

**INDEPENDENT AUDITORS' REPORT**

To,

**The Members of Mobisoc Technology Private Limited****Report on the Financial Statements**

We have audited the accompanying financial statements of Mobisoc Technology Private Limited ('the Company'), which comprise the balance sheet as at 31 March 2015, the statement of profit and loss and the cash flow statement for the nine months period ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

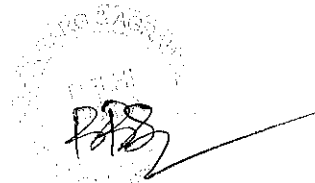
**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

A circular stamp with a signature inside, likely the auditor's signature and stamp.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2015 and its losses and its cash flows for the nine months period ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
  - (d) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - (e) on the basis of the written representations received from the directors as on 31 March 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164 (2) of the Act; and
  - (f) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i) the company does not have any pending litigations which would impact its financial position.
    - ii) the company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii) there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the company.

**For GUPTA GARG & AGRAWAL**  
**CHARTERED ACCOUNTANTS**  
FRN 505762C

**(B.B.GUPTA)**  
**PARTNER**

**M. No. 012399**

Place: Noida

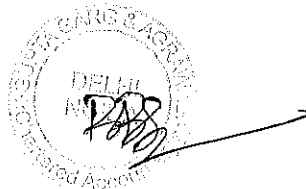
Date: 09-May-2015

**RE: Mobisoc Technology Private Limited**

**ANNEXURE REFERRED TO IN PARAGRAPH OF OUR REPORT OF EVEN DATE**

The comments are in seriatim of the order

- (i) (a) The company is maintaining proper records of its Fixed Assets showing full particulars including quantitative details and situation thereof.
- (b) As informed, the fixed assets were physically verified by the management at reasonable intervals. No discrepancy on such verification noticed by the management and reported to us.
- (ii) (a) The company does not have any inventory; as such there are no comments on sub clauses b) and c).
- (iii) As per the information and explanations given to us and certified by the management and verified from the books of account, the company has not granted any loans secured or unsecured to companies, firms or other parties covered in the register maintained in pursuance of Section 189 of the Companies Act, 2013, as such there are no comments on sub clauses a) and b).
- (iv) The company has adequate internal control system in commensuration with its size and nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. We did not observe any weakness in the internal control system.
- (v) The Company has not accepted any deposits from the public and as such the clause is not applicable.
- vi) As per information and explanation given to us, the Central Government has not specified the maintenance of cost records under clause 148(1) of the Companies Act, 2013, for the services of the Company.
- (vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance fund, income-tax, wealth-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance fund, income-tax, wealth-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues were outstanding at the period end, for a period of more than six months from the date they became payable.
- (b) According to information and explanations given to us, there are no dues of income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax and cess which have not been deposited with the appropriate authorities on account of any dispute.
- (c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- (viii) The company has been in existence for more than five years. The accumulated losses, on the date of balance sheet, in the company are not more than 50% of its net worth. The company has earned cash profit of Rs. 16.72 lacs in the current period as against Rs. 92.71 lacs in the immediate preceding period.
- ix) The company does not have any loan from Bank, Institutions or Debenture holders, and as such clause is not applicable.



- (x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions, and as such clause is not applicable.
- (xi) The Company does not have any term loans outstanding during the period, and as such clause is not applicable .
- (xii) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of audit.

**For GUPTA GARG & AGRAWAL  
CHARTERED ACCOUNTANTS  
FRN 505762C**

  
**(B.B.GUPTA)  
PARTNER  
M. No. 012399**



Place: Noida  
Date: 09-May-2015

**MOBISOC TECHNOLOGY PRIVATE LIMITED**

CIN :- U72300DL2006PTC151960



Regd. Address :- D-60, Street No. C-5, Sainik Farms, New Delhi 110062

Balance Sheet as at March 31, 2015

Particulars	Notes	Figures as at 31-Mar-2015 Rs.	Figures as at 30-Jun-2014 Rs.
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
(a) Share capital	2	100,100,000	100,100,000
(b) Reserves and surplus	3	(8,463,804)	(4,382,846)
		<b>91,636,196</b>	<b>95,717,154</b>
<b>Non-current liabilities</b>			
Long-term provisions	4	3,772,197	3,194,270
<b>Current liabilities</b>			
(a) Other current liabilities	5	10,132,251	10,425,411
(b) Short-term provisions	6	551,580	531,760
		<b>10,683,831</b>	<b>10,957,171</b>
<b>TOTAL</b>		<b>106,092,224</b>	<b>109,868,595</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Fixed assets	7		
- Tangible assets		4,683,766	5,240,727
- Intangible assets		9,824,900	8,994,111
- Intangible assets under development		-	404,496
		<b>14,508,666</b>	<b>14,639,334</b>
<b>Current assets</b>			
(a) Current Investments	8	49,633,892	49,633,892
(b) Trade receivables	9	5,295,631	13,116,646
(c) Cash and cash equivalents	10	7,246,278	5,515,471
(d) Short-term loans and advances	11	28,463,415	25,484,198
(e) Other current assets	12	944,342	1,479,054
		<b>91,583,558</b>	<b>95,229,261</b>
<b>TOTAL</b>		<b>106,092,224</b>	<b>109,868,595</b>
Summary of significant accounting policies	1		

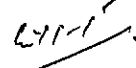
The accompanying notes are an integral part of the financial statements.

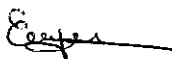
As per our attached report of even date  
For Gupta Garg & Agrawal  
Chartered Accountants


  
( B.B. Gupta )  
Partner  
M. No. 012399  


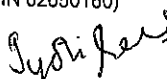
Place : Noida  
Date : 09-May-2015

For and on behalf of the Board of Directors of  
Mobisoc Technology Private Limited

  
Director  
(Sunil Kapoor)  
(DIN 05322540)

  
C.F.O.  
(Sanjeev Jain)

  
Director  
(Madhusudan V.)  
(DIN 02650160)

  
Co. Secretary  
(Jyoti Gera)  
(M.No. A19941)

**MOBISOC TECHNOLOGY PRIVATE LIMITED**

CIN :- U72300DL2006PTC151960

Regd. Address :- D-60, Street No. C-5, Sainik Farms, New Delhi 110062

Statement of Profit & Loss for the period ended March 31, 2015

Particulars	Notes	Figures for the	Figures for
		9 months ended 31-Mar-2015 Rs.	the year ended 30-Jun-2014 Rs.
<b>Income</b>			
Revenue from operations	13	112,539,417	202,472,502
Other income	14	1,907,464	3,965,733
<b>Total</b>		<b>114,446,881</b>	<b>206,438,235</b>
<b>Expenses</b>			
Purchases	15	59,620,408	121,578,260
Employee benefits expense	16	40,405,261	55,744,260
Other expenses	17	12,748,895	19,844,971
<b>Total</b>		<b>112,774,564</b>	<b>197,167,491</b>
<b>Profit before interest, tax and depreciation</b>		<b>1,672,317</b>	<b>9,270,744</b>
Depreciation and amortization expense	7	5,753,275	6,219,830
<b>Profit before Exceptional &amp; Extraordinary &amp; Tax</b>		<b>(4,080,958)</b>	<b>3,050,914</b>
Exceptional Items		-	-
<b>Profit Before Tax</b>		<b>(4,080,958)</b>	<b>3,050,914</b>
<b>Tax Expenses</b>			
Current Year Income Tax (MAT)			
Less :- Mat Credit Entitelment			
<b>Profit / (Loss) for the Period / year</b>		<b>(4,080,958)</b>	<b>3,050,914</b>
<b>Earnings per equity share [nominal value of share Rs. 10 (30 June 2014: Rs. 10)</b>	18		
1)Basic	-	(0.41)	0.30
2)Diluted	-	(0.41)	0.30

The accompanying notes are an integral part of the financial statements.

As per our attached report of even date  
For Gupta Garg & Agrawal  
Chartered Accountants

( B.B.Gupta )  
Partner  
M. No. 012399



Place : Noida  
Date : 09-May-2015

For and on behalf of the Board of Directors of  
Mobisoc Technology Private Limited

Director  
(Sunil Kapoor)  
(DIN 05322540)

C.F.O.  
(Sanjeev Jain)

Director  
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(M.No. A19941)

**MOBISOC TECHNOLOGY PRIVATE LIMITED**  
 CIN :- U72300DL2006PTC151960  
 Regd. Address :- D-60, Street No. C-5, Sainik Farms, New Delhi 110062  
 Statement of Cash Flows for the period ended March 31, 2015

	For the 9 Months ended 31-Mar-2015	for the year ended 30-Jun-2014
	Rs.	Rs.
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	(40,80,958)	30,50,914
<b>Non-cash adjustment to reconcile profit before tax to net cash flows</b>		
Depreciation/ amortization	57,53,275	62,19,830
Loss/ (profit) on sale of Investment	(16,49,500)	4,17,184
Loss/ (profit) on sale of Assets	-	(2,033)
Income on Current investments	-	(22,24,182)
Interest (Income)	(2,57,965)	(5,74,966)
<b>Operating profit before working capital changes</b>	<b>(2,35,148)</b>	<b>68,86,747</b>
<b>Movements in working capital :</b>		
Increase / (decrease) in short-term provisions	19,820	(2,72,057)
Increase/ (decrease) in other current liabilities	(2,93,160)	(44,47,279)
Increase/ (decrease) in other long-term Provisions	5,77,927	(16,01,231)
Decrease / (increase) in trade receivables	78,21,015	13,43,828
Decrease / (increase) in short-term loans and advances	(29,79,218)	(59,28,154)
Decrease / (increase) in other current assets	5,34,713	(14,41,469)
<b>Cash generated from / (used in) operations</b>	<b>54,45,949</b>	<b>(54,59,615)</b>
Direct taxes paid (net of refunds)	-	-
<b>Net cash flow from/ (used in) operating activities</b>	<b>A 54,45,949</b>	<b>(54,59,615)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets, including CWIP and capital advances(Net)	(56,22,607)	(1,03,88,227)
Sale of Fixed Assets	-	20,493
Loss on Investment	16,49,500	(4,17,184)
Interest received	2,57,965	27,99,149
Purchase of Investments	-	1,07,54,983
<b>Net cash flow from/ (used in) investing activities</b>	<b>B (37,15,142)</b>	<b>27,69,214</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
<b>Net cash flow from/ (used in) in financing activities</b>	<b>C -</b>	<b>-</b>
<b>Net increase/(decrease) in cash and cash equivalents (A + B + C)</b>	<b>17,30,807.00</b>	<b>(26,90,401)</b>
Cash and cash equivalents at the beginning of the period	55,15,471	82,05,872
<b>Cash and cash equivalents at the end of the period</b>	<b>72,46,278</b>	<b>55,15,471</b>
<b>Components of cash and cash equivalents</b>		
Cash in hand	30,238	16,911
Cheques in hand	-	-
With banks- on current account	38,70,186	7,70,554
With banks- on deposit accounts	33,45,854	47,28,006
<b>Total cash and cash equivalents (note 10)</b>	<b>72,46,278</b>	<b>55,15,471</b>

**Notes :**

- The Cash flow statement has been prepared under the indirect method as set out in Accounting Standard 3 on Cash Flow Statements notified by Companies (Accounts) Rules, 2014.
- Negative figures have been shown in brackets.

**Summary of significant accounting policies**

1

The accompanying notes are an integral part of the financial statements.

As per our report of even date  
 For Gupta Garg & Agrawal  
 Chartered Accountants

( B.B.Gupta )  
 Partner  
 M. No. 012399



Place : Noida  
 Date : 09-May-2015

For and behalf of the Board of Directors

Director  
 (Sunil Kapoor)  
 (DIN 05322540)

C.F.O.  
 (Sanjeev Jain)

Director  
 (Machusudan V.)  
 (DIN 02650160)

Company Secretary  
 (Jyoti Gera)  
 (M No. A19941)

**MOBISOC TECHNOLOGY PRIVATE LIMITED**

**CIN :- U72300DL2006PTC151960**

**Regd. Address :- D-60, Street No. C-5, Sainik Farms, New Delhi 110062**

**Note to Financial Statements for the nine months period ended March 31, 2015**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**i Nature of Operations**

Mobisoc Technology Private Limited is primarily engaged in software development activities and providing management and support services to its customers in the field of telecommunication technology.

**ii Basis of preparation**

The financial statements are prepared under the historical cost convention on the concept of a going concern, in accordance with the Generally Accepted Accounting Principles and mandatory Accounting Standards specified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and as per the provisions and presentational requirements of the Companies Act, 2013.

**iii Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting year end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

**iv Fixed Assets**

Fixed Assets are stated at cost less accumulated depreciation and impairment loss, if any. Cost comprises the purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use.

**v Depreciation**

Depreciation on assets was provided on Straight Line Method at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956. From 01.07.2014, the depreciation is provided at the rates and in the manner as prescribed in Schedule II of the Companies Act, 2013 on the basis of useful life of each assets.

**vi Impairment**

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amounts of an asset exceed its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessment of the fair value of money and risks specific to the assets.

**vii Intangible**

a) Intangibles assets acquired from outside are amortized using the Straight Line Method over their estimated useful lives as follows:

Intangible Assets	Estimated Useful Life (Years)
Computer Software	3 Years

b) Costs incurred towards inhouse Software Development are charged to Profit and Loss Account as and when incurred.

**viii Investments**

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

**ix Revenue Recognitions**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured

**Sale of Services**

Revenue from sale of services is recognized at the end of each month of the services rendered.





**MOBISOC TECHNOLOGY PRIVATE LIMITED**

**CIN :- U72300DL2006PTC151960**

**Regd. Address :- D-60, Street No. C-5, Sainik Farms, New Delhi 110062**

**Note to Financial Statements for the nine months period ended March 31, 2015**

**Interest**

Revenue is recognised on a time proportion basis, taking into account the amount outstanding and the rates applicable.

**Income on Fixed Maturity Plan Investments**

Income on fixed maturity plan investments in various schemes of mutual funds is recognized based on reasonable certain yield at the balance sheet date.

**x Foreign currency transactions**

**(i) Initial Recognition**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

**(ii) Conversion**

Foreign currency monetary items are reported using the closing rate. Non Monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

**(iii) Exchange Differences**

Exchange differences arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

**xi Retirement and other employee benefits.**

i. Retirement benefit in the form of Provident fund is defined contribution scheme and the contributions are charged to the Profit and Loss Account of the year when the contribution to the fund is due.

ii. Gratuity is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.

iii. Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation at the end of each financial year. The actuarial valuation is done as per projected unit credit method.

iv. Actuarial gains/ losses are immediately taken to profit and loss account and are not deferred

**xii Income Taxes**

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act 1961 enacted in India. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each balance sheet date, the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the Minimum Alternative tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the profit and loss account and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

**xiii Segment Reporting policies**



**MOBISOC TECHNOLOGY PRIVATE LIMITED**

**CIN :- U72300DL2006PTC151960**

**Regd. Address :- D-60, Street No. C-5, Sainik Farms, New Delhi 110062**

**Note to Financial Statements for the nine months period ended March 31, 2015**

**Business Segment**

The Company is engaged in the business of software development, providing management support services in the field of telecommunication technology. The entire operations are governed by the same set of risk and returns, hence, the entire business considered as business segment. The said treatment is in accordance with the guiding principles enunciated in the Accounting Standard -17 on Segment Reporting.

**Geographical Segment**

The following table shows the distribution of revenue by geographical location of customers, regardless of where the goods were produced / services were rendered from

Particulars	Year ended on 31-Mar-2015	Year ended on 30-Jun-2014
Domestic Market	8,54,16,483	16,55,41,456
Overseas Market	2,71,22,934	3,69,31,046
<b>Total</b>	<b>11,25,39,417</b>	<b>20,24,72,502</b>

Following table shows the distribution of debtors by geographical market

Particulars	Year ended on 31-Mar-2015	Year ended on 30-Jun-2014
Domestic Market	30,85,079	62,07,757
Overseas Market	22,10,552	69,08,889
<b>Total</b>	<b>52,95,631</b>	<b>1,31,16,646</b>

**xiv Earning Per Shares**

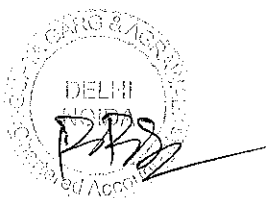
Basic earning per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable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

**xv Provisions**

A provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimates required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and are adjusted to reflect the current best estimates.

**xvi Cash and cash equivalent**

Cash and cash equivalents in the cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of twelve months or less.



**MOBISOC TECHNOLOGY PRIVATE LIMITED**  
**CIN :- U72300DL2006PTC151960**  
**Regd. Address :- D-60, Street No. C-5, Sainik Farms, New Delhi 110062**  
**Notes to Financial Statements for the Period ended March 31, 2015**

	Figures as at 31-Mar-2015 Rs.	Figures as at 30-Jun-2014 Rs.
<b>2. Share Capital</b>		
<b>Authorized shares</b> 15,000,000 (P.Y. 15,000,000) Equity Shares of Rs. 10/- each	150,000,000	150,000,000
<b>Issued, subscribed and fully paid-up shares</b> 10,010,000 (P.Y. 100,10,000) Equity Shares of Rs. 10/- each	100,100,000	100,100,000
<b>Total Issued, subscribed and fully paid-up share capital</b>	<b>100,100,000</b>	<b>100,100,000</b>

**(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period**  
**Equity shares**

Particulars	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the period	10,010,000	100,100,000	10,010,000	100,100,000
Issued during the period – Bonus issue	-	-	-	-
Issued during the period – ESOP	-	-	-	-
<b>Outstanding at the end of the period</b>	<b>10,010,000</b>	<b>100,100,000</b>	<b>10,010,000</b>	<b>100,100,000</b>

**(b) Terms/ rights attached to equity shares**

The Company has only one class of equity shares having a par value of Rs 10 per share. Each holder of equity shares is entitled to one vote per share.

**(c) Shares held by holding/ ultimate holding company and/ or their subsidiaries/ associates**

Out of equity shares issued by the company, shares held by its holding company / fellow subsidiary co. are stated below:

Spice Digital Limited (Holding Co.)	10,000,000	10,000,000
Smart Entertainment Limited (formerly known as Spice Entertainment Limited) (Fellow Subsidiary Co.)	4,995	4,995

**(d) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:**

Nil

**(e) Details of shareholders holding more than 5% shares in the company**

Name of the shareholder	No. of Shares	% holding in the class	No. of Shares	% holding in the class
<b>Equity shares of Rs. 10/- each fully paid</b>				
Spice Digital Limited	10,000,000	99.90%	10,000,000	99.90%

(e) The above information (from (a) to (d)) is as per records of the company, including its register of shareholders/ members.

**3. Reserves and Surplus**

**Surplus/ (deficit) In the statement of profit and loss**

Balance as per last financial statements	(4,382,846)	(7,433,760)
Profit/(Loss) for the year	(4,080,958)	3,050,914
<b>Total Reserves and Surplus</b>	<b>(8,463,804)</b>	<b>(4,382,846)</b>



**MOBISOC TECHNOLOGY PRIVATE LIMITED**  
**CIN :- U72300DL2006PTC151960**  
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**Notes to Financial Statements for the Period ended March 31, 2015**

	Figures as at 31-Mar-2015 Rs.	Figures as at 30-Jun-2014 Rs.
<b>4. Long Term Provisions</b>		
Provision for employee benefits *		
Provision for gratuity	2,210,274	1,885,282
Provision for leave benefits	1,561,923	1,308,988
	<u>3,772,197</u>	<u>3,194,270</u>
* Made on the basis of actuarial valuation as per details at note no. 19		
<b>5. Other current liabilities</b>		
Creditors *		
Stale cheques	837,850	771,622
PF Payable	316,000	244,949
TDS Payable	422,272	304,105
Salary Payable	391,678	170,576
Bonus Payable	7,139,436	5,762,785
Expenses Payable	-	310,455
	1,025,015	2,860,919
	<u>10,132,251</u>	<u>10,425,411</u>
* Amount is subject to confirmation from few parties		
<b>6. Short term provisions</b>		
Provision for employee benefits *		
Provision for Gratuity	274,752	283,682
Provision for Leave Benefits	276,828	248,078
	<u>551,580</u>	<u>531,760</u>
* Made on the basis of actuarial valuation as per details at note no. 19		
<b>8. Current Investments</b>		
<i>Current Investments (at lower of cost and market value)</i>		
265,890 (265,890) ICICI Prudential Income Plan	9,633,892	9,633,892
10,00,000 (20,00,000) ICICI Prudential FMP Series	10,000,000	20,000,000
(NIL) 10,00,000 Sundram Fixed Term Plan	-	10,000,000
(NIL) 10,00,000 IDFC Fixed Term Plan Series 35	-	10,000,000
9,34,520 (NIL) IDFC Super Saver Income Fund -Growth	30,000,000	-
	<u>49,633,892</u>	<u>49,633,892</u>
Aggregate Market Value	54,512,831	51,787,492



**MOBISOC TECHNOLOGY PRIVATE LIMITED**

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Note to Financial Statements for the period ended March 31, 2015

**Fixed Assets Details**

Sr. No	Particulars	Gross Block			Depreciation			Net Block		
		As at 01-Jul-2014	Addition during the period	Deletion during the period	As at 31-Mar-2015	Upto 30-Jun-2014	For the Period	Adjustments	As at 31-Mar-2015	As at 30-Jun-2014
I	<u>Tangible Assets</u>									
	Data Processing Machines	12,971,409	1,868,607	-	14,840,016	8,007,428	2,408,284	-	10,415,712	4,963,981
	Office equipments Furniture & Fixtures	2,458,608 76,711	54,000 -	- -	2,512,608 76,711	2,190,569 68,004	67,758 3,526	- -	2,258,327 71,530	268,039 8,707
II	<u>Intangible Assets</u>									
	Software	11,834,456	4,104,496	-	15,938,952	2,840,345	3,273,707	-	6,114,052	8,994,111
III	<u>Intangible Assets under development</u>									
	Software	-	-	-	-	-	-	-	-	-
	<b>Total (Current Year)</b>	<b>27,341,184</b>	<b>6,027,103</b>	<b>-</b>	<b>33,368,287</b>	<b>13,106,346</b>	<b>5,753,275</b>	<b>-</b>	<b>18,859,621</b>	<b>14,234,838</b>
	<b>(Previous year)</b>	<b>17,726,653</b>	<b>10,388,227</b>	<b>389,200</b>	<b>27,745,680</b>	<b>7,237,256</b>	<b>6,219,830</b>	<b>350,740</b>	<b>14,639,334</b>	<b>10,489,397</b>



**MOBISOC TECHNOLOGY PRIVATE LIMITED**  
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**Notes to Financial Statements for the Period ended March 31, 2015**

	Figures as at 31-Mar-2015 Rs.	Figures as at 30-Jun-2014 Rs.
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**9. Trade Receivables**

Unsecured, considered good		
Sundry Debtors Foreign	2,210,552	6,908,889
Sundry Debtors Local:		
From Holding Co.	3,085,079	6,182,757
From others	-	25,000
	<b>5,295,631</b>	<b>13,116,646</b>

**10. Cash and cash equivalents**

Balances with banks:		
- On current accounts	3,870,186	770,554
- Cash in hand	30,238	16,911
- Short Term Fixed Deposits	3,345,854	4,728,006
	<b>7,246,278</b>	<b>5,515,471</b>

**11. Short term loans and advances**

Loan to employees	95,000	
Employee Imprest	130,333	173,677
Prepaid expenses	39,734	373,808
Security Deposit	115,000	115,000
Service tax recoverable	781,277	177,527
Advances recoverable in cash or kind	1,646,907	1,598,570
MAT Credit Entitlement	6,731,000	6,731,000
Advance to income-tax (net of provision for taxation)	18,924,164	16,314,615
	<b>28,463,415</b>	<b>25,484,197</b>

**12. Other current assets**

Interest accrued on fixed deposits	27,342	85,354
Dividend receivable on investment	917,000	1,393,700
	<b>944,342</b>	<b>1,479,054</b>

**Contingent liabilities and commitments**

**(1) Contingent Liabilities**

a) Claims against the company not acknowledged as debts	NIL	NIL
b) Guarantees	NIL	NIL
c) other money for which company is contingently liable	NIL	NIL

**(2) Commitments**

a) Estimated amounts of contracts to be executed on capital account not provided for	NIL	NIL
b) Uncalled liability on partly paid shares	NIL	NIL
c) Other commitments	NIL	NIL



**MOBISOC TECHNOLOGY PRIVATE LIMITED**

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Regd. Address :- D-60, Street No. C-5, Sainik Farms, New Delhi 110062

Notes to Financial Statements for the Period ended March 31, 2015

	Figures for the 9 months ended 31-Mar-2015 Rs.	Figures for the year ended 30-Jun-2014 Rs.
<b>13. Revenue from operations</b>		
<b>Traded goods sold</b>		
Sale of Airtime	59,620,408	121,578,260
<b>Details of services rendered</b>		
Commission Received	1,496,075	3,463,196
Site Maintenance	24,300,000	40,500,000
Technical Support	27,122,934	36,931,046
	<b>112,539,417</b>	<b>202,472,502</b>
<b>14. Other income</b>		
<b>Interest income</b>		
On bank deposits	257,965	574,966
Income on Current investments	-	2,224,182
Profit on Investment	1,649,500	-
Misc Income	-	7,838
Foreign Exchange Fluctuation Gain	-	656,862
Unspent liabilities/credit balances written back	-	501,885
	<b>1,907,465</b>	<b>3,965,733</b>
<b>15. Purchase</b>		
Airtime Purchase	59,620,408	121,578,260
	<b>59,620,408</b>	<b>121,578,260</b>
<b>16. Employee benefits expense</b>		
Salaries, wages and bonus	36,137,809	52,499,714
Contribution to provident fund	1,923,205	2,601,705
Staff welfare expenses	648,220	982,284
Gratuity expense (note 19)	896,042	(476,823)
Leave encashment expenses (note 19)	799,985	137,380
	<b>40,405,261</b>	<b>55,744,260</b>

**MOBISOC TECHNOLOGY PRIVATE LIMITED**

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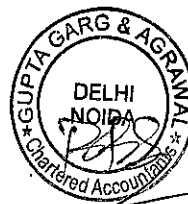
Notes to Financial Statements for the Period ended March 31, 2015

	Figures for the 9 months ended 31-Mar-2015 Rs.	Figures for the year ended 30-Jun-2014 Rs.
<b>17. Other expenses</b>		
Rates & Taxes	890	43,309
Legal and professional fees	224,845	99,424
Payment to Auditors (Refer details below)	135,000	160,000
Rent	4,906,612	6,614,922
Business Promotion exp.	79,538	93,192
Sales commission	757,910	3,001,793
Travelling & conveyance	515,136	940,299
Vehicle Repair & Maintenance	2,777,522	4,976,396
Repair & Maintenance	618,685	170,319
Communication Costs	1,863,682	2,475,827
Printing & stationery	79,614	50,216
Bad debts/advances written off	-	61,299
Foreign Exchange Fluctuation Loss	536,737	-
Miscellaneous expenses	240,620	644,103
Interest on Income tax	15	4,079
Bank charges	12,089	92,609
Loss on Investments	-	417,184
	<b>12,748,895</b>	<b>19,844,971</b>
<b>Payment to auditors</b>		
Audit fee	75,000	75,000
Tax audit fee	25,000	25,000
Limited Review	30,000	45,000
Other Services	5,000	15,000
	<b>135,000</b>	<b>160,000</b>

**18. Earnings per share (EPS)**

The following reflects the profit and share data used in the basic and diluted EPS computations:

Profit/ (loss) after tax	(4,080,958)	3,050,914
Number of ordinary equity shares	10,010,000	10,010,000
Weighted average number of ordinary equity shares	10,010,000	10,010,000
Nominal Value of ordinary shares	10	10
<b>Basic and diluted earning per share</b>	<b>(0.41)</b>	<b>0.30</b>





19. The provision of Gratuity and Leave encashment liability as on 31.03.2015 on the basis of actuarial valuation is as under:-

I. Actuarial Assumptions:

Particulars	Gratuity		Leave Encashment	
	31-Mar-15	30-Jun-14	31-Mar-15	30-Jun-14
Discount Rate (Per Annum)	7.75%	8.50%	7.75%	8.50%
Rate of Increase in Compensation Levels	8.00%	8.00%	8.00%	8.00%
Expected Rate of Return on Plan Assets	N.A	N.A	N.A	N.A
Expected Average remaining working lives of employees (years)	29.07	29.35	29.07	29.35

II. Changes in Present Value of Obligations:

Particulars	Gratuity		Leave Encashment	
	31-Mar-15	30-Jun-14	31-Mar-15	30-Jun-14
Present Value of Obligations as at the beginning of the year	2,168,964	3,126,710	1,557,066	2,472,608
Acquisition Adjustments	NIL	NIL	NIL	NIL
Interest Cost	138,271	265,770	99,263	210,172
Past Service Cost	NIL	NIL	NIL	NIL
Current Service Cost	461,408	503,706	567,892	578,687
Termination Cost / (Credit)	NIL	NIL	NIL	NIL
Settlement Cost / (Credit)	NIL	NIL	NIL	NIL
Benefits paid	(579,980)	(480,923)	(518,300)	(1,052,922)
Actuarial (gain)/ loss on obligations	296,363	(1,246,299)	132,830	(651,479)
Present Value of obligations as at the end of the year	2,485,026	2,168,964	1,838,751	1,557,066

III. Changes in Fair Value of Plan Assets:

Particulars	Gratuity		Leave Encashment	
	31-Mar-15	30-Jun-14	31-Mar-15	30-Jun-14
Fair value of Plan Assets at the beginning of the year	Nil	Nil	Nil	Nil
Acquisition Adjustments	Nil	Nil	Nil	Nil
Actual Return on Plan Assets	N.A.	N.A.	N.A.	N.A.
Contributions	Nil	Nil	Nil	Nil
Benefits Paid	Nil	Nil	Nil	Nil
Fair value of Plan Assets at the end of the year	Nil	Nil	Nil	Nil

Actuarial Gain/Loss - Plan Assets:

Particulars	Gratuity		Leave Encashment	
	31-Mar-15	30-Jun-14	31-Mar-15	30-Jun-14
Actual return on Plan Assets	Nil	Nil	Nil	Nil
Expected return on Plan Assets	Nil	Nil	Nil	Nil
Excess of actual over estimated return on Plan Assets	Nil	Nil	Nil	Nil
Actuarial (gain) /Loss - Plan Assets	Nil	Nil	Nil	Nil


  
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 P.P.S.

V. Actuarial Gain/Loss Recognized:

Particulars	Gratuity		Leave Encashment	
	31-Mar-15	30-Jun-14	31-Mar-15	30-Jun-14
Actuarial gain/(loss) for the year - Obligation	(296,363)	1,246,299	(132,830)	651,479
Actuarial gain/(loss) for the year – Plan Assets	Nil	Nil	Nil	Nil
Total (gain) / loss for the year	296,363	(1,246,299)	132,830	(651,479)
Actuarial (gain)/ loss recognized in the year	296,363	(1,246,299)	132,830	(651,479)
Unrecognized actuarial (gains)/ losses at the end of year	Nil	Nil	Nil	Nil

VI. Amount to be recognized in Balance Sheet and Statements of Profit and Loss:

Particulars	Gratuity		Leave Encashment	
	31-Mar-15	30-Jun-14	31-Mar-15	30-Jun-14
Present Value of Obligation as at the end of the year	2,485,026	2,168,964	1,838,751	1,557,066
Fair Value of Plan Assets as at end of the year	Nil	Nil	-	-
Funded Status	(2,485,026)	(2,168,964)	(1,838,751)	(1,557,066)
Unrecognized Actuarial (gain)/(loss)	Nil	Nil	Nil	Nil
Net Asset / (Liability) Recognized in Balance Sheet	(2,485,026)	(2,168,964)	(1,838,751)	(1,557,066)

Expense recognized in the Statement of Profit and Loss:

Particulars	Gratuity		Leave Encashment	
	31-Mar-15	30-Jun-14	31-Mar-15	30-Jun-14
Current Service Cost	461,408	503,706	567,892	578,687
Past Service Cost	NIL	NIL	NIL	NIL
Interest Cost	138,271	265,770	99,263	210,172
Expected Return on Plan Assets	NIL	NIL	NIL	NIL
Curtailment Cost /(Credit)	NIL	NIL	NIL	NIL
Settlement Cost /(Credit)	NIL	NIL	NIL	NIL
Net actuarial (gain)/loss recognized in the year	296,363	(1,246,299)	132,830	(651,479)
Expenses recognized in the Statement of Profit & Loss	896,042	(476,823)	799,985	137,380

VIII. Current Liability:

Particulars	Gratuity		Leave Encashment	
	31-Mar-15	30-Jun-14	31-Mar-15	30-Jun-14
Current Liability:	274,752	283,682	276,828	248,078
Non-Current Liability:	2,210,274	1,885,282	1,561,923	1,308,988
Total	2,485,026	2,168,964	1,838,751	1,557,066

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Annexure-1  
26(b) Related Party Transactions

Particulars	(Amount in Rs.)					
	Holding Company		Fellow Subsidiary		Total amount involved in transactions	
	For the period Ended Mar 31, 2015	For the period Ended Jun 30, 2014	For the period Mar 31, 2015	For the period Ended Jun 30, 2014	For the period Ended Mar 31, 2015	For the period Ended Jun 30, 2014
<b>I) Transactions</b>						
<b>i) Operating Income</b>						
Spice Digital Ltd	24,300,000	40,500,000			24,300,000	40,500,000
Spice VAS Africa PTE Ltd			27,122,834	36,931,046	27,122,834	36,931,046
<b>ii) Airtime sale</b>						
Spice Digital Ltd	32,289,954	2,027,496			32,289,954	2,027,496
Spice Mobility Ltd	-	20,000				20,000
Spice Online Retail Pvt. Ltd	-		22,400,000	56,300,000	22,400,000	56,300,000
Spice VAS Africa Pte Ltd				10,000		10,000
<b>iii) Airtime purchase</b>						
Spice Digital Ltd	947,189				947,189	
<b>iii) Rent Paid</b>						
Spice Mobility Ltd	4,906,612	6,614,922			4,906,612	6,614,922
<b>iv) Commission Expenses</b>						
Spice retail Ltd			377,556	928,308	377,556	928,308
Spice online retail Pvt Ltd			92,308	323,927	92,308	323,927
Spice Digital Ltd	196,634				196,634	
<b>v) Telephone Exp</b>						
Spice Digital Ltd	433,247				433,247	
<b>vi) Payment / Reim to related parties</b>						
Spice Digital Ltd	311,382	3,292,024			311,382	3,292,024
<b>vii) Pay / Reim by related parties</b>						
Spice Digital Ltd		10,529,110				10,529,110
Spice VAS Africa PTE Ltd				6,242,971		6,242,971
<b>iii) Balances at the year end</b>						
<b>i) Receivables</b>						
Spice Digital Ltd	3,085,079	6,182,757			3,085,079	6,182,757
Spice VAS Africa PTE Ltd	2,210,552		2,210,552	6,908,889	4,421,104	6,908,889
Spice Labs Pvt. Ltd			50,090	40,090	50,090	40,090
Spice Online Retail Pvt. Ltd				52,001		52,001
<b>ii) Payable</b>						
Spice Retail Ltd			377,556	1,016,982	377,556	1,016,982
Spice online retail Pvt Ltd			92,308		92,308	
Spice VAS Tanzania Ltd			432,000	432,000	432,000	432,000