the Act and so far as such provisions permit, no Director, Auditor or other officer of the company shall be liable to acts, receipt, neglects or default of any other Director or officer or for joining in any receipt or act for conformity or for any loss or expenses happening of the company through insufficient or deficiency of title to any property required by order of the Director for or on behalf of the company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the company shall be invested or for any loss occasioned by any error of judgement, omission, default or oversight on his part or for any loss, damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto unless the same happens through his own dishonesty.

SECTION IX - OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts and documents, which are deemed material and have been entered into by our Company are available for inspection referred to hereunder, may be inspected at the Registered Office of the Company, from 10.00 a.m. to 4.00 p.m. on any Business Day, from the date of this Letter of Offer until the Issue Closing Date.

Material Contracts

1. Memorandum of Understanding dated August 09, 2012 by and between our Company and the Lead Manager to the Issue
2. Memorandum of Understanding dated August 23, 2012 by and between our Company and the Registrar to the Issue.
3. Tripartite agreement between the NSDL, our Company and the Registrar dated April 12, 2001
4. Tripartite agreement between the CDSL, our Company and the Registrar dated March 23, 2001

Material Documents for Inspection

5. Certificate of Incorporation of Media Matrix Worldwide Limited and its Subsidiries
6. Certified true copies of the Memorandum and Articles of Association of our Company and Subsidiries as amended from time to time.
7. Resolution of the Board of Directors dated February 24, 2012, authorising the Issue.
8. Reports of the Statutory Auditor, Khandewal Jain & Co., Chartered Accountants, dated January 18, 2013, regarding the restated standalone and consolidated financial statement of our Company for the years ended March 31 2008, 2009, 2010, 2011 and 2012 and for the period ended September 30, 2012.
9. Statement of tax benefits accruing to the Company and its shareholders from Khandewal Jain & Co., Chartered Accountants dated January 18, 2013.
10. Copies of the annual reports of our Company for the years ended March 31 2008, 2009, 2010, 2011 and 2012 and audited financials for the period ended September 30, 2012.
11. Consents of the Auditor, Bankers to the Company, Lead Manager, Directors, Compliance Officer, Legal Advisor to the Issue and Registrars to this Issue as referred to, in their respective capacities.
12. Listing applications dated August 16, 2012 filed with the BSE for listing of Equity Shares issued on conversion of OFCDs and approval thereof dated September 4, 2012.
13. BSE in principle approval letter dated September 26, 2012 for issue of equity shares on right basis.
14. Due Diligence Certificate dated August 29, 2012, submitted to SEBI by the Lead Manager.
15. Distribution Agreements entered into by our subsidiary nexG Devices Private Limited
16. Lease agreements for our properties at Gurgaon and Bengaluru.
17. Lease Agreement with DigiCall Teleservices Private Limited for the lease of property at Delhi.
18. Auditors certificate dated March 6, 2013 for capitalization statements given in this letter of offer.
19. Copy of Application Dated 16.08.2012 submitted to MPSE for listing and trading permission for 2,00,00,000 Equity Shares allotted on 07.08.2012, upon partial conversion of OFCDs.
20. Copy of Application / Submission / Document submitted to MPSE under MPSE Amnesty Scheme on 25.07.2012 and subseqent correspondences thereof.
21. Copy of Letter from RBI dated December 26, 2012 regarding de-registration as an NBFC.
22. SEBI Observation Letter NO:CFD/DIL/SK/PHV/OW/4909/2013 dated February 25, 2013.
23. SEBI Letter No. CFD/DIL/SK/PHV/OW/6680/2013 dated March 18, 2013.

Any of the contracts or documents mentioned in this Letter of Offer may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

No statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 1956 and the rules made there under. All the legal requirements connected with the said Issue as also the guidelines, instructions etc. issued by SEBI, Government and any other competent authority in this behalf have been duly complied with. We further certify that all disclosures made in this Letter of Offer are true and correct.

Signed by the Directors, Director (Finance) and Compliance Officer of our Company:

NAME	SIGNATURE
Mr. Chhattar Kumar Goushal, Director	
Mr. Bharat Bhushan Chugh, Director (Finance)	
Mr. Mahesh Ranglal Jain, Director	
Mr. Suresh Bohra, Director	
Mr. Mohd. Zafar, Compliance Officer	

Place: Mumbai
Date: March 06, 2013