



MATRIX CELLULAR (INTERNATIONAL) SERVICES LIMITED

Our Company was incorporated in New Delhi on November 17, 2005 as Matrix Cellular (International) Services Private Limited, a private limited company under the Companies Act, 1956. Our Company was then converted into a public limited company and consequently, its name was changed to Matrix Cellular (International) Services Limited and the Registrar of Companies, National Capital Territory of Delhi and Haryana issued a fresh certificate of incorporation dated April 21, 2015. For further details in relation to changes in the name of our Company, see the section "History and Certain Corporate Matters" on page 157.

Registered Office and Corporate Office: 7 Khullar Farm, Mandi Road, Mehrauli, New Delhi 110 030, India

Contact Person: Nitasha Sinha, Company Secretary and Compliance Officer

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Corporate Identity Number: U64202DL2005PLC142628

OUR PROMOTERS: GAGAN DEEP SINGH DUGAL, MAJOR GENERAL MANJIT SINGH DUGAL AND URVASHI KAUR

INITIAL PUBLIC OFFERING OF 15,172,540 EQUITY SHARES OF FACE VALUE OF ₹10 EACH ("EQUITY SHARES") OF MATRIX CELLULAR (INTERNATIONAL) SERVICES LIMITED (THE "COMPANY") FOR CASH AT A PRICE OF ₹[●] PER EQUITY SHARE (INCLUDING A PREMIUM OF ₹[●] PER EQUITY SHARE) (THE "OFFER PRICE") THROUGH AN OFFER FOR SALE BY THE SELLING SHAREHOLDERS (AS DEFINED IN THE SECTION "DEFINITIONS AND ABBREVIATIONS") AGGREGATING UP TO ₹[●] MILLION (THE "OFFER"). THE OFFER WILL CONSTITUTE 36.10% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE FACE VALUE OF THE EQUITY SHARES IS ₹10 EACH. THE PRICE BAND, ANY RETAIL DISCOUNT AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY AND THE SELLING SHAREHOLDERS IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS (THE "BRLMs") AND WILL BE ADVERTISED IN THE [●] EDITION OF THE ENGLISH NATIONAL NEWSPAPER [●] AND THE [●] EDITION OF THE HINDI NATIONAL NEWSPAPER [●] (HINDI BEING THE REGIONAL LANGUAGE OF DELHI, WHERE OUR REGISTERED OFFICE IS LOCATED), EACH WITH WIDE CIRCULATION, AT LEAST FIVE WORKING DAYS PRIOR TO THE BID/OFFER OPENING DATE WITH THE RELEVANT FINANCIAL RATIOS CALCULATED AT THE FLOOR PRICE AND AT THE CAP PRICE AND SUCH ADVERTISEMENT WILL BE MADE AVAILABLE TO THE BSE LIMITED (THE "BSE") AND THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED (THE "NSE") FOR THE PURPOSE OF UPLOADING ON THEIR RESPECTIVE WEBSITES.*

*Discount of ₹[●] to the Offer Price may be offered to Retail Individual Investors (the "Retail Discount").

In case of any revision in the Price Band, the Bid/Offer Period will be extended by at least three additional Working Days after such revision of the Price Band, subject to the Bid/Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, will be widely disseminated by notification to the BSE and the NSE, through a press release, and also by indicating the change on the websites of the BRLMs and the terminals of the other members of the Syndicate and by intimation to the Self Certified Syndicate Banks ("SCSBs") and the Registered Brokers.

The Offer is being made through the 100% Book Building Process, in terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended (the "SCRR") and in compliance with Regulation 26(2) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the "SEBI Regulations"), wherein at least 75% of the Offer is to be Allocated on a proportionate basis to Qualified Institutional Buyers ("QIBs") (the "QIB Category"), provided that our Company and the Selling Shareholders may allocate up to 60% of the QIB Category to Anchor Investors on a discretionary basis in accordance with the SEBI Regulations (the "Anchor Investor Portion"), of which one-third is to be reserved for domestic Mutual Funds only, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Offer Price. In case of under-subscription in the Anchor Investor Portion, the remaining Equity Shares will be added back to the QIB Category. Further, 5% of the QIB Category (excluding the Anchor Investor Portion) will be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the QIB Category will be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. If at least 75% of the Offer cannot be Allotted to QIBs, then the entire application money shall be refunded forthwith. Further, not more than 15% of the Offer will be available for allocation on a proportionate basis to Non-Institutional Investors and not more than 10% of the Offer will be available for allocation to Retail Individual Investors in accordance with the SEBI Regulations, subject to valid Bids being received at or above the Offer Price. Retail Individual Investors may participate in the Offer through an Application Supported by Blocked Amount ("ASBA") process providing details of their respective ASBA accounts in which the corresponding Bid Amounts will be blocked by the SCSBs. QIBs (except Anchor Investors) and Non-Institutional Investors are mandatorily required to utilise the ASBA process to participate in the Offer. Anchor Investors are not permitted to participate in the Offer through the ASBA process. For details, see the section "Offer Procedure" on page 457.

RISK IN RELATION TO THE FIRST ISSUE

This being the first public issue of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹10 each and the Offer Price is [●] times of the face value. The Floor Price is [●] times of the face value and the Cap Price is [●] times of the face value. The Offer Price (determined and justified by our Company and the Selling Shareholders, in consultation with the BRLMs, as stated in the section "Basis for Offer Price" on page 107) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares offered in the Offer have not been recommended or approved by the Securities and Exchange Board of India (the "SEBI"), nor does the SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to the section "Risk Factors" on page 16.

COMPANY'S AND SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY





Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Offer which is material in the context of the Offer, that the information contained in this Draft Red Herring Prospectus 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 make this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. Each of the Selling Shareholders assumes responsibility, on a several basis, for statements in this Draft Red Herring Prospectus solely in relation to itself as a Selling Shareholder and the Equity Shares being offered by it in the Offer.

LISTING

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on the BSE and the NSE. Our Company has received an "in-principle" approval from each of the BSE and the NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively. For the purposes of the Offer, the Designated Stock Exchange will be the [●].

BOOK RUNNING LEAD MANAGERS

REGISTRAR TO THE OFFER

 	 RELIGARE Values that bind	
IIFL Holdings Limited 8th Floor, IIFL Centre Kamala City, Senapati Bapat Marg Lower Parel (West) Mumbai 400 013 Maharashtra India Tel: +91 22 4646 4600 Fax: +91 22 2493 1073 E-mail: matrix.ipo@iiflcap.com Website: www.iiflcap.com Investor grievance ID: ig.ib@iiflcap.com Contact person: Pinak Bhattacharya/Gururaj Sundaram SEBI registration number: INM000010940	Religare Capital Markets Limited 5th Floor, A-Wing D3, District Center Saket New Delhi 110 017 India Tel: +91 11 3912 5009 Fax: +91 11 3912 5005 E-mail: matrix.ipo@religare.com Website: www.religarecm.com Investor grievance ID: grievance.ibd@religare.com Contact person: Sumit Khandelwal SEBI registration number: INM000011062	Link Intime India Private Limited C-13, Pannalal Silk Mills Compound L.B.S. Marg, Bhandup (West) Mumbai 400 078 Maharashtra India Tel: +91 22 6171 5400 Fax: +91 22 2596 0329 E-mail: mcisl.ipo@linkintime.co.in Website: www.linkintime.co.in Investor grievance ID: mcisl.ipo@linkintime.co.in Contact person: Sachin Achar SEBI registration number: INR000004058

BID/OFFER PROGRAMME

BID/OFFER OPENS ON: [●] ⁽¹⁾	BID/OFFER CLOSES ON (FOR QIBS): [●] BID/OFFER CLOSES ON (FOR NON-QIBS): [●]
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⁽¹⁾ Our Company and the Selling Shareholders may, in consultation with the BRLMs, consider participation by Anchor Investors in accordance with the SEBI Regulations. The Anchor Investor Bid/Offer Period will be one Working Day prior to the Bid/Offer Opening Date.

⁽²⁾ Our Company and the Selling Shareholders may, in consultation with the BRLMs, consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI Regulations.

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SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meaning as provided below. References to any legislation, act or regulation will be deemed to include all amendments and modifications notified as of the date of this Draft Red Herring Prospectus.

General Terms

Term	Description
“our Company” or “the Company” or “MCIS”	Matrix Cellular (International) Services Limited, a company incorporated under the Companies Act, 1956, whose registered office is situated at 7 Khullar Farm, Mandi Road, Mehrauli, New Delhi 110 030, India
“we” or “us” or “our”	Unless the context otherwise indicates or implies, refers to our Company together with its Subsidiaries and the Joint Ventures

Company Related Terms

Term	Description
AAJV	AAJV Investment Trust
Aleta	Aleta Private Limited
Aleta Shareholders’ Agreement	Shareholders’ Agreement dated February 2, 2011 among our Company, our Promoters and Aleta, as amended pursuant to an agreement dated May 14, 2015
Aleta Subscription Agreement	Subscription cum share purchase agreement dated February 2, 2011 among Aleta, our Company, Gagan Deep Singh Dugal, Major General Manjit Singh Dugal and Urvashi Kaur
Articles or Articles of Association	Articles of Association of our Company, as amended
Audit Committee	The audit committee of the Board of Directors
Auditor	The statutory auditors of our Company: (i) in relation to Fiscal 2014: S.R. Batliboi & Associates LLP, Chartered Accountants, (ii) in relation to Fiscal 2011, 2012 and 2013: SRBC & Co. LLP, Chartered Accountants (formerly S R B C & Co. and S.R. Batliboi & Co.), and (iii) in relation to Fiscal 2010, G.P. Agarwal & Co., Chartered Accountants.
BCCL	Bennett Coleman & Co. Ltd.
Board or Board of Directors	The board of directors of our Company or a duly constituted committee thereof
Corporate Social Responsibility Committee or CSR Committee	The corporate social responsibility committee of the Board of Directors
Debenture Subscription Agreement	Debenture Subscription Agreement dated January 25, 2008 among our Company, BCCL and Gagan Deep Singh Dugal
Director(s)	The director(s) of our Company
Equity Shares	Equity shares of our Company of face value of ₹10 each
ESOP 2010	The employee stock option scheme instituted by our Company, namely the Matrix Employee Stock Option Plan 2010, as amended. For details, see the section “Capital Structure” on page 77
ESOP 2012	The employee stock option scheme instituted by our Company, namely the Matrix Employee Stock Option Plan 2012. For details, see the section “Capital Structure” on page 77
ESOP 2014	The employee stock option scheme instituted by our Company, namely the Matrix Employee Stock Option Plan 2014. For details, see the section “Capital Structure” on page 77
ESOP 2015	The employee stock option scheme instituted by our Company, namely the

Term	Description
	Matrix Employee Stock Option Plan 2015. For details, see the section “Capital Structure” on page 77
Fully Convertible Debentures	Non-redeemable, fully convertible debentures of our Company of face value of ₹10 each
Group Entities	Companies, firms and ventures promoted by our Promoters, irrespective of whether such entities are covered under Section 370(1)(B) of the Companies Act, 1956 and which are disclosed in the section “Our Group Entities” on page 188
IPO Committee	The IPO Committee of the Board of Directors
Joint Ventures	The joint ventures of our Company, namely: <ol style="list-style-type: none"> 1. Matrix Cellular International Ltd; 2. M&S Telecom Ltd; and 3. Telecom Wimax Limited. For details, see the section “History and Certain Corporate Matters” on page 157
Memorandum or Memorandum of Association	Memorandum of Association of our Company, as amended
Nomination and Remuneration Committee	The nomination and remuneration committee of the Board of Directors
Promoters	Gagan Deep Singh Dugal, Major General Manjit Singh Dugal and Urvashi Kaur
Promoter Group	The entities and persons constituting the promoter group of our Company in terms of Regulation 2(zb) of the SEBI Regulations and which are disclosed in the section “Our Promoters and Promoter Group” on page 184
Registered Office and Corporate Office	The registered office and corporate office of our Company, which is located at 7 Khullar Farm, Mandi Road, Mehrauli, New Delhi 110 030, India
Registrar of Companies or RoC	The Registrar of Companies, National Capital Territory of Delhi and Haryana
Shareholders	The holders of the Equity Shares
Stakeholders Relationship Committee	The stakeholders relationship committee of the Board of Directors
Subsidiaries	The subsidiaries of our Company, namely: <ol style="list-style-type: none"> 1. Matrix Cellular Dubai FZE; 2. Matrix Cellular International Services Corporation; 3. Matrix Cellular International Services UK Ltd; 4. Matrix Cellular Pte Ltd; 5. Matrix Forex Services Private Limited; and 6. Preciflex Insulations Private Limited. For details, see the section “History and Certain Corporate Matters” on page 157

Offer Related Terms

Term	Description
Allotment/ Allot/ Allotted	Allotment of the Equity Shares pursuant to the transfer of the Equity Shares offered by the Selling Shareholders pursuant to the Offer to the successful Bidders
Allotment Advice	Note or advice or intimation of Allotment sent to the successful Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange
Allottee	A successful Bidder to whom the Equity Shares are Allotted

Term	Description
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion, in accordance with the SEBI Regulations
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus which will be decided by our Company and the Selling Shareholders in consultation with the BRLMs
Anchor Investor Bid/Offer Period	The day, one Working Day prior to the Bid/Offer Opening Date, on which Bids by Anchor Investors will be submitted and allocation to Anchor Investors will be completed
Anchor Investor Offer Price	The final price at which Equity Shares will be Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which will be equal to or higher than the Offer Price, but not higher than the Cap Price. The Anchor Investor Offer Price will be decided by our Company and the Selling Shareholders in consultation with the BRLMs
Anchor Investor Portion	Up to 60% of the QIB Category or up to 6,827,643 Equity Shares, which may be allocated by our Company and the Selling Shareholders, in consultation with the BRLMs, to Anchor Investors on a discretionary basis in accordance with the SEBI Regulations. One-third of the Anchor Investor Portion will be reserved for domestic Mutual Funds only, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price
Application Supported by Blocked Amount/ASBA	An application, whether physical or electronic, used by Bidders, other than Anchor Investors, to make a Bid authorising an SCSB to block the Bid Amount in an ASBA Account. ASBA is mandatory for QIBs (except Anchor Investors) and Non-Institutional Investors participating in the Offer
ASBA Account	An account maintained with an SCSB and specified in the Bid cum Application Form submitted by ASBA Bidders, which may be blocked by such SCSB to the extent of the Bid Amount
ASBA Bid	A Bid made by an ASBA Bidder
ASBA Bidder	Bidders (except Anchor Investors) in the Offer who Bid through ASBA
Banker(s) to the Offer or Escrow Collection Bank(s)	The banks that are clearing members and registered with the SEBI as bankers to an issue and with which the Escrow Account will be opened, being [●]
Basis of Allotment	The basis on which Equity Shares will be Allotted to successful Bidders under the Offer and which is described in the section “Offer Procedure” on page 457
Bid	An indication to make an offer during the Bid/Offer Period by a Bidder pursuant to submission of the Bid cum Application Form, or during the Anchor Investor Bid/Offer Period by the Anchor Investors, to purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto, in accordance with the SEBI Regulations
Bid Amount	In relation to each Bid, will mean the highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder/blocked in the ASBA Account upon submission of such Bid cum Application Form. For Retail Individual Investors, the Bid Amount shall be net of any Retail Discount
Bid cum Application Form	The form in terms of which a Bidder will make a Bid and which will be considered as the application for Allotment for the purposes of the Red Herring Prospectus and the Prospectus, whether applying through ASBA or otherwise
Bid Lot	[●]
Bid/Offer Closing Date	Except in relation to any Bids received from Anchor Investors, the date after which the Syndicate, the Designated Branches and the Registered Brokers will not accept any Bids for the Offer, which will be notified in the [●] edition of the English national newspaper [●] and the [●] edition of the Hindi national newspaper [●], each with wide circulation. Our Company and the Selling Shareholders may, in consultation with the BRLMs, consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI Regulations.
Bid/Offer Opening Date	Except in relation to any Bids received from Anchor Investors, the date on which the Syndicate, the Designated Branches and the Registered Brokers will start accepting Bids for the Offer, which will be notified in [●] edition of the

Term	Description
	English national newspaper [●] and [●] edition of the Hindi national newspaper [●], each with wide circulation.
Bid/Offer Period	Except in relation to Anchor Investors, the period between the Bid/Offer Opening Date and the Bid/Offer Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof
Bidder	Any prospective investor (including an ASBA Bidder and an Anchor Investor) who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form
Book Building Process or Book Building Method	The book building process, as provided in Schedule XI of the SEBI Regulations, in terms of which the Offer is being made
Book Running Lead Managers or BRLMs	The book running lead managers to the Offer, in this case being IIFL and Religare
Broker Centres	Broker centres notified by the Stock Exchanges where Bidders can submit the Bid cum Application Forms to a Registered Broker. The details of such Broker Centres, along with the names and contact details of the Registered Brokers are available on the respective websites of the Stock Exchanges
CAN/Confirmation of Allocation Note	Notice or intimation of allocation of the Equity Shares to be sent to Anchor Investors, who will be allocated the Equity Shares, after the Anchor Investor Bid/ Offer Period
Cap Price	The higher end of the Price Band, above which the Offer Price and the Anchor Investor Offer Price will not be finalised and above which no Bids will be accepted
Cut-off Price	The Offer Price finalised by our Company and the Selling Shareholders in consultation with the BRLMs, which may be any price within the Price Band. Only Retail Individual Investors are entitled to Bid at the Cut-off Price. No other category of Bidders is entitled to Bid at the Cut-off Price
Designated Branches	Such branches of the SCSBs which will collect the Bid cum Application Forms used by the ASBA Bidders and a list of which is available on the website of the SEBI at www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries and updated from time to time
Designated Stock Exchange	[●]
Draft Red Herring Prospectus or DRHP	This draft red herring prospectus dated June 22, 2015 issued in accordance with the SEBI Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Offer
Eligible FPIs	FPIs from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the Red Herring Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares offered thereby
Eligible NRI(s)	NRI(s) from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the Red Herring Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares offered thereby
Eligible QFIs	QFIs from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the Red Herring Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares offered thereby
Escrow Account	Account opened with the Escrow Collection Bank(s) and in whose favour the Bidders (excluding the ASBA Bidders) will issue cheques or drafts in respect of the Bid Amount when submitting a Bid
Escrow Agreement	The agreement to be entered into among our Company, the Selling Shareholders, the Registrar to the Offer, the BRLMs, the Syndicate Members, the Escrow Collection Bank(s) and the Refund Bank(s) for collection of the Bid Amounts and where applicable, refunds of the amounts collected to the Bidders (excluding the ASBA Bidders) on the terms and conditions thereof
First Bidder	Bidder whose name appears first in the Bid cum Application Form or the

Term	Description
	Revision Form
Floor Price	The lower end of the Price Band, subject to any revision thereto, at or above which the Offer Price and the Anchor Investor Offer Price will be finalised and below which no Bids will be accepted
IIFL	IIFL Holdings Limited
Mutual Fund Portion	5% of the QIB Category (excluding the Anchor Investor Portion) or 227,288 Equity Shares, which will be available for allocation only to Mutual Funds on a proportionate basis
Non-Institutional Category	The portion of the Offer being not more than 15% of the Offer or 2,275,881 Equity Shares, which will be available for allocation on a proportionate basis to Non-Institutional Investors, subject to valid Bids being received at or above the Offer Price
Non-Institutional Investors/NIIs	All Bidders, including Category III FPIs, that are not QIBs or Retail Individual Investors and who have Bid for Equity Shares for an amount of more than ₹200,000 (but not including NRIs other than Eligible NRIs)
Offer	The initial public offering of 15,172,540 Equity Shares for cash at a price of ₹[●] each, aggregating up to ₹[●] million by way of an offer for sale by the Selling Shareholders of which 12,359,106 Equity Shares are being offered by Aleta, 249,654 Equity Shares are being offered by AAJV, 2,263,838 Equity Shares are being offered by Gagan Deep Singh Dugal, 1,986 Equity Shares are being offered by Major General Manjit Singh Dugal and 297,956 Equity Shares are being offered by Urvashi Kaur, pursuant to the terms of the Red Herring Prospectus
Offer Agreement	The agreement dated June 19, 2015 among our Company, the Selling Shareholders and the BRLMs, pursuant to which certain arrangements are agreed to in relation to the Offer
Offer Price	The final price (less any Retail Discount) at which Equity Shares will be Allotted to successful Bidders (except Anchor Investors) in terms of the Red Herring Prospectus. The Offer Price will be decided by our Company and the Selling Shareholders in consultation with the BRLMs on the Pricing Date. A discount of ₹[●] to the Offer Price may be offered to Retail Individual Investors. The amount of the Retail Discount, if any, will be decided by the Company and the Selling Shareholders in consultation with the BRLMs and advertised in [●] editions of English national newspaper [●] and [●] editions of Hindi national newspaper [●], each with wide circulation, at least five Working Days prior to the Bid/Offer Opening Date, and shall be made available to the Stock Exchanges for the purpose of uploading on their website
Price Band	Price band of a minimum price of ₹[●] per Equity Share (Floor Price) and the maximum price of ₹[●] per Equity Share (Cap Price), including any revisions thereof. The Price Band, any Retail Discount and the minimum Bid Lot for the Offer will be decided by our Company and the Selling Shareholders in consultation with the BRLMs and will be advertised in [●] edition of the English national newspaper [●] and [●] edition of the Hindi national newspaper [●], each with wide circulation, at least five Working Days prior to the Bid/Offer Opening Date, with the relevant financial ratios calculated at the Floor Price and at the Cap Price and such advertisement will be made available to the Stock Exchanges for the purpose of uploading on their websites
Pricing Date	The date on which our Company and the Selling Shareholders, in consultation with the BRLMs, finalize the Offer Price
Prospectus	The prospectus to be filed with the RoC in accordance with Section 26 of the Companies Act, 2013, containing the Offer Price that is determined at the end of the Book Building Process, the size of the Offer and certain other information, including any addenda or corrigenda thereto
QIB Category	The portion of the Offer (including the Anchor Investor Portion) being at least 75% of the Offer consisting of 11,379,405 Equity Shares, which will be allocated on a proportionate basis to QIBs, subject to valid Bids being received

Term	Description
	at or above the Offer Price
Qualified Institutional Buyers, QIBs or QIB Bidders	Qualified institutional buyers as defined under Regulation 2(1)(zd) of the SEBI Regulations
Red Herring Prospectus or RHP	The red herring prospectus to be issued in accordance with Section 32 of the Companies Act, 2013 and the SEBI Regulations, which does not have complete particulars of the price at which the Equity Shares will be offered and the size of the Offer, including any addenda or corrigenda thereto. The Red Herring Prospectus will be filed with the RoC at least three days before the Bid/Offer Opening Date and will become a Prospectus upon filing with the RoC after the Pricing Date
Refund Bank(s)	[●]
Registered Brokers	Stock brokers registered with the stock exchanges having nationwide terminals, other than the Members of the Syndicate
Registrar to the Offer/Registrar	Registrar to the Offer, being Link Intime India Private Limited
Religare	Religare Capital Markets Limited
Retail Category	The portion of the Offer being not more than 10% of the Offer consisting of 1,517,254 Equity Shares, which will be available for allocation to Retail Individual Investor(s) in accordance with the SEBI Regulations, subject to valid Bids being received at or above the Offer Price
Retail Discount	A discount of ₹[●] that may be offered by the Company and the Selling Shareholder, in consultation with the BRLMs, to Retail Individual Investors at the time of making a Bid
Retail Individual Investor(s)/RIIs	Individual Bidders who have Bid for Equity Shares for an amount of not more than ₹200,000 (including HUFs applying through the <i>karta</i> and Eligible NRIs)
Revision Form	The form used by the Bidders to modify the quantity of Equity Shares or the Bid Amount in their Bid cum Application Forms or any previous Revision Form(s) QIBs and Non-Institutional Investors are not allowed to lower their Bids (in terms of the quantity of Equity Shares or the Bid Amount) at any stage
Self Certified Syndicate Bank(s) or SCSB(s)	The banks registered with the SEBI and offering services in relation to ASBA, a list of which is available on the website of the SEBI at www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries and updated from time to time
Selling Shareholders	Aleta, AAJV and our Promoters
Share Escrow Agent	The share escrow agent appointed pursuant to the Share Escrow Agreement, being [●]
Share Escrow Agreement	The agreement to be entered into among the Selling Shareholders, our Company and the Share Escrow Agent in connection with the transfer of Equity Shares under the Offer by the Selling Shareholders and the credit of such Equity Shares to the demat account of the Allottees
Specified Locations	Bidding centres where the Syndicate will accept Bid cum Application Forms from ASBA Bidders, a list of which is available at the website of the SEBI at www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries and updated from time to time
Syndicate Agreement	The agreement to be entered into among the BRLMs, the Syndicate Members, our Company and the Selling Shareholders in relation to the collection of Bids in the Offer (other than Bids directly submitted to the SCSBs under the ASBA process and Bids submitted to Registered Brokers at the Broker Centres)
Syndicate Members	Intermediaries registered with the SEBI who are permitted to carry out activities as an underwriter, being [●]
Syndicate or Members of the Syndicate	The BRLMs and the Syndicate Members
Underwriters	The BRLMs and the Syndicate Members
Underwriting Agreement	The agreement among the Underwriters, our Company and the Selling

Term	Description
	Shareholders to be entered into on or after the Pricing Date
Working Day(s)	All days other than a Sunday or a public holiday on which commercial banks in India are open for business, except with reference to announcement of the Price Band and the Bid/Offer Period, where “Working Day(s)” will mean all days, excluding Saturdays, Sundays and public holidays, that are working days for commercial banks in India

Technical/Industry Related Terms

Term	Description
ARPU	Average Revenue Per User
CAGR	Compounded Annual Growth Rate
CSSP	Country Specific Sim Card Provider, i.e., participants entitled to offer prepaid or postpaid SIM card service of other foreign countries in the home country with a valid Government’s No Objection Certificate (NOC)
CAF	Customer Acquisition Form
IMSI	International Mobile Subscriber Identity
IMSP	International Mobility Service Provider
MB	Megabyte
MVNO	Mobile Virtual Network Operator
OTT	Over-the-top
SIM	Subscriber Identity Module
TB	Terabyte
TSP	Telecom Service Provider
UASL	Unified Access Service License
VoIP	Voice over Internet Protocol
WiFi	Wireless Fidelity

Conventional Terms/Abbreviations

Term	Description
AGM	Annual General Meeting
Alternative Investment Funds or AIFs	Alternative Investment Funds as defined in, and registered under, the SEBI AIF Regulations
AS or Accounting Standards	Accounting Standards issued by the Institute of Chartered Accountants of India
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
Category III FPIs	FPIs registered as “Category III foreign portfolio investors” under the SEBI FPI Regulations
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
Clause 49	Clause 49 of the Listing Agreement, as amended, including by the SEBI Circular CIR/CFD/POLICY CELL/2/2014 dated April 17, 2014 and the SEBI Circular CIR/CFD/POLICY CELL/7/2014 dated September 15, 2014
Client ID	Client identification number of the Bidder’s beneficiary account
Companies Act	The Companies Act, 1956, as amended and to the extent effective and the Companies Act, 2013, read with the rules, regulations, clarifications and modifications thereunder
Companies Act, 2013	The Companies Act, 2013, as amended and to the extent effective pursuant to the notification of the Notified Sections, read with the rules, regulations, clarifications and modifications thereunder
CPA	Consumer Protection Act, 1986, as amended
Depositories	NSDL and CDSL

Term	Description
Depositories Act	The Depositories Act, 1996
DIN	Director Identification Number
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India
DoT	Department of Telecommunications, Ministry of Communications and Information Technology, Government of India
DP ID	Depository Participant's identification number
DP or Depository Participant	A depository participant as defined under the Depositories Act
EBITDA	Earnings before Interest, Tax, Depreciation and Amortisation
EPS	Earnings per share
FCNR Account	Foreign Currency Non-Resident Account, and has the meaning ascribed to the term "FCNR(B) account" under the Foreign Exchange Management (Deposit) Regulations, 2000
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999, as amended read with the rules and regulations thereunder
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended
FIIIs	Foreign Institutional Investors as defined under the SEBI FPI Regulations
Financial Year or Fiscal or Fiscal Year or FY	The period of 12 months ending March 31 of that particular year
FPIs	Foreign Portfolio Investors as defined under the SEBI FPI Regulations
FVCI	Foreign venture capital investors as defined in, and registered with, the SEBI under the SEBI FVCI Regulations
GDP	Gross Domestic Product
GoI or Government or Central Government	Government of India
HUF	Hindu Undivided Family
ICAI	The Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
Income Tax Act	The Income Tax Act, 1961, as amended
Indian GAAP	Generally Accepted Accounting Principles in India
IPO	Initial Public Offering
IT Act	Information Technology Act, 2000, as amended
KYC	Know Your Customer
LIBOR	London Interbank Offered Rate
Listing Agreement	The agreement to be entered into between our Company and each of the Stock Exchanges in relation to listing of the Equity Shares on such Stock Exchanges
MCA	Ministry of Corporate Affairs, Government of India
MICR	Magnetic Ink Character Recognition (nine-digit code appearing on a cheque leaf)
Mutual Fund(s)	Mutual fund(s) registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, as amended
NCT	National Capital Territory
NECS	National Electronic Clearing Service
NEFT	National Electronic Fund Transfer
Notified Sections	The sections of the Companies Act, 2013 that have been notified by the MCA and are currently effective
NR or Non-Resident	A person resident outside India, as defined under the FEMA, including NRIs, FIIIs, FPIs, QFIs and FVCIs registered with the SEBI
NRE Account	Non-Resident External Account, as defined under the Foreign Exchange Management (Deposit) Regulations, 2000
NRI	A person resident outside India, who is a citizen of India or a person of Indian origin, as defined under the Foreign Exchange Management (Deposit) Regulations, 2000, as amended

Term	Description
NRO Account	Non-Resident Ordinary Account, as defined under the Foreign Exchange Management (Deposit) Regulations, 2000, as amended
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Limited
OCB or Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately prior to such date had taken benefits under the general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Offer
p.a.	Per annum
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number allotted under the Income Tax Act
PAT	Profit After Tax
QFIs	Qualified Foreign Investors as defined under the SEBI FPI Regulations
RBI	The Reserve Bank of India
RoNW	Return on Net Worth
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956, as amended
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended
SEBI ESOP Guidelines	Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, as amended
SEBI ESOP Regulations	Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended
SEBI FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, as amended
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended
SEBI Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996, as amended
SICA	Sick Industrial Companies (Special Provisions) Act, 1985, as amended
Sq. Ft. or sq. ft.	Square feet
State Government	The government of a state in India
Stock Exchanges	The BSE and the NSE
Supreme Court	The Supreme Court of India
ULIP	Unit Linked Insurance Plan
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America
U.S. Securities Act	U.S. Securities Act, 1933, as amended
VAT	Value added tax
VCFs	Venture capital funds as defined in and registered with the SEBI under the SEBI VCF Regulations or the SEBI AIF Regulations, as the case may be

The words and expressions used but not defined herein will have the meanings assigned under the SEBI Regulations, the Companies Act, the SCRA, the Depositories Act and the rules and regulations made thereunder.

Notwithstanding the foregoing, terms in the sections “Statement of Tax Benefits”, “Regulations and Policies”, “History and Certain Corporate Matters”, “Financial Statements”, “Outstanding Litigation and Material Developments” and “Main Provisions of Articles of Association” on pages 110, 153, 157, 199, 395 and 512, respectively, will have the meanings given to such terms in these respective sections.

PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

All references to “India” contained in this Draft Red Herring Prospectus are to the Republic of India, all references to the “U.S.” or the “United States” are to the United States of America, all references to “Singapore” are to the Republic of Singapore, all references to “Thailand” are to the Kingdom of Thailand, all references to “Dubai” are to the emirate in the United Arab Emirates, all references to “Hong Kong” are to the Hong Kong Special Administrative Region of the People’s Republic of China and all references to the “U.K.” are to the United Kingdom.

Financial Data

Unless stated or the context requires otherwise, our financial data included in this Draft Red Herring Prospectus is derived from our Company’s restated consolidated and unconsolidated summary statements, as of and for the nine months ended December 31, 2014 and as of and for the years ended March 31, 2014, March 31, 2013, March 31, 2012, March 31, 2011 and March 31, 2010, prepared in accordance with the Companies Act and Indian GAAP and restated in accordance with the SEBI Regulations. In this Draft Red Herring Prospectus, discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures in decimals (including percentages) have been rounded off to one or two decimals.

Our Company’s fiscal year commences on April 1 and ends on March 31 of the following year, so all references to a particular fiscal year, unless stated otherwise, are to the 12 months ended on March 31 of that year.

There are significant differences between Indian GAAP, U.S. GAAP and IFRS. The reconciliation, to IFRS or U.S. GAAP financial statements, of the financial statements or data included in this Draft Red Herring Prospectus has not been provided. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Draft Red Herring Prospectus, and it is urged that you consult your own advisors regarding such differences and their impact on our Company’s financial data. Accordingly, the degree to which the restated consolidated and unconsolidated summary statements included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practices and standards. Any reliance by persons not familiar with Indian accounting practices and standards on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited.

Unless stated or the context requires otherwise, any percentage amounts, as set forth in the sections “Risk Factors”, “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 16, 141 and 365, respectively, and elsewhere in this Draft Red Herring Prospectus have been calculated on the basis of the restated consolidated and unconsolidated summary statements of our Company prepared in accordance with the Companies Act and the SEBI Regulations.

Currency and Units of Presentation

All references to “₹” or “Rupees” or “Rs.” are to Indian Rupees, the official currency of the Republic of India.

All references to “US\$” or “USD” are to United States Dollars, the official currency of the United States of America.

All references to “S\$” or “SGD” are to Singapore Dollar, the official currency of the Republic of Singapore.

All references to “HK\$” or “HKD” are to Hong Kong Dollar, the official currency of the Hong Kong Special Administrative Region of the People’s Republic of China.

All references to “THB” are to Thai Baht, the official currency of Kingdom of Thailand.

All references to “AED” are to United Arab Emirates Dirham, the official currency of the United Arab Emirates.

All references to “£” or “GBP” are to Pound Sterling, the official currency of the United Kingdom.

Certain numerical information has been presented in this Draft Red Herring Prospectus in “million” units. One million represents 1,000,000 and one billion represents 1,000,000,000.

Exchange Rates

This Draft Red Herring Prospectus contains conversions of certain other currency amounts into Indian Rupees that have been presented solely to comply with the SEBI Regulations. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

The following table sets forth, for the dates indicated, information with respect to the exchange rate between the Rupee and the respective foreign currencies:

	March 31, 2015 (₹)	December 31, 2014 (₹)	March 28, 2014* (₹)	March 28, 2013** (₹)	March 30, 2012*** (₹)	March 31, 2011 (₹)	March 31, 2010 (₹)
1 USD	62.50	63.04	59.89	54.28	50.88	44.59	44.92
1 SGD	45.46	47.74	47.50	43.71	40.52	35.37	32.11
1 HKD	8.06	8.13	7.72	6.99	6.55	5.73	5.79
1 THB	1.92	1.92	1.84	1.85	1.65	1.47	1.39
1 AED	16.97	17.20	16.30	14.82	13.87	12.14	12.21
1 GBP	92.45	98.31	99.54	82.10	81.52	71.47	68.07

Source: Bloomberg

* Not available for March 29, 2014, March 30, 2014 and March 31, 2014 on account of holidays.

** Not available for March 29, 2013, March 30, 2013 and March 31, 2013 on account of holidays.

*** Not available for March 31, 2014 on account of it being a holiday.

Industry and Market Data

Unless stated otherwise, industry and market data used in this Draft Red Herring Prospectus have been obtained or derived from publicly available information as well as industry publications and other sources.

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. Accordingly, no investment decision should be made on the basis of such information. Although we believe that industry and market data used in this Draft Red Herring Prospectus is reliable, it has not been independently verified by our Company, the Selling Shareholders, the BRLMs or any of their affiliates or advisors.

The extent to which the market and industry data used in this Draft Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources.

Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those disclosed in the section "Risk Factors" on page 16. Accordingly, investment decisions should not be based on such information.

FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain “forward-looking statements”. These forward-looking statements generally can be identified by words or phrases such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “likely”, “objective”, “plan”, “project”, “seek to”, “will”, “will continue”, “will pursue” or other words or phrases of similar import. Similarly, statements that describe our Company’s strategies, objectives, plans or goals are also forward-looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions about our Company that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties. Important factors that could cause actual results to differ materially from our Company’s expectations include, but are not limited to, the following:

- Any decrease in the international roaming rates charged to customers outbound from India could materially and adversely affect our business and financial results.
- Any downturn in the Indian or international travel industry could materially and adversely affect our business and financial results.
- The Indian outbound telecom services industry is intensely competitive and fragmented. We face competition from other outbound telecom service providers, Indian outbound telecom service providers providing international roaming services, local telecom service providers in countries where we provide our services, OTT service providers, as well as other businesses in the travel industry, and our inability to compete effectively could materially and adversely affect our business, financial results and prospects.
- Any decrease in the effectiveness of our sales force or other initiatives such as discounts offered to customers of our travel sector partners in reaching out to customers to use our products, could materially and adversely affect our business and financial results. In addition, we are dependent on our sales and marketing teams to source our customers, and any breakdown of such network could affect our business, financial results and prospects.
- There are several legal proceedings pending against the Company, which if determined against us, may have a material adverse effect on our business, financial results and reputation.
- We may not be able to adapt to changing market trends and customer requirements in a timely manner, or at all.
- We depend on our relationships and agreements with overseas telecom service providers and other service providers (including information technology service providers), and any failure to maintain these relationships, or to establish and capitalize on new relationships, could have a material adverse effect on our business and financial results.
- Our postpaid customer business is subject to collection and bad debts risks.
- The termination of our agreements or arrangements with our corporate customers or a reduction in spending by these customers could have a material adverse effect on our business and financial results.
- Our revenues are subject to significant geographic concentration and any disruption within one of our key existing markets could materially and adversely affect our business, financial results and prospects.

For further discussion of factors that could cause the actual results to differ from the expectations, see the sections “Risk Factors”, “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 16, 141 and 365, respectively. 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 gains or losses could materially differ from those that have been estimated.

Forward-looking statements reflect the current views as of the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. These statements are based on our management’s beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. None of our Company, our Directors, the Selling Shareholders, the Syndicate and any of their respective affiliates has 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. Our Company will ensure that investors in India are informed of material developments from the date of the Red Herring Prospectus until the date of Allotment.

SECTION II: RISK FACTORS

An investment in the Equity Shares involves a high degree of risk. Investors should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. If any of the following risks, or other risks that are not currently known or are currently deemed immaterial, actually occur, our business and financial results, be materially and adversely affected and the price of our Equity Shares could decline causing the investors to lose all or part of the value of their investment in the Equity Shares. The financial and other related implications of the risk factors, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are certain risk factors where the financial impact is not quantifiable and therefore cannot be disclosed in such risk factors.

We have described the risks and uncertainties that we currently believe are material, but the risks set out in this Draft Red Herring Prospectus may not be exhaustive and additional risks and uncertainties not presently known to us, or which we currently deem to be immaterial, may arise or may become material in the future. To obtain a complete understanding, prospective investors should read this section in conjunction with the sections “Forward-Looking Statements”, “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 15, 141 and 365, respectively, as well as the other financial and statistical information contained in this Draft Red Herring Prospectus. In making an investment decision, prospective investors must rely on their own examination of us and the terms of the Offer including the merits and risks involved.

Unless stated or context requires otherwise, the financial information used in this section is derived from the Restated Consolidated Summary Statements.

Internal Risks

Risks Related to our Business

1. ***Any decrease in the international roaming rates charged to customers outbound from India could materially and adversely affect our business and financial results.***

We believe that one of the key drivers for our business, besides the variety of service plans and convenience, is that the rates for our voice, data and SMS services are comparable to international roaming rates from origin-country telecom service providers, and are therefore economical compared with roaming rates from India. Any decrease in international roaming rates charged to customers outbound from India, including due to any advances in technology, regulation or changes in the telecom market, may make our services less competitive with Indian telecom and other providers and our business, financial results and prospects could be materially and adversely affected.

2. ***Any downturn in the Indian or international travel industry could materially and adversely affect our business and financial results.***

Our business and financial performance are dependent on the international travel industry in general, and the India outbound travel industry in particular, and we are affected by any downturns in international travel and any occurrences (whether in India or abroad) that affect the travel plans of our customers. Some of the events that could negatively affect the travel industry, and in turn our business, include increase in international air fares, global and domestic volatility in crude oil prices in general and aviation turbine fuel prices, in particular, the economic condition and growth outlook in the domestic and global economy, reduced disposable incomes of Indian business and leisure travellers, travel-related strikes or labour unrest, any incidents of terrorism, whether actual or threatened, political instability or reports of conflict in certain geographical areas, natural disasters such as earthquakes or tsunamis, perceived risks relating to travel to specific sectors or on specific airlines such as Malaysian Airline System in the recent past, and reports of health-related risks, such as the outbreaks of Ebola, SARS, Influenza A (H1N1 virus), avian influenza or any epidemic or pandemic. Such concerns and threats are outside our control, and could result in a significant decrease in demand for our services, which, depending on its scope and duration, could materially and adversely affect our business and financial results over the short and long term. Further, the travel sector is dependent on the currency movements of various foreign currencies vis-à-vis the Indian rupee. Any negative currency movement can adversely affect demand for international travel and, consequently, demand for our services as well.

3. ***The Indian outbound telecom services industry is intensely competitive and fragmented. We face competition from other outbound telecom service providers, Indian outbound telecom service providers providing international roaming services, local telecom service providers in countries where we provide our services, as well as other businesses in the travel industry, and our inability to compete effectively could materially and adversely affect our business, financial results and prospects.***

The Indian outbound telecom services industry is intensely competitive. Factors affecting our competitive success include, among other things, price, availability and variety of outbound travel telecom services and products, brand recognition, convenience and ease of purchase, quality of customer service, ease of use, accessibility and reliability. We currently compete with other companies providing telecom services to outbound Indian travellers, such as Uniconnect and Clay Telecom, as well as with Indian telecom companies providing international roaming services to outbound Indian travellers.

In addition, we also compete with the local telecom service providers and other travel sector providers in various countries, which also offer similar services on a prepaid basis. In the reseller business, we compete with local telecom service providers and other companies providing services similar to our business.

Certain of our potential or existing customers may prefer such competitors' services based on pricing, coverage, convenience or other factors, and we cannot assure you that our services will be attractive to such customers.

In the foreign exchange business, we compete with banks and full-fledged money changers and in the facilitation of access to overseas travel insurance business, we compete with insurance brokers, insurance agents and insurance companies engaging in direct sales to ultimate customers.

Some of our competitors have significantly greater financial, marketing, personnel and other resources than us and certain of our competitors have a longer history of established businesses and reputations in the Indian and global market as compared with us. From time to time we may be required to reduce our tariffs in order to compete effectively and maintain or gain market share. Further, our profitability may be reduced due to any general pricing trends in the market, price reductions by certain of our competitors, increase in our purchase costs by our suppliers or any special offers made by us in order to compete against our existing and new competitors, which would adversely affect our profitability and financial results. Further, we may also face increased competition from new entrants in our industry, including newer technology-based disruptive services, including the increasing prevalence of WiFi based services. We may incur significant expenses on marketing and distribution of our services in order to compete against our existing or new competitors, and there can be no assurance that our marketing will be successful in attracting customers or maintain or grow our business. We cannot assure you that we will be able to successfully compete against existing or new competitors in our existing or new lines of business. If our access to customers were to be diminished either relative to our competitors or in absolute terms or if we are unable to compete effectively with our competitors including any telecom service providers, our business, financial results and prospects could be materially and adversely affected.

4. ***Any decrease in the effectiveness of our sales force or other initiatives such as discounts offered to customers of our travel sector partners in reaching out to customers to use our products, could materially and adversely affect our business and financial results. In addition, we are dependent on our sales and marketing teams to source our customers, and any breakdown of such network could affect our business, financial results and prospects.***

Our business relies on our employees, especially the sales teams, reaching out to our potential customers and our ability to hire and retain sufficient qualified employees. If we are unable to effectively grow and manage our sales force in line with our business requirements, especially during key business periods such as the first and second quarters of the financial year when we experience higher demand, our business, financial results and prospects may be materially and adversely affected.

In the fiscal year 2014, our sales employee attrition rate was 8.59%. We believe there is significant competition for qualified employees in India and we compete for such employees not only with other companies in our industry but also with companies in other industries that rely on the efficiency of their

sales force teams. We cannot assure you that we will be able to reduce our levels of attrition or maintain our attrition rate at a consistent level. If our attrition rate increases, we may not be able to provide adequate support or fulfil demand for our services and our business and financial results may be materially and adversely affected.

We enter into alliances with various travel sector companies in order to provide discounts and other offers, for which we incur costs, to our customers in order to enhance customer experience and drive higher use of our services. We also enter into agreements with certain travel sector companies to gain access to their customers in order to market our services to them. If we are not able to realize benefits from such initiatives or the related costs increase, our business and financial results could be adversely affected.

As of December 31, 2014, we had counters at five international airports in India including New Delhi and Mumbai. We also sell our services at the Bengaluru airport and recently started selling our services at the Mangalore airport. If we are unable to retain these counters or increase the business originating from such counters, it could materially and adversely affect our business.

As our customers typically use our services on a one-time basis for the duration of their travel abroad, we are dependent on our sales and marketing teams to reach our existing and potential customers. Our sales and marketing team comprises our direct sales team, direct sales agents (who are contracted on a sales commission basis), telemarketing sales team and at our airport counters in certain cities in India. We cannot assure that our employees will remain with us or that our contractors will continue to work with us and not terminate their services or prefer to join a competitor. If we are unable to maintain or expand our sales, marketing and business development team in line with market growth, we may lose customers and market share, and our business and financial results may be materially and adversely affected.

5. ***There are several legal proceedings pending against the Company, which if determined against us, may have a material adverse effect on our business, financial results and reputation.***

There are certain outstanding legal proceedings and claims, including civil litigation, involving the Company, Subsidiaries, Joint Ventures and Group Entities which are pending at different levels of adjudication before various courts, tribunals and other authorities. The amounts claimed in these proceedings have been disclosed to the extent ascertainable and quantifiable and include amounts claimed jointly and severally by or from the Company and other parties. Any unfavourable decision in connection with such proceedings, individually or in the aggregate, could increase our expenses and our liabilities and could materially and adversely affect our reputation, business and financial results. Certain details of such outstanding legal proceedings are set out below.

Nature of litigation	Number of outstanding litigation	Approximate aggregate amount to the extent ascertainable payable by the Company	Approximate aggregate amount to the extent ascertainable payable to the Company
<i>Proceedings involving the Company</i>			
Civil	1	Not ascertainable	-
	6	-	Not ascertainable
Criminal	1	-	₹0.96 million together with interest
Consumer	73	Not ascertainable	-
Recovery	1,048	-	₹ 42.07 million (approx)
Tax	11	Not ascertainable	-
<i>Proceedings involving the Subsidiaries</i>			
Civil	1	-	₹0.98 million
Recovery	4	-	₹0.65 million
<i>Proceedings involving the Joint Ventures</i>			
Civil	1	THB 0.38 million	-

In addition, certain notices have been issued by statutory and regulatory authorities and other entities against the Company and the Subsidiaries demanding payment of certain amounts.

For details regarding litigation, notices and other proceedings against us and the Group Entities, see the section “Outstanding Litigation and Material Developments” on page 395. We cannot assure you that any of these matters will be resolved in our favour or in favour of the Subsidiaries, the Joint Ventures or the Group Entities, or that no additional liability will arise out of these proceedings. Further, there is no assurance that similar proceedings will not be initiated against the above mentioned entities in the future.

6. ***We may not be able to adapt to changing market trends and customer requirements in a timely manner, or at all.***

Our business is dependent on understanding and catering to our customers’ requirements in a timely manner. We have made and would be required to make changes in our offerings to enable such initiatives and have incurred, and expect to incur, costs to introduce and market such services. We have, in the past, and will continue in the future be required to adapt our services offerings in accordance with evolving customer requirements. For instance, for the period Fiscal 2014 to Fiscal 2020, the India outbound international roaming market for data services is expected to grow (in value terms) at a CAGR of 26.8%, while the India outbound international roaming market for voice services is expected to grow at a CAGR of 1.1%. (Source: Frost & Sullivan Report) We may also be prohibited or restricted from providing such services arising from applicable law or policy, or any changes thereof. If we are unable to adapt in a timely manner, or at all, to the changing market trends and customer requirements, including as a result of any inability to understand or service customer requirements effectively or offer customized solutions to our customers, our business, prospects, financial results and reputation could be materially and adversely affected.

7. ***We depend on our relationships and agreements with local telecom operators in destination countries and other service providers including information technology service providers, and any failure to maintain these relationships, or to establish and capitalize on new relationships, could have a material adverse effect on our business and financial results.***

As of December 31, 2014, we (and in one case, a Group Entity) have agreements and relationships with 41 telecom service providers for purchasing bulk voice, data and SMS services. Our business is dependent on our ability to maintain these relationships and arrangements on commercially viable terms with telecom operators in countries around the world, such as SingTel Mobile Singapore Pte. Ltd. in Singapore, China Motion Telecom (H.K.) Limited in Hong Kong and EE Limited in the United Kingdom, as well as our ability to establish and capitalize on new relationships with other telecom operators. We rely on such telecom operators for providing voice, data and SMS services on competitive rates and for providing quality service to our customers in a seamless manner. Our inability to purchase voice, data and SMS services from third-party telecom operators at competitive rates could materially and adversely affect our business and financial results as we would be unable to provide connectivity to our customers in certain areas.

We are dependent on the quality of the services provided by our local telecom service providers, which in turn affects the quality of our services to our customers. Additionally, any increase in the rate at which the telecom network operators provide services could negatively impact our profitability. Under our contracts and arrangements with local telecom service providers, pricing can generally be varied at any time by such providers. Further, any interruption or deterioration in the performance of these telecom operators such that our customers are not satisfied with the services provided could have a material adverse effect on our business and financial results and reputation. Our agreements with local telecom service providers in destination countries from whom we purchase voice, data and SMS services do not provide any indemnity to us for any loss of quality or coverage area. We may be unable to negotiate favourable pricing for services we purchase from our suppliers or obtain favourable pricing in response to competitive developments in our market, which could constrain our ability to price our services and adversely affect our results of operations and profitability. Any adverse changes in existing relationships, including the inability of any telecom operator to provide connectivity to our customers in a particular geographical region, or to fulfil their obligations to us in a timely manner, or our failure to enter into new arrangements on favourable terms, if at all or if a relationship with a telecom service provider is terminated, could decrease the quality, pricing and extent of services offered by us, which could materially and adversely affect our business, financial results and reputation. In the event we are unable to bill our customers accurately, on a timely basis or at all, we may incur losses and our financial results may be adversely affected.

We have also entered into agreements with third parties for information technology systems support. In the event our arrangements with such third parties are impaired or terminated, and we are unable to find an alternative provider, our services may be disrupted and we may have to incur significant additional costs to our Company, which would adversely affect our business and financial results.

The fixed telecom networks provided by third-parties may require maintenance and periodic upgrading of the appropriate networks and infrastructure and are vulnerable to damage or interruption which are beyond our control such as telecom failure, disruption in communications access or infrastructure, natural disasters, corruption or loss of electronically stored data or other similar events. Continued disruption in the telecom networks in the markets where we operate may lead to a reduction in the number of our customers.

We may not have any access to alternative telecom networks other than those we currently use, in the event of disruptions, failures or any other problems in the network or infrastructure of our current telecom service providers.

If there are disruptions in our services leading to a reduction in our customer base, our business, financial results, reputation and prospects could be materially and adversely affected.

8. ***Our postpaid customer business is subject to collection and bad debts risks.***

Under our typical contracts with postpaid customers, payments are required in full on a monthly basis, and such payments are in arrears rather than in advance of provision of services. We seek to review the creditworthiness of our postpaid customers prior to commencing services; however, we cannot ensure that our customers will pay their dues in a timely manner, or at all. The amount of bad debts written off (net of amount recovered) and provision for doubtful debts expressed as a percentage of our revenue from sale of services in fiscal years 2012, 2013 and 2014 and the nine months ended December 31, 2014 was 3.99%, 4.87%, 3.70% and 2.87%, respectively. If the quantity of bad debts or doubtful debts as a proportion of our outstanding payments increases, our business and financial results could be adversely affected.

Further, as of the date of this Draft Red Herring Prospectus, there are 1,048 outstanding recovery cases filed by us for an aggregate amount of approximately ₹42.07 million towards collecting the dues owed to us by our customers. There is no assurance that these cases will be decided in our favour. If these recovery cases are determined against us, our business and financial results could be adversely affected. For details, see the section “Outstanding Litigation and Material Developments” on page 395.

9. ***The termination of our agreements or arrangements with our corporate customers or a reduction in spending by these customers could have a material adverse effect on our business and financial results.***

Our agreements or arrangements with corporate customers may be terminable at the option of either party and/or may not be renewed. Our corporate customer business is significantly dependent on our ability to retain and increase revenues from our existing corporate customers and increase the overall number of corporate customers entering into commercial arrangements with us over a period of time. If we lose any of our key corporate customers, and if we fail to attract new customers, our business and financial results could be materially and adversely affected.

Our relationships with our corporate customers are generally not based on formal long-term agreements or memoranda of understanding. Instead, we enter into CAF agreements with their employees directly or with such corporate customers, depending on immediate travel needs. From time to time, we enter into arrangements with certain corporate customers pursuant to an empanelment process that identifies us as a preferred travel telecom services provider for their employees and the loss of any such empanelment by corporate customer may adversely affect our ability to be reimbursed for services provided to their employees or be informed of future travel needs, which would affect our ability to offer services to such employees and consequently adversely affect our business and financial results. Under our arrangements, by empanelment or formal agreements, with corporate customers, we typically agree to certain service delivery obligations, including providing handsets free of charge and in some cases providing compensation in the event that the employee is compelled to use roaming services because our services are unavailable. In addition, our arrangements with corporate customers are generally non-

exclusive, and we are required to compete for business with other providers on an ongoing basis despite empanelment.

There can be no assurance that these corporate customers will not terminate or continue their arrangement with us on short notice or without notice, which could have a material adverse effect on our business and financial results.

10. ***Our revenues are subject to significant geographic concentration and any disruption within one of our key existing markets could materially and adversely affect our business, financial results and prospects.***

Our revenues are currently subject to significant geographic concentration. We generate approximately 47% of our revenues from sale of revenues from our customers travelling to the United States and the United Kingdom and our business depends significantly upon, and increases our exposure to adverse developments related to, the general economic and other conditions in these countries. Our revenue may also be affected by a change in the travel preference of customers to these regions which, in turn, may be affected by external events such as health-related risks, natural disasters or regional economic downturn. Any downturn in travel to the United States or the United Kingdom may materially and adversely affect our business and financial results.

11. ***We are dependent on our reseller business for a substantial portion of our total revenues. Our inability to develop new reseller relationships or receive payments from our resellers on time could have a material adverse effect on our business and financial results.***

18% and 25% of our revenue from operations for fiscal 2014 and the nine months ended December 31, 2014 constitutes revenues from outside India, which is predominantly attributable to our contracts with foreign resellers, who purchase voice, data, SMS services and handsets from us and resell to their customers. These agreements may be terminable at the option of either party and/or may not be renewed and we may not be able to enter into commercially viable agreements with new resellers.

Further, our payments from resellers are subject to credit terms typically ranging from 10 days to 30 days. We may not receive timely payments from our resellers. We may also be restricted from selling to resellers under certain of our agreements with local telecom service providers in destination countries. If we are unable to maintain our relationships with our current resellers or enter into agreements with new resellers or if a substantial portion of our resellers do not make timely payments on their arrears or we are prohibited or restricted from selling to resellers, our business and financial results could be materially and adversely affected.

12. ***We are dependent on a number of key management personnel, including our senior management, and the loss of or our inability to attract or retain such persons could adversely affect our business, financial results and prospects.***

Our future success is highly dependent on our senior management to maintain our strategic direction and manage our current operations and to meet future business challenges and the loss of, or inability to attract or retain, such persons could materially and adversely affect our business and financial results. In particular, the expertise, experience and services of Anish Khanna, our Chief Executive Officer and Gaurav Kumar Khanna, our Chief Financial Officer, who joined us in July 2013 (previously employed with Matrix Rent-A-Tel) and January 2010 (previously employed with MCS from 2001 until 2010 prior to being transferred to our Company), respectively, and other members of our senior management team and are executing our growth strategy, have been integral to our business. For further details in relation to the experience of Anish Khanna and Gaurav Kumar Khanna, see the sections “Our Business” and “Our Management” on pages 141 and 173, respectively. Our employment agreements with these personnel do not obligate them to work for us for any specified period and if one or more of these key management personnel are unwilling or unable to continue in their present positions, we may not be able to replace them with persons of comparable skill and expertise promptly or at all, which could have a material adverse effect on our business, financial results and prospects. We may take a long period of time to hire and train replacement personnel when skilled personnel terminate their employment with our Company. We may also be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting skilled employees that our business requires. If we

are unable to hire and train replacement personnel in a timely manner or increase our levels of employee compensation to remain competitive, our business, financial results and prospects may be materially and adversely affected.

13. ***We depend on our brand recognition, and failure to maintain and enhance awareness of our brand would adversely affect our ability to retain and expand our base of customers.***

We believe that our brand “Matrix” is well-known in India in the country-specific service provider business. However, we are still in the process of establishing ourselves in our other and newer businesses and may not enjoy the same brand recognition. We have invested in developing and promoting our brand since incorporation and we expect to continue maintaining and expanding our brand awareness amongst our current and prospective customers. We believe that as the market becomes increasingly competitive, maintaining and enhancing our brand, in a cost-effective manner, will become increasingly important for our business. Further, we believe that continuing to develop awareness of our “Matrix” brand, through focused and consistent branding and marketing initiatives, among companies and business and leisure travellers is important in order to continue to remain one of the leading providers of outbound travel telecom solutions and services. If we are unable to consistently manage our time and costs on brand building initiatives, our ability to compete in the outbound travel telecom solutions and services sector may be negatively impacted and have a materially adverse effect on our business. In addition, any negative publicity about us or our services could harm our brand reputation and consequently our business.

14. ***We have filed for trademark registration of our corporate logo and cannot ensure that our intellectual property is protected from copying or use by others, including current or potential competitors. In the event that we are unable to adequately protect our intellectual property or use our name and corporate logo for any reason, our business, financial results and reputation may be affected.***

Our intellectual property includes our trademarks, brand names, trade secrets, copyright, domain names and any software systems or customizations of third party technologies. Effective trademark, copyright and trade secret protection may not be available in every country in which we operate and policing unauthorized use of our content and technological customizations is difficult and expensive. We may be unable to adequately protect our intellectual property against unauthorized use in India or abroad.

Certain applications for the trademark “Matrix” have been filed by MCS, a Group Entity, and any inability to obtain such trademarks by the Company may adversely affect our ability to own our brand. Although we entered into a deed of assignment with MCS, pursuant to which it assigned the right to the Matrix trademarks to our Company, we do not currently have a registered trademark in India and therefore do not enjoy the statutory protections accorded to registered trademarks. Further, we have not entered into license agreements with MCS, our Subsidiaries or our Joint Ventures which use the Matrix brand. Any such use of our brand by such entities may adversely affect our reputation.

We have trademark applications pending before the Registrar of Trademarks, New Delhi for our corporate logo and “Matrix Makes Sense”, certain of which are opposed. We have registered our domain name, www.matrix.in, and have registered the trademark “Matrix Makes Sense” in Saudi Arabia and the United Arab Emirates, “Matrix Forex” in the United States, South Africa, Singapore, Japan, Canada and European Union. For details, see the section “Government and Other Approvals” on page 430. There can be no assurance that we will be able to obtain registration of our pending trademarks and logo in a timely manner, or at all, or that third parties will not infringe on our trademark, logo or brand name. If we are unable to obtain the registration of our trademarks or corporate logo, or are unable to prevent our competitors or other third parties from using our trademarks or corporate logo, we may not be able to carry on our business operations, or we may not have protectable interests in our intellectual property.

We have in the past and may, in the future, face claims and legal actions by third parties that are using, or disputing our right to use, our trademarks, logo or domain names under which our business currently operate and we may be required to resort to legal actions to protect our brand and reputation if the need arises. If the outcome of any such legal proceedings is adverse to us, we may not be able to adequately protect our brand and reputation, which could have a material adverse effect on our business operations.

15. ***We are subject to exchange rate fluctuation risk.***

We earn revenues denominated in foreign currency in our reseller business and our sale of handsets business. While most of our revenues are earned in India rupees, a large portion of our expenses are mostly in foreign currencies, including in U.S. Dollar, Great Britain Pound Sterling, Euro, Australian Dollar, Singapore Dollar, Japanese Yen and UAE Dirham. In order to protect against exchange rate risk, we have entered into exchange rate forward contracts to protect against exposure to exchange rate risk between the date of invoicing by our telecom service providers and the date of payment. In the event we fail to enter into such hedging arrangements or otherwise fail to protect against currency fluctuations, our business and financial results may be adversely affected. For instance, in fiscal 2014, we suffered a loss of ₹17.86 million on a standalone basis as exchange difference (net).

16. ***Certain qualifications and emphasis of matters have been noted in our Auditor's audit reports.***

In connection with the audit of our standalone financial statements, certain qualifications and emphasis of matters have been included in the auditor's reports for each of fiscal 2014, 2013, 2012, 2011 and 2010. These comprised the following:

Qualifications:

For fiscal 2014:

- a) the internal control system for sale of goods needed to be strengthened further; and
- b) there was a slight delay in few cases in depositing undisputed statutory dues.

For fiscal 2013:

- a) the rate of interest and other terms and conditions of loans given by our Company to a company in which directors of our Company were interested, was prima facie prejudicial to the interest of our Company; and
- b) there was a slight delay in few cases in depositing undisputed statutory dues.

For fiscal 2012:

- a) our Company had not yet obtained post-facto approval of its Authorized Dealer for setting-off certain amounts to certain foreign vendors against amounts receivable from them.
- b) the rate of interest and other terms and conditions of loans given by our Company to a firm in which directors of our Company were interested, was prima facie prejudicial to the interest of our Company; and
- c) there had been a slight delay in few cases in depositing undisputed statutory dues.

For fiscal 2011:

- a) our Company had applied for and not yet obtained post-facto approval of the RBI for setting-off certain amounts to certain foreign vendors against amounts receivable from them;
- b) fixed assets had not been physically verified by the management during the year;
- c) in respect of one transaction pertaining to purchase of trademarks amounting to ₹25,750,000, because of the unique and specialized nature of the item involved and absence of any comparable prices, the auditors were unable to ascertain whether the transactions were made at prevailing market prices at the relevant time;
- d) the scope and coverage of our Company's internal audit system was required to be enlarged to be commensurate with the size and nature of its business;
- e) there had been a slight delay in a few cases of depositing undisputed statutory dues; and
- f) funds were misappropriated by an employee during the year.

For fiscal 2010:

Certain withholding taxes and fringe benefit tax for fiscal 2009 were outstanding for a period of more than six months as of the date of the balance sheet.

In addition, the auditors of our Subsidiary, Matrix Cellular International Services UK Limited, have qualified their opinion on the financial statements of the Subsidiary for fiscal 2009 onwards on account of overdue debtors amounting to GBP 0.33 million. Of this amount, GBP 0.24 million related to invoices which continue to remain unpaid. The remaining balance of GBP 0.09 million is due from a company which does not appear to have the means to repay this.

Emphasis of Matters:

For Fiscal 2014:

Our Company was not in compliance with requirements under Section 297 of the Companies Act, 1956 in relation to certain purchases of products and services from and sales to private limited companies in which a director is interested in the current year and prior years, for which approval had not been obtained from the Government of India.

For Fiscal 2013:

Our Company was not in compliance with requirements under Section 297 of the Companies Act, 1956 in relation to certain purchases of products and services from and sales to private limited companies in which a director is interested in the current year and prior years, for which approval had not been obtained from the Government of India.

For Fiscal 2012:

Our Company was not in compliance with requirements under Section 297 of the Companies Act, 1956 in relation to certain purchases of products and services from and sales to private limited companies in which a director is interested in the current year and prior years, for which approval had not been obtained from the Government of India.

For Fiscal 2011:

Our Company was not in compliance with requirements under Section 297 of the Companies Act, 1956 in relation to certain purchases of products and services from and sales to a private limited company in which a director is interested, for which approval had not been obtained from the Government of India.

For details of the qualifications and emphasis of matters, see the sections “Summary of Financial Information” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 53 and 365, respectively.

Such deficiencies could affect our reported financial statements and information, and the market price of our Equity Shares could decline.

17. ***We rely on information technology systems, networks and infrastructure to operate our business and any interruption or breakdown in such systems, networks or infrastructure or our technical systems could impair our ability to effectively provide our products and services.***

We are in the business of providing voice, data and SMS services to outbound customers seeking efficient and uninterrupted telecom services for staying in touch, and we rely on our and third party information technology systems and networks and related infrastructure for such telecom and information technology and related infrastructure.

In addition, certain of our systems and software are developed internally, which may contain undetected errors, defects or bugs and which we may not be able to detect and repair, in time or in a cost-effective manner, or at all. In such circumstances, we may be liable for all costs and damages, as we would not be entitled to any indemnification or warranty which we may have been provided if we had obtained such systems or software from third party professional providers. Any damage to or failure of our systems

could lead to loss of data or interruptions or delays, thereby impairing our ability to effectively provide our services. In the event we are unable to bill our customers accurately, on a timely basis or at all, we may incur losses and our financial results may be adversely affected.

We rely on our enterprise resource planning software system for customer acquisitions, billing processing, accounting, and issuing MIS reports. We may be unable to incorporate specific features required by our business in our software system, including for instance, handling billing in multiple currencies and accounting formats.

18. ***We may not be successful in implementing our growth strategies.***

Our growth strategy requires us to expand and diversify our services and increase our customer base in the outbound travel sector. To remain competitive, we seek to increase our business from existing and new customers, as well as expanding into new geographical markets and services.

Our success in implementing our growth strategies may be affected by:

- our ability to maintain the quality of our services;
- our ability to maintain a strong brand and to create brand awareness in new markets;
- our ability to increase our customer base;
- our ability to understand changes in markets and trends and deliver services that are meaningful and customized in a timely manner or at all;
- our ability to expand the services provided by us and to cross-sell our travel services and products to facilitate the expansion of our business;
- the general condition of the global economy (particularly of India and the other markets we may operate in), the travel sector and continued growth in demand for travel-related telecom services;
- our ability to compete effectively with existing and future competitors, including in the travel insurance and foreign exchange sectors; and
- changes in the Indian or international regulatory environment applicable to us.

Many of these factors are beyond our control and there is no assurance that we will succeed in implementing our strategies. Separately, our growth strategy also involves expanding into new geographic markets which will involve additional risks.

19. ***We are dependent on our Promoters and will be controlled by our Promoters so long as they control a majority of the Equity Shares.***

We have historically depended on guarantees provided to our lenders by our Promoters and our Promoter Group in order to help fund our operations and business expansion. None of our Promoters and Group Entities and other members of the Promoter Group has committed to provide such forms of credit support in the future. We cannot assure you that such contributions to us by our Promoters will be on terms comparable with such past transactions or continue in future at all. In addition, certain of our Promoters and Group Entities and our Promoter Group have interests in other companies that are involved in the telecom services industry, such as MCS and MTPL. Further, one of our Promoters, Urvashi Kaur does not have experience in the telecommunications sector.

In addition, one of our Group Entities, Matrix Cellular International Services US, LLC/International Business Systems Inc. (“**Matrix Inc.**”), which is controlled by our Promoter, Gagan Deep Singh Dugal, has entered into an agreement with a telecom service provider in the United States that entitles our Group Entity to purchase handsets at discounted rates, in addition to bulk voice, data and SMS services. We have entered into an arrangement with our Group Entity which enables us to directly purchase such

handsets and voice, data and SMS services, which we subsequently sell. If our relationship with Gagan Deep Singh Dugal or Matrix Inc. ceases, we may not be able to retain relationships with certain telecom service providers and this may materially and adversely affect our financial results.

There may be conflicts of interest in addressing business opportunities and strategies in circumstances where our interests differ from other companies in which one or more of our Promoters or Group Entities or one or more members of our Promoter Group has an interest. For instance, our Group Entity, MCS, previously conducted the business that we conduct currently, however, we have not entered into a business transfer agreement with MCS. In addition, none of the members of our Promoter Group other than our Promoters has undertaken to refrain from competing with our business. Further, none of the members of the Promoter Group other than our Promoters is obligated to direct any opportunities in our industry to us. While our shareholders' agreement includes certain non-compete restrictions on the Promoters, we cannot assure you that any such competition will not occur and such restrictions may be held unenforceable under Indian law. We have entered into a consultancy agreement with one of our Group Entities, GD Trading FZE, which is controlled by our Promoter, Gagan Deep Singh Dugal, for services to our Company including for future expansion of our business and managing supplier relationships. For further details in relation to such shareholders' agreement and consultancy agreement, see the section "History and Certain Corporate Matters" on page 157. If our relationship with Gagan Deep Singh Dugal is terminated, such consultancy agreement may also be terminated which could materially and adversely affect our business.

After the completion of the Offer, our Promoters will control, directly or indirectly, approximately [●]% of our Company's outstanding Equity Shares. As a result, our Promoters will continue to exercise significant control over us. Our Promoters may take or block actions with respect to our business, which may conflict with our interests or the interests of our minority shareholders, such as actions which delay, defer or cause a change of our control or change in our capital structure, merger, consolidation, takeover or other business combination involving us, or which discourage or encourage a potential acquirer from making an offer or otherwise attempting to obtain control of us. We cannot assure you that our Promoters and members of our Promoter Group will act in our interest while exercising their rights in such entities.

20. ***Our Joint Ventures may not perform their obligations, which could impose additional financial and performance obligations on the Company, which could materially and adversely affect our business and financial results. Further, we may have disagreements with our joint venture partners.***

Some of our operations are undertaken through companies formed with joint venture partners in other countries such as Matrix Cellular International Limited and M&S Telecom in Thailand and Telecom Wimax Limited in Hong Kong, and have joint management of their business affairs with our joint venture partners. We may not have a controlling interest in such Joint Ventures and we cannot ensure that our Joint Ventures will continue to perform their obligations or take decisions in line with our interests. If our Joint Ventures do not perform their obligations, our business and financial results may be materially adversely affected.

21. ***Our business experiences seasonal fluctuations.***

Our business experiences seasonal fluctuations. We tend to experience higher revenue in the first and second quarters of our fiscal year. As a result, quarter-to-quarter comparisons of our financial results may not be meaningful.

22. ***We are exposed to risks associated with online security and credit card fraud.***

We offer our customers the option to purchase services or recharge their SIM cards and data cards by making payment online and securing transmission of confidential information over the Internet is essential in maintaining customer confidence in us. Security breaches, whether instigated internally or externally on our system or other Internet-based systems, could significantly harm our business. We rely on licensed encryption and authentication technology to effect secure transmission of confidential customer information, including credit card numbers, over the Internet. However, advances in technology or other developments could result in a compromise or breach of the technology that we use to protect customer and transaction data. Our security measures may not prevent security breaches and

we may be unsuccessful in or incur additional costs by implementing our remediation plan to address these potential exposures. If we are unable to successfully prevent security breaches in our systems, our customers could refrain from using the online purchase and recharge system which could materially and adversely affect our business, financial results, prospects and reputation.

23. ***Our processing, storage, use and disclosure of data of our customers could give rise to liabilities as a result of governmental regulation, conflicting legal requirements, differing views of personal privacy rights or data security breaches.***

We receive and store a large volume of information while operating our business and are required to comply with KYC requirements and processes in relation to our customers as per applicable Indian law. If we are unable to develop, maintain and update customer information in accordance with applicable KYC norms or are unable to prevent the misuse of our services, we may be held liable for non-compliance with governmental regulations which could adversely affect our business and reputation. Further, any personal customer information that is collected and processed by us is subject to legislation and regulations governing personal privacy rights in various jurisdictions. If such legislations or regulations are further expanded, we may become exposed to potential liabilities, which could materially and adversely affect our business, prospects and reputation.

24. ***Our business and growth plans depend largely on government policies and regulatory framework in relation to the telecom solutions sector in India and abroad. We require certain approvals or licenses in the ordinary course of business and may be subject to penalties for non-compliance.***

Every entity engaged in the business of sale/rent of international roaming SIM cards and global calling cards is required to obtain a no-objection certificate from the DoT. The certificate issued by the DoT is subject to certain conditions including that the cards being offered to Indian customers will be for use only outside India. Details of SIM cards and global calling cards, including the address of the person to whom such cards have been sold/rented are required to be provided to designated security agencies on a monthly basis. Our certificate requires that the SIM cards are operated outside India and permits use for a period of 48 hours prior to and departure and upon return to India. However, we are dependent on the travel information provided by our customers and do not independently verify any such information provided to us. In the event that the customer uses our SIM card in India other than as permitted, we may be in violation of such certificate. We may be prohibited or restricted from providing additional services to our customers despite a demand for such service, in the event that applicable law or policy of the Government of India does not permit us to provide such services and accordingly, also be required to cease providing any such services previously offered.

The new Companies Act, 2013 contains significant changes to Indian company law, including in relation to the issue of capital by companies, related party transactions, corporate governance, audit matters, internal controls, shareholder class actions and restrictions on the number of layers of subsidiaries. Moreover, effective April 1, 2014, companies exceeding certain net worth, revenue or profit thresholds are required to spend at least 2% of average net profits from the immediately preceding three financial years on corporate social responsibility projects, failing which an explanation is required to be provided in such companies' annual reports. In addition, many aspects of the new Companies Act are subject to delegated rulemaking by the Government of India, and such rules are yet to be published or effective. We may incur increased costs and other burdens relating to compliance with these new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business and results of operations.

We have filed compounding applications before the Registrar of Companies, NCT of Delhi, for related party transactions entered into by the Company without the prior approval of the central government, as required under Section 297 of the Companies Act, 1956. For further details, see the section "Outstanding Litigation and Material Developments" on page 395 for the past and pending applications filed by the Company.

In addition, we are subject to, and are required to comply with, the laws of the countries in which we operate and where we provide our services.

The impact of any or all of the above changes to Indian or foreign laws on our business cannot be fully

determined at this time. Additionally, our business and financial performance could be adversely affected by unfavorable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations applicable to us and our business. Such unfavorable changes could decrease demand for our services and products, increase costs and/or subject us to additional liabilities.

25. ***We have certain contingent liabilities that may adversely affect our business and financial results.***

As of December 31, 2014, we had the following contingent liabilities in our summary statements pursuant to Accounting Standard 29 outstanding on a consolidated basis:

Particulars	As of December 31, 2014 (in ₹ million)
Claims against the Company not acknowledged as debts	12.44
Guarantees given by the Company	55.25

Our Company has provided bank guarantees in favour of third parties, including telecom service providers, as required under the terms of agreements with such parties. In addition, our Company provided a bank guarantee on behalf of its Subsidiary, Matrix Forex, to ICICI Bank Limited.

If the aforementioned contingent liabilities materialize, our business and financial results may be adversely affected. For details of contingent liabilities as defined under Accounting Standard 29, see the section “Financial Statements” on page 199.

26. ***We do not own our registered and corporate office and other properties and any revocation or adverse changes in the terms of our leases may have an adverse effect on our business and financial results.***

We have entered into a lease agreement in respect of our registered and corporate office pursuant to which the lease is valid till December 31, 2021. The address stated in the lease agreement is stated as Plot No. 141-143, Khasra No. 249, Extended Abadi Lal Dora, Village Sultan Pur (known as Manglapuri), Mehrauli, New Delhi, whereas the registered office address as specified on the website of the Ministry of Corporate Affairs is 7 Khullar Farm, Mandi Road, Mehrauli, New Delhi 110 030. Certain of our Group Entities have also stated their registered office address as 7 Khullar Farm, Mandi Road, Mehrauli, New Delhi 110 030.

We also lease other premises from which we operate, including our branch offices. Further, certain of our lease and leave and license agreements have not been registered or are not adequately stamped. If any of the owners of these premises revokes the arrangements under which we occupy the premises or imposes terms and conditions that are unfavourable to us, or if we are otherwise unable to occupy such premises, we may suffer a disruption in our operations or have to pay increased rent, which could have an adverse effect on our business and financial results. For details, see the section “Our Business – Properties” on page 152.

27. ***Our insurance coverage may be inadequate to satisfy future claims against us.***

We maintain insurance which we believe is typical in our industry in India and in amounts which we believe to be commercially appropriate for a variety of risks, including fire, burglary, terrorist activities, group medical and group personal accident insurance. However, such insurance may not be adequate to cover all losses or liabilities that may arise from our business operations, particularly if the loss suffered is not easily quantifiable. Our insurance policies contain exclusions and limitations on coverage, as a result of which, we may not be able to successfully assert our claims for any liability or loss under the said insurance policies. Additionally, there may be various other risks and losses for which we are not insured because such risks are either uninsurable or not insurable on commercially acceptable terms. Furthermore, there can be no assurance that in the future we will be able maintain insurance of the types or at levels which we deem necessary or adequate or at premiums which we deem to be commercially acceptable.

The occurrence of an event for which we are not insured, where the loss is in excess of insured limits occurs or where we are unable to successfully assert insurance claims from losses, could result in uninsured liabilities. Further, despite such uninsured losses we may remain obligated for any financial indebtedness or other obligations related to our business. Any such uninsured losses or liabilities could result in an adverse effect on our business and financial results.

28. ***Our inability to meet our obligations, including financial and other covenants under our credit facilities could adversely affect our business and financial results.***

Our credit facilities contain certain restrictive covenants that limit our ability to undertake certain types of transactions, any of which could adversely affect our business and financial results. We are required to obtain a prior approval from our lenders for, among other things:

- effecting any change in the Company's shareholding;
- diversifying into any new business or undertaking any scheme of expansion, modernization, diversification or renovation or acquiring any fixed assets;
- undertaking guarantee obligations on behalf of any other company/person;
- investing in, lending funds to or issuing guarantees to or advancing unsecured loans to any group company;
- make any changes to the Company's management;
- withdrawing any monies brought or to be brought in by principal shareholders, directors, depositors, friends or relatives of the Directors;
- selling, assigning, mortgaging or otherwise disposing off any of the fixed assets of the Company;
- raising any additional borrowings or creating charge on its properties or assets in favour of any other lender; and
- for payment of dividend in excess of the Company's PAT in any given year.

Certain of our credit facilities may contain cross default provisions which could automatically trigger defaults under other credit facilities. We may be forced to sell some or all of our assets if we do not have sufficient cash or credit facilities to make repayments. Additionally, some of our borrowings may be secured against all or a portion of our assets, and lenders may be able to sell such assets to enforce their claims for repayment. Our failure to meet our obligations under credit facilities could have an adverse effect on our business and financial results.

29. ***Certain of the agreements entered into by us, including with telecom service providers, customers and direct sales agents, have expired and any failure to maintain these relationships, or to renew such agreements, could have a material adverse effect on our business and financial results.***

We typically enter into agreements with our telecom service providers, customers, direct sales agents and other third parties to record the terms and conditions governing such relationships. However, certain of such agreements have expired and the relationships with such parties are maintained without a formal agreement. Without a formal agreement, there is no obligation on such parties to fulfil the terms and conditions of their relationship, which may have an adverse effect on our business and operations. We cannot assure you that we will be able to enter into, renewal agreements, new agreements or at all, with such parties. The lack of formal agreements with such parties could have a material effect on our business and financial results.

30. ***Our Subsidiaries, Joint Ventures and Group Entities have suffered losses in the past and may incur losses in the future.***

Some of our Subsidiaries, Joint Ventures and Group Entities have incurred losses in the preceding three fiscals. The details of profit/loss incurred by such Subsidiaries, Joint Ventures and Group Entities for the preceding three fiscals are as follows:

(₹ in million, unless otherwise stated)

S.No.	Name	Profit (losses) after tax		
		Fiscal 2014	Fiscal 2013	Fiscal 2012
1.	Matrix Cellular International Services UK Ltd	(4.13)	(7.28)	2.27
2.	Matrix Cellular Pte Ltd	(10.67)	(32.21)	(25.34)
3.	Matrix Cellular Dubai FZE	(9.66)	2.81	0.37
4.	Preciflex Insulations Private Limited	(0.06)	0.45	0.01
5.	Matrix Forex Services Private Limited	(37.71)	(43.01)	(51.66)
6.	Matrix Cellular International Services Corporation	(0.08)	NA	NA
7.	M&S Telecom Ltd*	(23.09)	(20.12)	(13.72)
8.	Matrix Cellular International Ltd*	(0.09)	0.21	0.18
9.	Telecom Wimax Limited*	3.13	20.28	(13.54)
10.	Luxalon Building Private Limited	0.06	(2.01)	0.06
11.	Matrix TeleSolutions Private Limited	(0.07)	(0.02)	(0.02)
12.	SMG Sports Management Company Private Limited	(0.04)	(20.15)	NA
13.	Matrix Cellular Services Private Limited	(33.01)	(76.15)	(144.84)
14.	YBO Solutions (India) Private Limited	(0.03)	(0.04)	(2.63)
15.	Tamarinde Holidays Private Limited	(0.07)	(0.07)	(0.13)
16.	Signature Talent Private Limited	(0.45)	(0.68)	0.80
17.	Aagaz	(0.01)	0.03	0.05

* Profits/(Losses) have been calculated on a 100% basis.

For further details on the financial information of our Group Entities, see the section “Our Group Entities” on page 188.

31. ***Our ability to pay dividends in the future will depend upon future earnings, financial results, cash flows, working capital requirements and capital expenditures.***

Our Company has paid dividends on its Equity Shares during the fiscal years 2012, 2013 and 2015. The amount of future dividend payments, if any, will depend upon a number of factors, including but not limited to our future earnings, financial results, cash flows, working capital requirements, contractual obligations, applicable Indian legal restrictions and capital expenditures. In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under any loan or financing agreements we may enter into to finance our business activities. We cannot assure you that we will be able to pay dividends in the future. For details, see the section “Dividend Policy” on page 198.

32. ***Our Company will not receive any proceeds from the Offer.***

The entire proceeds after deducting relevant Offer expenses will be paid to the Selling Shareholders and our Company will not receive any such proceeds. For details, see the section “Objects of the Offer” on page 106.

33. ***Some of the reports referred to in this Draft Red Herring Prospectus were commissioned by our***

Company.

We have obtained certain market data, industry forecasts and data used throughout this Draft Red Herring Prospectus from internal surveys, market research and publicly available industry, government and research information, publications and websites. We have also commissioned certain reports, including the Frost & Sullivan Report, which may not be publicly available. Industry publications generally state that the information contained therein has been obtained from sources believed to be reliable, but that the accuracy and completeness of the information is not guaranteed. Similarly, while we believe these industry forecasts and market research to be reliable, we have not independently verified this information and do not make any representation as to the accuracy of this information.

34. ***We have entered into and may in the future enter into related party transactions.***

We have in the course of our business entered into, and will continue to enter into, several transactions with related parties including our Subsidiaries and Group Entities. For details, see the section “Related Party Transactions” on page 197. We cannot assure you that we will receive similar terms in our related party transactions in the future. We cannot assure you that we could not have achieved more favourable terms had such transactions been entered into with unrelated parties. The transactions we have entered into and any further transactions with our related parties have involved or could potentially involve conflicts of interest which may be detrimental to the Company. Further, the Companies Act, 2013 has brought into effect significant changes to the Indian company law framework including specific compliance requirements such as obtaining prior approval from the audit committee, board of directors and shareholders for certain related party transactions. We cannot assure you that such transactions, individually or in the aggregate, will not have an adverse effect on business and financial results, including because of potential conflicts of interest or otherwise.

35. ***We have experienced negative net cash flows generated from operating activities. Any negative cash flows in the future would adversely affect our cash flow require.***

We have in the past, and may in the future, experience negative cash flows. For example, our net cash used in operating activities, after working capital adjustments, in Fiscal 2010 was ₹15.24 million. Negative cash flows over extended periods, or significant negative cash flows in the short term, could materially impact our ability to operate our business and implement our construction and growth plans. As a result, our cash flows, business, financial condition and results of operations could be adversely affected.

External Risks

Risks Related to India

36. ***We are subject to regulatory, economic, social and political uncertainties as well as natural disasters in India.***

Our business and employees are largely located in and based out of India. Consequently, our financial performance and the market price of our ordinary shares will be affected by changes in exchange rates and controls, interest rates, changes in government policies, including taxation policies, social and civil unrest and other political, social and economic developments in or affecting India.

The Government of India has exercised and continues to exercise significant influence over many aspects of the Indian economy. Since 1991, successive Indian governments have generally pursued policies of economic liberalization and financial sector reforms, including by 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 and we cannot assure you that such liberalization policies will continue. The rate of economic liberalization could change, and specific laws and policies affecting travel service companies, foreign investments, currency exchange rates and other matters affecting investments in India could change as well. A significant change in India’s policy of economic liberalization and deregulation or any social or political uncertainties could adversely affect business, our prospects and our financial results.

Natural calamities could have a negative impact on the Indian economy and cause our business to suffer. India has experienced natural calamities such as earthquakes, tsunamis, floods and drought in the past few years. For example, in June 2013, the state of Uttarakhand in northern India experienced widespread floods and landslides. The extent and severity of these natural disasters determines their impact on the Indian economy.

37. ***The Companies Act, 2013 has effected significant changes to the existing Indian company law framework and the SEBI has introduced changes to the listing agreement, which have been effective from October 1, 2014, which may subject us to greater compliance requirements and increase our compliance costs. In addition, changing laws, rules and regulations and legal uncertainties in India, including adverse application of corporate and tax laws, may adversely affect our business and financial results.***

A majority of the provisions and rules under the Companies Act, 2013 have been notified and have come into effect from the date of their respective notification, resulting in the corresponding provisions of the Companies Act, 1956 ceasing to have effect. The Companies Act, 2013 has brought into effect significant changes to the Indian company law framework, such as in the provisions related to issue of capital (including provisions in relation to issue of securities on a private placement basis), disclosures in an offer document, corporate governance norms, accounting policies and audit matters, reporting on internal controls over financial reporting by the board of directors, specific compliance requirements such as obtaining prior approval from audit committee, board of directors and shareholders for certain related party transactions, introduction of a provision allowing the initiation of class action suits in India against companies by shareholders or depositors, a restriction on investment by an Indian company through more than two layers of subsidiary investment companies (subject to certain permitted exceptions), prohibitions on loans to directors, insider trading and restrictions on directors and key managerial personnel from engaging in forward dealing. Subject to meeting certain specified net worth criteria, we may also need to spend, in each financial year, at least 2% of our average net profits during the three immediately preceding financial years towards corporate social responsibility activities or provide an explanation for not spending such amount. As a result of the changes brought about by the Companies Act, 2013 to the provisions relating to accounting policies, we are required to apply a different rate of depreciation as compared to the past. Further, the Companies Act, 2013 imposes greater monetary and other liability on our Company and Directors for any non-compliance. To ensure compliance with the requirements of the Companies Act, 2013, we may need to allocate additional resources, which may increase our regulatory compliance costs and divert management attention. We may incur increased costs relating to compliance with these new requirements, which may also require significant management time and other resources, or we may be subject to fines or other penalties if we are unable to comply with such requirements, which may adversely affect our business, results of operations, cash flows and financial condition.

The Companies Act, 2013 has introduced certain additional requirements which do not have corresponding provisions under the Companies Act, 1956. Accordingly, we may face challenges in interpreting and complying with such requirements due to limited jurisprudence in respect of the relevant provisions. In the event our interpretation of such provisions of the Companies Act, 2013 differs from, or contradicts, any judicial pronouncements or clarifications issued by the Government in the future, we may face regulatory actions or we may be required to undertake remedial steps. Additionally, some of the provisions of the Companies Act, 2013 overlap with other existing laws and regulations (such as the corporate governance norms and insider trading regulations issued by the SEBI). The SEBI has also issued revised corporate governance guidelines which have been effective from October 1, 2014. Pursuant to the revised guidelines, we are required to, *inter-alia*, appoint at least one female director to our board of directors by April 1, 2015, appoint independent directors subject to terms and conditions as prescribed, establish a vigilance mechanism for directors and employees and constitute or reconstitute certain committees in accordance with the revised guidelines. We may face difficulties in complying with any such overlapping requirements. Further, we cannot currently determine the impact of provisions of the Companies Act, 2013 which are yet to come in force.

Our business and financial performance could be adversely affected by any change in laws or interpretations of existing laws, or the promulgation of new laws, rules and regulations applicable to us and our business including those relating to the telecom services or travel sector in India. There can be no assurance that the Government of India or State Governments will not introduce new laws,

regulations and policies which will require us to obtain additional approvals and licenses or impose onerous requirements on our business.

Additionally, the costs of complying with these requirements could be significant. The measures that we may implement in order to comply with these new laws and regulations may be deemed insufficient by governmental authorities and compliance costs may significantly exceed current estimates. Any such changes or related uncertainties with respect to implementation or compliance costs may have a material adverse effect on our business, prospectus and financial results.

For further information, see the section “Regulations and Policies” on page 153.

The Government has proposed to alter the implementation of direct taxes by way of introduction of the Direct Taxes Code, 2013. The Direct Taxes Code, 2013 proposes to consolidate and amend laws relating to income tax and wealth tax. The Government has indicated in the union budget for the financial year 2016 that Direct Tax Code shall not be pursued further. Further, the Finance Act, 2015 has recently been passed by the Government of India.

The impact of any or all of the above changes to Indian legislation on our business cannot be fully determined at this time. Additionally, our business and financial performance could be adversely affected by unfavorable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations applicable to us and our business. Such unfavorable changes could decrease demand for our services and products, increase costs and/or subject us to additional liabilities. Any such changes could have an adverse effect on our business and financial results.

38. ***We may be affected by competition law in India and any adverse application or interpretation of the Competition Act could adversely affect our business, reputation and financial results.***

The Competition Act, 2002, or the Competition Act, prohibits practices that could have an appreciable adverse effect on competition in India. Under the Competition Act, any arrangement, understanding or action, whether formal or informal, which causes or is likely to cause an appreciable adverse effect on competition in India is void and may result in substantial penalties and compensation to be paid to persons shown to have suffered losses. Any agreement among competitors which directly or indirectly determines purchase or sale prices, results in bid rigging or collusive bidding, limits or controls production, supply, markets, technical development, investment or the provision of services, or shares the market or source of production or provision of services in any manner, including by way of allocation of geographical area or types of goods or services or number of customers in the market, is presumed to have an appreciable adverse effect on competition. Further, the Competition Act prohibits the abuse of a dominant position by any enterprise either directly or indirectly, including by way of unfair or discriminatory pricing or conditions in the sale of goods or services, using a dominant position in one relevant market to enter into, or protect, another relevant market, and denial of market access, and such practices are subject to substantial penalties and may also be subject to compensation for losses and orders to divide the enterprise. Further, the CCI has extraterritorial powers and can investigate any agreements, abusive conduct or combination occurring outside India if such agreement, conduct or combination has an appreciable adverse effect on competition in India. There can be no assurance that we will be able to obtain approval for such future transactions on satisfactory terms, or at all.

If we or any member of our group are affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act or any proceedings initiated by the Competition Commission of India or any other relevant authority (or any other claim by any other party under the Competition Act) or any adverse publicity that may be generated due to scrutiny or prosecution under the Competition Act, including by way of financial penalties, our business, financial results and reputation may be materially and adversely affected.

39. ***Our business is dependent on the Indian economy.***

The performance and growth of our business are necessarily dependent on economic conditions prevalent in India, which may be materially and adversely affected by political instability or regional conflicts, a general rise in interest rates, inflation, economic slowdown elsewhere in the world or otherwise.

There have been periods of slowdown in the economic growth of India. India's economic growth is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports (oil and oil products), global economic uncertainty and liquidity crisis, volatility in exchange currency rates and annual rainfall which affects agricultural production. In the past, economic slowdowns in the Indian economy have harmed the travel industry as customers have less disposable income for their travels, especially holiday travel.

Further, an increase in inflation in India could cause a rise in the price of transportation, wages, raw materials or any other expenses. If this trend continues, we may be unable to reduce our costs or pass our increased costs on to our customers and our business and financial results may be adversely affected.

Any continued or future slowdown in the Indian economy or a further increase in inflation could have a material adverse effect on the demand for our services and, as a result, on our business and financial results.

The Indian financial market and the Indian economy are influenced by economic and market conditions in other countries, particularly in emerging market in Asian countries. Financial turmoil in Asia, Europe, the United States and elsewhere in the world in recent years has affected the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss in investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability, including further deterioration of credit conditions in the U.S. market, could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our business and financial results.

India's trade relationships with other countries can influence Indian economic conditions.

40. ***Fluctuation in the value of the Rupee against foreign currencies may have an adverse effect on our business and financial results.***

As most of our revenues are earned in India rupees and a large portion of our expenses are in foreign currencies, we remain exposed to exchange risks relating to fluctuation in the exchange rates. Particularly, if the U.S. dollar rises against the Rupee significantly, some of our costs may increase, adversely affecting our business and financial results.

41. ***Our ability to raise foreign capital may be constrained by Indian law.***

As an Indian company, we are subject to exchange control regulations that regulate borrowing in foreign currencies. Such regulatory restrictions limit our financing sources and could constrain our ability to obtain financings on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that any required regulatory approvals for borrowing in foreign currencies will be granted to us without onerous conditions, or at all. Limitations on foreign debt may have an adverse effect on our business and financial results.

42. ***Under Indian law, foreign investors are subject to investment restrictions which may adversely impact the trading price of our Equity Shares.***

Under foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain conditions), if they comply with the valuation, reporting and other requirements specified by the RBI. If a transfer of shares is not in compliance with such requirements and does not fall under any of the exceptions specified by the RBI, then the RBI's prior approval is required. Additionally, shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income tax authorities. Further, under its consolidated foreign direct investment policy, the Government of India has set out additional requirements for foreign investments in India, including requirements with respect to downstream investments by Indian companies, owned or controlled by foreign entities, and the transfer of ownership or control of Indian companies in sectors with caps on foreign investment from resident Indian persons

or entities to foreigners. We cannot assure you that any required approval from the RBI or any other government agency can be obtained on any particular terms or at all.

43. ***Any downgrading of India's debt rating by a domestic or international rating agency could adversely affect our business.***

India's sovereign debt rating could be downgraded due to various factors, including changes in tax or fiscal policy or a decline in India's foreign exchange reserves, which are outside our control. Any adverse revisions to India's credit ratings for domestic and international debt by domestic or 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 is available. This could have an adverse effect on our business and financial performance, ability to obtain financing for capital expenditures and the price of our Equity Shares

44. ***Foreign investors may have difficulty enforcing foreign judgments against us or our management.***

Our company is incorporated under the laws of India. Other than Gagan Deep Singh Dugal all our directors and executive officers are residents of India and a substantial portion of our assets and those of such persons are located in India. As a result, it may not be possible for investors to effect service of process upon us or such persons in jurisdictions outside India, or to enforce against us or such parties judgments obtained in courts outside India based upon the liability provisions of foreign countries, including the civil liability provisions of the federal securities laws of the United States.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Instead, recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of The Code of Civil Procedure, 1908 of India (as amended) (the "Civil Procedure Code"). Section 13 of the Civil Procedure Code provides that a foreign judgment shall be conclusive as to any matter directly adjudicated upon except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognize the law of India in cases in which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; and (vi) where the judgment sustains a claim founded on a breach of any law in force in India.

Section 44A of the Civil Procedure Code provides that where a foreign judgment has been rendered by a superior court in any country or territory outside India which the Central Government has by notification declared to be in a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. However, Section 44A of the Civil Procedure Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalty.

The United States has not been declared by the Central Government to be a reciprocating territory for the purpose of Section 44A of the Civil Procedure Code. However, the United Kingdom, Singapore, Hong Kong and the United Arab Emirates have been declared by the Central Government to be a reciprocating territory. Accordingly, a judgment of a court in the United States or another jurisdiction which is not a reciprocating territory may be enforced only by a fresh suit upon the judgment and not by proceedings in execution. The suit must be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce a foreign judgment if it viewed the amount of damages awarded as excessive or inconsistent with public policy. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to execute such a judgment or to repatriate outside India any amount recovered.

45. ***Public companies in India, including our Company, are required to prepare financial statements under Indian Accounting Standards. The transition to Indian Accounting Standards in India is very recent and still unclear and our Company may be negatively affected by such transition.***

Our financial statements are prepared in accordance with Indian GAAP and Companies Act, and the financial statements provided in this Draft Red Herring Prospectus have been prepared in accordance with the Companies Act and restated in accordance with the SEBI Regulations. We have not attempted to quantify the impact of U.S. GAAP or IFRS on the financial data included in this Draft Red Herring Prospectus, nor do we provide a reconciliation of our financial statements to those of U.S. GAAP or IFRS. Each of U.S. GAAP and IFRS differs in significant respects from the requirements of Indian GAAP. Accordingly, the degree to which the financial statements included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited.

Public companies in India, including our Company, are required to prepare annual and interim financial statements under Indian Accounting Standard 101 "First-time Adoption of Indian Accounting Standards" ("**Ind AS**"). On January 2, 2015, the MCA announced the revised roadmap for the implementation of Ind AS for companies other than banking companies, insurance companies and non-banking finance companies through a press release. On February 16, 2015, the MCA issued the Companies (Indian Accounting Standards) Rules, 2015 (the "**Indian Accounting Standard Rules**") to be effective from April 1, 2015. Our Company may also be required to convert its financial statements for Fiscal 2016 in accordance with Ind AS for preparing comparable financial statements for the previous year. Further, in addition, any holding, subsidiary, joint venture or associate companies of the companies specified above shall also comply with such requirements from the respective periods specified above.

Additionally, Ind AS differs in certain respects from IFRS and therefore financial statements prepared under Ind AS may be substantially different from financial statements prepared under IFRS. There can be no assurance that our Company's financial condition, results of operation, cash flow or changes in shareholders' equity will not be presented differently under Ind AS than under Indian GAAP or IFRS. When our Company adopts Ind AS reporting, it may encounter difficulties in the ongoing process of implementing and enhancing its management information systems. Our management may also have to divert its time and other resources for successful and timely implementation of Ind AS. There can be no assurance that the adoption of Ind AS by our Company will not adversely affect its results of operation or financial condition. Any failure to successfully adopt Ind AS in accordance with the prescribed timelines may have an adverse effect on the financial position and results of operation of our Company.

Risks Related to this Offer

46. *Any future issuance of Equity Shares, convertible securities or other equity linked securities of the Company by us may dilute your shareholding, and any such issuance and/or future sales of such securities by our significant shareholders, including our Promoters, may adversely affect the trading price of the Equity Shares.*

Any future issuance of our Equity Shares, convertible securities or other equity-linked securities by us may lead to a dilution of the investors' shareholding in the Company. Any such issuance and/or sale of Equity Shares, convertible securities or other equity linked securities of the Company in the public market after the completion of this Offer, including by our Promoters or other significant shareholders, or the perception that such primary or secondary sale could occur, may also adversely affect the trading price of our Equity Shares and could materially impair our future ability to raise capital through offerings of our Equity Shares. Our Promoters will hold [●]% of our equity share capital after this Offer. We cannot predict what effect, if any, market sales of our Equity Shares held by our Promoters or other major shareholders or the availability of these Equity Shares for future sale will have on the market price of our Equity Shares. We cannot assure you that the Company will not issue additional Equity Shares or that the Shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

47. *The Offer Price of our Equity Shares may not be indicative of the market price of our Equity Shares after the Offer. After the Offer, the price of our Equity Shares may be volatile, and you may be unable to resell your Equity Shares at or above the Offer Price.*

The Offer Price of our Equity Shares will be determined by the Company and the Selling Shareholders in consultation with the BRLMs through the Book Building Process. This price will be based on numerous factors, as described under the section “Basis for Offer Price” on page 107 and may not be indicative of the market price for our Equity Shares after the Offer. Prior to the Offer, there has been no public market for our Equity Shares, and an active trading market on the Indian Stock Exchanges may not develop or be sustained after the Offer. The market price of our Equity Shares could be subject to significant fluctuations after the Offer, may bear no relationship to the market price of the Equity Shares after the Offer and may decline below the Offer Price. The market price of the Equity Shares after the Offer may be subject to significant fluctuations in response to, among other factors, variations in our operating results, , developments relating to India and volatility in the BSE and the NSE and securities markets elsewhere in the world. There can be no assurance that you will be able to resell their Equity Shares at or above the Offer Price.

48. ***There are restrictions on daily movements in the price of the Equity Shares, which may adversely affect a shareholder’s ability to sell, or the price at which it can sell, Equity Shares at a particular point in time.***

Following the Offer, our listed Equity Shares will be subject to a daily “circuit breaker” imposed on all listed companies by all stock exchanges in India, which does not allow transactions beyond specified increases or decreases in the price of the Equity Shares. This circuit breaker operates independently of the index-based, market-wide circuit breakers generally imposed by the SEBI on Indian stock exchanges. The percentage limit on our circuit breakers will be set by the Stock Exchanges based on the historical volatility in the price and trading volume of the Equity Shares.

The Stock Exchanges are not required to inform us of the percentage limit of the circuit breaker in effect from time to time and may change it without our knowledge. This circuit breaker will limit the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, no assurance can be given regarding your ability to sell your Equity Shares or the price at which you may be able to sell your Equity Shares at any particular time.

49. ***There is no guarantee that the Equity Shares will be listed on the BSE and the NSE in a timely manner or at all.***

In accordance with Indian law and practice, permission for listing of the Equity Shares will not be granted until after those Equity Shares have been issued and allotted. Approval requires all other relevant documents authorising the issuing of Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on the BSE and the NSE. Any delay in obtaining the approval would restrict your ability to dispose of your Equity Shares.

The regulation and monitoring of Indian securities markets and the activities of investors, brokers and other participants differ, in some cases significantly, from those in Europe and the United States.

50. ***Compliance with rules and requirements applicable to public listed companies may cause us to incur additional costs, and any failure by us to comply with such rules and requirements could negatively affect investor confidence in us and adversely affect our business and reputation.***

As a public listed company, we are required to comply with certain rules and regulations, including the Listing Agreements and may incur significant legal, accounting and other expenses which may be difficult and costly for us, including use of significant management time and other resources in order to comply with the regulatory requirements of a public listed company. We cannot predict or estimate the amount of additional costs we may incur or the timing of such costs. In addition, if we fail to comply with any significant rule or requirement associated with being a public listed company, such failure could result in the loss of investor confidence and adversely affect our business and reputation.

51. ***You may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.***

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of Equity Shares in an Indian company are generally taxable in India. Any gain realized on the sale of listed equity shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India

if Securities Transaction Tax (“STT”) has been paid on the transaction. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Any gain realized on the sale of equity shares held for more than 12 months, which are sold other than on a recognized stock exchange and on which no STT has been paid, will be subject to long term capital gains tax in India. Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax in India. Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India’s ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of our Equity Shares.

52. ***Rights of shareholders under Indian laws may be more limited than under the laws of other jurisdictions.***

Indian legal principles related to corporate procedures, directors’ fiduciary duties and liabilities, and shareholders’ rights may differ from those that would apply to a company in another jurisdiction. Shareholders’ rights, including relating to class actions, under Indian law may not be as extensive as shareholders’ rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as shareholder in an Indian company than as shareholder of a corporation in another jurisdiction.

53. ***Holders of Equity Shares may be restricted in their ability to exercise pre-emptive rights under Indian law and thereby suffer future dilution of their ownership position.***

Under the Companies Act, a company incorporated in India must offer its equity shareholders pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages prior to issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the equity shares voting on such resolution.

However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without our filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights, unless we make such a filing. If we elect not to file a registration statement, the new securities may be issued to a custodian, who may sell the securities for your benefit. The value such custodian receives on the sale of any such securities and the related transaction costs cannot be predicted. To the extent that you are unable to exercise pre-emptive rights granted in respect of our Equity Shares, your proportional interests in the Company may be reduced.

54. ***There may be less information available about companies listed on the Indian securities markets compared to information that would be available if we were listed on securities markets in certain other countries.***

There may be differences between the level of regulation and monitoring of the Indian securities markets and the activities of investors, brokers and other participants and that of the markets in the U.S. and certain other countries. The SEBI regulates the Indian capital markets (along with the Indian stock exchanges) and has issued regulations and guidelines on disclosure requirements, insider trading, substantial acquisitions and takeovers of listed companies and other matters. There may, however, be less publicly available information about companies listed on an Indian stock exchange compared to information that would be available if that company was listed on a securities market in certain other jurisdictions.

Prominent Notes

1. Offer of 15,172,540 Equity Shares for cash at a price of ₹[●] per Equity Share (including a share premium of ₹[●] per Equity Share), through an offer for sale by the Selling Shareholders aggregating up

to ₹[●] million. The Offer will constitute 36.10% of the post-Offer issued, subscribed and paid-up Equity Share capital of our Company.

2. Our Company was converted into a public limited company and consequently, the name of our Company was changed to Matrix Cellular (International) Services Limited on April 21, 2015. For further details in relation to the corporate history of our Company, see the section “History and Certain Corporate Matters” on page 157.
3. As of December 31, 2014, our Company’s net worth was ₹825.22 million as stated in our Company’s restated unconsolidated summary statements and ₹587.06 million as stated in our Company’s restated consolidated summary statements.
4. As of December 31, 2014, the net asset value per Equity Share was ₹19.63 as stated in our Company’s restated unconsolidated summary statements and was ₹13.97 as stated in Company’s our restated consolidated summary statements.
5. As of the date of filing of this Draft Red Herring Prospectus, the average cost of acquisition of Equity Shares by our Promoters were as follows:

Name of the Promoter	Average cost of acquisition per share (₹)
Gagan Deep Singh Dugal	7.03
Major General Manjit Singh Dugal	0.50
Urvashi Kaur	0.225

6. Except as disclosed in the sections “Our Promoters and Promoter Group”, “Our Group Entities”, and “Related Party Transactions” on pages 184, 188 and 197, respectively, none of our Group Entities has business interests or other interests in our Company.
7. For details of related party transactions entered into by our Company with our Promoters, Group Entities and Subsidiaries in the last Fiscal Year, including nature and cumulative value of such transactions, see the section “Related Party Transactions” on page 197.
8. There have been no financing arrangements whereby any of the members of our Promoter Group, our Directors and their relatives have financed the purchase by any other person of Equity Shares other than in the normal course of our business during the period of six months immediately preceding the date of filing of this Draft Red Herring Prospectus.

For any complaints, information or clarifications pertaining to the Offer, investors may contact the BRLMs who have submitted a due diligence certificate to the SEBI.

SECTION III: INTRODUCTION

SUMMARY OF INDUSTRY OVERVIEW

Unless noted otherwise, the information in this section is derived from “Assessment of the India Outbound International Roaming Market” report commissioned by us for the purposes of this Draft Red Herring Prospectus and prepared by Frost & Sullivan (the “**Frost & Sullivan Report**”) as well as other industry sources and government publications. None of the Company, the Selling Shareholders, the BRLMs, or their respective financial, legal or other advisors and any other person connected with the Offer has independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from sources believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors should not place undue reliance on, or base their investment decision on this information. In particular, you should not unduly rely on the information sourced from the Frost & Sullivan Report as such report was commissioned by us.

Overview of the Indian Economy

India is the world's largest democracy in terms of population (1,236.34 million people, July 2014 estimate) with an estimated GDP (by purchasing power parity) of US\$ 7.28 trillion (in 2014 US\$ terms) (Source: CIA World Factbook, 2014 estimate). The Indian economy is the fourth largest economy by purchasing power parity. (Source: CIA World Factbook, 2014 estimate)

The following table sets forth the key indicators of the Indian economy for the past three fiscals.

(Annual percentage change, except for foreign exchange reserves)

Fiscal	As at and for the year ended March 31		
	2013	2014	2015
GDP growth rate (constant market prices)	5.1	6.9	7.4 ^(a)
Index of Industrial Production (growth) ^(c)	1.1	-0.1	2.1 ^(b)
Inflation - Wholesale Price Index (average)	7.4	6.0	3.4 ^(b)
Foreign Exchange Reserves (in US\$ billion) ^(d)	292.0	304.2	328.7

(Source: Indian Economic Survey 2014-15, Ministry of Finance, Government of India)

- Advanced estimates
- April to December 2014
- Base (2004-05= 100)
- Figures for 2013-14 relate to end of financial year and the figure for 2014-15 is at end January 2015

One of the redeeming features, while comparing economic performance across different countries for the Fiscal 2015, has been the emergence of India among the few large economies with propitious economic outlook, amidst the mood of pessimism and uncertainties that engulf a number of advanced and emerging economies. Brighter prospects in India owe mainly to the fact that the economy stands largely relieved of the vulnerabilities associated with an economic slowdown, persistent inflation, elevated fiscal deficit, slackening domestic demand, external account imbalances, and oscillating value of the rupee in Fiscal 2012 and Fiscal 2013. (Source: Indian Economic Survey 2014-15, Ministry of Finance, Government of India)

Worldwide Travel and Tourism Industry

The Travel & Tourism Industry represents a wide spectrum of global economic activity spanning countries across the world.

The tourism industry has been generating revenue as well as employment for many countries globally, and across most countries, both inbound and outbound tourism has been on the rise. Over the past six decades, this industry has continued to grow and diversify, emerging as one of the fastest growing socio-economic spaces globally (Source: Frost & Sullivan Report).

World Tourism: Key Figures in Calendar Year 2013

9% of the global GDP- direct, indirect, and induced impact
1 in 11 global jobs
6% of the world's exports (1.4 trillion USD in exports)
Increase in international tourists from 25 million in CY1950 to 1087 million in CY2013
Source: UNWTO Tourism Highlights 2014 Edition for CY2013 as quoted in the Frost & Sullivan Report

The major reasons for increasing tourism are attributed to increasing disposable income, the burgeoning middle class population, easier accessibility to different regions, and increasing affordability of air travel. Between CY2013-2030, there is an anticipated boost in outbound travel from emerging markets, which are supposed to grow at a rate double of the advanced markets implying that countries like India have a far higher growth potential as well as growth rate in comparison to advanced markets. The market share of emerging markets have increased from 30 percent in the 1980s to 47 percent in CY2013 and are anticipated to contribute to 57 percent of the global tourists by CY2030 (Source: UNWTO Tourism Highlights 2014 Edition for CY2013 as quoted in the Frost & Sullivan Report).

India Outbound Travel and Tourism Industry

In 2013, India's travel and tourism industry's total contribution was USD137.4 billion implying almost 6.6 percent of the entire Indian GDP. India is expected to be amongst the leaders in terms of annual growth in absolute values of the Travel & Tourism industry between 2013 and 2020, with a CAGR of 14 percent. (Source: World Travel & Tourism Council for CY2013 as quoted in the Frost & Sullivan Report).

The India outbound travel and tourism industry has grown steadily over the years. The number of Indian national departures from India was ~2 million in calendar 1991. This has increased to ~17million in calendar 2014 and is likely to reach a size of 32 million by calendar 2020 (Source: Ministry of Tourism as quoted in the Frost & Sullivan Report).

Global Roaming Market

The global mobile market is estimated to have revenues of USD1230 billion in Fiscal 2014. Out of this, mobile roaming revenues amounted to an estimated USD 54 billion. The global mobile revenue is likely to reach a size of USD1630 billion in Fiscal 2020. In comparison, the global mobile roaming revenue is expected to grow at a CAGR of 8.7% to reach a size of USD89 billion by Fiscal 2020 (Source: GSMA, Frost & Sullivan Report).

With the mobile penetration increasing across the globe and declining prices pushing the volumes up, there is an anticipated positive growth for the overall global mobile revenues contributed particularly by the emerging regions in Asia Pacific (Source: Frost & Sullivan Report).

Across the product lines, there is a considerable increase in demand both in terms of users as well as usage, but the price drops across global markets ensure that the revenue growth does not shift significantly (Source: Frost & Sullivan Report).

Within international roaming, voice (being a core offering) could potentially continue to witness stable growth although some decline in minutes of usage could also occur. This could be the key source of revenue for mobile operators as the primary utility is number retention. In comparison, SMS would witness a flattish de-growth due to even domestic demands for SMS dropping across countries. The primary shift is owing to IP-based push messaging services as well as OTT services. Data could potentially be the driver across service providers owing to the growth in demand for smartphones as well as increased adoption of OTT services. There could be a healthy uptake of VOIP services as well, which would potentially drive the data growth (Source: Frost & Sullivan Report).

The key drivers for growth in data services in international roaming globally are likely to be social networking driven by services, which would primarily include Facebook, Twitter, Instagram, etc. Other drivers are rich communication services, which could replace traditional voice and include services such as Skype, Viber etc. Further other services which consume greater bandwidth and navigation services such as Google maps are drivers of data consumption apart from services involving secure transactions and authentication processes (Source: Frost & Sullivan Report).

India Outbound international roaming market

Market size

The Indian outbound international roaming market has a total size of ₹11,850 million as of Fiscal 2014. This is likely to grow at a CAGR of 14% to reach a size of ₹25,952 million by Fiscal 2020 (Source: Frost & Sullivan Report).

The segment comprises of Telecom Service Providers (“TSPs”) and Country Specific SIM Card Providers (“CSSPs”). Apart from this, customers also have the option of purchasing a local SIM card in the destination country.

Telecom service providers are those who have mobile, Unified Access Service License (UASL) or other country-specific license holders entitled to offer mobile voice and data services. By activating the international roaming facility offered by the home network provider, a subscriber can make / receive voice calls, SMS and use data services from the destination country to their home country.

The CSSPs are participants entitled to offer prepaid or postpaid SIM card service of other foreign countries in the home country with a valid Government’s No Objection Certificate (NOC). SIM cards provided by registered CSSPs, allow the subscriber to use the purchased SIM card in the designated foreign country for which the card was bought and use it for voice, SMS and data services at a lower rate when compared to TSPs.

Within international roaming, TSPs had a total market size of ₹8,500 million in Fiscal 2014 which is expected to grow at a CAGR of 11 percent to reach a size of ₹15,858 million by Fiscal 2020. In comparison CSSPs had a size of ₹3,350 million in Fiscal 2014 which is expected to grow at a CAGR of 20.2 percent to reach a size of ₹10,094 million in Fiscal 2020.

Market segments

The India outbound international roaming market can be categorised into voice, data and SMS segments.

Voice services

Voice constitutes to the largest proportion of revenues. The voice services is likely to grow at a CAGR of 1.1 percent from ₹6,983 million in Fiscal 2014 to ₹7,465 million in Fiscal 2020. Mobile voice communications is being overtaken at national and international levels by data access, access to emails using mobile phones, and the use of a wide range of mobile applications and other OTT services. Similar to national mobile usage, declining average revenue per user for voice services is another key trend observed for international roaming as well. The ARPU drops, coupled with slower growth in volumes owing to the traffic shifting to data services is likely to result in a relatively lower CAGR of 1.1 percent for voice services in international roaming (Source: Frost & Sullivan Report).

Data services

Data services is the second largest component of India outbound international roaming market. Technological change has shifted mobile subscribers from 2G to 3G mobile technologies in most markets. A key part of this change has been the increasing use of smartphones by subscribers stimulating the use of mobile broadband and data communications. Adoption of location-based services such as maps and use of OTT solutions are some of the key factors driving the usage of the mobile data services. Availability and use of local WiFi hotspots can negatively impact the growth of the mobile data market to some extent. However, ease of use and on the go accessibility of mobile data services is expected to curb the negative effect of WiFi hotspots. High tariff rates are another key concern for bill shocks, thereby hindering the usage of data services currently. However competitive pricing strategies in the near future might incentivize the usage and thereby is expected to boost the data volume significantly (Source: Frost & Sullivan Report).

Data services are expected to grow (in volume terms) at a CAGR of 73.7 percent from 56.6 TB in Fiscal 2014 to 1552.5 TB in Fiscal 2020. CSSPs are likely to grow at a CAGR of 86.0 percent for the same period while TSPs are expected to grow at a CAGR of 63.2 percent during the same period.

Key drivers in growth of data services in terms of volume are rise in data penetration with an increasing younger population, potential availability of low cost and affordable data packs, increasing necessity for on-the-go connectivity, increasing per capita data usage, accelerating higher speed network deployments such as 3G and LTE, increasing smart phone penetration and uptake of OTT applications such as Google Hangout, Skype, Viber and Whatsapp (Source: Frost & Sullivan Report).

The data services market is expected to grow (in value terms) at a CAGR of 26.8 percent from ₹4,349 million in Fiscal 2014 to ₹18,114 million in Fiscal 2020.

SMS services

SMS services are the smallest part of the India outbound international roaming market. The market is likely to gradually decline over the next few years.

The rise of Over-the-top (OTT) instant messaging services has negatively affected the use of conventional SMS services and is cannibalizing SMS revenues. Amid various types of SMS services, P2P segment is the one which is directly hit by the OTT uptake. Due to the high SMS tariffs, subscribers prefer to communicate over an instant messenger using their existing data packs or using a local WiFi hotspot for free/minimal cost instead of spending on a per SMS basis (Source: Frost & Sullivan Report).

However SMS services, typically used for campaigns, polls, product promotion, and transactional messages used by various industries like banking, financial services, retail, healthcare, telecom, and media are still likely to witness traction.

India outbound international roaming subscribers

In terms of subscribers, the number of India outbound international roaming subscribers is expected to grow at a CAGR of 18.8 percent from 2.8 million in Fiscal 2014 to 7.7 million in Fiscal 2020. Within this, subscribers for TSPs are likely to grow at a CAGR of 16.7 percent from 1.6 million in Fiscal 2014 to 4.0 million in Fiscal 2020. In comparison, subscribers for CSSPs are likely to grow at a CAGR of 21.4 percent from 1.2 million in Fiscal 2014 to 3.7 million in Fiscal 2020.

Service delivery models

International roaming from TSPs

This segment comprises of license holders permitted to provide telecom services and to operate in India. Through their partnerships with international service providers, they are able to offer international roaming services to their Indian customers. Some of the players in this segment are Airtel and Vodafone. (Source: Frost & Sullivan Report).

The segment has a market size of ₹8,500 million in Fiscal 2014 and is expected to grow at a CAGR of 11.0 percent to reach a size of ₹15,858 million by Fiscal 2020. Roaming on a domestic SIM continues to witness such a healthy growth pace owing to small spurts of usage from a large roaming population who want to have the utility of maintaining their domestic numbers and notifications. Although a large population of such users remain silent roamers, there is some minimal usage from these customers, which range from short calls to both home as well as onsite to many emerging cases of small data usage (Source: Frost & Sullivan Report).

The voice revenue growth in the TSP segment is primarily fuelled by incoming call revenues and is anticipated to slowly decline in favour of data usage facilities over the long term. The SMS revenue base is declining sharply with the advent of OTT services and instant messaging apps. Currently, a large part of domestic TSP data revenues on the roaming front comes in from accidental usage on smartphones but increased dependence and dropping prices would continue to bring in a larger user base (Source: Frost & Sullivan Report).

Country Specific SIM Card Providers

The Country Specific SIM Card (CSSPs) Providers market has a size ₹3,350 million as of Fiscal 2014. The segment attributes to 28% of the India outbound roaming market as of Fiscal 2014. This segment consists of multiple providers posing tough competition to the local TSPs. Matrix is the largest player in the CSSP segment with a majority market share. Some of the other players in this segment offer services through various brands such as Uniconnect and Clay Telecom (Source: Frost & Sullivan Report).

The segment is expected to steadily grow at a CAGR of 20.2 percent to reach of size of ₹10,093 million by Fiscal 2020. This will be driven primarily by the growth in international tourism, tariff drops and demand for work-based travel and the convenience factor of buying an international SIM domestically before beginning the travel as well as the free incoming calls (Source: Frost & Sullivan Report).

In voice, with free incoming calls, a large part of the revenue for this segment comes in from outgoing calls as well as daily rentals, which all providers charge. Even though the call revenues are lesser, the ARPU is higher, owing to the fixed rental revenues. CSSPs offer minimal base revenue for SMS, which itself is declining owing to lack of dependence on SMS across the user base and cheaper availability of OTT services. With multiple OTT services, a lot of the voice revenues are being cannibalized by data since CSSPs offer better data rates and plans when compared to domestic TSP and is on a very high growth rate. (Source: Frost & Sullivan Report)

The players in this segment have started offering innovative services such as single SIM usage for multiple countries which is expected to convert this segment's weakness of multiple numbers for different countries into a strength and thereby attract more users to the CSSP segment

Comparison of various service providers

Telecom service providers	Country Specific SIM card Providers
Advantages <ul style="list-style-type: none"> • Number retention and reachability for all contacts • Single bill for all travel purposes and special plans • Services such as incoming SMS remain free • Option of identifying incoming calls, receiving them as per discretion, and silent roaming with notifications • Billing and incoming call list customization 	Advantages <ul style="list-style-type: none"> • Lower calling rates when compared to international roaming by TSPs • Guaranteed connectivity across the roaming region and purchase at domestic location • Local calls in the roaming area will be charged lower • Free incoming calls
Disadvantages <ul style="list-style-type: none"> • Certain regions may not be supported by certain service providers owing to lack of tie-ups • Very expensive incoming call rates • Data roaming is very expensive as well as tracking usage becoming complex • Cannot be done on the go as most providers require activation for international roaming 	Disadvantages <ul style="list-style-type: none"> • Cannot carry forward existing domestic number • Roaming between multiple countries may require purchase of multiple SIMs

The silent roamer and local SIM opportunity

Silent roamers are the outbound international roamers who may use little-to-no mobile service while they are abroad, largely for fear of high-usage charges.

This silent roamers opportunity represents a revenue potential for every service provider, which can be addressed by the CSSPs through their discounted tariff rates, VAS offerings, and some other methodologies including:

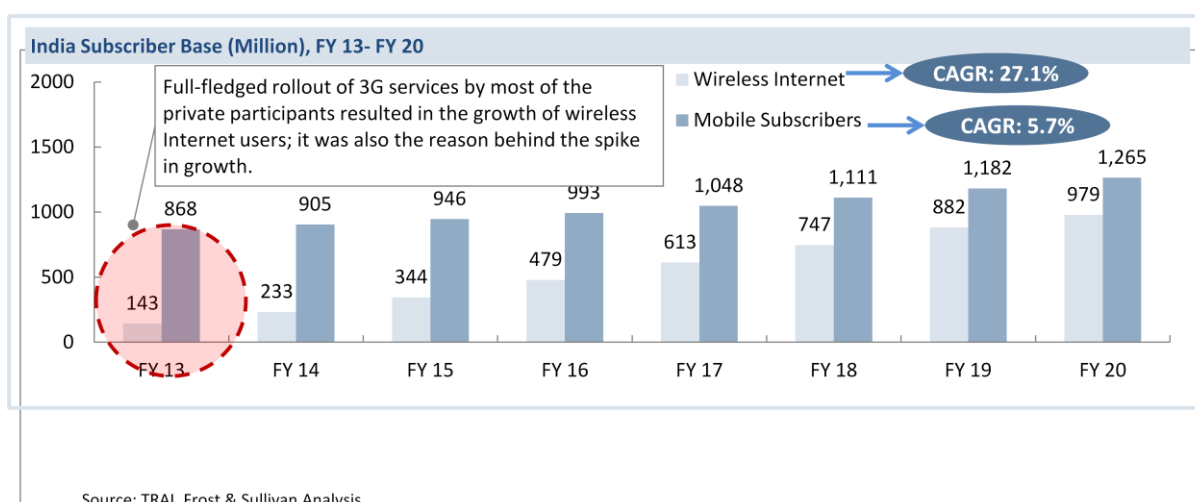
- Flexible and real-time billing analytics and solutions
- Effective spend control mechanisms
- Real-time threshold alerts to avoid bill shocks
- Customized and need based tariff packages

Key drivers of the India outbound international outbound roaming market

Increase in domestic mobile users: The growth of mobile subscribers and wireless internet users is expected to grow over the next 6 years in India and it is anticipated that there will be a significant growth in the wireless internet subscribers with a CAGR of 27.1 percent from Fiscal 2014 to Fiscal 2020 driven mainly by the improved quality of service of 3G networks, availability of cheaper smartphones, and rising usage of applications.

The need for mobile phones for anywhere anytime data access might act as a catalyst to drive similar usage pattern among outbound international travellers as well. (Source: Frost & Sullivan Report)

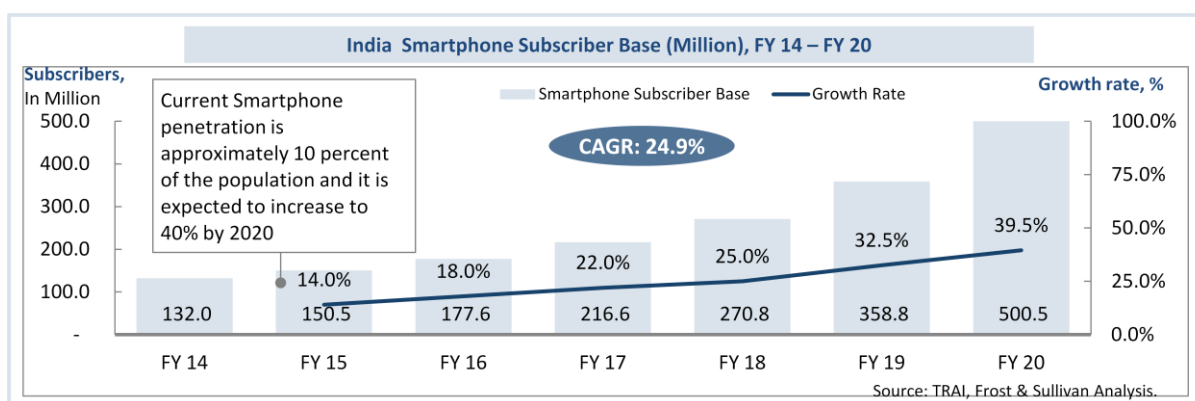
The chart below provides the subscriber base forecasts from Fiscal 2013 to Fiscal 2020.



Source: TRAI and Frost & Sullivan Report. All figures have been rounded

Increase in smartphone penetration: Declining cost of smartphones and launch of handsets by some of the manufacturers has blurred the lines of differentiation between smartphones and feature phones in the region. With the availability of mobile Internet services starting from basic 2G GPRS / EDGE services to the 4G LTE services, end users are increasingly using smartphones as their primary medium to access Internet. Smartphones are expected to emerge as the first medium of access to Internet for many in the region. Availability of a healthy mobile application ecosystem that provides apps ranging from entertainment to utility functions further drives the need for smartphones. This increasing penetration of smartphones is another key driving factor for mobile roaming services because of the availability of advanced smartphones with subscribers, they may tend to leverage the same to access travel, hotel, maps, and other logistics apps during their travel in an unknown country (Source: Frost & Sullivan Report).

The chart below details the smart phone usage forecasts in the domestic market in India



Source: TRAI and Frost & Sullivan Report. All figures have been rounded

Improved macro-economic scenario: An improved macro-economic scenario will lead to further outbound travel due to better trade relations with countries, stabilisation of India rupee, improvement in visa processes, the “Make in India” campaign, increasing employment which could potentially lead to further outbound tourism (Source: Frost & Sullivan Report).

Increase in tourism: The growth of the middle class and increase in disposable income has made international travel affordable. The India outbound travel and tourism industry has grown steadily over the years. The number of Indian national departures from India was ~2 million in calendar 1991. This has increased to ~17million in calendar 2014 and is likely to reach a size of 32 million by calendar 2020 (Source: Frost & Sullivan Report).

Social Media/Navigation/Utilities: Social media, navigation, utilities and other chat services push the need for people to be constantly connected, thus driving roaming data volumes.

Bring Your Own Device (BYOD) and demand for connectivity on the move: With more people opting to work out of their own devices, the demand for connectivity on devices has gone up. Further even with WiFi hitting the roaming revenues, most users require to be constantly connected leading to many users not having the patience to search and utilize WiFi hotspots (Source: Frost & Sullivan Report).

Increased outsourcing: With more international customers, demand for international travel within corporate increases, pushing both long and short-term roaming usage (Source: Frost & Sullivan Report).

Dropping roaming costs: Dropping call and data rates have been instrumental in making roaming usage more affordable and pushing the volume through increased demand (Source: Frost & Sullivan Report).

OTT messaging services: Push messaging services have been pivotal in the declining SMS revenues even on the non-roaming front; but it has led to an increased dependence on being connected to the messaging service. (Source: Frost & Sullivan Report).

Foreign Exchange Cards and Travel Insurance Market

Foreign exchange and travel insurance services are important services related to the travel business.

Foreign Exchange Cards Market

Money changing business consists of buying and selling foreign currencies for the needs of the travellers. Foreign exchange comes into the country through tourists visiting India, physical currency deposits into FCNR accounts by NRIs. These foreign currencies are bought by the various foreign exchange players. Similarly foreign exchange is sold by these players to tourist going out of India. Excess currency in the system is exported back to the country of issuance.

Indian foreign exchange is serviced by banks and other intermediaries registered to offer such services. Forex cards are issued by intermediaries registered with RBI to Indian outbound travellers. The forex cards are typically prepaid cards wherein the card issuer loads the card for with foreign currency for usage abroad. The cards can be issued by a bank or co-branded by a registered intermediary and a bank.

Market Players

RBI, the central banking and monetary authority of India, is the central regulatory and supervisory authority for the Indian financial system. A variety of financial intermediaries / entities in the public and private sectors are authorized to deal in foreign exchange and issue forex cards:

Overseas travel insurance

Travel Insurance protects travellers against contingencies associated with travelling. This insurance provides coverage for emergencies such as emergency hospitalization due to accident or illness, loss or delay of checked luggage, loss of travel documents and accidental death/dismemberment, repatriation of remains and emergency medical evacuation. This policy often includes trip cancellation insurance and Personal liability.

Some of the major policies sold for overseas travel insurance are group insurance policies, family/floater insurance policies and individual insurance policies.

Given the large & widespread growth expected in outbound tourism, travel insurance has good growth prospects. Some countries like those of the Schengen Area, do not allow visitors' entry without a minimum specified insurance cover, and with the steady growth of outbound travellers, many general insurance companies in India are providing customized travel insurance products to passengers based on value of cover, period of stay and destination.

In Fiscal 2013, approximately 2.17 million overseas travel insurance policies were sold covering approximately ₹3.40 million persons and resulting in gross direct premium of ₹3866.37 million. In comparison, in fiscal 2012, approximately 2.11 million overseas travel insurance policies were sold covering approximately ₹2.58 million persons and resulting in gross direct premium of ₹3417.74 million (Source: IRDA Annual Report 2012-13).

SUMMARY OF OUR BUSINESS

OVERVIEW

We are the largest country specific SIM card provider offering voice, data and SMS services under our brand name “Matrix” to travellers outbound from India, with a majority market share. (*Source: Frost & Sullivan Report*) We offer convenience to our customers by providing the SIM card and setup prior to departure from India, while endeavouring to deliver cost savings (as compared with international roaming rates from origin country telecom service providers) and providing variety and flexibility in our service plans. Our Indian customers include corporate customers and their employees; and individuals travelling for leisure or business purposes. In addition, we offer foreign exchange services and facilitate access to overseas travel insurance. We also sell voice, data and SMS services to third parties, or resellers, which resell these services to their customers. A Group Entity, Matrix Inc., has entered into an agreement with a telecom services provider that entitles our Group Entity to purchase handsets at discounted rates, in addition to bulk voice, data and SMS services. We have entered into an arrangement with our Group Entity which enables us to directly purchase such handsets and voice, data and SMS services, which we subsequently sell. As a measure of our customer base in India (excluding resellers), we activated new connections to provide voice, data and SMS services based on 453,160, 452,411, 499,273 and 426,494 agreements with customers, or through customer acquisition forms or CAFs, in Fiscal 2012, 2013 and 2014 and the nine months ended December 31, 2014 respectively.

In Fiscal 2012, 2013 and 2014 and the nine months ended December 31, 2014, our customers, including resellers, consumed an aggregate of 70.96 million, 81.05 million, 68.81 million and 58.77 million voice minutes, respectively; an aggregate of 11.00 million MB, 25.63 million MB, 41.24 million MB and 124.57 million MB of data services, respectively; and SMS services aggregating to 5.33 million, 5.36 million, 4.72 million and 3.27 million SMSs, respectively. We generated total revenue of ₹1,072.18 million, ₹1,726.07 million, ₹2,223.86 million, ₹2,687.28 million and ₹2,466.16 million and recorded a net profit/(loss) after tax (and minority interest) of ₹32.21 million, ₹57.33 million, ₹46.76 million, ₹231.29 million and ₹(24.05) million in Fiscal 2010, 2011, 2012, 2013 and 2014, respectively. Our total revenue and net profit after tax (and minority interest) for the nine months ended December 31, 2014 were ₹2,173.47 million and ₹147.63 million respectively. Revenue from sale of airtime constituted 99.88%, 99.46%, 98.98%, 98.95%, 94.50% and 88.16%, respectively, revenue from the sale of handsets constituted 0.00%, 0.00%, 0.00%, 0.00%, 4.70% and 11.09%, respectively, and the remaining revenue from operations, which comprises of margin on sale of cards/currency, sale of prepaid SIM cards, recoveries for late payment and set up fee and commission on card and service charges, constituted 0.12%, 0.54%, 1.02%, 1.05%, 0.80% and 0.75%, respectively, of our revenue from operations, in Fiscal 2010, 2011, 2012, 2013 and 2014, and the nine months ended December 31, 2014, respectively.

Our telecom services offerings include services used with country-specific and global SIM cards on a postpaid and prepaid basis. As of December 31, 2014, we offered postpaid services in respect of 32 destination countries. As of December 31, 2014, we offered prepaid services in respect of 8 destination countries and a Europe bundle which covers 26 destination countries. Our prepaid SIM cards may be recharged online through our website www.matrix.in (in respect of certain destination countries) or at any of our branch offices in India. We also offer services based on a global postpaid SIM card with connectivity in more than 150 countries and a global prepaid SIM card with connectivity in more than 100 countries.

We sell our services through a multi-channel distribution network, which includes our direct sales team comprised of our employees, direct sales agents with whom we contract on a sales commission basis and our airport counters at major international airports in India, including New Delhi, Mumbai, Hyderabad, Kolkata and Kochi. We also sell our services at the Bengaluru airport and recently started selling our services at the Mangalore airport. We also intend to open a counter at the Amritsar airport. Our direct sales team operates from our branch offices located in 13 cities in India and our sales employees also work with direct sales agents to reach our customers. At our airport counters, we target customers immediately prior to their travel abroad. We also reach out to customers of other travel-related service providers based on interest indicated in our services. We have relationships and arrangements with companies such as Bridgestone, India Win Sports (Mumbai Indians), Mylan Labs, Aurobindo Pharma, Emcure and Geometric under which we offer our services to their employees travelling abroad. We also offer our services on our website, www.matrix.in, where a customer can sign up for services and pay online, and choose place of delivery of the SIM card at the airport prior to departure, at one of our branch offices or at the office or residence of the customer. We have entered into agreements and arrangements with various travel sector providers such as Jet Privilege and banks including HDFC Bank,

pursuant to which their customers can benefit from discounts on our services or earn air-miles or other benefits when using our services.

We enter into agreements with local telecom service providers in destination countries visited by our customers to purchase bulk voice minutes, data and SMS services, as well as SIM cards typically branded by such providers with which such services are to be used. As of December 31, 2014, we (and in one case, a Group Entity) had agreements and relationships with 41 telecom service providers, including SingTel Mobile Singapore Pte. Ltd. in Singapore, China Motion Telecom (H.K.) Limited in Hong Kong and EE Limited in the United Kingdom. Our relationships with the aforementioned providers tend to be of longstanding duration.

As of December 31, 2014, we offered foreign exchange services in 12 currencies through our prepaid Matrix Forex Card (enabled by ICICI Bank and VISA) and also in currency notes, through Matrix Forex Services Private Limited, our subsidiary. In addition, we facilitate access to overseas travel insurance provided through AGA Assistance (India) Private Limited. We also share leads with AGA Services (India) Private Limited, which provides travel related assistance, in relation to interested travellers and we earn revenue for such leads generated by us.

Our Promoters, Major General Manjit Singh Dugal and Gagan Deep Singh Dugal, have approximately 20 years of experience in the field of telecommunications. They initiated the business of providing telecommunication and allied services (such as purchase and rent of mobile communication systems) in 1995, through a partnership firm, Matrix Rent-A-Tel. In 1999, our Group Entity, MCS, was incorporated for the purposes of sale, purchase, renting of mobile phones and to carry on the business of cellular telecom services. In 2000, our Promoters transferred the business of Matrix Rent-A-Tel to our Group Company, MCS through a business transfer agreement dated January 1, 2000. MCS commenced offering domestic cellular mobile services and voice and SMS services for local use in the destination country under the brand “Matrix”. We commenced our operations in 2005 and our brand “Matrix” was transferred from MCS to our Company through a deed of assignment in 2011. Certain of our senior managerial personnel have been employed with Matrix Rent-A-Tel and MCS prior to the commencement of their employment with our Company. For instance, our Chief Executive Officer, Anish Khanna was previously employed with Matrix Rent-A-Tel and our Chief Financial Officer, Gaurav Kumar Khanna was previously employed with MCS from 2001 until 2010 prior to commencing employment with our Company.

We commenced offering telecom services with country-specific SIM cards in 2005. We introduced data services in 2008. We have implemented sales force automation and developed a proprietary enterprise resource planning software system to process data on costs and usage in multiple currencies and networks for our customers.

As of December 31, 2014, we had 1,024 employees in India, across our corporate office, branch offices located in 13 cities in India and five airport counters.

We believe the strength of our brand, quality and variety of services, dedication to cost-effectiveness, superior customer service and relationships with our telecom service providers and other partners have helped us emerge as a preferred choice for outbound Indian travellers seeking international mobile connectivity. We also believe that the overall Indian travel industry will experience continued growth and increased spending on leisure and business travel, and that we are well-positioned to benefit and deliver services to our customers.

OUR STRENGTHS

We believe that our leadership position in the market for telecom services based on country-specific SIM cards in India is primarily attributable to the following competitive strengths:

Leadership position in the market for services used with country-specific SIM cards

We believe we were one of the first companies to offer services based on country-specific SIM cards. We are the largest country specific SIM card provider offering voice, data and SMS services with SIM cards, to travellers outbound from India, with a majority market share. (*Source: Frost & Sullivan Report*) We commenced offering such services in 2005 and started offering data services in 2008. We believe that we have an advantage over our competitors arising from our relationships with individual and corporate customers who have previously used our services, our agreements with telecom service providers in destination countries and our alliances with travel sector companies.

Our Promoters, Gagan Deep Singh Dugal and Major General Manjit Singh Dugal, have approximately 20 years of experience in the field of telecommunications. They initiated the business of providing telecommunication and allied services (such as purchase and rent of mobile communication systems) in 1995, through a partnership firm, Matrix Rent-A-Tel. In 2000, our Promoters transferred the business of Matrix Rent-A-Tel to our Group Company, MCS through a business transfer agreement dated January 1, 2000. MCS commenced offering domestic cellular mobile services, and voice and SMS services for local use in the destination country under the brand name “Matrix”. Certain of our senior managerial personnel have been employed with Matrix Rent-A-Tel and MCS prior to the commencement of their employment with our Company. For instance, our Chief Executive Officer, Anish Khanna was previously employed with Matrix Rent-A-Tel and our Chief Financial Officer, Gaurav Kumar Khanna was previously employed with MCS from 2001 until 2010 prior to commencing employment with our Company.

Comprehensive suite of telecom services

We provide comprehensive SIM card-based telecom services to outbound travellers, comprised of voice, data and SMS services. Our services are compatible with various electronic communication devices, such as tablets and smartphones. We provide a variety of service plans for our postpaid and prepaid services with flexibility to allow customization to suit our customers’ preferences, such as increasing levels of voice, data or SMS services in our bundled service plans. We also endeavour to provide free incoming calls in several of our voice service plans as this is a popular feature sought by our customers. Customers can sign up and pay for our services at our branch offices, through our direct sales agents, at our airport counters or online through our website, www.matrix.in, and can choose to have the SIM card delivered at the airport prior to departure, at one of our branch offices or at their office or residence.

Well-known and established brand

We believe our brand “Matrix” is well-recognized in the travel sector and has a leadership position in the market for telecom services used with country-specific SIM cards. We are the largest country specific SIM card provider offering voice, data and SMS services with SIM cards, to travellers outbound from India, with a majority market share. (*Source: Frost & Sullivan Report*) For further details, see the section “Industry” on page 125. MCS had filed applications for registration of “Matrix” as a trademark in 2004 which are currently pending with the Office of the Registrar of Trade Marks. The brand was transferred to us under a deed of assignment in February 2011, however, certain of our Group Entities continue to use the name “Matrix”. “Matrix” was chosen among the Delhi NCR Hot 50 Brands by Hindustan Times in 2014 and has been ranked India’s most trusted international SIM card by The Brand Trust Report (India Study 2015). We have consistently invested in developing our brand using a variety of media channels, including on digital advertising, television, radio, print and social media. We were one of the sponsors of the Kolkata Knight Riders, a cricket franchise in the Indian Premier League tournament in Fiscal 2012, 2013 and 2014. We believe that our reputation and leadership position in the market helps us while contracting with telecom service providers, marketing and advertising partners and corporate customers. For the Fiscal 2012, 2013, 2014 and the nine months ended December 31, 2014 our expenses for advertising and sales promotion were ₹275.84 million, ₹261.20 million, ₹242.68 million and ₹89.11 million, respectively.

Multi-channel distribution network

We sell our services through a multi-channel distribution network, which includes our direct sales team comprised of our employees, direct sales agents with whom we contract on a sales commission basis and our airport counters at major international airports in India, including New Delhi, Mumbai, Hyderabad, Kolkata and Kochi. We also sell our services at the Bengaluru airport and recently started selling our services at the Mangalore airport. We also intend to open a counter at the Amritsar airport. Our direct sales team operates from our branch offices located in 13 cities in India and our sales employees also work with such agents on seeking our customers. Our direct sales agents interact with intermediaries such as travel agents and have access to potential customers across India through such intermediaries. At our airport counters, we target customers immediately prior to their travel abroad. We also reach out to customers of other travel-related service providers based on interest indicated in our services. We believe that our sales and distribution network enables us to effectively market our offerings. We have implemented sales force automation whereby our sales employees and direct sales agents can sign up customers using our tablet application, which provides information on our service plans to our customers, facilitates collection of required documents electronically and purchase of our services. Further, we believe that our sales and distribution network also serves as a point of contact for us to offer additional services to our customers such as foreign exchange and facilitation of access to overseas travel insurance.

We believe that management of our sales force is key to our business, including through initiatives such as sales force automation. Further, we also hire commission-based sales agents.

Alliances with travel services partners

We believe that our arrangements with certain well-established brands in the travel-related and lifestyle services enable us to expand and popularize our services, and enhance our brand value by creating positive associations with established market brands. We have entered into agreements and formed alliances with various travel sector providers such as Jet Privilege and banks including HDFC Bank under which we help our customers avail of better tariffs in the form of discounts or earn air-miles and other offers from such well-known service providers while using our services. We believe that this also provides us with the opportunity to advertise our services to prospective customers of our alliance partners and to test the market for expansion of our services.

Strong relationships with telecom service providers

We have relationships with various leading telecom service providers with access to quality networks and wide coverage for countries in which we provide our services to outbound Indian travellers and we purchase bulk voice minutes, data and SMS services, as well as SIM cards branded by such providers with which such services are to be used. As of December 31, 2014, we (and in one case, a Group Entity) had agreements and relationships with 41 telecom service providers for purchasing bulk airtime including SingTel Mobile Singapore Pte. Ltd. in Singapore, China Motion Telecom (H.K.) Limited in Hong Kong and EE Limited in the United Kingdom. These agreements are generally non-exclusive, and typically provide for automatic renewal with provisions to revise commercial terms from time to time. For further details, see “– Sourcing”.

Robust technological platform

We have developed a proprietary enterprise resource planning software system to capture customer information and process data on cost and usage in multiple currencies and networks to generate a single unified format for itemized billing for our customers. We have also implemented sales force automation by deploying a cross platform based tablet application for our sales teams to sign up new customers on mobile devices electronically and store required customer documents and information, which helps us to improve customer service, as we do not require customers to also provide physical copies of such documents.

OUR STRATEGY

To sustain our future growth and development, we have and will continue to employ the following strategies:

Expansion of customer base in the outbound travel sector

We believe that there is a significant opportunity to increase our customer base among outbound Indian travellers arising from the growth of the Indian travel industry as more Indians are travelling abroad for business and leisure, including by targeting first-time customers. An increase in the disposable income, together with the increasing ease of connectivity and emerging travel agencies and portals has been a key factor in boosting outbound tourism in India. The number of Indian nationals who have travelled abroad for tourism has increased from approximately 2 million in 1991 to approximately 17 million in 2014. (*Source: Ministry of Tourism as quoted in the Frost & Sullivan Report*)

We activated new connections to provide voice, data and SMS services based on 453,160, 452,411, 499,273 and 426,494 CAFs, in Fiscal 2012, 2013 and 2014 and the nine months ended December 31, 2014 respectively. In comparison, the number of outbound Indian travellers for Fiscal 2014 was approximately 17 million. We intend to offer new services to our customers in line with their evolving needs. As of December 31, 2014, we offered postpaid services in respect of 32 destination countries. As of December 31, 2014, we offered prepaid services in respect of 8 destination countries and a Europe bundle which covers 26 destination countries. We also offer services based on a global postpaid SIM card with connectivity in more than 150 countries and a global prepaid SIM card with connectivity in more than 100 countries.

Increase data services offering

We believe that data consumption is driven by the increasing mobile and Internet penetration worldwide and in India and the increasing use of mobile applications for social networking, utilities and video chat and demand for constant access to corporate and personal e-mail. Our data penetration, which we define as the percentage of CAFs in Fiscal 2012, 2013 and 2014 and the nine months ended December 31, 2014 under which our customers (excluding resellers) have been billed for postpaid data services, was 16%, 17%, 20% and 33%, respectively. We intend to expand our data services to be available in more countries while maintaining our emphasis on affordability for our data customers by negotiating with our telecom service providers. We intend to grow our data services business by encouraging existing users of our voice services to also consider our data services and by offering more data bundled with our voice and SMS service plans.

Enhancing and diversifying our services portfolio

We intend to continue expanding and diversifying our services portfolio which currently encompasses voice, data and SMS services. We evaluate our service plans in order to introduce new plans to address evolving customer preferences. We intend to focus on geographies emerging as popular destinations for the Indian traveller, including those in which we currently do not offer services. Based on our understanding of our target customer base, we seek to design innovative offerings, such as the multi-IMSI solution with which customers may travel across the world or a region with a single SIM card enabling multiple country-specific mobile numbers. We also have a mobile application currently under development from which users can order services, view bills and obtain access to other relevant travel-related services such as tourism discounts and coupons. We will also seek to cater to other ancillary travel requirements such as foreign exchange and facilitating access to overseas travel insurance for our customers, to enable our customers to have a one-stop solution for their overseas travel requirements.

Use market leadership position to deepen relationships with telecom service providers

We propose to continue to use our strong position in the country-specific SIM card business to deepen relationships with our key existing telecom service providers and with additional telecom service providers. As of December 31, 2014, we (and in one case, a Group Entity) had relationships and agreements with 41 telecom service providers to purchase bulk voice minutes, data and SMS services, as well as SIM cards branded by such providers with which such services are to be used, in order to maintain our focus on cost-effectiveness for our customers and retain our leadership position as a provider of services with country-specific SIM cards.

Expand our prepaid services

Our prepaid services cater to travellers who prefer lower value services and also wish to avoid payment of security deposit and other formalities associated with a postpaid connection. We seek to establish our presence in this segment by reaching out to such customers through our airport counters at the point of departure, our direct sales team and direct sales agents. As of December 31, 2014, we offered prepaid services in respect of 8 destination countries and a Europe bundle which covers 26 destination countries.

Expand our reseller business

We seek to partner with companies, with business models similar to ours and that are present in other countries, as we believe that we are able to lower our costs of entry into markets abroad by using pre-existing channels of distribution of such resellers. Our resellers purchase services from us and resell such services to their customers, while also providing customer support services which in turn helps us reduce our need for manpower to provide such support. This business also gives us an insight into the preferences of customers in developed mobile markets.

SUMMARY FINANCIAL INFORMATION

The following tables set forth summary financial information derived from our consolidated and unconsolidated summary statements prepared in accordance with the Companies Act and restated in accordance with the SEBI Regulations. The summary financial information presented below should be read in conjunction with our restated consolidated and unconsolidated summary statements and the sections “Financial Statements” and “Management’s Discussion and Analysis of Financial Conditions and Operations” on pages 199 and 365, respectively.

Restated Unconsolidated Financial Information of Assets and Liabilities

(Rs. In Million)

Particulars	As at					
	Dec 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
Equity and Liabilities						
Shareholders' funds						
Equity share capital	420.29	420.29	420.29	420.29	20.99	19.19
Share warrants	-	-	-	-	-	-
Reserves and surplus	404.93	263.00	214.48	125.41	506.48	173.73
	825.22	683.29	634.77	545.70	527.47	192.92
Non current liabilities						
Long term borrowings	3.86	5.12	10.75	3.17	56.94	71.54
Long term provisions	2.26	3.30	0.53	3.37	2.53	3.91
	6.12	8.42	11.28	6.54	59.47	75.45
Current liabilities						
Short term borrowings	-	158.38	86.02	-	-	123.87
Trade payables	421.89	278.33	242.27	283.55	168.69	150.85
Other current liabilities	79.01	82.07	99.30	120.68	116.85	296.96
Short term provisions	116.44	29.02	310.93	80.51	40.22	2.78
	617.34	547.80	738.52	484.74	325.76	574.46
TOTAL	1,448.68	1,239.51	1,384.57	1,036.98	912.70	842.83
Assets						
Non current assets						
Fixed assets						
Tangible assets	127.81	188.84	178.28	104.76	73.05	25.10
Intangible assets	20.99	31.74	14.11	8.11	3.86	5.00
Capital work-in-progress	-	-	-	-	0.52	-
Intangible assets under development	3.14	3.11	11.91	4.29	-	-
	151.94	223.69	204.30	117.16	77.43	30.10
Non-current investments	246.28	277.19	220.94	128.29	25.21	18.09
Deferred tax assets (net)	118.71	98.27	88.26	61.08	27.65	30.21
Long term loan & advances	68.54	75.31	69.74	42.88	29.71	60.90
Other non-current assets	-	-	-	-	1.67	-
	585.47	674.46	583.24	349.41	161.67	139.30
Current assets						
Current investments	-	-	80.00	-	10.20	11.03
Inventories	1.13	1.98	3.70	1.11	-	-
Trade receivables	425.16	296.44	286.18	217.48	162.85	183.84
Cash and bank balances	201.74	51.04	82.83	155.26	198.46	24.31
Short term loans and advances	169.85	166.44	262.95	236.78	324.07	450.42
Other current assets	65.33	49.15	85.67	76.94	55.45	33.94
	863.21	565.05	801.33	687.57	751.03	703.54
TOTAL	1,448.68	1,239.51	1,384.57	1,036.98	912.70	842.83

Restated Unconsolidated Financial Information of Profit and Losses

(Rs. in Million)

Particulars	Nine months period ended	For the year ended				
	Dec 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
Income						
Revenue from operations	2,121.32	2,406.63	2,643.07	2,181.45	1,690.13	1,060.72
Other income	35.04	33.69	18.42	31.18	35.29	9.78
Total revenue (I)	2,156.36	2,440.32	2,661.49	2,212.63	1,725.42	1,070.50
Expenses						
Network operating cost	804.92	893.82	914.50	844.16	714.47	538.71
Purchase of traded goods	189.99	98.91	4.89	2.31	-	-
Decrease / (Increase) in inventories of traded goods	0.86	1.71	(2.59)	(1.11)	-	-
Employee benefits expense	342.90	485.29	465.49	384.09	281.16	177.11
Other expenses	444.62	756.98	725.78	698.37	571.84	244.20
Total Expenses (II)	1,783.29	2,236.71	2,108.07	1,927.82	1,567.47	960.02
Restated earnings before interest, tax, depreciation and amortisation and exceptional item (EBITDA) (I)-(II)	373.07	203.61	553.42	284.81	157.95	110.48
Depreciation expense	74.94	91.84	73.13	57.08	30.45	11.87
Amortisation expense	18.64	15.68	5.82	2.63	2.24	2.94
Finance costs	9.79	20.23	14.60	19.64	40.13	45.80
Restated profit before tax and exceptional item	269.70	75.86	459.87	205.46	85.13	49.87
Exceptional item (refer note 19 in annexure IV-C)	30.91	-	-	-	-	-
Tax expenses						
Current tax	110.37	37.36	175.68	104.48	30.57	1.19
Deferred tax (credit) / charge	(18.08)	(10.02)	(27.17)	(33.45)	2.57	17.01
Total tax expenses	92.29	27.34	148.51	71.03	33.14	18.20
Restated profit after tax for the period/year	146.50	48.52	311.36	134.43	51.99	31.67

Restated Unconsolidated Financial Information of Cash Flows

(Rs. in Million)

Particulars	Nine months period ended		For the year ended			
	Dec 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
A. CASH FLOW FROM OPERATING ACTIVITIES						
- Net restated profit before taxation	269.70	75.86	459.87	205.46	85.13	49.87
Adjustments for :						
- Interest Expenses	8.79	18.19	13.08	16.08	35.75	35.95
- Provision for doubtful debts	53.10	82.14	110.72	76.12	52.24	-
- Provision for doubtful advances	7.72	15.56	5.83	67.18	0.74	-
- Provision for Rent Equalisation	(0.31)	2.05	0.77	1.33	1.05	-
- Provision for Gratuity	6.98	4.28	5.09	3.62	3.02	1.67
- Provision for Leave Encashment	(0.49)	1.89	1.34	1.89	2.26	0.42
- Bad Debts written off	-	-	18.19	12.61	87.98	26.85
- Amounts written off	0.22	0.01	1.03	0.59	4.08	-
- Amounts written Back	(4.99)	(15.17)	(0.00)	(1.77)	(7.01)	-
- Depreciation	93.58	107.52	78.95	59.71	32.69	14.63
- Interest income	(11.86)	(3.14)	(7.99)	(11.11)	(6.81)	(1.30)
- Profit on sale of fixed assets	(5.54)	(6.39)	(5.16)	(16.39)	(11.92)	-
- Profit on sale of short term investment	-	(4.60)	(0.36)	-	(3.43)	-
- Dividend Income	-	-	-	-	(2.54)	-
-Unrealized foreign exchange loss	4.79	(14.23)	(2.85)	(3.94)	1.05	-
Operating profit before working capital changes (as restated)	421.69	263.97	678.51	411.38	274.28	128.09
Movements in working capital:						
- Increase / (Decrease) in Provisions	(2.99)	(1.61)	(7.21)	(2.29)	(0.22)	-
- Increase / (Decrease) in Trade payables	134.39	39.86	(39.47)	111.21	16.01	4.16
- Increase / (Decrease) in other current liabilities	10.09	(0.87)	(20.03)	43.45	18.50	1.03
- Decrease / (Increase) in Inventory	0.86	1.71	(2.60)	(1.11)	-	-
- (Increase) in trade receivable	(189.80)	(54.91)	(204.57)	(170.15)	(136.75)	(95.85)
- Decrease / (Increase) in Long term Loans and advances	9.21	7.87	(22.70)	(5.37)	45.55	(23.01)
- Decrease / (Increase) in Short term loans and advances	(21.19)	83.53	(36.77)	27.61	116.70	4.73
Cash Generated from Operations	362.26	339.55	345.16	414.73	334.07	19.15

Restated Unconsolidated Financial Information of Cash Flows (Continued)

(Rs. in Million)

Particulars	Nine months period ended		For the year ended			
	Dec 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
- Taxes outflow (net of refunds)	20.09	105.82	174.44	73.66	15.18	1.86
Net cash generated from operating activities	342.17	233.73	170.72	341.07	318.89	17.29
B. CASH FLOW FROM INVESTING ACTIVITIES						
- Purchase of fixed assets	(34.36)	(140.82)	(171.70)	(102.20)	(80.02)	(7.83)
- Sale of fixed assets	13.08	18.38	10.78	18.79	11.92	-
- Sale of short term investments	-	84.60	80.36	10.20	370.47	-
- Purchase of short term investments	-	-	(160.00)	-	(362.71)	-
- Investment in Subsidiaries/JV	-	(56.24)	(92.67)	(103.07)	(8.50)	0.54
- Interest received	3.38	3.11	5.25	11.72	2.05	1.07
- In Fixed Deposit Account (More than 3 Months Maturity)	(116.46)	27.81	(26.92)	(37.91)	(1.02)	-
- Redemption of bank deposits (with original maturity for more than 12 months)	-	-	-	1.67	(1.67)	-
- Dividend Income	-	-	-	-	2.54	-
Net cash (used in) investing activities	(134.36)	(63.16)	(354.90)	(200.80)	(66.94)	(6.22)
C. CASH FLOW FROM FINANCING ACTIVITIES						
- Issue of Share Capital for Cash	-	-	-	0.03	0.73	2.49
- Proceeds from Long-term borrowings	-	6.82	22.89	-	41.78	-
- Repayment of Long-term borrowings	(9.61)	(13.40)	(16.23)	(91.04)	(97.66)	-
- Proceeds from Short-term borrowings	-	72.36	86.02	-	-	-
- Repayment of Short-term borrowings	(158.38)	-	-	-	(123.87)	-
- Share Premium Received	-	-	-	-	131.82	347.51
- Proceeds from secured Loans	-	-	-	-	-	33.35
- Interim Dividend paid	-	(190.00)	-	(100.00)	-	-
- Interim Dividend paid	-	-	-	-	-	-
- Tax on Interim Dividend paid	-	(32.29)	-	(16.22)	-	-
- Repayment of Unsecured Loans	-	-	-	-	-	(351.47)
- Interest expenses	(5.59)	(18.03)	(7.85)	(14.15)	(31.60)	(35.95)
Net cash generated from/(used in) financing activities	(173.58)	(174.54)	84.83	(221.38)	(78.80)	(4.07)
Net Increase/(decrease) in cash and cash equivalents (A+B+C)	34.23	(3.97)	(99.36)	(81.11)	173.13	7.00
Cash & Cash equivalents at the beginning of the period	5.93	9.91	109.26	190.37	17.24	10.24

(Rs. in Million)

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Restated Consolidated Financial Information of Assets and Liabilities

(Rs. in Million)

Particulars	As at					
	Dec 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
Equity and Liabilities						
Shareholders' funds						
Equity share capital	420.29	420.29	420.29	420.29	20.99	19.19
Share warrants	-	-	-	-	-	-
Reserves and surplus	166.77	23.36	45.63	37.30	505.28	167.25
	587.06	443.65	465.92	457.59	526.27	186.44
Minority Interest	-	1.21	0.82	-	-	-
Non current liabilities						
Long term borrowings	3.86	5.12	10.75	3.17	56.94	71.54
Long term provisions	2.26	3.30	0.53	3.37	2.54	3.91
	6.12	8.42	11.28	6.54	59.48	75.45
Current liabilities						
Short term borrowings	0.90	159.29	90.95	5.27	12.76	128.48
Trade payables	487.52	335.32	276.90	316.67	166.85	145.06
Other current liabilities	80.71	83.57	100.69	122.10	108.41	300.51
Short term provisions	116.49	29.06	311.05	81.38	41.20	8.16
	685.62	607.24	779.59	525.42	329.22	582.21
TOTAL	1,278.80	1,060.51	1,257.61	989.55	914.97	844.10
Assets						
Non current assets						
Fixed assets						
Tangible assets	130.44	191.77	181.27	107.42	75.42	27.55
Intangible assets	21.98	33.40	16.35	10.42	5.84	7.82
Capital work-in-progress	-	-	-	-	0.52	-
Intangible assets under development	3.14	3.11	11.91	4.30	-	-
	155.56	228.28	209.53	122.14	81.78	35.37
Goodwill on consolidation	5.45	30.09	30.09	30.09	5.45	5.45
Non-current investments	0.29	0.29	0.10	0.03	0.02	3.50
Deferred tax assets (net)	118.71	98.29	88.63	61.51	27.65	30.21
Long term loan & advances	74.20	79.04	73.04	75.02	37.55	65.05
Other non-current assets	6.95	6.39	5.95	5.41	2.03	-
	361.16	442.38	407.34	294.20	154.48	139.58
Current assets						
Current investments	-	-	80.00	-	10.20	11.03
Inventories	12.57	14.98	10.26	9.39	-	-
Trade receivables	433.70	317.47	303.84	213.66	162.69	185.10
Cash and bank balances	223.60	70.02	112.94	173.69	211.63	25.54
Short term loans and advances	181.76	165.05	253.65	218.23	319.25	448.12
Other current assets	66.01	50.61	89.58	80.38	56.72	34.73
	917.64	618.13	850.27	695.35	760.49	704.52
TOTAL	1,278.80	1,060.51	1,257.61	989.55	914.97	844.10

Restated Consolidated Financial Information of Profit and Loss

(Rs. in Million)

Particulars	Nine months period ended	For the year ended				
	Dec 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
Income						
Revenue from operations	2,137.76	2,427.84	2,665.24	2,189.06	1,693.32	1,060.72
Other income	35.71	38.32	22.04	34.80	32.75	11.46
Total revenue (I)	2,173.47	2,466.16	2,687.28	2,223.86	1,726.07	1,072.18
Expenses						
Network operating cost	775.61	869.76	876.43	818.92	690.90	521.97
Purchase of traded goods	189.99	98.92	4.89	2.31	-	-
(Increase)/Decrease in inventories of traded goods	0.86	1.72	(2.60)	(1.11)	-	-
Employee benefits expense	360.77	531.81	525.34	413.99	286.65	181.91
Other expenses	469.95	826.07	805.10	787.89	582.55	254.50
Total (II)	1,797.18	2,328.28	2,209.16	2,022.00	1,560.10	958.38
Restated Earnings before interest, tax, depreciation and amortisation and exceptional item (EBITDA) (I)-(II)	376.29	137.88	478.12	201.86	165.97	113.80
Depreciation expense	75.34	92.18	73.35	59.36	30.63	12.06
Amortisation expense	19.30	16.54	6.80	3.40	3.22	4.46
Finance costs	12.05	24.77	16.20	20.90	40.91	46.19
Restated Profit before tax and exceptional Item	269.60	4.39	381.77	118.20	91.21	51.09
Exceptional Item (refer note 16 in annexure IV-C)	30.91	-	-	-	-	-
Tax expenses						
Current tax	110.37	37.62	175.07	105.29	31.31	1.86
Deferred tax (credit) / charge	(18.08)	(9.57)	(27.12)	(33.85)	2.57	17.02
Total tax expense	92.29	28.05	147.95	71.44	33.88	18.88
Restated Profit after tax for the period/year	146.40	(23.66)	233.82	46.76	57.33	32.21
Minority Interest	(1.23)	0.39	2.53	-	-	-
Net Profit after tax, Minority interest	147.63	(24.05)	231.29	46.76	57.33	32.21

Restated Consolidated Financial Information of Cash Flows

(Rs. in Million)

Particulars	Nine months period ended	For the year ended				
	Dec 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
A CASH FLOW FROM OPERATING ACTIVITIES						
- Net restated profit before taxation	269.60	4.39	381.77	118.20	91.21	51.09
Adjustments for :						
- Interest Expenses	10.15	21.58	13.53	16.08	34.12	36.48
- Provision for doubtful debts	53.10	75.08	110.72	76.12	52.24	-
- Provision for doubtful advances	7.72	15.56	5.83	67.18	0.74	-
- Provision for Rent Equalisation	(0.31)	2.05	0.77	1.33	1.05	-
- Provision for Gratuity	6.98	4.28	5.09	3.62	3.02	1.67
- Provision for Leave Encashment	5.73	0.58	1.34	1.67	3.35	0.42
- Bad Debts written off	0.97	9.91	17.78	10.30	87.78	28.40
- Amounts written off	1.02	0.06	1.08	0.83	4.33	-
- Amounts written Back	(5.07)	(15.17)	(0.24)	(1.77)	(7.01)	-
- Depreciation	94.63	108.71	80.15	62.76	33.85	16.52
- Interest income	(12.28)	(3.67)	(8.95)	(11.52)	(6.58)	(1.33)
- Profit on sale of fixed assets	(5.54)	(6.41)	(5.16)	(16.39)	(13.58)	-
- Profit on sale of short term investment	-	(4.60)	(0.36)	-	(3.43)	(0.18)
- Minority Interest	0.03	-	(1.72)	-	-	-
- Unrealized foreign exchange loss	11.16	(8.68)	2.77	(0.01)	0.40	4.11
Operating Profit before Working Capital Changes (as restated)	437.89	203.67	604.40	328.40	281.49	137.18
Movements in working capital:						
- Increase / (Decrease) in Provisions	(15.28)	(0.30)	(7.21)	(2.06)	(1.31)	-
- Increase / (Decrease) in Trade payables	152.51	56.37	(40.52)	148.12	20.75	4.16
- Increase/ (Decrease) in Other current liabilities	10.62	(1.03)	(20.02)	53.26	5.66	4.41
- Decrease / (Increase) in Inventory	2.42	(4.73)	(0.86)	(9.39)	-	-
- Decrease / (Increase) in Trade receivable	(191.62)	(50.59)	(230.40)	(161.92)	(135.40)	(114.68)
- Decrease / (Increase) in Long term loans and advances	(1.81)	(2.08)	8.93	(36.33)	(25.61)	-
- Decrease / (Increase) in Short term loans and advances	(21.76)	76.34	(37.51)	36.90	136.28	(40.33)
- Decrease / (Increase) in Other Current Assets	(7.10)	0.12	0.74	(5.55)	(1.92)	(0.46)
Cash Generated from Operations	365.87	277.77	277.55	351.43	279.94	(9.72)
- Taxes outflow (net of refunds)	(22.98)	(111.17)	(175.03)	(70.69)	(14.73)	(2.54)
Net cash generated from operating activities	342.89	166.60	102.52	280.74	265.21	(12.26)
B CASH FLOW FROM INVESTING ACTIVITIES						
- Purchase of fixed assets	(39.00)	(133.87)	(180.72)	(130.92)	(26.99)	(3.54)
- Sale of fixed assets	13.08	18.41	10.75	18.79	13.58	6.00
- Sale of short term investments	-	84.42	-	10.20	7.74	-
- Purchase of short term investments	-	-	(79.72)	-	-	(4.58)
- Interest received	11.25	3.63	6.21	14.00	1.62	1.53
- In Fixed Deposit Account (More than 3 Months Maturity)	(116.46)	27.81	(26.92)	(37.91)	(1.02)	(9.68)
Net cash (used in) investing activities	(131.13)	0.40	(270.40)	(125.84)	(5.07)	(10.27)

Restated Consolidated Financial Information of Cash Flows (Continued)

(Rs. in Million)

Particulars	Nine months period ended	For the year ended				
	Dec 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
CASH FLOW FROM FINANCING ACTIVITIES						
- Issue of Share Capital for Cash	-	-	-	0.03	0.73	2.49
- Proceeds from Long-term borrowings	-	6.82	22.89	-	41.78	75.38
- Repayment of Long-term borrowings	(9.61)	(13.40)	(16.23)	(91.04)	(98.22)	(10.26)
- Proceeds from Short-term borrowings	3.48	71.77	87.54	-	-	-
- Repayment of short term borrowings	(158.31)	(3.45)	-	(6.88)	(115.64)	-
- Repayment of Unsecured Loans	-	-	-	-	-	(350.00)
- Share Premium Received	-	-	-	-	131.82	347.51
- Interim Dividend paid	-	(190.00)	-	(100.00)	(2.54)	-
- Tax on Interim Dividend paid	-	(32.29)	-	(16.22)	-	-
- Interest expenses	(10.20)	(21.56)	(13.99)	(16.64)	(33.00)	(34.80)
Net cash generated from/(used in) financing activities	(174.64)	(182.11)	80.21	(230.75)	(75.07)	30.32
Net Increase (decrease) in cash and cash equivalents (A+B+C)	37.12	(15.11)	(87.67)	(75.85)	185.07	7.79
Cash & Cash equivalents at the beginning of the period	24.91	40.02	127.69	203.54	18.47	10.68
Cash & Cash equivalents at the end of the period	62.03	24.91	40.02	127.69	203.54	18.47
(Rs. in Million)						
Components of cash and cash equivalents	As at					
	Dec 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
Cash in hand	4.02	7.24	4.62	4.64	1.27	8.64
Balances with scheduled banks:						
- On current accounts	26.56	17.67	35.40	28.05	26.75	9.73
- Cash Credit accounts	31.45	-	-	54.02	21.53	-
- On Dividend Account	-	-	-	38.63	-	-
- Deposits with original maturity of less than three months	-	-	-	-	150.00	0.10
Cheques/ drafts on hand	-	-	-	2.35	-	-
Remittance-in-transit	-	-	-	-	3.99	-
Total	62.03	24.91	40.02	127.69	203.54	18.47

In connection with the audit of our standalone financial statements, certain qualifications and emphasis of matters have been included in the auditor's reports for each of fiscal 2014, 2013, 2012, 2011 and 2010.

The table below sets out the remarks of the Auditor and the management's response to such remarks:

Fiscal	Auditor's Remark from the Audit Report	Management's Response
2014	Company was not in compliance with requirements under Section 297 of the Companies Act, 1956 in relation to certain purchases of products and services from and sales to private limited companies in which a director is interested in the current year and prior years, for which approval had not been obtained from the Government of India	The Company has filed an application dated December 10, 2014 with the Registrar of Companies for compounding of offences for the violation of Section 297 of the Companies Act, 1956. We are awaiting the date of hearing in relation to such application.
	Internal control system of for sale of goods needed to be strengthened further	The Company has further strengthened the internal control system for the sale of traded goods. In the current period, the Company has formalized agreements with our customers clearly specifying the terms and conditions related to the transaction. Prior to finalizing the customer, the Company invites quotations from various prospective customers.
	There was a slight delay in few cases in depositing undisputed statutory dues	The Company has implemented internal controls to check the status of the statutory payments and ensure statutory payments are made on or before the due date
2013	Company was not in compliance with requirements under Section 297 of the Companies Act, 1956 in relation to certain purchases of products and services from and sales to private limited companies in which a director is interested in the current year and prior years, for which approval had not been obtained from the Government of India	The Company has filed an application dated December 10, 2014 with the Registrar of Companies for compounding of offences for the violation of Section 297 of the Companies Act, 1956. We are awaiting the date of hearing in relation to such application.
	The rate of interest and other terms and conditions of loans given by our Company to a company in which directors of our Company were interested, was prima facie prejudicial to the interest of our Company as no interest had been recovered	The Company has recovered the amount of loan along with interest due from the company in which directors of the Company were interested in March 2015. The interest amount until March 31, 2014 has been waived by the board of directors.
	There was a slight delay in few cases in depositing undisputed statutory dues	The Company has implemented internal controls to check the status of the statutory payments and ensure statutory payments are made on or before the due date
2012	Company was not in compliance with requirements under Section 297 of the Companies Act, 1956 in relation to certain purchases of products and services from and sales to private limited companies in which a director is interested in the current year and prior years, for which approval had not been obtained from the Government of India	The Company has filed an application dated December 10, 2014 with the Registrar of Companies for compounding of offences for the violation of Section 297 of the Companies Act, 1956. We are awaiting the date of hearing in relation to such application.
	The Company had not yet obtained post-facto approval of its Authorized Dealer for setting-off certain amounts to certain foreign vendors against amounts receivable from them	The Company has got approval from the Authorised Dealer on December 3, 2012 for setting-off certain amounts to certain foreign vendors against amounts receivable from them
	The rate of interest and other terms and conditions of loans given by our Company to a company in	The Company has recovered the amount of loan along with interest due from the company

Fiscal	Auditor's Remark from the Audit Report	Management's Response
	<p>which directors of our Company were interested, was prima facie prejudicial to the interest of our Company as no interest had been recovered</p> <p>There was a slight delay in few cases in depositing undisputed statutory dues</p>	<p>in which directors of the Company were interested in March 2015. The interest amount until March 31, 2014 has been waived by the board of directors.</p> <p>The Company has implemented internal controls to check the status of the statutory payments and ensure statutory payments are made on or before the due date</p>
2011	<p>Company was not in compliance with requirements under Section 297 of the Companies Act, 1956 in relation to certain purchases of products and services from and sales to private limited companies in which a director is interested in the current year and prior years, for which approval had not been obtained from the Government of India</p> <p>Company had applied for and not yet obtained post-facto approval of the RBI for setting-off certain amounts to certain foreign vendors against amounts receivable from them. Pending the final outcome of the matter, no adjustment had been carried out in the financial statements</p> <p>Fixed assets had not been physically verified by the management during the year</p> <p>In respect of one transaction pertaining to purchase of trademarks amounting to ₹25,750,000, because of the unique and specialized nature of the item involved and absence of any comparable prices, the auditors were unable to ascertain whether the transactions were made at prevailing market prices at the relevant time</p> <p>The scope and coverage of our Company's internal audit system was required to be enlarged to be commensurate with the size and nature of its business</p> <p>There had been a slight delay in a few cases of depositing undisputed statutory dues</p> <p>Funds were misappropriated by an employee during the year</p>	<p>The Company has filed an application dated December 10, 2014 with the Registrar of Companies for compounding of offences for the violation of Section 297 of the Companies Act, 1956. We are awaiting the date of hearing in relation to such application.</p> <p>The Company has got approval from the Authorised Dealer on December 3, 2012 for setting-off certain amounts to certain foreign vendors against amounts receivable from them</p> <p>The Company subsequently verified a category of fixed assets and has framed a planned programme of verifying the fixed assets once in three years.</p> <p>Transaction for purchase of trademark was based as per the terms specified in the Deed of Assignment dated February 14, 2011 entered into between our Company and MCS. The amount specified therein has been mutually agreed between the parties to the deed.</p> <p>The scope of internal audit of the Company was enlarged to make it commensurate with the size and nature of business.</p> <p>The Company has implemented internal controls to check the status of the statutory payments and ensure statutory payments are made on or before the due date</p> <p>The Company has further strengthened the internal control system; after implementing such internal control system there has been no further incidence of misappropriation of funds.</p>
2010	<p>Certain withholding taxes and fringe benefit tax for fiscal 2009 were outstanding for a period of more than six months as of the date of the balance sheet</p>	<p>The Company has implemented internal controls to check the status of the statutory payments and ensure statutory payments are made on or before the due date</p>

Changes in accounting policies during the last three years and their effect on the profits and reserves of the Company:

Fiscal	Change in Accounting Policy	Impact
2012	W.e.f April 1 2011, revised schedule VI notified under the Companies Act, 1956 has become applicable to the Company for preparation and presentation of its financial statements.	The adoption of Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The Company has also reclassified the figures for the previous years ended March 31, 2011 and March 31, 2010 in accordance with the requirements applicable for the year ended March 31, 2012 in the restated unconsolidated financial statements
2011	Till March 31, 2010, handsets and SIM cards were accounted for and classified as inventories. Effective April 1, 2010, the Company has re-evaluated the accounting and, accordingly, believes it is more appropriate to account for SIM cards and handsets as fixed assets (under plant and machinery) rather than as inventory. The management believes that such change will result in more appropriate presentation of handsets and sim cards.	Brought forward cost of handsets and sim cards amounting to ₹19.05 million has been reclassified under fixed assets (as plant & machinery). In accordance with Company's depreciation policy such transfer has been fully depreciated (₹5.50 million for financial year ended March 31, 2010 and ₹13.55 million against net deficit in the statement of Profit & loss as at April 1, 2009).

The auditors of our Subsidiary, Matrix UK, have qualified their opinion on the financial statements of the Subsidiary for fiscal 2009 onwards on account of overdue debtors amounting to GBP 0.33 million. Of this amount, GBP 0.24 million related to invoices which continue to remain unpaid. The remaining balance of GBP 0.09 million is due from a company which does not appear to have the means to repay this. In the opinion of the auditor of Matrix UK, there is sufficient doubt as to the recoverability of these debts and that full provision for GBP 0.33 million should be made.

Further, the effect of provision of above amount would be to turn a significant asset position into that of a deficit of assets on Matrix UK's balance sheet. While the directors continue to believe that the debtors noted above are recoverable in full, Matrix UK has been so far been unable to demonstrate this. The auditor of Matrix UK believes that this situation indicates the existence of a material uncertainty which may cast significant doubt on Matrix UK's ability to continue as a going concern and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business.

Adjustments have been made to the statement of consolidated financial statements, as restated by recording provision for amount qualified and adjusting the same with opening reserve. Further, the effect of revaluation of amount provided in Indian rupee and corresponding provision for same has been considered in respective years. The management of Matrix UK is making efforts for recovery from overdue debtors and is confident of recovering such dues.

In the meantime, our management has committed to provide full financial and operational support to Matrix UK to enable it to operate and settle its liabilities and obligations as they become due. Accordingly, no other adjustments are required to be made in carrying value of net assets.

THE OFFER

Offer for sale of Equity Shares ⁽¹⁾	15,172,540 Equity Shares
<i>Of which</i>	
A) QIB Category	11,379,405 Equity Shares
<i>Of which:</i>	
Anchor Investor Portion ⁽²⁾	Up to 6,827,643 Equity Shares
Balance available for allocation to QIBs other than Anchor Investors (assuming Anchor Investor Portion is fully subscribed)	Up to 4,551,762 Equity Shares
<i>Of which:</i>	
Available for allocation only to Mutual Funds (5% of the QIB Category (excluding the Anchor Investor Portion))	Up to 227,588 Equity Shares
Balance for all QIBs including Mutual Funds	Up to 4,324,174 Equity Shares
B) Non-Institutional Category	Not more than 2,275,881 Equity Shares available for allocation on a proportionate basis
C) Retail Category	Not more than 1,517,254 Equity Shares available for allocation in accordance with SEBI Regulations
Pre- and post-Offer Equity Shares	
Equity Shares outstanding as of the date of this Draft Red Herring Prospectus	42,029,200 Equity Shares
Equity Shares outstanding after the Offer	42,029,200 Equity Shares
Use of Offer Proceeds by our Company	Our Company will not receive any proceeds from the Offer. For further details, see the section “Objects of the Offer” on page 106

Allocation to all categories, except the Retail Category and Anchor Investor Portion, if any, will be made on a proportionate basis. Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in any category except in the QIB Category, would be allowed to be met with spillover from any other category or combination of categories at the discretion of our Company and the Selling Shareholders in consultation with the BRLMs and the Designated Stock Exchange. For details, see the section “Offer Structure” on page 452. For details of the terms of the Offer, see the section “Terms of the Offer” on page 449. For details of the Offer procedure, including the grounds for rejection of Bids, see the section “Offer Procedure” on page 457.

⁽¹⁾ The Equity Shares offered by the Selling Shareholders in the Offer have been held by them in accordance with and for the period specified in Regulation 26(6) of the SEBI Regulations and therefore are eligible for being offered for sale in the Offer. Each of Gagan Deep Singh Dugal, Major General Manjit Singh Dugal and Urvashi Kaur have authorized their respective portions of the Offer, i.e., 2,263,838 Equity Shares, 1,986 Equity Shares and 297,956 Equity Shares, respectively, pursuant to their consent letters each dated May 5, 2015, respectively. Aleta has authorized its portion of the Offer, i.e., 12,359,106 Equity Shares, pursuant to a resolution dated April 17, 2015 and AAJV has authorized its portion of the Offer, i.e., 249,654 Equity Shares, pursuant to a resolution dated April 20, 2015. Our Board of Directors has, by way of a resolution dated May 6, 2015 approved the Offer and our IPO Committee has, by way of a resolution dated May 21, 2015 taken on record the offer of 15,172,540 Equity Shares being offered for sale by the Selling Shareholders. Gagan Deep Singh Dugal has filed an application dated April 15, 2015 with the RBI for approval of transfer of shares to non-residents pursuant to the Offer in accordance with the provisions of Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, as amended.

⁽²⁾ Our Company and the Selling Shareholders may, in consultation with the BRLMs, allocate up to 60% of the QIB Category to Anchor Investors on a discretionary basis in accordance with the SEBI Regulations. One-third of the Anchor Investor Portion will be reserved for domestic Mutual Funds only, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In case of under-subscription in the Anchor Investor Portion, the remaining Equity Shares will be added back to the QIB Category. For further details, see the section “Offer Procedure” on page 457.

- ⁽³⁾ *The Retail Discount, if any, will be offered to Retail Individual Investors at the time of making a Bid. Retail Individual Investors bidding at a price within the Price Band can make payment at the Bid Amount (which will be less Retail Discount), at the time of making a Bid. Retail Individual Investors bidding at the Cut-Off Price have to ensure payment at the Cap Price less Retail Discount at the time of making a Bid. Retail Individual Investors must ensure that the Bid Amount does not exceed ₹200,000. Retail Individual Investors should note that while filling the “SCSB/Payment Details” block in the Bid cum Application Form, Retail Individual Investors must mention the Bid Amount.*

GENERAL INFORMATION

Our Company was incorporated in New Delhi on November 17, 2005 as Matrix Cellular (International) Services Private Limited, a private limited company under the Companies Act, 1956. Our Company was then converted into a public limited company and consequently, its name was changed to Matrix Cellular (International) Services Limited and the RoC issued a fresh certificate of incorporation dated April 21, 2015. For further details, see the section “History and Certain Corporate Matters” on page 157. For details of our business, see the section “Our Business” on page 141.

Registered Office and Corporate Office

7 Khullar Farm
Mandi Road, Mehrauli
New Delhi 110 030
India
Tel: +91 11 2680 0000
Fax: +91 11 2680 0200
Email: compliance@matrix.in
Website: www.matrix.in
Corporate Identity Number: U64202DL2005PLC142628
Registration Number: 142628

Address of the Registrar of Companies

Our Company is registered with the Registrar of Companies, National Capital Territory of Delhi and Haryana, situated at 4th Floor, IFCI Tower, 61, Nehru Place, New Delhi 110 019, India.

Board of Directors

The Board of our Company comprises the following:

Name	Designation	DIN	Address
Major General Manjit Singh Dugal	Non-Independent and Executive Director	01402011	6 Sultanpur Estate, Mandi Road, Mehrauli, New Delhi 110 030, India
Gagan Deep Singh Dugal	Non-Independent and Non-Executive Director	00513181	6 Sultanpur Estate, Mandi Road, Mehrauli, New Delhi 110 030, India
Jayanta Kumar Basu	Nominee and Non-Executive Director	01268046	I-1742, Chittaranjan Park, New Delhi 110 019, India
Chander Mohan Mehra	Independent and Non-Executive Director	07173867	House No. 71, Uday Park, New Delhi 110 049
Gulkirat Kaur Panag	Independent and Non-Executive Director	02008388	B-804, Akanksha, Kalyan Complex, Versova, Andheri (West), Mumbai 400 061
Gaurav Sekhri	Independent and Non-Executive Director	00090676	448-451, Chin Min Farms, Satbari, Mehrauli, New Delhi 110 030

For further details of our Directors, see the section “Our Management” on page 173.

Company Secretary and Compliance Officer

Nitasha Sinha is the Company Secretary and the Compliance Officer of our Company. Her contact details are as follows:

Nitasha Sinha
7 Khullar Farm
Mandi Road, Mehrauli
New Delhi 110 030
India
Tel: +91 11 2680 3198
Fax: +91 11 2680 0200
Email: nitasha.sinha@matrix.in

Chief Financial Officer

Gaurav Kumar Khanna is the Chief Financial Officer of our Company. His contact details are as follows:

Gaurav Kumar Khanna

7 Khullar Farm
Mandi Road, Mehrauli
New Delhi 110 030
India
Tel: +91 11 2680 6000
Fax: +91 11 2680 0200
Email: gaurav@matrix.in

Bidders can contact the Compliance Officer, the BRLMs or the Registrar to the Offer in case of any pre- or post-Offer related problems, such as non-receipt of letters of Allotment, credit of Allotted Equity Shares in the respective beneficiary account and refund orders.

All grievances relating to the non-ASBA process may be addressed to the Registrar to the Offer, giving full details such as name of the sole or First Bidder, Bid cum Application Form number, Bidder's DP ID, Client ID, PAN, address of the Bidder, number of Equity Shares applied for, amount paid on application, date of Bid cum Application Form and the name and address of the Syndicate Member or the Registered Broker where the Bid cum Application Form was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Offer with a copy to the relevant SCSB or the Syndicate Member at the Specified Locations or the Registered Broker with which the Bid cum Application Form was submitted, giving full details such as name of the sole or First Bidder, Bid cum Application Form number, Bidder's DP ID, Client ID, PAN, address of Bidder, number of Equity Shares applied for, ASBA Account number in which the amount equivalent to the Bid Amount was blocked, date of Bid cum Application Form and the name and address of the Designated Branch or the collection centre of the SCSB or the Syndicate Member at the Specified Locations or the Registered Broker at the Broker Centres where the Bid cum Application Form was submitted. All grievances relating to Bids submitted through the Registered Broker may be addressed to the Stock Exchanges with a copy to the Registrar to the Offer.

Further, with respect to the Bid cum Application Forms submitted with the Registered Broker, the investor will also enclose the acknowledgment from the Registered Broker in addition to the documents/information mentioned hereinabove.

Selling Shareholders

The details of our Selling Shareholders (except Gagan Deep Singh Dugal, Major General Manjit Singh Dugal and Urvashi Kaur) are set forth below:

1. Aleta Private Limited

Aleta Private Limited is a company incorporated under the laws of Mauritius with its registered office situated at 22 Saint Georges Street, Port Louis, Republic of Mauritius; and

2. AAJV Investment Trust

AAJV Investment trust is a private trust established under the laws of India with its place of business situated at 9 Mathura Road, Jangpura B, New Delhi 110 014.

For further details in relation to our Selling Shareholders, see the sections "History and Certain Corporate Matters", "Our Management", "Our Promoters and Promoter Group" and "Our Group Entities" on pages 157, 173, 184 and 188, respectively.

Book Running Lead Managers

IIFL Holdings Limited

8th Floor, IIFL Centre
Kamala City, Senapati Bapat Marg
Lower Parel (West)
Mumbai 400 013
India
Tel: +91 22 4646 4600
Fax : +91 22 2493 1073
E-mail: matrix.ipo@iiflcap.com
Website: www.iiflcap.com
Investor grievance ID: ig.ib@iiflcap.com
Contact person: Pinak Bhattacharyya/Gururaj Sundaram
SEBI registration number: INM000010940

Religare Capital Markets Limited

5th Floor, A-Wing
D3, District Center
Saket
New Delhi 110 017
India
Tel: +91 11 3912 5009
Fax : +91 11 3912 5005
E-mail: matrix.ipo@religare.com
Website: www.religarecm.com
Investor grievance ID: grievance.ibd@religare.com
Contact person: Sumit Khandelwal
SEBI registration number: INM000011062

Inter se Allocation of Responsibilities between the BRLMs

The following table sets forth the *inter se* allocation of responsibilities for various activities among the BRLMs for the Offer:

S. No.	Activities	Responsibility	Co-ordinator
1	Capital structuring with the relative components and formalities such as type of instruments, etc.	IIFL, Religare	IIFL
2	Due diligence of Company's operations/ management/ business plans/ legal etc. Drafting and design of Red Herring Prospectus including memorandum containing salient features of the Prospectus. The BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalization of Prospectus and RoC filing.	IIFL, Religare	IIFL
3	Drafting and approval of all advertisement or publicity material including newspaper advertisement and brochure or memorandum containing salient features of the offer document	IIFL, Religare	IIFL
4	Appointment of intermediaries and coordination of their applicable agreements <ul style="list-style-type: none"> — Advertising agency and printers — Escrow Banks and Registrar 	IIFL, Religare	IIFL Religare
5	International institutional marketing strategy, including finalizing the list and allocation of investors for one to one meetings, in consultation with the Company, finalizing the international road show schedule & investor meeting schedules	IIFL, Religare	IIFL
6	Marketing strategy for domestic institutions including banks, mutual funds, etc., finalizing the list and division of investors for one to one meetings, in consultation with the Company, and finalizing the investor meeting schedules	IIFL, Religare	Religare
7	Preparation of road show presentation and frequently asked questions	IIFL, Religare	Religare
8	Non-institutional and retail marketing of the Issue, which will include inter alia, formulating marketing strategies, preparation of publicity budget, finalizing media and PR strategy, finalizing centers for holding conferences for press and brokers, deciding on the quantum of issue material and following-up on distribution of publicity and issue material including forms, prospectuses, etc.	IIFL, Religare	IIFL
9	Co-ordination with Stock Exchanges for Book Building software, bidding terminals and mock trading	IIFL, Religare	Religare
10	Finalization of pricing, in consultation with the Company and managing the book	IIFL, Religare	Religare

S. No.	Activities	Responsibility	Co-ordinator
11	The post bidding & post issue activities including management of escrow accounts, co-ordination of institutional and non-institutional allocation, intimation of allocation and dispatch of refunds to bidders etc. The post Issue activities for the Issue involving essential follow up steps, which include the finalization of trading and dealing of instruments and demat of delivery of Equity Shares, with the various agencies connected with the work such as the Registrar to the Issue and Bankers to the Issue, SCSBs and the bank(s) handling refund business. The merchant banker shall be responsible for ensuring that these agencies fulfill their functions and enable it to discharge this responsibility through suitable agreements with the Company	IIFL, Religare	Religare
12	Payment of the applicable Securities Transaction Tax (“STT”) on sale of unlisted equity shares by the Selling Shareholders under the offer for sale included in the Offer to the Government and filing of the STT return by the prescribed due date as per Chapter VII of Finance (No. 2) Act, 2004.	IIFL, Religare	Religare

Syndicate Members

[•]

Legal Advisers for the Offer as to Indian Law

S&R Associates

64 Okhla Industrial Estate, Phase III
New Delhi 110 020, India
Tel: +91 11 4069 8000
Fax: +91 11 4069 8001

Auditors of our Company

S.R. Batliboi & Associates LLP

Chartered Accountants
Golf View Corporate Tower – B
Sector 42, Sector Road
Gurgaon, Haryana 122 002, India
Tel: +91 124 464 4000
Fax: +91 124 464 4050
Email: SRBA@in.ey.com
Firm registration number: 101049W

Registrar to the Offer

Link Intime India Private Limited

C-13, Pannalal Silk Mills Compound
L.B.S. Marg, Bhandup (West)
Mumbai 400 078
Maharashtra
India
Tel: +91 22 6171 5400
Fax: +91 22 2596 0329
E-mail: mcisl.ipo@linkintime.co.in
Website: www.linkintime.co.in
Investor grievance ID: mcisl.ipo@linkintime.co.in
Contact person: Sachin Achar
SEBI registration number: INR000004058

Bankers to the Offer and Escrow Collection Banks

[•]

Refund Bank(s)

[•]

Bankers to our Company

HDFC Bank Limited
Vatika Atrium, Block A
Sector 53, Gurgaon
Tel: +91 124 466 4950
Fax: +91 124 466 4900
Email: varun.singla1@hdfcbank.com
Contact person: Varun Singla/Kanika Jaswal
Website: www.hdfcbank.com

Self Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as SCSBs for the ASBA process is provided on the website of the SEBI (<http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>) and updated from time to time. For details on Designated Branches of SCSBs collecting the Bid cum Application Forms, refer to the website of the SEBI (<http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>).

Syndicate SCSB Branches

In relation to ASBA Bids submitted to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI (<http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>) and updated from time to time. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, see the website of the SEBI (<http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>).

Registered Brokers

In accordance with SEBI Circular No. CIR/CFD/14/2012 dated October 4, 2012, Bidders can submit Bid cum Application Forms in the Offer using the stock broker network of the Stock Exchanges, i.e., through the Registered Brokers at the Broker Centres. The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the websites of the BSE and the NSE at www.bseindia.com/Static/Markets/PublicIssues/brokercentres.aspx?expandable=3 and www.nseindia.com/products/content/equities/ipos/ipo_mem_terminal.htm, respectively.

IPO Grading

No credit rating agency registered with the SEBI has been appointed in respect of obtaining grading for the Offer.

Credit Rating

As the Offer is of Equity Shares, the appointment of a credit rating agency is not required.

Trustees

As the Offer is of Equity Shares, the appointment of trustees is not required.

Monitoring Agency

As the Offer is an offer for sale and our Company will not receive any proceeds from the Offer, our Company is not required to appoint a monitoring agency for the Offer.

Appraising Agency

As the Offer is an offer for sale of Equity Shares, the objects of the Offer have not been appraised.

Experts

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received written consent from the Auditor namely, S.R. Batliboi & Associates LLP, to include its name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Draft Red Herring Prospectus and as an “expert” as defined under Section 2(38) of the Companies Act, 2013 in respect of the reports of S.R. Batliboi & Associates LLP, each dated April 29, 2015, on the restated consolidated and unconsolidated summary statements and the statement of tax benefits dated May 22, 2015 included in this Draft Red Herring Prospectus and such consent has not been withdrawn as of the date of this Draft Red Herring Prospectus.

However, the term “expert” will not be construed to mean an “expert” as defined under the U.S. Securities Act.

Book Building Process

The book building, in the context of the Offer, refers to the process of collection of Bids on the basis of the Red Herring Prospectus and the Bid cum Application Forms within the Price Band. The Price Band, any Retail Discount and the minimum Bid Lot will be decided by our Company and the Selling Shareholders, in consultation with the BRLMs, and advertised in the [●] edition of the English national newspaper [●] and the [●] edition of the Hindi national newspaper [●] (Hindi being the regional language of Delhi, where our registered office is located), each with wide circulation, at least five Working Days prior to the Bid/Offer Opening Date, and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites. The Offer Price will be finalised by our Company and the Selling Shareholders, in consultation with the BRLMs, after the Bid/Offer Closing Date. The principal parties involved in the Book Building Process are:

- our Company;
- the Selling Shareholders;
- the BRLMs;
- the Syndicate Members, who are intermediaries registered with SEBI or registered as brokers with the Stock Exchanges and eligible to act as Underwriters;
- the SCSBs;
- the Registered Brokers;
- the Registrar to the Offer; and
- the Escrow Collection Bank(s).

The Offer is being made through the 100% Book Building Process, and in terms of Rule 19(2)(b)(i) of the SCRR for at least 25% of the post- Offer paid-up Equity Share capital of our Company, wherein at least 75% of the Offer will be allocated on a proportionate basis to QIBs, provided that our Company and the Selling Shareholders may allocate up to 60% of the QIB Category to Anchor Investors on a discretionary basis in accordance with the SEBI Regulations, of which one-third will be reserved for domestic Mutual Funds only, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. 5% of the QIB Category (excluding the Anchor Investor Portion) will be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the QIB Category will be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not more than 15% of the Offer will be available for allocation on a proportionate basis to Non-Institutional Investors and not more than 10% of the Offer will be available for allocation to Retail Individual Investors in accordance with the SEBI Regulations, subject to valid Bids being received at or above the Offer Price. Under-subscription, if any, in any category other than the QIB Category, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company and the Selling Shareholders, in consultation with BRLMs and the Designated Stock Exchange.

QIBs (excluding Anchor Investors) and Non-Institutional Investors can participate in the Offer only through the ASBA process and Retail Individual Investors have the option to participate through the ASBA process. Anchor Investors are not permitted to participate through the ASBA process.

In accordance with the SEBI Regulations, QIBs Bidding in the QIB Category and Non-Institutional Investors bidding in the Non-Institutional Category are not allowed to withdraw or lower the size of their Bid(s) (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Investors can revise their Bids during the Bid/Offer Period and withdraw their Bids until finalization of the Basis of Allotment. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid/Offer Period. Allocation to the Anchor Investors will be on a discretionary basis. For further details, see the sections “Offer Structure” and “Offer Procedure” on pages 452 and 457, respectively.

Our Company and the Selling Shareholders will comply with the SEBI Regulations and any other ancillary directions issued by the SEBI for the Offer. In this regard, our Company and the Selling Shareholders have appointed the BRLMs to manage the Offer and procure subscriptions for the Offer.

The Book Building Process under the SEBI Regulations is subject to change from time to time and the investors are advised to make their own judgment about investment through this process prior to making a Bid or application in the Offer.

Illustration of Book Building and Price Discovery Process

Investors should note that this example is solely for illustrative purposes and is not specific to the Offer; it also excludes bidding by Anchor Investors or under the ASBA process.

Bidders can bid at any price within the price band. For instance, assume a price band of ₹20 to ₹24 per share, issue size of 3,000 equity shares and receipt of five bids from bidders, details of which are shown in the table below. A graphical representation of the consolidated demand and price would be made available at the bidding centres during the bidding period. The illustrative book given below shows the demand for the shares of the issuer company at various prices and is collated from bids received from various investors.

Bid Quantity	Bid Amount (₹)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to issue the desired number of shares is the price at which the book cuts off, *i.e.*, ₹22.00 in the above example. The issuer, in consultation with the book running lead managers, will finalise the issue price at or below such cut-off price, *i.e.*, at or below ₹22.00. All bids at or above this issue price and cut-off bids are valid bids and are considered for allocation in the respective categories.

Steps to be taken by the Bidders for bidding:

1. Check eligibility for making a Bid (see the section “Offer Procedure – Who Can Bid?” on page 459);
2. Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form;
3. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Bids by persons resident in the State of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempt from specifying their PAN for transacting in the securities market, for Bids of all values, ensure that you have mentioned your PAN allotted under the Income Tax Act in the Bid cum Application Form. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction (see the section “Offer Procedure” on page 457);

4. Ensure that the Bid cum Application Form is duly completed in accordance with the instructions given in the Red Herring Prospectus and in the Bid cum Application Form;
5. Ensure the correctness of your demographic details such as the address, the bank account details for printing on refund orders and occupation, given in the Bid cum Application Form, with the details recorded with your Depository Participant;
6. Bids by QIBs (except Anchor Investors) and Non-Institutional Investors will be submitted only through the ASBA process;
7. Bids by non-ASBA Bidders will have to be submitted to the Syndicate (or their authorized agents) at the bidding centres or the Registered Brokers at the Broker Centres; and
8. Bids by ASBA Bidders will have to be submitted to the Designated Branches or the Syndicate at the Specified Locations or the Registered Brokers at the Broker Centres in physical form. It may also be submitted in electronic form to the Designated Branches of the SCSBs only. ASBA Bidders should ensure that the specified bank accounts have adequate credit balance at the time of submission to the SCSB to ensure that the Bid cum Application Form submitted by the ASBA Bidders is not rejected. Ensure that the SCSB where the ASBA Account (as specified in the Bid cum Application Form) is maintained has named at least one branch at the Specified Location or the Broker Centre for the members of the Syndicate or the Registered Broker, respectively, to deposit Bid cum Application Forms (a list of such branches is available at the website of the SEBI at www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries and updated from time to time).

Notwithstanding the foregoing, the Offer is also subject to obtaining (i) final listing and trading approvals of the Stock Exchanges, which our Company will apply for after Allotment; and (ii) the final approval of the RoC after the Prospectus is filed with the RoC.

Underwriting Agreement

After the determination of the Offer Price and allocation of Equity Shares, but prior to the filing of the Prospectus with the RoC, our Company and the Selling Shareholders intend to enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Offer. The Underwriting Agreement is dated [●]. It is proposed that pursuant to the terms of the Underwriting Agreement, the BRLMs will be responsible for bringing in the amount devolved in the event that the Syndicate Members do not fulfil their underwriting obligations. Pursuant to the Underwriting Agreement, the obligations of each of the Underwriters will be several and will be subject to conditions specified therein.

The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

(This portion has been intentionally left blank and will be filled in before the Prospectus is filed with the RoC.)

Name, Address and Contact Details of the Underwriters	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten (₹ in million)
[●] [address] Tel: [●] Fax: [●] Email: [●]	[●]	[●]
[●] [address] Tel: [●] Fax: [●] Email: [●]	[●]	[●]
[●] [address] Tel: [●] Fax: [●] Email: [●]	[●]	[●]
[●]	[●]	[●]

Name, Address and Contact Details of the Underwriters	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten (₹ in million)
[address] Tel: [●] Fax: [●] Email: [●]		

The above-mentioned underwriting commitments are indicative and will be finalised after pricing of the Offer and actual allocation and subject to the provisions of Regulation 13(2) of the SEBI Regulations.

In the opinion of the Board (based on certificates provided by the Underwriters), the resources of the above mentioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The abovementioned Underwriters are registered with the SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchanges. The IPO Committee, at its meeting held on [●], has accepted and entered into the Underwriting Agreement mentioned above on behalf of our Company.

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitment set forth in the table above.

Notwithstanding the above table, the Underwriters will be severally responsible for ensuring payment with respect to Equity Shares allocated to investors respectively procured by them in accordance with the Underwriting Agreement. In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure subscribers for or subscribe to the Equity Shares to the extent of the defaulted amount in accordance with the Underwriting Agreement. The Underwriting Agreement has not been executed as of the date of this Draft Red Herring Prospectus.

CAPITAL STRUCTURE

Our Company's share capital, as of the date of this Draft Red Herring Prospectus, is set forth below:

(₹ in million, except share data)

		Aggregate Value at Face Value	Aggregate Value at Offer Price
A	AUTHORISED SHARE CAPITAL		
	47,000,000 Equity Shares	470.00	
B	ISSUED, SUBSCRIBED AND PAID-UP CAPITAL BEFORE THE OFFER		
	42,029,200 Equity Shares	420.29	
C	PRESENT OFFER IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS		
	Offer of 15,172,540 Equity Shares ⁽¹⁾	151.73	
	<i>Of which</i>		
	A) QIB Category – 11,379,405 Equity Shares	113.79	
	B) Non-Institutional Category – Not more than 2,275,881 Equity Shares	22.76	
	C) Retail Category – Not more than 1,517,254 Equity Shares	15.17	
D	ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THE OFFER		
	42,029,200 Equity Shares	420.29	
E	SECURITIES PREMIUM ACCOUNT		
	Before the Offer	228.99	
	After the Offer	[•]	

(1) The Equity Shares offered by the Selling Shareholders in the Offer have been held by them in accordance with and for the period specified in Regulation 26(6) of the SEBI Regulations and therefore are eligible to be offered for sale in the Offer. Each of Gagan Deep Singh Dugal, Major General Manjit Singh Dugal and Urvashi Kaur have authorized their respective portions of the Offer, i.e., 2,263,838 Equity Shares, 1,986 Equity Shares and 297,956 Equity Shares, respectively, pursuant to their consent letters each dated May 5, 2015, respectively. Aleta has authorized its portion of the Offer, i.e., 12,359,106 Equity Shares, pursuant to a resolution dated April 17, 2015 and AAJV has authorized its portion of the Offer, i.e., 249,654 Equity Shares, pursuant to a resolution dated April 20, 2015. Our Board of Directors has, by way of a resolution dated May 6, 2015 approved the Offer and our IPO Committee has, by way of a resolution dated May 21, 2015 taken on record the offer of 15,172,540 Equity Shares being offered for sale by the Selling Shareholders. Gagan Deep Singh Dugal has filed an application dated April 15, 2015 with the RBI for approval of transfer of shares to non-residents pursuant to the Offer in accordance with the provisions of Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, as amended.

Since the incorporation of our Company, the authorized share capital of our Company has been altered in the manner set forth below:

Date of Shareholders' Resolution	Authorized Share Capital prior to the Change	Authorized Share Capital after the Change
January 18, 2006	₹5,000,000 divided into 500,000 equity shares of ₹10 each	₹10,000,000 divided into 1,000,000 equity shares of ₹10 each
March 30, 2007	₹10,000,000 divided into 1,000,000 equity shares of ₹10 each	₹20,000,000 divided into 2,000,000 equity shares of ₹10 each
March 31, 2007	₹20,000,000 divided into 2,000,000 equity shares of ₹10 each	₹25,000,000 divided into 2,500,000 equity shares of ₹10 each
March 23, 2009	₹25,000,000 divided into 2,500,000 equity shares of ₹10 each	₹25,000,000 divided into 25,000,000 equity shares of ₹1 each
December 23, 2010	₹25,000,000 divided into 25,000,000 equity shares of ₹1 each	₹30,000,000 divided into 30,000,000 equity shares of ₹1 each
April 6, 2011	₹30,000,000 divided into 30,000,000 equity shares of ₹1 each	₹30,000,000 divided into 3,000,000 equity shares of ₹10 each
April 30, 2011	₹30,000,000 divided into 3,000,000 equity shares of ₹10 each	₹420,000,000 divided into 42,000,000 equity shares of ₹10 each

Date of Shareholders' Resolution	Authorized Share Capital prior to the Change	Authorized Share Capital after the Change
February 27, 2012	₹420,000,000 divided into 42,000,000 equity shares of ₹10 each	₹430,000,000 divided into 43,000,000 equity shares of ₹10 each
May 6, 2015	₹430,000,000 divided into 43,000,000 equity shares of ₹10 each	₹470,000,000 divided into 47,000,000 equity shares of ₹10 each

Notes to Capital Structure

1. Share Capital History of our Company

(a) The following is the history of the equity share capital of our Company:

Date of Allotment	Number of equity shares Allotted	Face Value per equity share (₹)	Issue Price per equity share (₹)	Nature of Consideration	Reason for/Nature of Allotment	Cumulative Number of Equity Shares	Cumulative Paid-up Equity Capital (₹)
November 17, 2005	17,000	10	10	Cash	Subscription to the Memorandum of Association ⁽¹⁾	17,000	170,000
February 2, 2006	733,000	10	10	Cash	Preferential allotment ⁽²⁾	750,000	7,500,000
March 31, 2007	920,000	10	10	Cash	Preferential allotment ⁽³⁾	1,670,000	16,700,000
March 23, 2009	Pursuant to shareholders resolution dated March 23, 2009, 1,670,000 Equity Shares of face value ₹10 were sub-divided into 16,700,000 equity shares of face value ₹1.					16,700,000	16,700,000
October 28, 2009	2,487,562	1	140.70	Cash	Conversion of Fully Convertible Debentures ⁽⁴⁾	19,187,562	19,187,562
February 12, 2011	1,066,098	1	140.70	Cash	Conversion of Fully Convertible Debentures ⁽⁵⁾	20,253,660	20,253,660
February 15, 2011	733,058	1	204.62	Cash	Preferential allotment ⁽⁶⁾	20,986,718	20,986,718
April 6, 2011	Pursuant to shareholders resolution dated April 6, 2011, 20,986,718 equity shares of face value ₹1 were consolidated into 2,098,671.8 equity shares of face value ₹10. Consequently, the shareholding of certain of the existing shareholders of the Company was rounded off to remove fractional equity shares held by them, which was approved by the Board of Directors pursuant to a resolution dated March 11, 2011.					2,098,672 ⁽⁹⁾	20,986,720 ⁽⁹⁾
May 4, 2011	39,874,768	10	-	Bonus issue	Bonus issue in the ratio of 19:1 ⁽⁷⁾	41,973,440	419,734,400
March 9, 2012	2,788	10	10	Cash	Conversion of Warrants B ⁽⁸⁾	41,976,228	419,762,280
March 9, 2012	52,972	10	-	Bonus issue	Adjustment on conversion of Warrants B pursuant to bonus issue in the ratio of 19:1 ⁽¹⁰⁾	42,029,200	420,292,000

(1) Subscription by Gagan Deep Singh Dugal (16,000 Equity Shares) and Major General Manjit Singh Dugal (1,000 Equity Shares).

(2) Preferential allotment of 583,000 Equity Shares to Gagan Deep Singh Dugal and 150,000 Equity Shares to Urvashi Kaur.

(3) Preferential allotment of 920,000 Equity Shares to Gagan Deep Singh Dugal.

(4) Allotment of 2,487,562 equity shares of ₹1 each to BCCL pursuant to conversion of 35,000,000 Fully Convertible Debentures.

(5) Allotment of 1,066,098 equity shares of ₹1 each to Gagan Deep Singh Dugal pursuant to conversion of 15,000,000 Fully Convertible Debentures.

(6) Preferential allotment of 733,058 equity shares of ₹1 each to Aleta.

(7) Allotment of 21,601,195 Equity Shares to Gagan Deep Singh Dugal, 19,000 Equity Shares to Major General Manjit Singh Dugal, 2,850,000 Equity Shares to Urvashi Kaur and 15,404,573 Equity Shares to Aleta. Such bonus shares were issued out of the securities premium account of the Company.

(8) Allotment of 2,788 Equity Shares to Gagan Deep Singh Dugal pursuant to conversion of 2,788 Warrants B.

(9) Pursuant to the consolidation of the authorized share capital of the Company, the face value of the Equity Shares was increased from ₹1 to ₹10.

(10) Allotment of 52,972 Equity Shares to Gagan Deep Singh Dugal. Such bonus shares were issued out of the securities premium account of the Company.

- (b) There has been no issuance of Equity Shares in the two years immediately preceding the date of this Draft Red Herring Prospectus.
- (c) As of the date of this Draft Red Herring Prospectus, the Company does not have any authorized, issued, subscribed or paid-up preference share capital.

2. Issue of Equity Shares for Consideration other than Cash

- (a) Our Company has not issued any shares out of its revaluation reserves since incorporation.
- (b) Details of Equity Shares issued by our Company for consideration other than cash are set out below:

Date of Allotment	Number of Equity Shares Allotted	Face Value (₹)	Issue price per Equity Share (₹)	Reason for Allotment	Allottees	Benefits accrued to our Company
May 4, 2011	39,874,768	10	-	Bonus issue in the ratio of 19:1 ⁽¹⁾	Gagan Deep Singh Dugal (21,601,195 Equity Shares), Major General Manjit Singh Dugal (19,000 Equity Shares), Urvasi Kaur (2,850,000 Equity Shares) and Aleta (15,404,573 Equity Shares).	-
March 9, 2012	52,972	10	-	Adjustment on conversion of Warrants B pursuant to bonus issue in the ratio of 19:1 ⁽²⁾	Gagan Deep Singh Dugal	-

(1) The bonus issue was made out of the securities premium account of the Company.

(2) The bonus issue was made out of the securities premium account of the Company.

3. Details of issue of debentures

Pursuant to a Board resolution dated January 25, 2008 and the Debenture Subscription Agreement, the Board approved the issue of 50,000,000 Fully Convertible Debentures to BCCL.

35,000,000 Fully Convertible Debentures were converted into 2,487,562 Equity Shares on October 28, 2009 and the remaining 15,000,000 Fully Convertible Debentures were converted into 1,066,098 Equity Shares on February 12, 2011.

For details of the conversion of Fully Convertible Debentures to Equity Shares, see the section “Capital Structure – 2. Issue of Equity Shares for Consideration other than Cash” on page 79. For details of the terms of the Fully Convertible Debentures and the Debenture Subscription Agreement, see the section “History and Certain Corporate Matters – Summary of Certain Agreements – 1. Debenture Subscription Agreement” on page 165.

4. Details of issue of warrants

Pursuant to a Board resolution dated February 15, 2011 and the Aleta Subscription Agreement, the Board approved the issue of (i) 1,221,763 Warrants A; and (ii) 516,311 Warrants B, to Gagan Deep Singh Dugal.

As the requirements for conversion of Warrants A to Equity Shares were not satisfied, all Warrants A lapsed on December 31, 2013.

Out of 516,311 Warrants B, 2,788 Warrants B were converted into Equity Shares on March 9, 2012 and as the requirements for conversion of the remaining Warrants B to Equity Shares were not satisfied, such Warrants B lapsed.

For details of the terms of Warrants A and Warrants B, and the Aleta Subscription Agreement, see the

section “History and Certain Corporate Matters – Summary of Certain Agreements – 4. Aleta Subscription Agreement” on page 165 and “– Notes to Capital Structure – Share Capital History of our Company” on page 78. As of the date of this Draft Red Herring Prospectus, our Company does not have any outstanding warrants.

5. Details of Promoters’ Contribution and Lock-in

As of the date of this Draft Red Herring Prospectus, our Promoters hold 25,813,560 Equity Shares, constituting 61.42% of the issued, subscribed and paid-up equity share capital of our Company.

(a) *Capital build-up of our Promoters’ equity shareholding in our Company:*

Date of allotment / transfer	Number of Equity Shares	Face Value per Equity Share (₹)	Issue/ Transfer price per Equity Share (₹)	Nature of Consideration	Nature of Acquisition /Allotment/ Transfer	Percentage of Pre-Offer Equity Share Capital (%)	Percentage of Post-Offer Equity Share Capital (%)
Gagan Deep Singh Dugal							
November 17, 2005	16,000	10	10	Cash	Subscription to the Memorandum of Association	0.04	[•]
February 2, 2006	583,000	10	10	Cash	Preferential allotment	1.39	[•]
March 31, 2006	82,500	10	-	Other than Cash	Transfer from Urvashi Kaur as a gift	0.20	[•]
March 31, 2007	920,000	10	10	Cash	Preferential allotment	2.19	[•]
March 31, 2007	(82,500)	10	-	Other than Cash	Transfer to Urvashi Kaur as a gift	0.20	[•]
February 7, 2011	(342,094)	1	204.62	Cash	Transfer to Aleta	0.08	[•]
February 12, 2011	1,066,098	1	140.70	Cash	Conversion of Fully Convertible Debentures	0.25	[•]
February 15, 2011	(4,544,958)	1	204.62	Cash	Transfer to Aleta	1.08	[•]
May 4, 2011	21,601,195	10	-	Bonus issue	Bonus issue in the ratio of 19:1	51.40	[•]
March 9, 2012	2,788	10	10	Cash	Conversion of Warrants B	0.01	[•]
March 9, 2012	52,972	10	-	Bonus issue	Adjustment on conversion of Warrants B pursuant to bonus issue in the ratio of 19:1	0.12	[•]
January 30, 2015	(100)	10	10	Cash	Transfer to Anish Khanna	0.00	[•]
March 20, 2015	(100)	10	10	Cash	Transfer to Gaurav Kumar Khanna	0.00	[•]
March 20, 2015	(100)	10	10	Cash	Transfer to Anish Khanna	0.00	[•]
Total	22,793,560					54.23	[•]
Major General Manjit Singh Dugal							
November 17, 2005	1,000	10	10	Cash	Allotment to subscribers to the Memorandum of Association	0.00	[•]
May 4, 2011	19,000	10	-	Bonus issue	Bonus issue in the ratio of 19:1	0.05	[•]
Total	20,000					0.05	[•]
Urvashi Kaur							
February 2, 2006	150,000	10	10	Cash	Preferential allotment	0.36	[•]
March 31, 2006	(82,500)	10	-	Other than Cash	Transfer to Gagan Deep Singh Dugal as a gift	0.20	[•]
March 31,	82,500	10	-	Other than Cash	Transfer from Gagan	0.20	[•]

Date of allotment / transfer	Number of Equity Shares	Face Value per Equity Share (₹)	Issue/ Transfer price per Equity Share (₹)	Nature of Consideration	Nature of Acquisition /Allotment/ Transfer	Percentage of Pre- Offer Equity Share Capital (%)	Percentage of Post- Offer Equity Share Capital (%)
2007					Deep Singh Dugal as a gift		
May 4, 2011	2,850,000	10	-	Bonus issue	Bonus issue in the ratio of 19:1	6.78	[●]
Total	3,000,000					7.14	[●]

All the Equity Shares held by our Promoters were fully paid-up on the respective dates of acquisition of such Equity Shares. None of the Equity Shares held by our Promoters are pledged.

(b) *Details of Promoters' contribution locked in for three years:*

Pursuant to Regulation 36 of the SEBI Regulations, at least an aggregate of 20% of the post-Offer shareholding of our Promoters is required to be locked-in for a period of three years from the date of Allotment.

The Equity Shares that are being locked-in are not ineligible for computation of minimum Promoters' contribution under Regulation 33 of the SEBI Regulations. In this regard, our Company confirms that the Equity Shares being locked-in do not consist of:

- (i) Equity Shares acquired during the preceding three years (a) for consideration other than cash and revaluation of assets or capitalization of intangible assets, or (b) arising from bonus issue by utilization of revaluation reserves or unrealized profits of our Company or from a bonus issue against Equity Shares which are otherwise ineligible for computation of Promoters' contribution;
- (ii) Equity Shares acquired by our Promoters during the one year preceding the date of this Draft Red Herring Prospectus, at a price lower than the price at which Equity Shares are being offered to the public in the Offer;
- (iii) Equity Shares issued to our Promoters upon conversion of a partnership firm; and
- (iv) Equity Shares pledged with any creditor.

The details of the Equity Shares of our Promoters locked-in as minimum Promoters' contribution are given below:

No. of Equity Shares	Date of allotment/transfer of Equity Shares and when made fully paid-up	Nature of Transaction	Face Value per Equity Share (₹)	Issue/ Acquisition Price per Equity Share (₹)	Percentage of Pre- and Post-Offer Equity Share Capital (assuming already vested options)	Source of Funds
Gagan Deep Singh Dugal						
109,995	February 2, 2006	Preferential Allotment	10	10	0.26%	Borrowed Funds ⁽¹⁾
920,000	March 31, 2007	Preferential Allotment	10	10	2.15%	Borrowed Funds ⁽²⁾
106,610 (taking into account the consolidation of the authorized share capital of the Company)	February 12, 2011	Conversion of Fully Convertible Debentures	10 (taking into account the consolidation of the authorized share capital of the Company)	140.70	0.25%	Own Funds and Borrowed Funds ⁽³⁾
6,802,328	May 4, 2011	Bonus issue	10	-	15.93%	Not Applicable
Total: 7,938,933					18.59%	

No. of Equity Shares	Date of allotment/transfer of Equity Shares and when made fully paid-up	Nature of Transaction	Face Value per Equity Share (₹)	Issue/ Acquisition Price per Equity Share (₹)	Percentage of Pre- and Post-Offer Equity Share Capital (assuming already vested options)	Source of Funds
Major General Manjit Singh Dugal						
1,000	November 17, 2005	Subscription to the Memorandum of Association	10	10	0.002%	Borrowed Funds ⁽⁴⁾
3,000	May 4, 2011	Bonus issue	10	-	0.01%	Not Applicable
Total: 4,000					0.01%	
Urvashi Kaur						
67,500	February 2, 2006	Preferential allotment	10	10	0.16%	Borrowed Funds ⁽⁵⁾
82,500	March 31, 2007	Transfer from Gagan Deep Singh Dugal	10	-	0.19%	Gift from Gagan Deep Singh Dugal
450,000	May 4, 2011	Bonus issue	10	-	1.05%	Not Applicable
Total: 600,000					1.40%	

(1) Loan taken from MCS.

(2) Loan of ₹0.70 million, ₹2.00 million, ₹2.00 million, ₹2.00 million and ₹2.50 million from Hanuman Trading Co., Raj & Co., Somanth Kumar Banwari Lal, Ganesh Electronics and MCS, respectively.

(3) Personal loans taken by Gagan Deep Singh Dugal from the Company.

(4) Personal loan taken by Major General Manjit Singh Dugal from Gagan Deep Singh Dugal.

(5) Personal loan taken by Urvashi Kaur from Harish & Co.

Each of our Promoters has confirmed to our Company and the BRLMs that the acquisition of the Equity Shares held by them, respectively, and which will be locked in as promoters' contribution have been financed from their respective personal funds and no loans or financial assistance from any bank or financial institution has been availed of for such purpose.

The Promoters' contribution has been brought in to the extent of not less than the specified minimum amount and has been contributed by the persons defined as Promoter under the SEBI Regulations.

(c) *Details of share capital locked-in for one year:*

In addition to the Equity Shares proposed to be locked-in as part of our Promoters' contribution as stated above, the entire pre-Offer equity share capital of our Company will be locked-in for a period of one year from the date of allotment of Equity Shares in the Offer except the following: (i) any Equity Shares held by the employees of our Company (who continue to be the employees of our Company as of the date of Allotment) which may be allotted to them under the ESOPs prior to the Offer, and (ii) the Equity Shares being offered in the Offer. In addition, any unsubscribed portion of the Offer would also be locked-in for one year from the date of Allotment.

(d) *Other requirements in respect of lock-in:*

Pursuant to Regulation 39 of the SEBI Regulations, the locked-in Equity Shares held by our Promoters can be pledged with any scheduled commercial bank or public financial institution as collateral security for loans granted by such scheduled commercial bank or public financial institution, provided that (i) the pledge of shares is one of the terms of sanction of the loan, and (ii) if the shares are locked-in as Promoters' contribution for three years under Regulation 36(a) of the SEBI Regulations, then in addition to the requirement in (i) above, such shares may be pledged only if the loan has been granted by the scheduled commercial bank or public financial institution for the purpose of financing one or more of the objects of the Offer.

Pursuant to Regulation 40 of the SEBI Regulations, Equity Shares held by our Promoters, which are locked-in in accordance with Regulation 36 of the SEBI Regulations, may be transferred to and among our Promoters and any member of the Promoter Group, or to a new promoter or persons in control of our

Company subject to continuation of the lock-in in the hands of the transferee for the remaining period and compliance with the Takeover Regulations, as applicable.

Further, pursuant to Regulation 40 of the SEBI Regulations, Equity Shares held by shareholders other than our Promoters which are locked-in in accordance with Regulation 37 of the SEBI Regulations, may be transferred to any other person holding shares which are locked-in, subject to continuation of the lock-in in the hands of the transferee for the remaining period and compliance with the SEBI Takeover Regulations, as applicable.

(e) *Lock-in of Equity Shares Allotted to Anchor Investors:*

Any Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion will be locked-in for a period of 30 days from the date of Allotment.

6. Details of the build-up of equity share capital held by the Selling Shareholders in our Company

As of the date of this Draft Red Herring Prospectus, the Selling Shareholders hold 42,028,900 Equity Shares, constituting 99.99% of the issued, subscribed and paid-up Equity Share capital of our Company.

Capital build-up of the Selling Shareholders' equity shareholding in our Company:

Name of Selling Shareholder	Date of Allotment/ Transfer	Number of Equity Shares	Face Value per Equity Share (₹)	Issue/ transfer price per Equity Share (₹)	Nature of Consideration	Nature of Acquisition /Allotment/ Transfer	Percentage of Pre-Offer Equity Share Capital	Percentage of Post-Offer Equity Share Capital
Aleta	February 7, 2011	342,094	1	204.62	Cash	Transfer from Gagan Deep Singh Dugal	0.08	[•]
	February 15, 2011	733,058	1	204.62	Cash	Preferential allotment	0.17	[•]
	February 15, 2011	4,544,958	1	204.62	Cash	Transfer from Gagan Deep Singh Dugal	1.08	[•]
	February 15, 2011	2,487,562	1	168.24	Cash	Transfer from BCCL	0.59	[•]
	May 4, 2011	15,404,573	10	-	Bonus issue	Bonus issue in the ratio of 19:1	36.65	[•]
	May 15, 2013	(321,064)	10	113.69	Cash	Transfer to AAJV	0.76	[•]
TOTAL		15,894,276					37.82	[•]
AAJV	May 15, 2013	321,064	10	113.69	Cash	Transfer from Aleta	0.76	[•]
TOTAL		321,064					0.76	[•]

For details of the Equity Share capital build-up of Gagan Deep Singh Dugal, Major General Manjit Singh Dugal and Urvashi Kaur, see the section “Capital Structure – Promoters’ Contribution and Lock-in” on page 80.

7. Shareholding Pattern of our Company

The table below presents the equity shareholding of our Company as of the date of this Draft Red Herring Prospectus:

Category Code	Category of Shareholders	Pre-Offer							Post-Offer						
		Number of Shareholders	Total Number of Equity Shares	Number of Equity Shares Held in Dematerialised Form	Total Shareholding as a Percentage of Total Number of Equity Shares		Equity Shares Pledged or Otherwise Encumbered		Number of Shareholders	Total number of Equity Shares	Number of Equity Shares Held in Dematerialised Form	Total Shareholding as a Percentage of Total Number of Equity Shares		Equity Shares Pledged or Otherwise Encumbered	
					As % of (A+B)	As % of (A+B+C)	Number of Shares	As % of Total Number of Equity Shares				As % of (A+B)	As % of (A+B+C)	Number of Equity Shares	As % of Total Number of Equity Shares
(A)	Promoter and Promoter Group														
(1)	Indian														
(a)	Individuals/ Hindu Undivided Family	2	3,020,000	3,020,000	7.19	7.19	Nil	Nil	[•]	[•]	[•]	[•]	[•]	[•]	[•]
(b)	Central Government /State Government(s)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Financial Institutions/ Banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(e)	Any Other (specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub-Total (A)(1)	2	3,020,000	3,020,000	7.19	7.19	Nil	Nil	[•]	[•]	[•]	[•]	[•]	[•]	[•]
(2)	Foreign														
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	1	22,793,560	22,793,560	54.23	54.23	Nil	Nil	-	-	-	-	-	-	-

Category Code	Category of Shareholders	Pre-Offer							Post-Offer						
		Number of Shareholders	Total Number of Equity Shares	Number of Equity Shares Held in Dematerialised Form	Total Shareholding as a Percentage of Total Number of Equity Shares		Equity Shares Pledged or Otherwise Encumbered		Number of Shareholders	Total number of Equity Shares	Number of Equity Shares Held in Dematerialised Form	Total Shareholding as a Percentage of Total Number of Equity Shares		Equity Shares Pledged or Otherwise Encumbered	
					As % of (A+B)	As % of (A+B+ C)	Number of Shares	As % of Total Number of Equity Shares				As % of (A+ B)	As % of (A+B+ C)	Number of Equity Shares	As % of Total Number of Equity Shares
(b)	Bodies Corporate	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(e)	Any Other (specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub-Total (A)(2)	1	22,793,560	22,793,560	54.23	54.23	Nil	Nil	-	-	-	-	-	-	-
	Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	3	25,813,560	25,813,560	61.42	61.42	Nil	Nil	[●]	[●]	[●]	[●]	[●]	[●]	[●]
(B)	Public shareholding														
(1)	Institutions														
(a)	Mutual Funds/UTI	-	-	-	-	-	-	-	[●]	[●]	[●]	[●]	[●]	[●]	[●]
(b)	Financial Institutions/ Banks	-	-	-	-	-	-	-	[●]	[●]	[●]	[●]	[●]	[●]	[●]
(c)	Central Government /State Government(s)	-	-	-	-	-	-	-	[●]	[●]	[●]	[●]	[●]	[●]	[●]
(d)	Venture Capital Funds	-	-	-	-	-	-	-	[●]	[●]	[●]	[●]	[●]	[●]	[●]
(e)	Insurance	-	-	-	-	-	-	-	[●]	[●]	[●]	[●]	[●]	[●]	[●]

Category Code	Category of Shareholders	Pre-Offer							Post-Offer							
		Number of Shareholders	Total Number of Equity Shares	Number of Equity Shares Held in Dematerialised Form	Total Shareholding as a Percentage of Total Number of Equity Shares		Equity Shares Pledged or Otherwise Encumbered		Number of Shareholders	Total number of Equity Shares	Number of Equity Shares Held in Dematerialised Form	Total Shareholding as a Percentage of Total Number of Equity Shares		Equity Shares Pledged or Otherwise Encumbered		
					As % of (A+B)	As % of (A+B+C)	Number of Shares	As % of Total Number of Equity Shares				As % of (A+B)	As % of (A+B+C)	Number of Equity Shares	As % of Total Number of Equity Shares	
	Companies															
(f)	Foreign Institutional Investors	-	-	-	-	-	-	-	-	●	●	●	●	●	●	●
(g)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	●	●	●	●	●	●	●
(h)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	●	●	●	●	●	●	●
(h)	Any Other (specify)	-	-	-	-	-	-	-	-	●	●	●	●	●	●	●
	Sub-Total (B)(1)	-	-	-	-	-	-	-	-	●	●	●	●	●	●	●
(2)	Non-institutions									●	●	●	●	●	●	●
(a)	Bodies Corporate	1	15,894,276	15,894,276	37.82	37.82	Nil	Nil		●	●	●	●	●	●	●
(b)	Individuals - i. Individual shareholders holding nominal share capital up to ₹1 lakh. ii. Individual shareholders holding nominal share capital in excess of	2	300	300	0.00	0.00	Nil	Nil		●	●	●	●	●	●	●

Category Code	Category of Shareholders	Pre-Offer							Post-Offer						
		Number of Shareholders	Total Number of Equity Shares	Number of Equity Shares Held in Dematerialised Form	Total Shareholding as a Percentage of Total Number of Equity Shares		Equity Shares Pledged or Otherwise Encumbered		Number of Shareholders	Total number of Equity Shares	Number of Equity Shares Held in Dematerialised Form	Total Shareholding as a Percentage of Total Number of Equity Shares		Equity Shares Pledged or Otherwise Encumbered	
					As % of (A+B)	As % of (A+B+ C)	Number of Shares	As % of Total Number of Equity Shares				As % of (A+ B)	As % of (A+B+ C)	Number of Equity Shares	As % of Total Number of Equity Shares
	₹1 lakh.														
(c)	Qualified Foreign Investor	-	-	-	-	-	-	-	●	●	●	●	●	●	●
(d)	Any Other (specify)	-	-	-	-	-	-	-	●	●	●	●	●	●	●
	Indian Private Trust/AIF	1	321,064	321,064	0.76	0.76	Nil	Nil	●	●	●	●	●	●	●
	Sub-Total (B)(2)	4	16,215,640	16,215,640	38.58	38.58	Nil	Nil	●	●	●	●	●	●	●
	Total Public Shareholding (B)= (B)(1)+(B)(2)	4	16,215,640	16,215,640	38.58	38.58	Nil	Nil	●	●	●	●	●	●	●
	TOTAL (A)+(B)	7	42,029,200	42,029,200	100	100	Nil	Nil	●	●	●	●	●	●	●
(C)	Shares held by Custodians and against which Depository Receipts have been issued														
(1)	Promoter and Promoter Group	-	-	-	-	-	-	-	●	●	●	●	●	●	●
(2)	Public	-	-	-	-	-	-	-	●	●	●	●	●	●	●
	TOTAL (A)+(B)+(C)	7	42,029,200	42,029,200	100	100	Nil	Nil	●	●	●	●	●	●	●

8. Except as set forth below, there are no public shareholders holding more than 1% of the pre-Offer paid-up capital of our Company as of the date of this Draft Red Herring Prospectus:

S. No.	Name of the Shareholder	Number of Equity Shares	Percentage (%)
1.	Aleta	15,894,276	37.82
TOTAL		15,894,276	37.82

9. Details of the shareholding of our Promoters as of the date of filing of this Draft Red Herring Prospectus are set forth below:

Name of the Shareholder	Number of Equity Shares	% of Pre-Offer Capital
Promoter		
Gagan Deep Singh Dugal	22,793,560	54.23
Major General Manjit Singh Dugal	20,000	0.05
Urvashi Kaur	3,000,000	7.14
Total Holding of our Promoters	25,813,560	61.42

Except as disclosed in this Draft Red Herring Prospectus, none of the members of our Promoter Group, the Directors or the Key Management Personnel hold any Equity Shares as of the date of filing of this Draft Red Herring Prospectus.

10. Except as provided below, there are no securities of our Company or any of the Subsidiaries that have been purchased or sold by our Promoters, the Promoter Group and/or the Directors and/or the immediate relatives of the Directors within the last six months preceding the date of filing of the Draft Red Herring Prospectus with the SEBI.

No. of Equity Shares	Date of allotment/transfer of Equity Shares	Nature of Transaction	Face Value per Equity Share (₹)	Issue/ Acquisition Price per Equity Share (₹)	Percentage of Pre-Offer Equity Share Capital (%)	Percentage of Post-Offer Equity Share Capital (%)
Gagan Deep Singh Dugal						
100	January 30, 2015	Transfer to Anish Khanna	10	10	0.00	[●]
100	March 20, 2015	Transfer to Gaurav Kumar Khanna	10	10	0.00	[●]
100	March 20, 2015	Transfer to Anish Khanna	10	10	0.00	[●]
Total:					0.00	[●]

11. Equity Shares held by the top 10 Shareholders:

- (a) As of the date of this Draft Red Herring Prospectus:

S. No.	Name of the Shareholder	Number of Equity Shares Held	Percentage of Pre-Offer Capital (%)	Percentage of Post-Offer Capital (%)
1.	Gagan Deep Singh Dugal	22,793,560	54.23	[●]
2.	Major General Manjit Singh Dugal	20,000	0.05	[●]

S. No.	Name of the Shareholder	Number of Equity Shares Held	Percentage of Pre-Offer Capital (%)	Percentage of Post-Offer Capital (%)
3.	Urvashi Kaur	3,000,000	7.14	[●]
4.	Aleta	15,894,276	37.82	[●]
5.	AAJV	321,064	0.76	[●]
6.	Gaurav Kumar Khanna	100	0.00	[●]
7.	Anish Khanna	200	0.00	[●]
TOTAL		42,029,200	100.00%	[●]

(b) As of 10 days prior to the date of this Draft Red Herring Prospectus:

S. No.	Name of the Shareholder	Number of Equity Shares Held	Percentage of Pre-Offer Capital (%)	Percentage of Post-Offer Capital (%)
1.	Gagan Deep Singh Dugal	22,793,560	54.23	[●]
2.	Major General Manjit Singh Dugal	20,000	0.05	[●]
3.	Urvashi Kaur	3,000,000	7.14	[●]
4.	Aleta	15,894,276	37.82	[●]
5.	AAJV	321,064	0.76	[●]
6.	Gaurav Kumar Khanna	100	0.00	[●]
7.	Anish Khanna	200	0.00	[●]
TOTAL		42,029,200	100.00%	[●]

(c) As of two years prior to the date of this Draft Red Herring Prospectus:

S. No.	Name of the Shareholder	Number of Equity Shares Held	Percentage of Pre-Offer Capital (%)	Percentage of Post-Offer Capital (%)
1.	Gagan Deep Singh Dugal	22,793,860	54.23	[●]
2.	Major General Manjit Singh Dugal	20,000	0.05	[●]
3.	Urvashi Kaur	3,000,000	7.14	[●]
4.	Aleta	16,215,340	38.58	[●]
TOTAL		42,029,200	100%	[●]

12. Employee Stock Option Plans

Our Company had three employee stock options plans i.e., the ESOP 2010, ESOP 2012 and ESOP 2014 (the “Existing Plans”). Pursuant to resolutions adopted by our Board and Shareholders at their respective meetings held on May 6, 2015, each of the Existing Plans were merged into a new scheme, ESOP 2015 for the purposes of compliance with the Companies Act, 2013, the Companies (Share Capital and Debentures) Rules, 2014 and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. The grants made under the Existing Plans have been migrated to ESOP 2015 and shall be governed by the ESOP 2015.

(a) ESOP 2010

Our Company instituted the ESOP 2010 pursuant to resolutions dated March 30, 2010 and March 29, 2010, passed by the Board and Shareholders, respectively.

Our Company had granted 458,800 options convertible into 458,800 Equity Shares. However, pursuant to adjustments on account of consolidation of the share capital of the Company and the issue of bonus shares by the Company during Fiscal 2012, the options were converted into 917,600 options, which represents 2.18% of the pre-Offer paid-up Equity Share capital of our Company. The following table sets forth the particulars of the options granted under the ESOP 2010 as of the date of filing of this Draft Red Herring Prospectus:

Particulars	Details
Options granted	458,800 options granted in Fiscal 2010; pursuant to adjustments on account of consolidation of the share capital of the Company and the issue of bonus

Particulars	Details
	shares by the Company in Fiscal 2012, 917,600 options have been granted
The pricing formula	458,800 options, adjusted to 917,600 options, were granted in Fiscal 2010 at fair market value, i.e., no discount.
Exercise price of options (as of the date of grant of options)	₹141.00 per option. The exercise price pursuant to adjustments on account of consolidation and the bonus issuance was ₹70.50 per equity share.
Total options vested	458,800 options adjusted to 917,600 on account of consolidation and the bonus issuance
Options exercised	Nil
Total number of Equity Shares that would arise as a result of full exercise of options already granted (net of cancelled options)	156,170 equity shares adjusted to 312,340 equity shares on account of consolidation and the bonus issuance
Options forfeited/lapsed/cancelled	302,630 options adjusted to 605,260 options on account of consolidation and the bonus issuance
Variation in terms of options	Pursuant to a resolution of the board of directors adopted on July 13, 2012, a provision for buy-back of equity shares was included in the ESOP 2010
Money realised by exercise of options	Nil
Options outstanding (in force)	156,170 options adjusted to 312,340 options on account of consolidation and the bonus issuance
Employee-wise details of options granted to:	
(i) Senior managerial personnel, i.e., Directors and key management personnel	See Note 1 below
(ii) Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year	See Note 2 below
(iii) Identified employees who were granted options, during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant	Nil
Fully-diluted EPS on a pre-Offer basis on exercise of options calculated in accordance with Accounting Standard (AS) 20 'Earning Per Share'	Diluted EPS as at December 31, 2014: ₹3.51

Particulars	Details												
Difference between employee compensation cost calculated using the intrinsic value of stock options and the employee compensation cost that will have been recognised if our Company had used fair value of options and impact of this difference on profits and EPS of our Company for Fiscals 2012, 2013 and 2014	Fiscal 2012												
	Impact on profit: Nil Impact on EPS:												
	<table><tr><td>Basic EPS</td><td></td></tr><tr><td>- As reported</td><td>Nil</td></tr><tr><td>- Proforma</td><td>Nil</td></tr><tr><td>Diluted EPS</td><td></td></tr><tr><td>- As reported</td><td>Nil</td></tr><tr><td>- Proforma</td><td>Nil</td></tr></table>	Basic EPS		- As reported	Nil	- Proforma	Nil	Diluted EPS		- As reported	Nil	- Proforma	Nil
	Basic EPS												
	- As reported	Nil											
	- Proforma	Nil											
	Diluted EPS												
	- As reported	Nil											
	- Proforma	Nil											
	Fiscal 2013												
	Impact on profit: Nil Impact on EPS:												
	<table><tr><td>Basic EPS</td><td></td></tr><tr><td>- As reported</td><td>Nil</td></tr><tr><td>- Proforma</td><td>Nil</td></tr><tr><td>Diluted EPS</td><td></td></tr><tr><td>- As reported</td><td>Nil</td></tr><tr><td>- Proforma</td><td>Nil</td></tr></table>	Basic EPS		- As reported	Nil	- Proforma	Nil	Diluted EPS		- As reported	Nil	- Proforma	Nil
	Basic EPS												
	- As reported	Nil											
	- Proforma	Nil											
	Diluted EPS												
	- As reported	Nil											
	- Proforma	Nil											
	Fiscal 2014												
	Impact on profit: Nil Impact on EPS:												
	<table><tr><td>Basic EPS</td><td></td></tr><tr><td>- As reported</td><td>Nil</td></tr><tr><td>- Proforma</td><td>Nil</td></tr><tr><td>Diluted EPS</td><td></td></tr><tr><td>- As reported</td><td>Nil</td></tr><tr><td>- Proforma</td><td>Nil</td></tr></table>	Basic EPS		- As reported	Nil	- Proforma	Nil	Diluted EPS		- As reported	Nil	- Proforma	Nil
	Basic EPS												
	- As reported	Nil											
- Proforma	Nil												
Diluted EPS													
- As reported	Nil												
- Proforma	Nil												
Interim period – Nine months ended December 31, 2014													
Impact on profit: Nil Impact on EPS:													
<table><tr><td>Basic EPS</td><td></td></tr><tr><td>- As reported</td><td>Nil</td></tr><tr><td>- Proforma</td><td>Nil</td></tr><tr><td>Diluted EPS</td><td></td></tr><tr><td>- As reported</td><td>Nil</td></tr><tr><td>- Proforma</td><td>Nil</td></tr></table>	Basic EPS		- As reported	Nil	- Proforma	Nil	Diluted EPS		- As reported	Nil	- Proforma	Nil	
Basic EPS													
- As reported	Nil												
- Proforma	Nil												
Diluted EPS													
- As reported	Nil												
- Proforma	Nil												
Weighted-average exercise prices and weighted-average fair values of options will be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock for Fiscals 2012, 2013 and 2014	Fiscal 2012												
	Weighted average exercise price (as of the date of grant) – ₹141.00; pursuant to adjustments on account of consolidation and the bonus issue, the price is ₹70.50												
	Weighted average fair value (as of the date of grant) – ₹141.00; pursuant to adjustments on account of consolidation and the bonus issue, the price is ₹70.50												
	Fiscal 2013												
	Weighted average exercise price (as of the date of grant) – ₹141.00; pursuant to adjustments on account of consolidation and the bonus issue, the price is												

Particulars	Details
	<p>₹70.50</p> <p>Weighted average fair value (as of the date of grant) – ₹141.00; pursuant to adjustments on account of consolidation and the bonus issue, the price is ₹70.50</p> <p>Fiscal 2014</p> <p>Weighted average exercise price (as of the date of grant) – ₹141.00; pursuant to adjustments on account of consolidation and the bonus issue, the price is ₹70.50</p> <p>Weighted average fair value (as of the date of grant) – ₹141.00; pursuant to adjustments on account of consolidation and the bonus issue, the price is ₹70.50</p> <p>Interim period – Nine months ended December 31, 2014</p> <p>Weighted average exercise price (as of the date of grant) – ₹141.00; pursuant to adjustments on account of consolidation and the bonus issue, the price is ₹70.50</p> <p>Weighted average fair value (as of the date of grant) – ₹141.00; pursuant to adjustments on account of consolidation and the bonus issue, the price is ₹70.50</p>
Description of the method and significant assumptions used during the year to estimate the fair values of options, including weighted-average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends and the price of the underlying share in market at the time of grant of the option	<p>Our Company has adopted the Black Scholes method to estimate the fair value of the options with the following assumptions:</p> <p>Risk free interest rate – 8%</p> <p>Expected life – 1 year</p> <p>Expected volatility – 0%</p> <p>Expected dividends – Nil</p> <p>Price of the underlying share in market at the time of grant of the options – ₹141.00; pursuant to adjustments on account of consolidation and the bonus issue, the price is ₹70.50</p>
Vesting schedule	All options vested on March 30, 2011.
Lock-in	There is no lock-in period.
Impact on profits and EPS of the last three years if our Company had followed the accounting policies specified in clause 15 of the SEBI ESOP Regulations in respect of options granted in the last three years	<p><i>Impact on profits</i></p> <p>Fiscal 2012: Nil</p> <p>Fiscal 2013: Nil</p> <p>Fiscal 2014: Nil</p> <p>Interim period – Nine months ended December 31, 2014: Nil</p> <p><i>Impact on Basic EPS</i></p> <p>Fiscal 2012: Nil</p> <p>Fiscal 2013: Nil</p> <p>Fiscal 2014: Nil</p> <p>Interim period – Nine months ended December 31, 2014: Nil</p> <p><i>Impact on Diluted EPS</i></p> <p>Fiscal 2012: Nil</p> <p>Fiscal 2013: Nil</p> <p>Fiscal 2014: Nil</p> <p>Interim period – Nine months ended December 31, 2014: Nil</p>
Aggregate number of Equity Shares intended to be sold by the holders of Equity Shares allotted on exercise of options granted under ESOP 2010 within three months after the listing of Equity Shares pursuant to the Offer	147,860 equity shares; pursuant to adjustments on account of consolidation and the bonus issuance, the aggregate number of equity shares is 295,720 equity shares

Note 1: Details regarding options granted to the senior managerial personnel, i.e., Directors and key management personnel under the ESOP 2010 are set forth below:

Name of Director/ Key Management Personnel	Total Number of Options Granted	Total Number of Options Granted after taking into account adjustments for consolidation and the bonus issue	Total Number of Options Forfeited	Total Number of Options Granted after taking into account adjustments for consolidation and the bonus issue	Total Number of Options Outstanding	Total Number of Options Granted after taking into account adjustments for consolidation and the bonus issue
Captain Rakesh Walia	77,570	155,140	Nil	Nil	77,570	155,140
Gaurav Kumar Khanna	58,450	116,900	Nil	Nil	58,450	116,900
Sherman Roy	11,840	23,680	Nil	Nil	11,840	23,680
Sanjay Pandey	8,310	16,620	Nil	Nil	8,310	16,620
Arun Batra	175,050	350,100	175,050	350,100	Nil	Nil
Tanmay Ray Chaudhary	55,520	111,040	55,520	111,040	Nil	Nil
Gaurav Suri	31,860	63,720	31,860	63,720	Nil	Nil
Anant Deep Sarkaria	32,680	65,360	32,680	65,360	Nil	Nil
Nishant	7,520	15,040	7,520	15,040	Nil	Nil

Note 2: Employees who received a grant in any one year of options amounting to 5% or more of the options granted during the year under the ESOP 2010 are set forth below:

Name of Employee	No. of Options Granted	Total Number of Options Granted after taking into account adjustments for consolidation and the bonus issue
Captain Rakesh Walia	77,570	155,140
Gaurav Kumar Khanna	58,450	116,900
Arun Batra	175,050	350,100
Tanmay Ray Chaudhary	55,520	111,040
Gaurav Suri	31,860	63,720
Anant Deep Sarkaria	32,680	65,360

Note 3: No Senior managerial personnel, i.e., Directors or employees were granted options during any one year equal to or exceeding 1% of the issued capital of our Company at the time of grant under the ESOP 2010.

Note 4: Options granted to our employees and the intention of such employees to sell, within three months from the date of listing of the Equity Shares through the Offer, Equity Shares arising out of or allotted under ESOP 2010, amounting to more than 1% of the issued capital of our Company are set forth below:

S. No.	Name of Employee	Designation	Number of Options			Number of Equity Shares Allotted Pursuant to Exercise of Options	Number of Equity Shares Proposed to be Sold
			Granted	Exercised	Outstanding		
Senior Management Personnel							
1.	Captain Rakesh Walia	Chief Administrative Officer	155,140 (after taking into account adjustments for consolidation and the bonus issuance)	Nil	155,140 (after taking into account adjustments for consolidation and the bonus issuance)	Nil	155,140 (after taking into account adjustments for consolidation and the bonus issuance)

S. No.	Name of Employee	Designation	Number of Options			Number of Equity Shares Allotted Pursuant to Exercise of Options	Number of Equity Shares Proposed to be Sold
			Granted	Exercised	Outstanding		
2.	Gaurav Kumar Khanna	Chief Financial Officer	116,900 (after taking into account adjustments for consolidation and the bonus issuance)	Nil	116,900 (after taking into account adjustments for consolidation and the bonus issuance)	Nil	116,900 (after taking into account adjustments for consolidation and the bonus issuance)
<i>Other Employees</i>							
3.	Sherman Roy	Assistant General Manager – International Sales	23,680 (after taking into account adjustments for consolidation and the bonus issuance)	Nil	23,680 (after taking into account adjustments for consolidation and the bonus issuance)	Nil	23,680 (after taking into account adjustments for consolidation and the bonus issuance)

(b) **ESOP 2012**

Our Company instituted the ESOP 2012 pursuant to resolutions each dated July 13, 2012, passed by the Board and Shareholders.

Out of a total of 614,220 options, our Company has granted 278,198 options (net of cancelled options) convertible into 278,198 Equity Shares, which represents 0.66% of the pre-Offer paid-up Equity Share capital of our Company. The following table sets forth the particulars of the options granted under the ESOP 2012 as of the date of filing of this Draft Red Herring Prospectus:

Particulars	Details
Options granted	585,378 options granted in the Fiscal 2013
The pricing formula	585,378 options were granted in Fiscal 2013 at fair market value, i.e., no discount
Exercise price of options (as of the date of grant of options)	₹118.96 per option
Total options vested	585,378
Options exercised	Nil
Total number of Equity Shares that would arise as a result of full exercise of options already granted (net of cancelled options)	278,198
Options forfeited/lapsed/cancelled	307,180
Variation in terms of options	Nil
Money realised by exercise of options	Nil
Options outstanding (in force)	278,198
Employee-wise details of options granted to:	
(i) Senior managerial personnel, i.e., Directors and key management personnel	Nil
(ii) Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year	Nil
(iii) Identified employees who were granted options, during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant	Nil

Particulars	Details																																																
Fully-diluted EPS on a pre-Offer basis on exercise of options calculated in accordance with Accounting Standard (AS) 20 'Earning Per Share'	Diluted EPS as at December 31, 2014: ₹3.51																																																
Difference between employee compensation cost calculated using the intrinsic value of stock options and the employee compensation cost that will have been recognised if our Company had used fair value of options and impact of this difference on profits and EPS of our Company for Fiscals 2012, 2013 and 2014	<p>Fiscal 2012</p> <p>Impact on profit: Not applicable Impact on EPS:</p> <table border="1"> <tr><td>Basic EPS</td><td></td></tr> <tr><td>- As reported</td><td>Not applicable</td></tr> <tr><td>- Proforma</td><td>Not applicable</td></tr> <tr><td>Diluted EPS</td><td></td></tr> <tr><td>- As reported</td><td>Not applicable</td></tr> <tr><td>- Proforma</td><td>Not applicable</td></tr> </table> <p>Fiscal 2013</p> <p>Impact on profit: Profit would be less by ₹5.63 million Impact on EPS:</p> <table border="1"> <tr><td>Basic EPS</td><td></td></tr> <tr><td>- As reported</td><td>₹5.50</td></tr> <tr><td>- Proforma</td><td>₹5.37</td></tr> <tr><td>Diluted EPS</td><td></td></tr> <tr><td>- As reported</td><td>₹5.20</td></tr> <tr><td>- Proforma</td><td>₹5.07</td></tr> </table> <p>Fiscal 2014</p> <p>Impact on profit: Profit would be less by ₹3.31 million Impact on EPS:</p> <table border="1"> <tr><td>Basic EPS</td><td></td></tr> <tr><td>- As reported</td><td>₹(0.57)</td></tr> <tr><td>- Proforma</td><td>₹(0.67)</td></tr> <tr><td>Diluted EPS</td><td></td></tr> <tr><td>- As reported</td><td>₹(0.57)</td></tr> <tr><td>- Proforma</td><td>₹(0.67)</td></tr> </table> <p>Interim period – Nine months ended December 31, 2014</p> <p>Impact on profit: Profit would be less by ₹0.14 million Impact on EPS:</p> <table border="1"> <tr><td>Basic EPS</td><td></td></tr> <tr><td>- As reported</td><td>₹3.51</td></tr> <tr><td>- Proforma</td><td>₹3.43</td></tr> <tr><td>Diluted EPS</td><td></td></tr> <tr><td>- As reported</td><td>₹3.51</td></tr> <tr><td>- Proforma</td><td>₹3.43</td></tr> </table>	Basic EPS		- As reported	Not applicable	- Proforma	Not applicable	Diluted EPS		- As reported	Not applicable	- Proforma	Not applicable	Basic EPS		- As reported	₹5.50	- Proforma	₹5.37	Diluted EPS		- As reported	₹5.20	- Proforma	₹5.07	Basic EPS		- As reported	₹(0.57)	- Proforma	₹(0.67)	Diluted EPS		- As reported	₹(0.57)	- Proforma	₹(0.67)	Basic EPS		- As reported	₹3.51	- Proforma	₹3.43	Diluted EPS		- As reported	₹3.51	- Proforma	₹3.43
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Weighted-average exercise prices and weighted-average fair values of options will be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock for Fiscals 2012, 2013 and 2014	<p>Fiscal 2012</p> <p>Weighted average exercise price (as of the date of grant) – Not applicable Weighted average fair value (as of the date of grant) – Not applicable</p> <p>Fiscal 2013</p> <p>Weighted average exercise price (as of the date of grant) – ₹118.96 Weighted average fair value (as of the date of grant) – ₹118.96</p>																																																

Particulars	Details						
	<p>Fiscal 2014 Weighted average exercise price (as of the date of grant) – ₹118.96 Weighted average fair value (as of the date of grant) – ₹118.96</p> <p>Interim period – Nine months ended December 31, 2014 Weighted average exercise price (as of the date of grant) – ₹118.96 Weighted average fair value (as of the date of grant) – ₹118.96</p>						
Description of the method and significant assumptions used during the year to estimate the fair values of options, including weighted-average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends and the price of the underlying share in market at the time of grant of the option	<p>Our Company has adopted the Black Scholes method to estimate the fair value of the options with the following assumptions:</p> <p>Risk free interest rate – 8% Expected life – 2 years Expected volatility – 0% Expected dividends – Nil</p> <p>Price of the underlying share in market at the time of grant of the options – ₹118.96</p>						
Vesting schedule	<p>Vesting of options granted in the Financial Year ending March 31, 2013:</p> <table border="1"> <thead> <tr> <th>Date of Vesting</th><th>% of Vesting</th></tr> </thead> <tbody> <tr> <td>July 13, 2013</td><td>50</td></tr> <tr> <td>July 13, 2014</td><td>50</td></tr> </tbody> </table>	Date of Vesting	% of Vesting	July 13, 2013	50	July 13, 2014	50
Date of Vesting	% of Vesting						
July 13, 2013	50						
July 13, 2014	50						
Lock-in	There is no lock-in period.						
Impact on profits and EPS of the last three years if our Company had followed the accounting policies specified in clause 15 of the SEBI ESOP Regulations in respect of options granted in the last three years	<p><i>Impact on profits</i></p> <p>Fiscal 2012: Not applicable</p> <p>Fiscal 2013: Nil</p> <p>Fiscal 2014: Nil</p> <p>Interim period – Nine months ended December 31, 2014: Nil</p> <p><i>Impact on Basic EPS</i></p> <p>Fiscal 2012: Not applicable</p> <p>Fiscal 2013: Nil</p> <p>Fiscal 2014: Nil</p> <p>Interim period – Nine months ended December 31, 2014: Nil</p> <p><i>Impact on Diluted EPS</i></p> <p>Fiscal 2012: Not applicable</p> <p>Fiscal 2013: Nil</p> <p>Fiscal 2014: Nil</p> <p>Interim period – Nine months ended December 31, 2014: Nil</p>						
Aggregate number of Equity Shares intended to be sold by the holders of Equity Shares allotted on exercise of options granted under ESOP 2012 within three months after the listing of Equity Shares pursuant to the Offer	62,534						

Note 1: No options were granted to the senior managerial personnel, i.e., Directors and key management personnel under the ESOP 2012.

Note 2: No employees received a grant in any one year of options amounting to 5% or more of the options granted during the year under the ESOP 2012.

Note 3: No Senior managerial personnel, i.e., Directors or employees were granted options during any one year equal to or exceeding 1% of the issued capital of our Company at the time of grant under the ESOP 2012

Note 4: Options granted to our employees and the intention of such employees to sell, within three months from the date of listing of the Equity Shares through the Offer, Equity Shares arising out of or allotted under ESOP 2012, amounting to more than 1% of the issued capital of our Company are set forth below:

S. No.	Name of Employee	Designation	Number of Options			Number of Equity Shares Allotted Pursuant to Exercise of Options	Number of Equity Shares Proposed to be Sold
			Granted	Exercised	Outstanding		
Other Employees							
1.	Abhinav Razdan	Senior Manager – Operations	1,658	Nil	1,658	Nil	1,658
2.	Neeraj Singhania	Assistant General Manager – Billing	7,790	Nil	7,790	Nil	7,790
3.	Salil Malik	Assistant General Manager – Special Project	10,966	Nil	10,966	Nil	10,966
4.	Padam Bhushan Bindal	Assistant General Manager – Finance	9,490	Nil	9,490	Nil	9,490
5.	Karan Sharma	Deputy General Manager – Marketing	13,498	Nil	13,498	Nil	13,498
6.	Sairaj Kurup	Deputy General Manager – Information Technology	6,326	Nil	6,326	Nil	6,326
7.	Harleen Rajput	Deputy General Manager – Operations	12,806	Nil	12,806	Nil	12,806

(c) ESOP 2014

Our Company instituted the ESOP 2014 pursuant to resolutions each dated February 17, 2014, passed by the Board and Shareholders, respectively.

Our Company has granted 189,835 options convertible into 189,835 Equity Shares, which represents 0.45% of the pre-Offer paid-up Equity Share capital of our Company. The following table sets forth the particulars of the options granted under the ESOP 2014 as of the date of filing of this Draft Red Herring Prospectus:

Particulars	Details
Options granted	189,835 options granted in the Fiscal 2014
The pricing formula	189,835 options were granted in Fiscal 2014 at fair market value, i.e., no discount
Exercise price of options (as of the date of grant of options)	₹118.96
Total options vested	94,918
Options exercised	Nil
Total number of Equity Shares that would arise as a result of full exercise of options already granted (net of cancelled options)	189,835
Options forfeited/lapsed/cancelled	Nil
Variation in terms of options	Nil
Money realised by exercise of options	Nil
Options outstanding (in force)	189,835
Employee-wise details of options granted to:	
(i) Senior managerial personnel, i.e., Directors and key management personnel	See Note 1 below
(ii) Any other employee who received a grant in any one year of options amounting to 5% or	See Note 2 below

Particulars	Details																																																
more of the options granted during the year																																																	
(iii) Identified employees who were granted options, during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant	Nil																																																
Fully-diluted EPS on a pre-Offer basis on exercise of options calculated in accordance with Accounting Standard (AS) 20 'Earning Per Share'	Diluted EPS as at December 31, 2014: ₹3.51																																																
Difference between employee compensation cost calculated using the intrinsic value of stock options and the employee compensation cost that will have been recognised if our Company had used fair value of options and impact of this difference on profits and EPS of our Company for Fiscals 2012, 2013 and 2014	<p>Fiscal 2012</p> <p>Impact on profit: Not applicable Impact on EPS:</p> <table border="1"> <tr><td>Basic EPS</td><td></td></tr> <tr><td>- As reported</td><td>Not applicable</td></tr> <tr><td>- Proforma</td><td>Not applicable</td></tr> <tr><td>Diluted EPS</td><td></td></tr> <tr><td>- As reported</td><td>Not applicable</td></tr> <tr><td>- Proforma</td><td>Not applicable</td></tr> </table> <p>Fiscal 2013</p> <p>Impact on profit: Not applicable Impact on EPS:</p> <table border="1"> <tr><td>Basic EPS</td><td></td></tr> <tr><td>- As reported</td><td>Not applicable</td></tr> <tr><td>- Proforma</td><td>Not applicable</td></tr> <tr><td>Diluted EPS</td><td></td></tr> <tr><td>- As reported</td><td>Not applicable</td></tr> <tr><td>- Proforma</td><td>Not applicable</td></tr> </table> <p>Fiscal 2014</p> <p>Impact on profit: Profit would be less by ₹0.87 million Impact on EPS:</p> <table border="1"> <tr><td>Basic EPS</td><td></td></tr> <tr><td>- As reported</td><td>₹(0.57)</td></tr> <tr><td>- Proforma</td><td>₹(0.67)</td></tr> <tr><td>Diluted EPS</td><td></td></tr> <tr><td>- As reported</td><td>₹(0.57)</td></tr> <tr><td>- Proforma</td><td>₹(0.67)</td></tr> </table> <p>Interim period – Nine months ended December 31, 2014</p> <p>Impact on profit: Profit would be less by ₹3.36 million Impact on EPS:</p> <table border="1"> <tr><td>Basic EPS</td><td></td></tr> <tr><td>- As reported</td><td>₹3.51</td></tr> <tr><td>- Proforma</td><td>₹3.43</td></tr> <tr><td>Diluted EPS</td><td></td></tr> <tr><td>- As reported</td><td>₹3.51</td></tr> <tr><td>- Proforma</td><td>₹3.43</td></tr> </table>	Basic EPS		- As reported	Not applicable	- Proforma	Not applicable	Diluted EPS		- As reported	Not applicable	- Proforma	Not applicable	Basic EPS		- As reported	Not applicable	- Proforma	Not applicable	Diluted EPS		- As reported	Not applicable	- Proforma	Not applicable	Basic EPS		- As reported	₹(0.57)	- Proforma	₹(0.67)	Diluted EPS		- As reported	₹(0.57)	- Proforma	₹(0.67)	Basic EPS		- As reported	₹3.51	- Proforma	₹3.43	Diluted EPS		- As reported	₹3.51	- Proforma	₹3.43
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Weighted-average exercise prices and weighted-average fair values of options will be disclosed separately for	<p>Fiscal 2012</p> <p>Weighted average exercise price (as of the date of grant) – Not applicable</p>																																																

Particulars	Details						
options whose exercise price either equals or exceeds or is less than the market price of the stock for Fiscals 2012, 2013 and 2014	<p>Weighted average fair value (as of the date of grant) – Not applicable</p> <p>Fiscal 2013 Weighted average exercise price (as of the date of grant) – Not applicable Weighted average fair value (as of the date of grant) – Not applicable</p> <p>Fiscal 2014 Weighted average exercise price (as of the date of grant) – ₹118.96 Weighted average fair value (as of the date of grant) – ₹118.96</p> <p>Interim period – Nine months ended December 31, 2014 Weighted average exercise price (as of the date of grant) – ₹118.96 Weighted average fair value (as of the date of grant) – ₹118.96</p>						
Description of the method and significant assumptions used during the year to estimate the fair values of options, including weighted-average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends and the price of the underlying share in market at the time of grant of the option	<p>Our Company has adopted the Black Scholes method to estimate the fair value of the options with the following assumptions:</p> <p>Risk free interest rate – 8% Expected life – 2 years Expected volatility – 0% Expected dividends – Nil</p> <p>Price of the underlying share in market at the time of grant of the options – ₹118.96</p>						
Vesting schedule	<p>Vesting of options granted in the Financial Year ending March 31, 2014:</p> <table border="1"> <thead> <tr> <th>Date of Vesting</th><th>% of Vesting</th></tr> </thead> <tbody> <tr> <td>February 17, 2015</td><td>50</td></tr> <tr> <td>February 17, 2016</td><td>50</td></tr> </tbody> </table>	Date of Vesting	% of Vesting	February 17, 2015	50	February 17, 2016	50
Date of Vesting	% of Vesting						
February 17, 2015	50						
February 17, 2016	50						
Lock-in	There is no lock-in period.						
Impact on profits and EPS of the last three years if our Company had followed the accounting policies specified in clause 15 of the SEBI ESOP Regulations in respect of options granted in the last three years	<p><i>Impact on profits</i></p> <p>Fiscal 2012: Not applicable</p> <p>Fiscal 2013: Not applicable</p> <p>Fiscal 2014: Nil</p> <p>Interim period – Nine months ended December 31, 2014: Nil</p> <p><i>Impact on Basic EPS</i></p> <p>Fiscal 2012: Not applicable</p> <p>Fiscal 2013: Not applicable</p> <p>Fiscal 2014: Nil</p> <p>Interim period – Nine months ended December 31, 2014: Nil</p> <p><i>Impact on Diluted EPS</i></p> <p>Fiscal 2012: Not applicable</p> <p>Fiscal 2013: Not applicable</p> <p>Fiscal 2014: Nil</p> <p>Interim period – Nine months ended December 31, 2014: Nil</p>						
Aggregate number of Equity Shares intended to be sold by the holders of Equity Shares allotted on exercise of options granted under ESOP 2014 within three months after the listing of Equity Shares pursuant to the Offer	Nil						

Note 1: Details regarding options granted to the senior managerial personnel, i.e., Directors and key management personnel under the ESOP 2014 are set forth below:

Name of Director/ Key Management Personnel	Total Number of Options Granted	Total Number of Options Forfeited	Total Number of Options Outstanding
Anish Khanna	150,000	Nil	150,000

Note 2: Employees who received a grant in any one year of options amounting to 5% or more of the options granted during the year under the ESOP 2014 are set forth below:

Name of Employee	No. of Options Granted
Anish Khanna	150,000
Arpna Gupta	39,835

Note 3: No Senior managerial personnel, i.e., Directors or employees were granted options during any one year equal to or exceeding 1% of the issued capital of our Company at the time of grant under the ESOP 2014.

(d) ESOP 2015

Pursuant to resolutions adopted by our Board and Shareholders at their respective meetings held on May 6, 2015, each of the Existing Plans were merged into a new scheme, ESOP 2015 for the purposes of compliance with the Companies Act, 2013, the Companies (Share Capital and Debentures) Rules, 2014 and the SEBI ESOP Regulations. The grants made under the Existing Plans have been migrated to ESOP 2015 and shall be governed by the ESOP 2015. Further, in accordance with the SEBI ESOP Regulations, a registered merchant banker shall be appointed for the implementation of the ESOP 2015 at the time of closure of the Offer.

In addition to the options arising out of the Existing Plans, our Company has granted 2,923,022 options (net of cancelled options) convertible into 2,923,022 Equity Shares, which represents 6.95% of the pre-Offer paid-up Equity Share capital of our Company. The following table sets forth the particulars of the options granted under the ESOP 2015 as of the date of filing of this Draft Red Herring Prospectus:

Particulars	Details
Options granted	2,923,022 options granted in Fiscal 2016
The pricing formula	<ul style="list-style-type: none"> 47,250 options granted at 94% discount to fair market value 2,875,772 options granted at fair market value, i.e., no discount
Exercise price of options (as of the date of grant of options)	<ul style="list-style-type: none"> ₹10 per option for 47,250 options ₹166.55 per option for 2,875,772 options
Total options vested	Nil
Options exercised	Nil
Total number of Equity Shares that would arise as a result of full exercise of options already granted (net of cancelled options)	2,923,022
Options forfeited/lapsed/cancelled	Nil
Variation in terms of options	Nil
Money realised by exercise of options	Nil
Options outstanding (in force)	2,923,022
Employee-wise details of options granted to:	
(i) Senior managerial personnel, i.e., Directors and key management personnel	See Note 1 below
(ii) Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year	See Note 2 below
(iii) Identified employees who were granted options, during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant	See Note 3 below

Particulars	Details																																																
Fully-diluted EPS on a pre-Offer basis on exercise of options calculated in accordance with Accounting Standard (AS) 20 'Earning Per Share'	Diluted EPS as at December 31, 2014: ₹3.51																																																
Difference between employee compensation cost calculated using the intrinsic value of stock options and the employee compensation cost that will have been recognised if our Company had used fair value of options and impact of this difference on profits and EPS of our Company for Fiscals 2012, 2013 and 2014	<p>Fiscal 2012</p> <p>Impact on profit: Not applicable Impact on EPS:</p> <table border="1"> <tr><td>Basic EPS</td><td></td></tr> <tr><td>- As reported</td><td>Not applicable</td></tr> <tr><td>- Proforma</td><td>Not applicable</td></tr> <tr><td>Diluted EPS</td><td></td></tr> <tr><td>- As reported</td><td>Not applicable</td></tr> <tr><td>- Proforma</td><td>Not applicable</td></tr> </table> <p>Fiscal 2013</p> <p>Impact on profit: Not applicable Impact on EPS:</p> <table border="1"> <tr><td>Basic EPS</td><td></td></tr> <tr><td>- As reported</td><td>Not applicable</td></tr> <tr><td>- Proforma</td><td>Not applicable</td></tr> <tr><td>Diluted EPS</td><td></td></tr> <tr><td>- As reported</td><td>Not applicable</td></tr> <tr><td>- Proforma</td><td>Not applicable</td></tr> </table> <p>Fiscal 2014</p> <p>Impact on profit: Not applicable Impact on EPS:</p> <table border="1"> <tr><td>Basic EPS</td><td></td></tr> <tr><td>- As reported</td><td>Not applicable</td></tr> <tr><td>- Proforma</td><td>Not applicable</td></tr> <tr><td>Diluted EPS</td><td></td></tr> <tr><td>- As reported</td><td>Not applicable</td></tr> <tr><td>- Proforma</td><td>Not applicable</td></tr> </table> <p>Interim period – Nine months ended December 31, 2014</p> <p>Impact on profit: Not applicable Impact on EPS:</p> <table border="1"> <tr><td>Basic EPS</td><td></td></tr> <tr><td>- As reported</td><td>Not applicable</td></tr> <tr><td>- Proforma</td><td>Not applicable</td></tr> <tr><td>Diluted EPS</td><td></td></tr> <tr><td>- As reported</td><td>Not applicable</td></tr> <tr><td>- Proforma</td><td>Not applicable</td></tr> </table>	Basic EPS		- As reported	Not applicable	- Proforma	Not applicable	Diluted EPS		- As reported	Not applicable	- Proforma	Not applicable	Basic EPS		- As reported	Not applicable	- Proforma	Not applicable	Diluted EPS		- As reported	Not applicable	- Proforma	Not applicable	Basic EPS		- As reported	Not applicable	- Proforma	Not applicable	Diluted EPS		- As reported	Not applicable	- Proforma	Not applicable	Basic EPS		- As reported	Not applicable	- Proforma	Not applicable	Diluted EPS		- As reported	Not applicable	- Proforma	Not applicable
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Weighted-average exercise prices and weighted-average fair values of options will be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock for Fiscals	<p>Fiscal 2012</p> <p>Weighted average exercise price (as of the date of grant) – Not applicable Weighted average fair value (as of the date of grant) – Not applicable</p>																																																

Particulars	Details										
2012, 2013 and 2014	<p>Fiscal 2013 Weighted average exercise price (as of the date of grant) – Not applicable Weighted average fair value (as of the date of grant) – Not applicable</p> <p>Fiscal 2014 Weighted average exercise price (as of the date of grant) – Not applicable Weighted average fair value (as of the date of grant) – Not applicable</p> <p>Interim period – Nine months ended December 31, 2014 Weighted average exercise price (as of the date of grant) – Not applicable Weighted average fair value (as of the date of grant) – Not applicable</p> <p>Fiscal 2016 Weighted average exercise price (as of the date of grant) – ₹164.02 Weighted average fair value (as of the date of grant) – ₹166.55</p>										
Description of the method and significant assumptions used during the year to estimate the fair values of options, including weighted-average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends and the price of the underlying share in market at the time of grant of the option	<p>Our Company has adopted the Black Scholes method to estimate the fair value of the options with the following assumptions:</p> <p>Risk free interest rate – 9.19% Expected life – 8 years Expected volatility – 0% Expected dividends – Nil</p> <p>Price of the underlying share in market at the time of grant of the options – ₹166.55</p>										
Vesting schedule	<p>Vesting of options granted in the Financial Year ended March 31, 2016:</p> <table> <tr> <th>Date of Vesting</th><th>% of Vesting</th></tr> <tr> <td>May 6, 2017</td><td>13%</td></tr> <tr> <td>May 6, 2018</td><td>31%</td></tr> <tr> <td>May 6, 2019</td><td>19%</td></tr> <tr> <td>May 6, 2020</td><td>37%</td></tr> </table>	Date of Vesting	% of Vesting	May 6, 2017	13%	May 6, 2018	31%	May 6, 2019	19%	May 6, 2020	37%
Date of Vesting	% of Vesting										
May 6, 2017	13%										
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May 6, 2020	37%										
Lock-in	There is no lock-in period.										
Impact on profits and EPS of the last three years if our Company had followed the accounting policies specified in clause 15 of the SEBI ESOP Regulations in respect of options granted in the last three years	<p><i>Impact on profits</i></p> <p>Fiscal 2012: Not applicable</p> <p>Fiscal 2013: Not applicable</p> <p>Fiscal 2014: Not applicable</p> <p>Interim period – Nine months ended December 31, 2014: Not applicable</p> <p><i>Impact on Basic EPS</i></p> <p>Fiscal 2012: Not applicable</p> <p>Fiscal 2013: Not applicable</p> <p>Fiscal 2014: Not applicable</p> <p>Interim period – Nine months ended December 31, 2014: Not applicable</p> <p><i>Impact on Diluted EPS</i></p> <p>Fiscal 2012: Not applicable</p> <p>Fiscal 2013: Not applicable</p> <p>Fiscal 2014: Not applicable</p> <p>Interim period – Nine months ended December 31, 2014: Not applicable</p>										
Aggregate number of Equity Shares intended to be sold by the holders of Equity Shares allotted on exercise of	Nil										

Particulars	Details
options granted under ESOP 2015 within three months after the listing of Equity Shares pursuant to the Offer	

Note 1: Details regarding options granted to the senior managerial personnel, i.e., Directors and key management personnel under the ESOP 2015 are set forth below:

Name of Director/ Key Management Personnel	Total Number of Options Granted	Total Number of Options Forfeited	Total Number of Options Outstanding
Gaurav Kumar Khanna	420,292	Nil	420,292
Captain Rakesh Walia	420,292	Nil	420,292
Anish Khanna	420,292	Nil	420,292

Note 2: Employees who received a grant in any one year of options amounting to 5% or more of the options granted during the year under the ESOP 2015 are set forth below:

Name of Employee	No. of Options Granted
Gaurav Kumar Khanna	420,292
Captain Rakesh Walia	420,292
Anish Khanna	420,292

Note 3: Senior managerial personnel, i.e., Directors or employees who were granted options during any one year equal to or exceeding 1% of the issued capital of our Company at the time of grant under the ESOP 2015 are set out below:

Name of Director/Employee	No. of Options Granted
Gaurav Kumar Khanna	420,292
Captain Rakesh Walia	420,292
Anish Khanna	420,292

13. Our Company, the Directors and the BRLMs have not entered into any buy-back and/or standby arrangements or any safety net arrangement for purchase of Equity Shares from any person.
14. Our Company has not issued any Equity Shares during the period of one year preceding the date of this Draft Red Herring Prospectus at a price which may be lower than the Offer Price.
15. No financing arrangements have been entered into by the members of the Promoter Group, the Directors, or their relatives for the purchase by any other person of the securities of our Company other than in the normal course of business of the financing entity during a period of six months preceding the date of filing of this Draft Red Herring Prospectus with the SEBI.
16. None of the Promoters, the members of the Promoter Group or the Directors has purchased/subscribed/sold any Equity Shares within three years immediately preceding the date of filing of this Draft Red Herring Prospectus with the SEBI which in aggregate is equal to or greater than 1% of the pre-Offer capital of our Company.
17. Our Company, Directors, Promoters or Promoter Group shall not make any payments direct or indirect, discounts, commissions, allowances or otherwise under this Offer except as disclosed in this Draft Red Herring Prospectus.
18. Our Company has not issued any Equity Shares pursuant to any scheme approved under Sections 391-394 of the Companies Act, 1956.
19. None of the BRLMs and any associates of the BRLMs holds any Equity Shares in our Company.

20. All issued and outstanding Equity Shares are fully paid-up as of the date of filing of this Draft Red Herring Prospectus.
21. There are 312,340, 278,198 and 94,918 options that have vested but have not been exercised under the ESOP 2010, ESOP 2012 and ESOP 2014, respectively, of our Company which are convertible into an aggregate of 685,456 Equity Shares. No options have vested under the ESOP 2015.
22. Except for any issuance of Equity Shares pursuant to the vesting and/or exercise of the options granted pursuant to the ESOP 2010, ESOP 2012, ESOP 2014 and ESOP 2015 and their consequent conversion into Equity Shares, there will not be any further issue of Equity Shares, whether by way of issue of bonus Equity Shares, preferential allotment, rights issue or in any other manner during the period commencing from submission of this Draft Red Herring Prospectus with the SEBI until the Equity Shares have been listed on the Stock Exchanges.
23. Other than the outstanding options vested under the ESOP 2010, ESOP 2012, ESOP 2014 and ESOP 2015 there are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into the Equity Shares.
24. Except for any vesting and/or exercise of the options granted pursuant to the ESOP 2010, ESOP 2012, ESOP 2014 and ESOP 2015 and their consequent conversion into Equity Shares, our Company presently does not intend or propose to alter the capital structure for a period of six months from the Bid/Offer Opening Date, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares whether on a preferential basis or issue of bonus or rights or further public issue of Equity Shares or qualified institutions placement. However, during such period or at a later date, our Company may issue and/or the Shareholders may directly or indirectly transfer or sell Equity Shares, convertible securities or other equity linked securities of our Company in relation to any acquisition, merger, joint venture or strategic alliance or for regulatory compliance or for any scheme of arrangement, in either case involving our Company or the Subsidiaries, Shareholders, Directors, or affiliates.
25. The Offer is being made through the Book Building Process wherein at least 75% of the Offer will be allocated on a proportionate basis to QIBs, provided that our Company and the Selling Shareholders may allocate up to 60% of the QIB Category to Anchor Investors on a discretionary basis, of which one-third is to be reserved for domestic Mutual Funds only. 5% of the QIB Category (excluding the Anchor Investor Portion) will be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the QIB Category will be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not more than 15% of the Offer will be available for allocation on a proportionate basis to Non-Institutional Investors and not more than 10% of the Offer will be available for allocation to Retail Individual Investors in accordance with the SEBI Regulations, subject to valid Bids being received at or above the Offer Price. Under-subscription, if any, in any category (other than the QIB Category), would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company and the Selling Shareholders, in consultation with the BRLMs and the Designated Stock Exchange.
26. Oversubscription to the extent of 10% of the Offer can be retained for the purposes of rounding off to the nearer multiple of minimum allotment lot.
27. There will be only one denomination of the Equity Shares, unless otherwise permitted by law. Our Company will comply with such disclosure and accounting norms as may be specified by the SEBI from time to time.
28. Our Company has not made any public issue or rights issue of any kind or class of securities since its incorporation.

29. A Bidder cannot make a Bid for more than the number of Equity Shares offered in this Offer and will be subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.
30. As of the date of filing of this Draft Red Herring Prospectus with the SEBI, the total number of holders of our Equity Shares is seven.
31. Other than Gagan Deep Singh Dugal, Major General Manjit Singh Dugal and Urvashi Kaur, who will be offering Equity Shares in the Offer, our Promoters and Promoter Group will not participate in the Offer.
32. Our Company will ensure that transactions in Equity Shares by the Promoters and the Promoter Group during the period between the date of registering the Red Herring Prospectus with the RoC and the date of closure of the Offer will be reported to the Stock Exchanges within 24 hours of the transaction.

OBJECTS OF THE OFFER

The objects of the Offer are to achieve the benefits of listing the Equity Shares on the Stock Exchanges and for the sale of 15,172,540 Equity Shares by the Selling Shareholders. Our Company expects that listing of the Equity Shares will enhance our visibility and brand and provide liquidity to its existing shareholders. Listing will also provide a public market for the Equity Shares in India. Our Company will not receive any proceeds from the Offer. All proceeds from the Offer will go to the Selling Shareholders in proportion to the Equity Shares offered by them in the Offer.

Offer-Related Expenses

The estimated Offer-related expenses are as follows:

Activity	Estimated Expenses* (₹ in million)	As a percentage of the Total Estimated Offer Expenses (%)	As a percentage of the Total Offer Size (%)
Fees payable to the BRLMs	•	•	•
Offer-related advertising and marketing expenses	•	•	•
Fees payable to the Registrar	•	•	•
Underwriting commission, fees payable to the Bankers to the Offer, brokerage and selling commission, as applicable	•	•	•
Brokerage and selling commission payable to Registered Brokers**	•	•	•
Processing fees to SCSBs for ASBA Applications procured by the members of the Syndicate or Registered Brokers and submitted with the SCSBs**	•	•	•
Others (listing fees, legal fees, etc.)	•	•	•
Total estimated Offer expenses	•	•	•

* Will be filled-in at the time of filing of the Prospectus.

** Disclosure of commission and processing fees will be filled-in at the time of filing the Red Herring Prospectus.

Upon completion of the Offer, all expenses with respect to the Offer that are required to be borne by the Selling Shareholders will be shared among them, in proportion to the Equity Shares being offered by each of them in the Offer.

Monitoring of Utilization of Funds

As the Offer is an offer for sale and our Company will not receive any proceeds from the Offer, our Company is not required to appoint a monitoring agency for the Offer.

BASIS FOR OFFER PRICE

The Offer Price will be determined by our Company and the Selling Shareholders in consultation with the BRLMs on the basis of assessment of market demand for the Equity Shares determined through the Book Building Process and on the basis of the following qualitative and quantitative factors. The face value of the Equity Shares is ₹10 each and the Offer Price is [●] times the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band.

Qualitative Factors

Competitive strengths

1. Leadership position in the market for services used with country-specific SIM cards
2. Comprehensive suite of telecom services
3. Well-known and established brand
4. Multi-channel distribution network
5. Alliances with travel services partners
6. Strong relationships with suppliers
7. Robust technological platform

For further details regarding the qualitative factors which form the basis for computing the Offer Price, see the sections “Our Business” and “Risk Factors” on pages 141 and 16, respectively.

Quantitative Factors

Information presented in this section is derived from our consolidated and unconsolidated summary statements for Fiscals 2014, 2013 and 2012 prepared in accordance with the Companies Act and Indian GAAP and restated in accordance with the SEBI Regulations.

Some of the quantitative factors which may form the basis for computing the Offer Price are as follows:

1. Basic and Diluted Earnings per Share (“EPS”):

Period	Basic		Diluted		Weights
	Consolidated (₹ per Equity Share)	Unconsolidated (₹ per Equity Share)	Consolidated (₹ per Equity Share)	Unconsolidated (₹ per Equity Share)	
Nine months ended December 31, 2014	3.51	3.49	3.51	3.49	
Fiscal 2014	(0.57)	1.15	(0.57)	1.15	3
Fiscal 2013	5.50	7.41	5.20	7.00	2
Fiscal 2012	1.11	3.20	1.05	3.02	1
Weighted Average	1.73	3.58	1.62	3.41	

Note:

Annual figures, except for nine months ended December 31, 2014 which are not annualised.

EPS calculations are in accordance with Accounting Standard 20 – Earnings per share, notified under the Companies (Accounting Standards) Rules, 2006, as amended. As per AS 20, in case of bonus shares and consolidation of shares, the number of shares outstanding before the event is adjusted for the proportionate change in the number of equity shares outstanding as if the event has occurred at the beginning of the earliest period reported. The Company during the year ended March 31, 2012, issued bonus shares in the ratio of 19 shares for every one share held, to the existing shareholders by way of capitalisation of securities premium account. Further, the Company during the period ended March 31, 2012 consolidated 10 equity shares of ₹1 each into one equity share of ₹10 each.

Basic EPS per share (in ₹):

$$\frac{\text{Net restated profit after tax attributable to equity shareholders/}}{\text{Weighted average number of equity shares outstanding during the period/year}}$$

Diluted EPS per share (in ₹):

$$\frac{\text{Net restated profit after tax/}}{\text{Weighted average number of diluted equity shares outstanding during the period/year}}$$

2. Price Earning Ratio (“P/E”) in relation to the Offer Price of ₹[●] per Equity Share:

S.No.	Particulars	Consolidated	Unconsolidated
1.	P/E ratio based on Basic EPS for the year ended March 31, 2014 at the Floor Price	[●]	[●]
2.	P/E ratio based on Diluted EPS for the year ended March 31, 2014 at the Floor Price	[●]	[●]
3.	P/E ratio based on Basic EPS for the year ended March 31, 2014 at the Cap Price	[●]	[●]
4.	P/E ratio based on Diluted EPS for the year ended March 31, 2014 at the Floor Price	[●]	[●]

3. Peer Group P/E:

We believe that none of the listed companies in India are engaged exclusively in our line of business.

4. Return on Net Worth (“RoNW”):

Period	Consolidated (%)	Unconsolidated (%)	Weights
Nine months ended December 31, 2014	25.15	17.75	
Fiscal 2014	(5.42%)	7.10	3
Fiscal 2013	49.64	49.05	2
Fiscal 2012	10.22	24.63	1
Weighted Average	20.96	24.01	

Note:

Annual figures, except for nine months ended December 31, 2014 which are not annualised.

RoNW:

$$\frac{\text{Net restated profit after tax attributable to equity shareholders/}}{\text{Net worth at the end of the period/year}}$$

Net Worth for equity shareholders = equity share capital + reserves and surplus (including securities premium, general reserve and surplus in statement of profit and loss) – Share issue expenses (to the extent not written off or adjusted)

Minimum RoNW required to maintain pre-Offer EPS for Fiscal 2014

- (a) Based on Basic EPS:

At the Floor Price – [●]% and [●]% based on restated unconsolidated and consolidated summary statements respectively.

At the Cap Price – [●]% and [●]% based on restated unconsolidated and consolidated summary statements respectively.

(b) Based on Diluted EPS:

At the Floor Price – [●]% and [●]% based on restated unconsolidated and consolidated summary statements respectively.

At the Cap Price – [●]% and [●]% based on restated unconsolidated and consolidated summary statements respectively.

5. Net Asset Value per Equity Share:

Period	Net Asset Value (₹)	
	Consolidated	Unconsolidated
Nine months ended December 31, 2014	13.97	19.63
Fiscal 2014	10.56	16.26
Fiscal 2013	11.09	15.10
Fiscal 2012	10.89	12.98
Net Asset Value after the Offer	[●]	
Offer Price*	[●]	

* The Offer Price of ₹[●] per Equity Share has been determined on the basis of the demand from investors through the Book Building Process.

Note:

Net Asset Value per Equity Share:

Net worth at the end of the period or year/
Total number of equity shares outstanding at the end of period/year

6. Comparison with industry peers:

We believe that none of the listed companies in India are engaged exclusively in our line of business.

The Offer Price of ₹[●] has been determined by our Company and the Selling Shareholders, in consultation with the BRLMs on the basis of the demand from investors for the Equity Shares determined through the Book Building process and is justified based on the above accounting ratios. For further details, see the sections “Risk Factors” and “Financial Statements” on pages 16 and 199, respectively. The trading price of the Equity Shares of our Company could decline including due to the factors mentioned in the section “Risk Factors” on page 16 and you may lose all or part of your investment.

STATEMENT OF TAX BENEFITS

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO OUR COMPANY AND ITS SHAREHOLDERS

May 22, 2015

To

The Board of Directors

Matrix Cellular (International) Services Limited [Formerly Matrix Cellular (International) Services Private Limited]

7 Khullar Farm, Mandi Road,
Mehrauli, New Delhi - 110030

Dear Sirs,

We hereby confirm that the enclosed annexure, prepared by Matrix Cellular International Services Private Limited ('the Company') states the possible tax benefits available to the Company and the shareholders of the Company under the Income – tax Act, 1961 ('Act'), the Wealth Tax Act, 1957 and the Gift Tax Act, 1958, presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the company may or may not choose to fulfil.

The amendments in Finance Act 2015 have been incorporated to the extent relevant in the enclosed annexure.

The benefits discussed in the enclosed Annexure are not exhaustive and the preparation of the contents stated is the responsibility of the Company'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, 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 the issue.

Our confirmation is based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

We do not express an opinion or provide any assurance as to whether:

- the Company or its shareholders will continue to obtain these benefits in future; or
- the conditions prescribed for availing the benefits, where applicable have been/would be met.

For S. R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W

per Vineet Kedia

Partner

Membership No.: 212230

Place : Gurgaon

ANNEXURE TO THE STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO MATRIX CELLULAR INTERNATIONAL SERVICES LIMITED AND ITS SHAREHOLDERS

Outlined below are the possible benefits available to the Company and its shareholders under the current direct tax laws in India for the six months period ended December 31, 2014. Since the tax benefit statement has been issued subsequent to the Finance Act 2015, the amendments have also been provided.

A. Benefits to the Company under the Act

1. General tax benefits

(a) Business income

- ▶ The Company is entitled to claim depreciation on specified tangible and intangible assets owned by it and used for the purpose of its business as per provisions of Section 32 of the Act.
- ▶ Business losses, if any, for an assessment year can be carried forward and set off against business profits for 8 subsequent years. Unabsorbed depreciation, if any, for an assessment year can be carried forward and set off against any source of income in subsequent years as per provisions of Section 32 of the Act.

(b) MAT credit

- ▶ As per provisions of Section 115JAA of the Act, the Company is eligible to claim credit for Minimum Alternate Tax ('MAT') paid for any assessment year commencing on or after April 1, 2006 against normal income-tax payable in subsequent assessment years.
- ▶ MAT credit shall be allowed for any assessment year to the extent of difference between the tax payable as per the normal provisions of the Act and the tax paid under Section 115JB for that assessment year. Such MAT credit is available for set-off up to 10 years succeeding the assessment year in which the MAT credit arises.

(c) Capital gains

(i) Computation of capital gains

- ▶ Capital assets are to be categorized into short - term capital assets and long – term capital assets based on the period of holding. All capital assets, being shares held in a company or any other security listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of a mutual fund specified under section 10(23D) of the Act or a zero coupon bond, held by an assessee for more than twelve months are considered to be long – term capital assets, capital gains arising from the transfer of which are termed as long – term capital gains ('LTCG'). In respect of any other capital assets, the holding period should exceed thirty – six months to be considered as long – term capital assets.
- ▶ Short Term Capital Gains ('STCG') means capital gains arising from the transfer of capital asset being a share held in a company or any other security listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of a mutual fund specified under clause (23D) of Section 10 or a zero coupon bonds, held by an assessee for 12 months or less.
- ▶ In respect of any other capital assets, STCG means capital gains arising from the transfer of an asset, held by an assessed for 36 months or less.

- ▶ Finance Act, 2014 has amended section 2(42A) of the Act whereby capital assets, being security (other than a unit) listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of equity oriented fund or a zero coupon bond, held by an assessee for not more than twelve months are considered to be short – term capital asset. In respect of any other capital assets, the holding period should not exceed thirty – six months to be considered as short– term capital assets. This amendment is applicable on and after July 10, 2014.
- ▶ Therefore, capital asset being unlisted share or unit of mutual fund (other than an equity oriented mutual fund) shall be short-term capital asset if it is held for not more than thirty-six months.
- ▶ LTCG arising on transfer of equity shares of a company or units of an equity oriented fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D) or a unit of business trust as defined in section 2(13A), is exempt from tax as per provisions of Section 10(38) of the Act, provided the transaction is chargeable to securities transaction tax (STT) and subject to conditions specified in that section.
- ▶ Income by way of LTCG exempt under Section 10(38) of the Act is to be taken into account while determining book profits in accordance with provisions of Section 115JB of the Act.
- ▶ As per provisions of Section 48 of the Act, LTCG arising on transfer of capital assets, other than bonds and debentures (excluding capital indexed bonds issued by the Government) and depreciable assets, is computed by deducting the indexed cost of acquisition and indexed cost of improvement from the full value of consideration.
- ▶ As per provisions of Section 112 of the Act, LTCG not exempt under Section 10(38) of the Act are subject to tax at the rate of 20% with indexation benefits. However, if such tax payable on transfer of listed securities or units or zero coupon bonds exceed 10% of the LTCG (without indexation benefit), the excess tax shall be ignored for the purpose of computing the tax payable by the assessee. However, Finance Act, 2014 has amended the provisions of section 112 allowing the concessional rate of tax of ten per cent on long term capital gain to listed securities (other than unit) and zero coupon bonds. This amendment is applicable on and after July 10, 2014.
- ▶ As per provisions of Section 111A of the Act, STCG arising on sale of equity shares or units of equity oriented mutual fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D)), are subject to tax at the rate of 15% provided the transaction is chargeable to STT. No deduction under Chapter VIA is allowed from such income.
- ▶ STCG arising on sale of equity shares or units of equity oriented mutual fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D) or a unit of a business trust, where such transaction is not chargeable to STT is taxable at the rate of 30%.
- ▶ The tax rates mentioned above stands increased by surcharge, payable at the rate of 5% where the taxable income of a domestic company exceeds Rs 10,000,000 but not Rs. 100,000,000. The surcharge shall be payable at the rate of 10% where the taxable income of a domestic company exceeds Rs 100,000,000. Further, education cess and secondary and higher education cess on the total income at the rate of 2% and 1% respectively is payable by all categories of taxpayers. The Finance Act 2015 has amended the tax rates mentioned above so as to be increased by surcharge, payable at

the rate of 7% where the taxable income of a domestic company exceeds Rs 10,000,000 but not Rs. 100,000,000. The surcharge shall be payable at the rate of 12% where the taxable income of a domestic company exceeds Rs 100,000,000. Further, education cess and secondary and higher education cess on the total income at the rate of 2% and 1% respectively is payable by all categories of taxpayers. However, the proposed amendment shall be applicable during financial year 2015-16.

- ▶ As per Section 50 of the Act, where a capital asset is forming part of a block of assets in respect of which depreciation has been allowed under the Act, capital gains shall be computed in the following manner:

- ▶ where full value of consideration on account of transfer of any asset forming part of block of asset, as reduced by expenditure incurred wholly or exclusively in connection with transfer, exceeds the written down value of block of assets and actual cost of assets acquired during the year, such excess shall be deemed to be short term capital gains and taxed accordingly.

- ▶ where any block of assets ceases to exist, for the reason that all the assets in that block are transferred, the difference between the consideration arising on result of transfer and the written down value of block of assets and the actual cost of assets acquired during the year, shall be deemed to be short term capital gains/ (losses) and taxed accordingly.

- ▶ As per provisions of 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 loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent 8 assessment years.

- ▶ As per provisions of 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 assessment years.

(ii) Exemption of capital gains from income – tax

- ▶ Under Section 54EC of the Act, capital gain arising from transfer of long term capital assets [other than those exempt u/s 10(38)] shall be exempt from tax, subject to the conditions and to the extent specified therein, if the capital gain are invested within a period of six months from the date of transfer in the bonds redeemable after three years and issued by –:

- ▶ National Highway Authority of India (NHAI) constituted under Section 3 of National Highway Authority of India Act, 1988; and
- ▶ Rural Electrification Corporation Limited (REC), a company formed and registered under the Companies Act, 1956.

- ▶ Where a part of the capital gains is reinvested, the exemption is available on a proportionate basis. The maximum investment in the specified long term asset cannot exceed Rs 5,000,000 per assessee during any financial year and subsequent financial year.

- ▶ Where the new bonds are transferred or converted into money within three years from the date of their acquisition, the amount so exempted shall be taxable as capital gains in the year of transfer / conversion.

- ▶ The characterization of the gain / losses, arising from sale / transfer of shares / units as business income or capital gains would depend on the nature of holding and various other factors.

(d) Securities Transaction Tax ('STT')

- ▶ As per provisions of Section 36(1)(xv) of the Act, STT paid in respect of the taxable securities transactions entered into in the course of the business is allowed as a deduction if the income arising from such taxable securities transactions is included in the income computed under the head 'Profit and gains of business or profession'. Where such deduction is claimed, no further deduction in respect of the said amount is allowed while determining the income chargeable to tax as capital gains.

(e) Dividends

- ▶ As per provisions of Section 10(34) read with Section 115-O of the Act, dividend (both interim and final), if any, received by the Company on its investments in shares of another Domestic Company is exempt from tax.

The domestic company distributing dividends will be liable to pay dividend distribution tax at the rate of 15% on net basis on the amount of dividend payable till September 30, 2014 (plus a surcharge of 10% on the dividend distribution tax and education cess and secondary and higher education cess of 2% and 1% respectively on the amount of dividend distribution tax and surcharge thereon). The Finance Act 2015 has increased rate of surcharge to 12%.

- ▶ Further w.e.f October 1, 2014, Finance Act 2014, has amended section 115-O in order to provide that for the purpose of determining the tax on distributed profits payable in accordance with the section 115-O, any amount which is declared, distributed or paid by any domestic Company out of current or accumulated profit on or after 1 April 2003 is to be reduced by any amount of dividend as received by the company from its subsidiary or from foreign companies during the financial year, shall be increased to such amount as would, after reduction of the tax on such increased amount at the rate of 15%, be equal to the net distributed profits.

- ▶ Therefore, the amount of distributable income and the dividends which are actually received by the unit holder of mutual fund or shareholders of the domestic company need to be grossed up for the purpose of computing the additional tax.

- ▶ Further, if the company being a holding company, has received any dividend from its subsidiary on which dividend distribution tax has been paid by such subsidiary, then company will not be required to pay dividend distribution tax to the extent the same has been paid by such subsidiary company.

As per provisions of Section 10(35) of the Act, income received in respect of units of a mutual fund specified under Section 10(23D) of the Act (other than income arising from transfer of such units) is exempt from tax.

- ▶ AS PER THE PROVISIONS OF SECTION 115BBD OF THE ACT, DIVIDEND RECEIVED BY INDIAN COMPANY FROM A SPECIFIED FOREIGN COMPANY (IN WHICH IT HAS SHAREHOLDING OF 26% OR MORE) WOULD BE TAXABLE AT THE CONCESSIONAL RATE OF 15% ON GROSS BASIS (EXCLUDING SURCHARGE AND EDUCATION CESS) UPTO MARCH 31, 2014. AS PER FINANCE ACT, 2014, THE BENEFIT OF LOWER RATE OF 15% IS EXTENDED WITHOUT LIMITING IT TO A PARTICULAR ASSESSMENT YEAR.
- ▶ FOR REMOVING THE CASCADING EFFECT OF DIVIDEND DISTRIBUTION TAX, WHILE COMPUTING THE AMOUNT OF DIVIDEND DISTRIBUTION TAX PAYABLE

BY A DOMESTIC COMPANY, THE DIVIDEND RECEIVED FROM A FOREIGN SUBSIDIARY ON WHICH INCOME-TAX HAS BEEN PAID BY THE DOMESTIC COMPANY UNDER SECTION 115BBD OF THE ACT SHALL BE REDUCED.

(F).....BUY-BACK OF SHARES

- ▶ As per section 115QA of the Act, an Indian unlisted company will have to pay 20% tax on 'distributed income' on buy-back of shares. Distributed income has been defined to mean consideration paid by the Indian unlisted company for purchase of its own shares as reduced by the amount which was received by the Indian unlisted company at the time of issue of such shares. The said provision has come into effect from June 1, 2013.

(g) Other Provisions

- ▶ As per provisions of Section 80G of the Act, the Company is entitled to claim deduction of a specified amount in respect of eligible donations, subject to the fulfilment of the conditions specified in that section.

As per provisions of Section 14A of the Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.

B. Benefits to the Resident members / shareholders of the Company under the Act

(a) Dividends exempt under section 10(34) of the Act

- ▶ As per provisions of Section 10(34) of the Act, dividend (both interim and final), if any, received by the resident members / shareholders from a Domestic Company is exempt from tax.

(b) Capital gains

(i) Computation of capital gains

- ▶ Capital assets are to be categorized into short - term capital assets and long – term capital assets based on the period of holding. All capital assets, being shares held in a company or any other security listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of a mutual fund specified under section 10(23D) of the Act or a zero coupon bond, held by an assessee for more than twelve months are considered to be long – term capital assets, capital gains arising from the transfer of which are termed as LTCG. In respect of any other capital assets, the holding period should exceed thirty – six months to be considered as long – term capital assets.
- ▶ STCG means capital gains arising from the transfer of capital asset being a share held in a company or any other security listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of a mutual fund specified under clause (23D) of Section 10 or a zero coupon bonds, held by an assessee for 12 months or less.
- ▶ In respect of any other capital assets, STCG means capital gain arising from the transfer of an asset, held by an assessee for 36 months or less.
- ▶ Finance Act, 2014 has amended section 2(42A) of the Act whereby capital assets, being security (other than a unit) listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of equity oriented fund or a zero coupon bond, held by an assessee for not more than twelve months are considered to be short – term

capital asset. In respect of any other capital assets, the holding period should not exceed thirty – six months to be considered as short– term capital assets. This amendment is applicable on and after July 10, 2014.

- ▶ Therefore, capital asset being unlisted share or unit of mutual fund (other than an equity oriented mutual fund) shall be short-term capital asset if it is held for not more than thirty-six months.
- ▶ LTCG arising on transfer of equity shares of a company or units of an equity oriented fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D) or a unit of business trust is exempt from tax as per provisions of Section 10(38) of the Act, provided the transaction is chargeable to STT and subject to conditions specified in that section.
- ▶ The Finance Act 2012 has amended the chapter of Securities Transaction Tax [Chapter VII of Finance Act (No 2) of 2004]. As per the amendment, sale of unlisted equity shares under an offer for sale to the public which are included in an initial public offer and where such shares are subsequently listed on a recognized stock exchange, the same would be covered within the ambit of taxable securities transaction under the said Chapter. Accordingly, STT is leviable on sale of shares under an offer for sale to the public in an initial public offer and the LTCG arising on transfer of such shares would be exempt from tax as per provisions of Section 10(38) of the Act.
- ▶ As per provisions of Section 48 of the Act, LTCG arising on transfer of capital assets, other than bonds and debentures (excluding capital indexed bonds issued by the Government) and depreciable assets, is computed by deducting the indexed cost of acquisition and indexed cost of improvement from the full value of consideration.
- ▶ As per provisions of Section 112 of the Act, LTCG not exempt under Section 10(38) of the Act are subject to tax at the rate of 20% with indexation benefits. However, if such tax payable on transfer of listed securities or units or zero coupon bonds exceed 10% of the LTCG (without indexation benefit), the excess tax shall be ignored for the purpose of computing the tax payable by the assessee.
- ▶ As per provisions of Section 111A of the Act, STCG arising on sale of equity shares or units of equity oriented mutual fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D) or unit of a business trust, are subject to tax at the rate of 15% provided the transaction is chargeable to STT. No deduction under Chapter VIA is allowed from such income.
- ▶ STCG arising on sale of equity shares or units of equity oriented mutual fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D)), where such transaction is not chargeable to STT is taxable at the rate of 30% in case of domestic company and at normal slab rates in case of other assessees.
- ▶ The Finance Act 2013 has inserted clause 34A in section 10 which provided that any income arising to shareholders on account of buy-back of shares as referred to in Section 115QA of the Act (buy-back of shares by unlisted companies) shall be exempt in the hands of the shareholders.
- ▶ In the case of domestic companies, the tax rates mentioned above stands increased by surcharge, payable at the rate of 5% where the taxable income of a domestic company exceeds Rs 10,000,000. As per Finance Act 2013 surcharge shall be payable at the rate of 10% where the taxable income of a domestic company exceeds Rs 100,000,000. Further, education cess and secondary and higher education cess on the total income at

the rate of 2% and 1% respectively is payable by all categories of taxpayers. As per Finance Act 2015, surcharge shall be payable at the rate of 7% where the taxable income of a domestic company is within Rs. 10,000,000 to Rs. 100,000,000; and at the rate of 12% where the taxable income of a domestic company exceeds Rs 100,000,000. However the proposed amendment shall be applicable during financial year 2015-16.

▶ As per provisions of 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 loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent 8 assessment years.

▶ As per provisions of 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 assessment years.

(ii) Exemption of capital gains arising from income – tax

▶ As per Section 54EC of the Act, capital gains arising from the transfer of a long term capital asset are exempt from capital gains tax if such capital gains are invested within a period of 6 months after the date of such transfer in specified bonds issued by NHAI and REC and subject to the conditions specified therein:

▶ Where a part of the capital gains is reinvested, the exemption is available on a proportionate basis. The maximum investment in the specified long term asset cannot exceed Rs 5,000,000 per assessee during any financial year and subsequent financial years.

▶ Where the new bonds are transferred or converted into money within three years from the date of their acquisition, the amount so exempted is taxable as capital gains in the year of transfer / conversion.

▶ In addition to the same, some benefits are also available to a resident shareholder being an individual or Hindu Undivided Family ('HUF').

▶ As per provisions of Section 54F of the Act, LTCG arising from transfer of shares is exempt from tax if the 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 and subject to conditions and to the extent specified therein.

▶ As per provisions of Section 56(2)(vii) of the Act and subject to exception provided in second proviso therein, where an individual or HUF receives shares and securities without consideration or for a consideration which is less than the aggregate fair market value of the shares and securities by an amount exceeding fifty thousand rupees, the excess of fair market value of such shares and securities over the said consideration is chargeable to tax under the head 'income from other sources'. However, the said section is not applicable in case the shares and securities are received under instances specified under the proviso thereon.

(c) Other Provisions

▶ As per provisions of Section 14A of the Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.

- ▶ The characterization of the gain / losses, arising from sale / transfer of shares as business income or capital gains would depend on the nature of holding and various other factors.

C. Benefits to the Non-resident shareholders of the Company under the Act

(a) Dividends exempt under section 10(34) of the Act

- ▶ As per provisions of Section 10(34), dividend (both interim and final), if any, received by non-resident shareholders from the Company is exempt from tax. The Company will be liable to pay dividend distribution tax at the rate of 15% plus a surcharge of 5% on the dividend distribution tax and education cess and secondary and higher education cess of 2% and 1% respectively on the amount of dividend distribution tax and surcharge thereon on the total amount distributed as dividend. The Finance Act 2015 has increased the rate of surcharge to 12%. However, the same shall be applicable during Financial year 2015-16.

(b) Capital gains

(i) Computation of capital gains

- ▶ Capital assets are to be categorized into short - term capital assets and long – term capital assets based on the period of holding. All capital assets, being shares held in a company or any other security listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of a mutual fund specified under section 10(23D) of the Act or a zero coupon bond, held by an assessee for more than twelve months are considered to be long – term capital assets, capital gains arising from the transfer of which are termed as LTCG. In respect of any other capital assets, the holding period should exceed thirty – six months to be considered as long – term capital assets.
- ▶ STCG means capital gain arising from the transfer of capital asset being a share held in a company or any other security listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of a mutual fund specified under clause (23D) of Section 10 or a zero coupon bonds, held by an assessee for 12 months or less.
- ▶ In respect of any other capital assets, STCG means capital gain arising from the transfer of an asset, held by an assessee for 36 months or less.
- ▶ Finance Act, 2014 has amended section 2(42A) of the Act whereby capital assets, being security (other than a unit) listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of equity oriented fund or a zero coupon bond, held by an assessee for not more than twelve months are considered to be short – term capital asset. In respect of any other capital assets, the holding period should not exceed thirty – six months to be considered as short– term capital assets. This amendment is applicable on and after 10th July, 2014.
- ▶ Therefore, capital asset being unlisted share or unit of mutual fund (other than an equity oriented mutual fund) shall be short-term capital asset if it is held for not more than thirty-six months.
- ▶ LTCG arising on transfer of equity shares of a company or units of an equity oriented fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D) or a unit of business trust is exempt from tax as per provisions of Section 10(38) of the Act, provided the transaction is chargeable to STT and subject to conditions specified in that section.

- ▶ The Finance Act 2012 has amended the chapter of Securities Transaction Tax [Chapter VII of Finance Act (No 2) of 2004]. As per the amendment, sale of unlisted equity shares under an offer for sale to the public which are included in an initial public offer and where such shares are subsequently listed on a recognized stock exchange, the same would be covered within the ambit of taxable securities transaction under the said Chapter. Accordingly, STT is leviable on sale of shares under an offer for sale to the public in an initial public offer and the LTCG arising on transfer of such shares would be exempt from tax as per provisions of Section 10(38) of the Act.
- ▶ As per provisions of Section 112 of the Act, LTCG arising on transfer of listed securities not exempt under Section 10(38) of the Act are subject to tax at the rate of 20% with indexation benefits. The indexation benefits are however not available in case the shares are acquired in foreign currency. In such a case, the capital gains shall be computed in the manner prescribed under the proviso to Section 48. As per first proviso to Section 48 of the Act, where the shares have been purchased in foreign currency by a non-resident, the capital gains arising on its transfer 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. The conversion needs to be at the prescribed rates prevailing on dates stipulated. If the tax payable on transfer of listed securities exceeds 10% of the LTCG, the excess tax shall be ignored for the purpose of computing tax payable by the assessee.
- ▶ Further, LTCG arising from transfer of unlisted securities (other than by way of offer for sale under an initial public offer) is chargeable to tax at 10% without indexation and foreign exchange fluctuation benefits.
- ▶ As per provisions of Section 111A of the Act, STCG arising on sale of equity shares or units of equity oriented mutual fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D)) or a unit of business trust, are subject to tax at the rate of 15% provided the transaction is chargeable to STT. No deduction under Chapter VIA is allowed from such income.
- ▶ STCG arising on sale of equity shares or units of equity oriented mutual fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D)), where such transaction is not chargeable to STT is taxable at the normal rates of taxation as applicable to the taxpayer.
- ▶ As per section 10(34A), any income arising to shareholders on account of buy-back of shares as referred to in Section 115QA of the Act (buy-back of shares by unlisted companies) shall be exempt in the hands of the shareholders.
- ▶ The tax rates mentioned above stands increased by surcharge, payable at the rate of 2% where the taxable income of a foreign company exceeds Rs 10,000,000. As per the Finance Act 2013 the levy of surcharge as follows:
- ▶ In case of a foreign company whose total taxable income exceeds Rs 100,000,000 the rate of surcharge shall increase from 2% to 5%
- ▶ In case of other non-residents, whose total taxable income exceeds Rs 10,000,000 surcharge shall be payable at the rate of 10% of income tax payable. The Finance Act 2015 has increased the rate of surcharge to 12%. It may be noted that the proposed amendment shall be applicable during Financial year 2015-16.

- ▶ Further, education cess and secondary and higher education cess on the total income at the rate of 2% and 1% respectively is payable by all categories of taxpayers.
- ▶ As per provisions of 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 loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent 8 assessment years.
- ▶ As per provisions of 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 assessment years.
- (ii) Exemption of capital gains arising from income – tax
 - ▶ As per Section 54EC of the Act, capital gains arising from the transfer of a long term capital asset are exempt from capital gains tax if such capital gains are invested within a period of 6 months after the date of such transfer in specified bonds issued by NHAI and REC and subject to the conditions specified therein:
 - ▶ Where a part of the capital gains is reinvested, the exemption is available on a proportionate basis. The maximum investment in the specified long term asset cannot exceed Rs 5,000,000 per assessee during any financial year and the subsequent financial year.
 - ▶ Where the new bonds are transferred or converted into money within three years from the date of their acquisition, the amount so exempted is taxable as capital gains in the year of transfer / conversion.
 - ▶ As per provisions of Section 14A of the Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.
 - ▶ The characterization of the gain / losses, arising from sale / transfer of shares as business income or capital gains would depend on the nature of holding and various other factors.
 - ▶ In addition to the same, some benefits are also available to a non-resident shareholder being an individual or HUF.
 - ▶ As per provisions of Section 54F of the Act, LTCG arising from transfer of shares is exempt from tax if the 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 one new residential house in India, or for construction of one residential house in India within three years from the date of transfer and subject to conditions and to the extent specified therein.
 - ▶ As per provisions of Section 56(2)(vii) of the Act and subject to exception provided in second proviso therein, where an individual or HUF receives shares and securities without consideration or for a consideration which is less than the aggregate fair market value of the shares and securities by an amount exceeding fifty thousand rupees, the excess of fair market value of such shares and securities over the said consideration is chargeable to tax under the head 'income from other sources'. However, the said section is not applicable in case the shares and securities are received under instances specified under the proviso thereon.

(c) Tax Treaty benefits

- ▶ As per provisions of Section 90(2) of the Act, non-resident shareholders can opt to be taxed in India as per the provisions of the Act or the double taxation avoidance agreement entered into by the Government of India with the country of residence of the non-resident shareholder, whichever is more beneficial. It needs to be noted that a non-resident is required to hold a valid tax residency certificate. Additionally the non-resident tax payer is required to provide such other documents and information in the Form 10F as prescribed vide Notification 57 of 2013 dated 1 August 2013. However, it may be noted that Tax Authorities may ask for other information and supporting documents if required.

(d) Taxation of Non-resident Indians

- ▶ Special provisions in case of Non-Resident Indian ('NRI') in respect of income / LTCG from specified foreign exchange assets under Chapter XII-A of the Act are as follows:
- ▶ NRI means a citizen of India or a person of Indian origin who is not a resident. A 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.
- ▶ Specified foreign exchange assets include shares of an Indian company which are acquired / purchased / subscribed by NRI in convertible foreign exchange.
- ▶ As per provisions of Section 115E of the Act, LTCG arising to a NRI from transfer of specified foreign exchange assets as duly mentioned in Section 115C(f) of the Act is taxable at the rate of 10% (plus education cess and secondary & higher education cess of 2% and 1% respectively). Further as per the Finance Act 2013 a surcharge of 10% is applicable in case income of the NRI exceeds Rs 10,000,000. As per the Finance Act 2015, the surcharge rate shall be increased to 12% where income of the NRI exceeds Rs 10,000,000. It may be noted that the proposed amendment shall be applicable during Financial year 2015-16.
- ▶ As per provisions of Section 115E of the Act, income (other than dividend which is exempt under Section 10(34)) from investments and LTCG (other than gain exempt under Section 10(38)) from assets (other than specified foreign exchange assets under Section 115C(f)) arising to a NRI is taxable at the rate of 20% (education cess and secondary & higher education cess of 2% and 1% respectively). No deduction is allowed from such income in respect of any expenditure or allowance or deductions under Chapter VI-A of the Act. Further as per the Finance Act 2013, a surcharge of 10% is applicable in case income of the NRI exceeds Rs 10,000,000. As per the Finance Act 2015, the surcharge rate shall be increased to 12% where income of the NRI exceeds Rs 10,000,000. It may be noted that the proposed amendment shall be applicable during Financial year 2015-16.
- ▶ As per provisions of Section 115F of the Act, LTCG arising to a NRI on transfer of a foreign exchange asset is exempt from tax if the net consideration from such transfer is invested in the specified assets or savings certificates within six months from the date of such transfer, subject to the extent and conditions specified in that section. If only part of the net consideration is so reinvested, the exemption will be proportionately reduced. However the amount so exempted will be chargeable to tax subsequently, if the specified assets are transferred or converted into money within three years from the date of their acquisition.
- ▶ As per provisions of Section 115G of the Act, where the total income of a NRI consists only of income / LTCG from such foreign exchange asset / specified asset and tax thereon has been deducted at source in accordance with the Act, the NRI is not required to file a return of income.

- ▶ As per provisions of 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 / she may furnish a declaration in writing to the assessing officer, along with his / her return of income under Section 139 of the Act for the assessment year in which he / she is first assessable as a resident, to the effect that the provisions of the Chapter XII-A shall continue to apply to him / her in relation to investment income derived from the specified assets for that year and subsequent years until such assets are transferred or converted into money.
- ▶ As per provisions of Section 115I of the Act, a NRI can opt not to 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 the chapter shall not apply for that assessment year. In such a situation, the other provisions of the Act shall be applicable while determining the taxable income and tax liability arising thereon.
- ▶ As per the section 10(34A), any income arising to shareholders on account of buy-back of shares as referred to in Section 115QA of the Act (buy-back of shares by unlisted companies) shall be exempt in the hands of the shareholders with effect from 1 April 2014.

D. Benefits available to Foreign Institutional Investors ('FIIs') under the Act

- (a) Dividends exempt under section 10(34) of the Act
 - ▶ As per provisions of Section 10(34) of the Act, dividend (both interim and final), if any, received by a shareholder from a domestic Company is exempt from tax.
- (b) Long – term capital gains exempt under section 10(38) of the Act
 - ▶ LTCG arising on sale equity shares of a company subjected to STT is exempt from tax as per provisions of Section 10(38) of the Act. It is pertinent to note that as per provisions of Section 14A of the Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.
- (c) Capital gains
 - ▶ As per provisions of Section 115AD of the Act, income (other than income by way of dividends referred to Section 115-O) received in respect of securities (other than units referred to in Section 115AB) is taxable at the rate of 20% (plus applicable surcharge and education cess and secondary & higher education cess). No deduction is allowed from such income in respect of any expenditure or allowance or deductions under Chapter VI-A of the Act. Finance Act, 2014 has inserted a provision that the amount of income tax calculated on the income by way of interest referred in section 194LD shall be at the rate of five percent. The said provision was made applicable in case of interest payable at any time on or after 1 June 2013 but before 1 June 2015 to FIIs and QFIs on their investments in Government securities and rupee denominated corporate bonds provided that the rate of interest does not exceed the rate notified by the Central Government in this regard. Finance Act, 2015 has amended section 194LD to provide that the concessional rate of 5% withholding tax on interest payment under the section will now be available on interest payable up before 1st July 2017.
 - ▶ As per provisions of Section 115AD of the Act, capital gains arising from transfer of securities is taxable as follows:

Nature of income	Rate of tax (%)
LTCG on sale of equity shares not subjected to STT	10
STCG on sale of equity shares subjected to STT	15

STCG on sale of equity shares not subjected to STT	30
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- ▶ For corporate FIIs, the tax rates mentioned above stands increased by surcharge, payable at the rate of 5% where the taxable income exceeds Rs 10,000,000. Further, education cess and secondary and higher education cess on the total income at the rate of 2% and 1% respectively is payable by all categories of FIIs. The Finance Act 2015 has amended the rate of surcharge to 12%. It may be noted that the proposed amendment shall be applicable during Financial year 2015-16.
 - ▶ Further, vide Finance Act (No.2), 2014 it was provided that any securities held by a Foreign Institutional Investor which has invested in such securities in accordance with the regulations made under the Securities and Exchange Board of India Act, 1992 would be capital asset. Consequently, the income arising to a Foreign Institutional Investor from transactions in securities would always be in the nature of capital gains. The Finance Act 2015 has further amended the provisions of section 115JB so as to insert a new clause (iid) in Explanation 1 to provide that the amount of income from transactions in securities, if such income is credited in the Profit and loss account and the income tax payable thereon in accordance with the Provisions of the Act, other than the Provisions in chapter XII-B (Special Provisions relating to certain Companies) is at a rate less than eighteen and a half percentage, shall be reduced from the book profit for the purposes of calculation of income-tax payable under the section. Further by inserting a new clause (fb) in Explanation 1, the book profit shall be increased by the amount or amounts of expenditure relatable to the above income. These amendments will take effect from 1st April, 2016.
 - ▶ The benefit of exemption under Section 54EC of the Act mentioned above in case of the Company is also available to FIIs.
 - ▶ As per the Finance Act, 2013 any income arising to shareholders on account of buy-back of shares as referred to in Section 115QA of the Act (buy-back of shares by unlisted companies) shall be exempt in the hands of the shareholders.
- (d) Securities Transaction Tax
- ▶ As per provisions of Section 36(1)(xv) of the Act, STT paid in respect of the taxable securities transactions entered into in the course of the business is allowed as a deduction if the income arising from such taxable securities transactions is included in the income computed under the head 'Profit and gains of business or profession'. Where such deduction is claimed, no further deduction in respect of the said amount is allowed while determining the income chargeable to tax as capital gains.
- (e) Tax Treaty benefits
- ▶ As per provisions of Section 90(2) of the Act, FIIs can opt to be taxed in India as per the provisions of the Act or the double taxation avoidance agreement entered into by the Government of India with the country of residence of the FII, whichever is more beneficial. It needs to be noted that a non-resident is required to hold a valid tax residency certificate. Additionally the FII is required to provide such other documents and information in the Form 10F as prescribed vide Notification 57 of 2013 dated August 1 ,2013. However, it may be noted that Tax Authorities may ask for other information and supporting documents if required.
 - ▶ The characterization of the gain / losses, arising from sale / transfer of shares as business income or capital gains would depend on the nature of holding and various other factors.

E. Benefits available to Mutual Funds under the Act

- (a) Dividend income

Dividend income, if any, received by the shareholders from the investment of mutual funds in shares of a domestic Company will be exempt from tax under section 10(34) read with section 115O of the Act.

- (b) As per 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 and mutual funds authorized by the Reserve Bank of India, is exempt from income-tax, subject to the prescribed conditions.

F. Wealth Tax Act, 1957

- ▶ Wealth tax is chargeable on prescribed assets. As per provisions of Section 2(m) of the Wealth Tax Act, 1957, the Company is entitled to reduce debts owed in relation to the assets which are chargeable to wealth tax while determining the net taxable wealth.
- ▶ Shares in a company, held by a shareholder are not treated as an asset within the meaning of Section 2(ea) of the Wealth Tax Act, 1957 and hence, wealth tax is not applicable on shares held in a company.
- ▶ The Finance Act 2015 has abolished Wealth Tax Act, 1957 with effect from 1 April 2016.

G. Gift Tax Act, 1958

- ▶ Gift tax is not leviable in respect of any gifts made on or after October 1, 1998.

Note:

- ▶ All the above benefits are as per the current tax laws and will be available only to the sole / first name holder where the shares are held by joint holders.

SECTION IV: ABOUT OUR COMPANY

INDUSTRY

Unless noted otherwise, the information in this section is derived from “Assessment of the India Outbound International Roaming Market” report commissioned by us for the purposes of this Draft Red Herring Prospectus and prepared by Frost & Sullivan (the “**Frost & Sullivan Report**”) as well as other industry sources and government publications. None of the Company, the Selling Shareholders, the BRLMs, or their respective financial, legal or other advisors and any other person connected with the Offer has independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from sources believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors should not place undue reliance on, or base their investment decision on this information. In particular, you should not unduly rely on the information sourced from the Frost & Sullivan Report as such report was commissioned by us.

Overview of the Indian Economy

India is the world's largest democracy in terms of population (1,236.34 million people, July 2014 estimate) with an estimated GDP (by purchasing power parity) of US\$ 7.28 trillion (in 2014 US\$ terms) (Source: CIA World Factbook, 2014 estimate). The Indian economy is the fourth largest economy by purchasing power parity. (Source: CIA World Factbook, 2014 estimate)

The following table sets forth the key indicators of the Indian economy for the past three fiscals.

(Annual percentage change, except for foreign exchange reserves)

Fiscal	As at and for the year ended March 31		
	2013	2014	2015
GDP growth rate (constant market prices)	5.1	6.9	7.4 ^(a)
Index of Industrial Production (growth) ^(c)	1.1	-0.1	2.1 ^(b)
Inflation - Wholesale Price Index (average)	7.4	6.0	3.4 ^(b)
Foreign Exchange Reserves (in US\$ billion) ^(d)	292.0	304.2	328.7

(Source: Indian Economic Survey 2014-15, Ministry of Finance, Government of India)

- e. Advanced estimates
- f. April to December 2014
- g. Base (2004-05= 100)
- h. Figures for 2013-14 relate to end of financial year and the figure for 2014-15 is at end January 2015

One of the redeeming features, while comparing economic performance across different countries for the Fiscal 2015, has been the emergence of India among the few large economies with propitious economic outlook, amidst the mood of pessimism and uncertainties that engulf a number of advanced and emerging economies. Brighter prospects in India owe mainly to the fact that the economy stands largely relieved of the vulnerabilities associated with an economic slowdown, persistent inflation, elevated fiscal deficit, slackening domestic demand, external account imbalances, and oscillating value of the rupee in Fiscal 2012 and Fiscal 2013. (Source: Indian Economic Survey 2014-15, Ministry of Finance, Government of India)

Worldwide Travel and Tourism Industry

The Travel & Tourism Industry represents a wide spectrum of global economic activity spanning countries across the world.

The tourism industry has been generating revenue as well as employment for many countries globally, and across most countries, both inbound and outbound tourism has been on the rise. Over the past six decades, this industry has continued to grow and diversify, emerging as one of the fastest growing socio-economic spaces globally (Source: Frost & Sullivan Report).

World Tourism: Key Figures in Calendar Year 2013

9% of the global GDP- direct, indirect, and induced impact
1 in 11 global jobs
6% of the world's exports (1.4 trillion USD in exports)
Increase in international tourists from 25 million in CY1950 to 1087 million in CY2013
Source: UNWTO Tourism Highlights 2014 Edition for CY2013 as quoted in the Frost & Sullivan Report

The major reasons for increasing tourism are attributed to increasing disposable income, the burgeoning middle class population, easier accessibility to different regions, and increasing affordability of air travel. Between CY2013-2030, there is an anticipated boost in outbound travel from emerging markets, which are supposed to grow at a rate double of the advanced markets implying that countries like India have a far higher growth potential as well as growth rate in comparison to advanced markets. The market share of emerging markets have increased from 30 percent in the 1980s to 47 percent in CY2013 and are anticipated to contribute to 57 percent of the global tourists by CY2030 (Source: UNWTO Tourism Highlights 2014 Edition for CY2013 as quoted in the Frost & Sullivan Report).

The European Union (“EU”) leads the space in number of international tourism arrivals and is expected to remain the largest space even as a mature market with the highest revenue spends as well. The Asia Pacific is the fastest growing region, which already accounts for 31 percent of the global tourism revenues and 23 percent of the footfall and would be the market to focus on for tourists (Source: UNWTO Tourism Highlights 2014 Edition for CY2013 as quoted in the Frost & Sullivan Report).

The table below provides the details of tourism arrivals and tourism spends for some of the major economies in calendar 2013.

Tourist arrivals (Million) ^(*)		Tourism Spend (USD Billion)	
France	86	USA	139
USA	70	Spain	61
Spain	61	France	56
China	56	China	52

Source: UNWTO Tourism Highlights 2014 Edition for CY2013 as quoted in the Frost & Sullivan Report

* Figures indicate the tourist arrivals in the specific countries

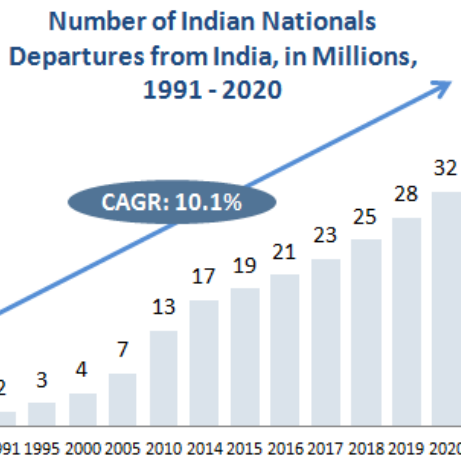
In CY2013, globally, leisure, recreation and holidays segment accounted for 52% of international travellers followed by 27% for friends and family visits, religion and health related travel. Business and professional travellers accounted for 14% of international travellers (Source: UNWTO Tourism Highlights 2014 Edition for CY2013 as quoted in the Frost & Sullivan Report)

India Outbound Travel and Tourism Industry

In 2013, India’s travel and tourism industry’s total contribution was USD137.4 billion implying almost 6.6 percent of the entire Indian GDP. India is expected to be amongst the leaders in terms of annual growth in absolute values of the Travel & Tourism industry between 2013 and 2020, with a CAGR of 14 percent. (Source: World Travel & Tourism Council for CY2013 as quoted in the Frost & Sullivan Report).

The India outbound travel and tourism industry has grown steadily over the years. The number of Indian national departures from India was ~2 million in calendar 1991. This has increased to ~17million in calendar 2014 and is likely to reach a size of 32 million by calendar 2020 (Source: Ministry of Tourism as quoted in the Frost & Sullivan Report).

The chart below details the growth in the number of Indian national departures from India:



Source: Ministry of Tourism and Frost & Sullivan estimates as quoted in the Frost & Sullivan Report. Note: All figures are for calendar year. All figures have been rounded.

Key growth drivers of India outbound tourism

Increase in disposable income: There has been a healthy increase in the disposable income in India owing to a healthy growth in sectors such as IT and manufacturing. Individuals with above ₹1.00 million annual income are expected to increase from 15% of the population in CY2010 to 30% in CY2020. This, coupled with the increasing ease of connectivity as well as emerging travel agencies and portals, offers is a key aspect in boosting outbound tourism in India (Source: National Council for Applied Economic Research (NCAER) as quoted in the Frost & Sullivan Report).

Growth in IT sector and outsourcing: With increasing investments from other regions in IT/ITeS outsourcing to India because of the huge talent pool and 60-70 per cent cost saving over source countries, the industry's market size is expected to have a 123 percent growth from CY2012 to CY2020 (Source: India Brand Equity Foundation (IBEF), Frost & Sullivan Report). Owing to these reasons, there has been a healthy demand for business travel to onsite client locations. (Source: Frost & Sullivan Report).

Global education: Over two hundred and fifty thousand students (Source: ICEF Monitor as quoted in the Frost & Sullivan Report) went abroad annually for education in CY2013 and this segment is showing a healthy increase on a YoY basis. This could in turn drive the revenues for further tourist visitors in terms of the friends and family visits category as well. (Source: Frost & Sullivan Report).

Increasing Industrial activity leading to enterprise expansion: With increasing urbanization and industrial activity in the country, there is expected to be significant increase in the number of enterprises, especially in the Small and Medium Business (SMB) segment thereby creating more wealth and increasing the working population. This in turn may result in a higher outbound travellers travelling for business purposes (Source: Frost & Sullivan Report).

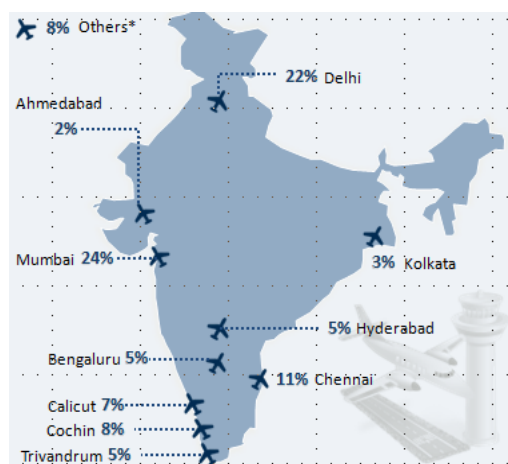
Cheaper airfare: With a healthy growth in connectivity across the globe and higher competition, air travel has become more affordable to the masses and is also ensuring a healthy increase in international tourist as well as business travel. This along with the above mentioned growth factors could drive the outbound tourism from India to other foreign countries and likely to result in an increase in outbound tourism. (Source: Frost & Sullivan Report).

Key Outbound Departure airports

In term of departures from Indian airports, Mumbai witnesses the highest amount of international outbound traffic. Delhi/NCR has recently become one of the regions with a high disposable income owing to multiple economic factors. This, along with many corporate headquarters, makes the region the second largest outbound tourist base. Regions like Cochin and Calicut have a high connectivity base with the Middle East owing to the

large population of international employees as well as Government subsidies for pilgrimages to the Middle East annually (Source: Bureau of Immigration, Ministry of Tourism as quoted in the Frost & Sullivan Report).

The map below gives the India outbound airport statistics for CY2012:

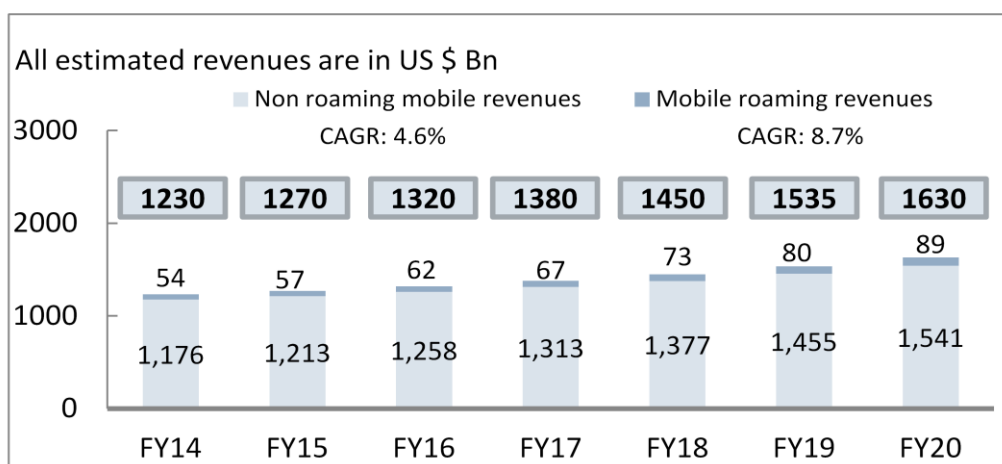


Source: Bureau of Immigration, Ministry of Tourism as quoted in the Frost & Sullivan Report. Statistics pertain to calendar 2012. Others include airports in Trichy, Goa, Guwahati, Srinagar, Amritsar, Jaipur, Varanasi and Lucknow

Global Roaming Market

The global mobile market is estimated to have revenues of USD1230 billion in Fiscal 2014. Out of this, mobile roaming revenues amounted to an estimated USD 54 billion. The global mobile revenue is likely to reach a size of USD1630 billion in Fiscal 2020. In comparison, the global mobile roaming revenue is expected to grow at a CAGR of 8.7% to reach a size of USD89 billion by Fiscal 2020 (Source: GSMA, Frost & Sullivan Report).

The chart below provides the expected growth in the global mobile market



Source: Statista GSMA and Frost & Sullivan analysis as quoted in the Frost & Sullivan Report.

Note: Base year is 2014. All figures have been rounded and in USD billion.

With the mobile penetration increasing across the globe and declining prices pushing the volumes up, there is an anticipated positive growth for the overall global mobile revenues contributed particularly by the emerging regions in Asia Pacific (Source: Frost & Sullivan Report).

Across the product lines, there is a considerable increase in demand both in terms of users as well as usage, but the price drops across global markets ensure that the revenue growth does not shift significantly (Source: Frost & Sullivan Report).

In terms of percentage of mobile users using international roaming in Fiscal 2014, Europe has comparatively a higher percentage of users using international roaming. In comparison, Asia Pacific region seems to have minimal utilization in terms of number of international roamers, even with exceedingly economical roaming rates, due to multiple reasons including GDP per capita, lesser disposable income, and silent roaming. This leaves immense potential that the country specific service providers and telecom service providers are yet to capture. (Source: Frost & Sullivan Report).

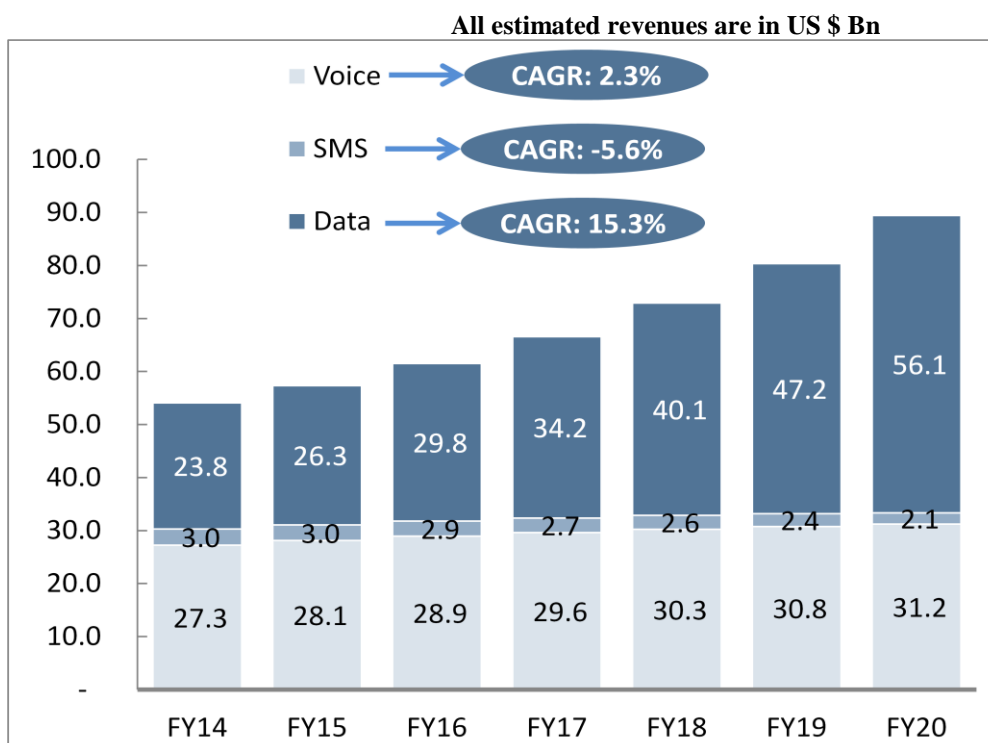
The chart below provides details on the percentage of mobile users utilising international roaming in Fiscal 2014.



Source: Statista GSMA and Frost & Sullivan analysis as quoted in the Frost & Sullivan Report

Within international roaming, voice (being a core offering) could potentially continue to witness stable growth although some decline in minutes of usage could also occur. This could be the key source of revenue for mobile operators as the primary utility is number retention. In comparison, SMS would witness a flattish de-growth due to even domestic demands for SMS dropping across countries. The primary shift is owing to IP-based push messaging services as well as OTT services. Data could potentially be the driver across service providers owing to the growth in demand for smartphones as well as increased adoption of OTT services. There could be a healthy uptake of VOIP services as well, which would potentially drive the data growth (Source: Frost & Sullivan Report).

The chart below provides details of the growth forecasts in the global roaming market in value terms in USD billion. The voice services is expected to grow at a CAGR of 2.3% from Fiscal 2014 to Fiscal 2020 while SMS services is expected to de-grow at a CAGR of 5.6% during the same period. In comparison data services is expected to grow at a CAGR of 15.3% from Fiscal 2014 to Fiscal 2020 in value terms.



Source: Frost & Sullivan Report. Base year is 2014; All figures in USD billion; All figures have been rounded.

The key drivers for growth in data services in international roaming globally are likely to be social networking driven by services, which would primarily include Facebook, Twitter, Instagram, etc. Other drivers are rich communication services, which could replace traditional voice and include services such as Skype, Viber etc. Further other services which consume greater bandwidth and navigation services such as Google maps are drivers of data consumption apart from services involving secure transactions and authentication processes (Source: Frost & Sullivan Report).

India Outbound international roaming market

Market size

The Indian outbound international roaming market has a total size of ₹11,850 million as of Fiscal 2014. This is likely to grow at a CAGR of 14% to reach a size of ₹25,952 million by Fiscal 2020 (Source: Frost & Sullivan Report).

The segment comprises of Telecom Service Providers (“TSPs”) and Country Specific SIM Card Providers (“CSSPs”). Apart from this, customers also have the option of purchasing a local SIM card in the destination country.

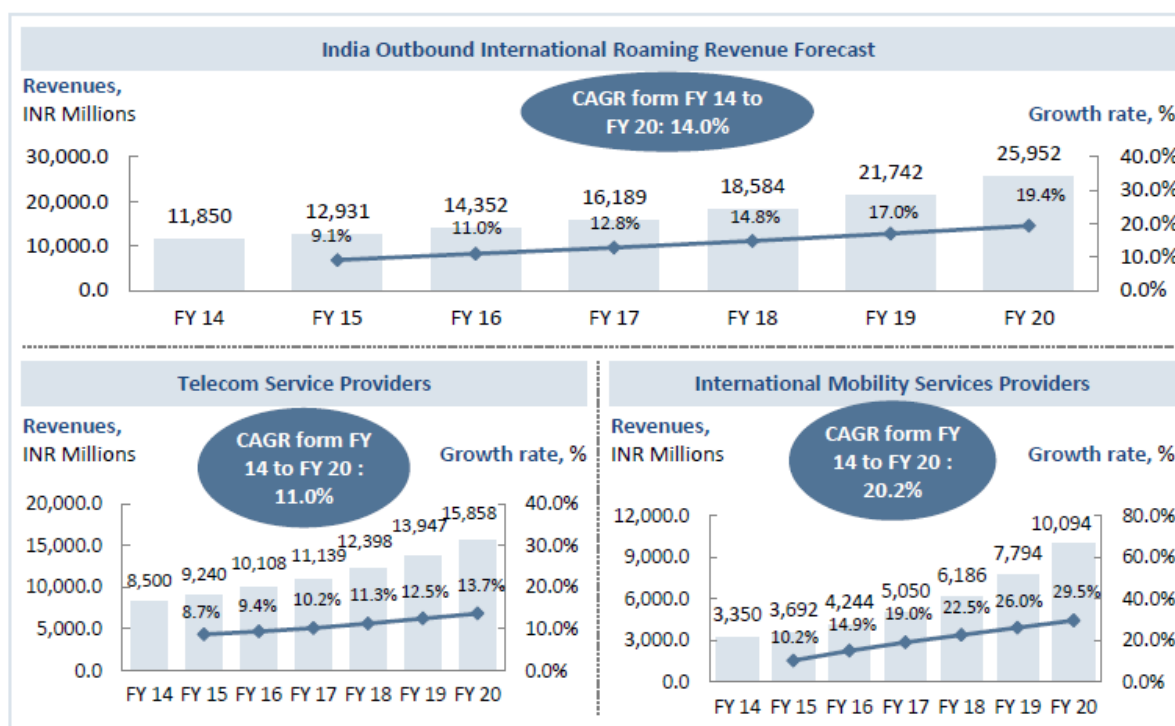
Telecom service providers are those who have mobile, Unified Access Service License (UASL) or other country-specific license holders entitled to offer mobile voice and data services. By activating the international roaming facility offered by the home network provider, a subscriber can make / receive voice calls, SMS and use data services from the destination country to their home country.

The CSSPs are participants entitled to offer prepaid or postpaid SIM card service of other foreign countries in the home country with a valid Government’s No Objection Certificate (NOC). SIM cards provided by registered CSSPs, allow the subscriber to use the purchased SIM card in the designated foreign country for which the card was bought and use it for voice, SMS and data services at a lower rate when compared to TSPs.

Within international roaming, TSPs had a total market size of ₹8,500 million in Fiscal 2014 which is expected to grow at a CAGR of 11 percent to reach a size of ₹15,858 million by Fiscal 2020. In comparison CSSPs had a size

of ₹3,350 million in Fiscal 2014 which is expected to grow at a CAGR of 20.2 percent to reach a size of ₹10,094 million in Fiscal 2020.

The charts below provide details of the expected growth trends in the India outbound international roaming market.



Note: All figures are in INR Millions, Base year is FY 14. Source: Frost & Sullivan analysis

Source: Frost & Sullivan Report. Note: Base year is 2014. All figures have been rounded

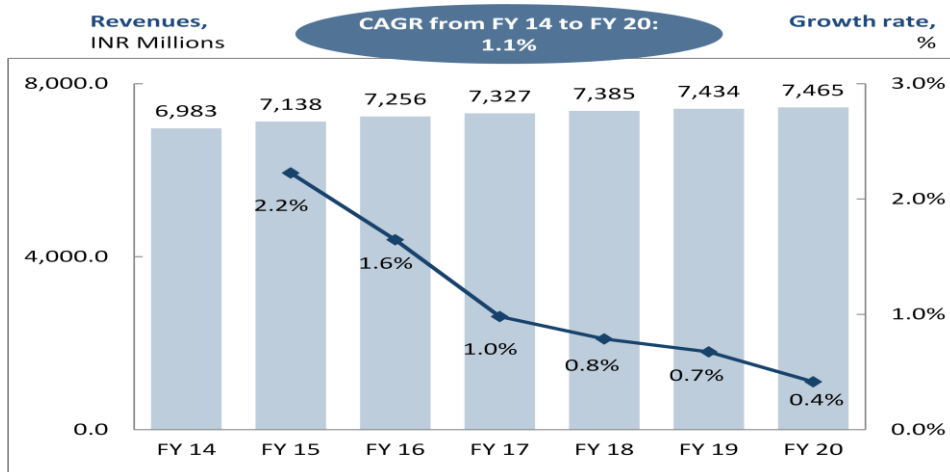
Market segments

The India outbound international roaming market can be categorised into voice, data and SMS segments.

Voice services

Voice constitutes to the largest proportion of revenues. The voice services is likely to grow at a CAGR of 1.1 percent from ₹6,983 million in Fiscal 2014 to ₹7,465 million in Fiscal 2020. Mobile voice communications is being overtaken at national and international levels by data access, access to emails using mobile phones, and the use of a wide range of mobile applications and other OTT services. Similar to national mobile usage, declining average revenue per user for voice services is another key trend observed for international roaming as well. The ARPU drops, coupled with slower growth in volumes owing to the traffic shifting to data services is likely to result in a relatively lower CAGR of 1.1 percent for voice services in international roaming (Source: Frost & Sullivan Report).

The chart below contains details the growth forecasts for India outbound international roaming market:



Source: Frost & Sullivan Report. Note: Base year is 2014. All figures have been rounded

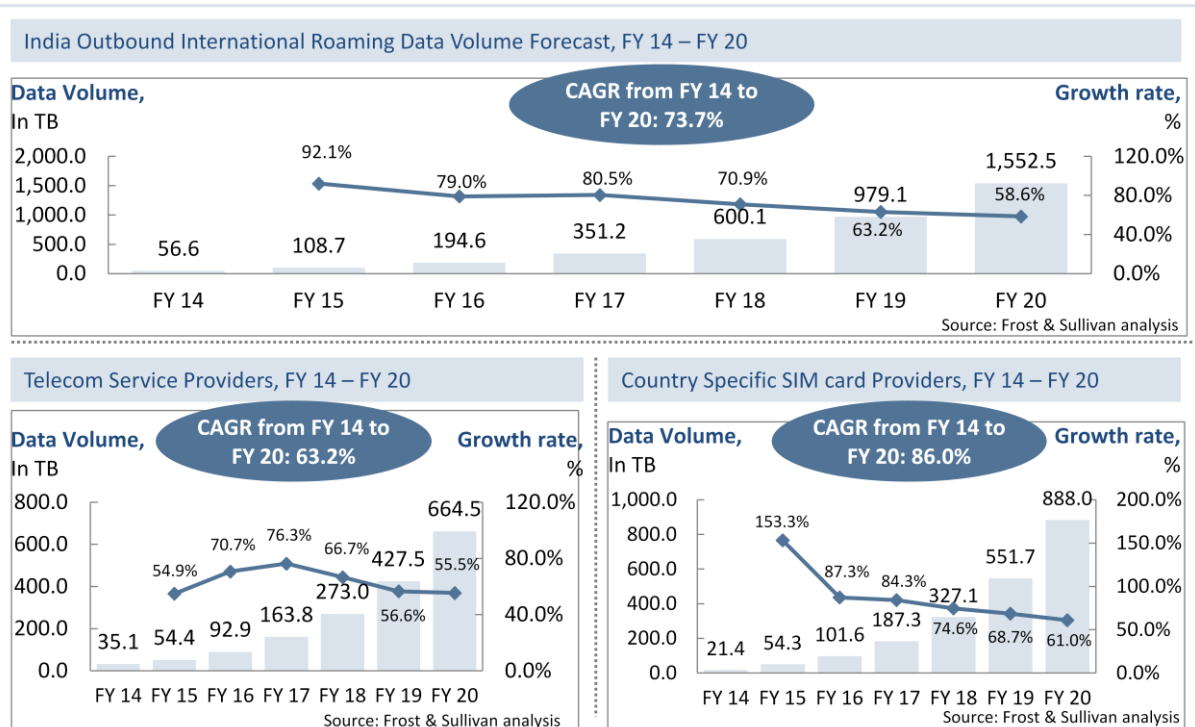
Data services

Data services is the second largest component of India outbound international roaming market. Technological change has shifted mobile subscribers from 2G to 3G mobile technologies in most markets. A key part of this change has been the increasing use of smartphones by subscribers stimulating the use of mobile broadband and data communications. Adoption of location-based services such as maps and use of OTT solutions are some of the key factors driving the usage of the mobile data services. Availability and use of local WiFi hotspots can negatively impact the growth of the mobile data market to some extent. However, ease of use and on the go accessibility of mobile data services is expected to curb the negative effect of WiFi hotspots. High tariff rates are another key concern for bill shocks, thereby hindering the usage of data services currently. However competitive pricing strategies in the near future might incentivize the usage and thereby is expected to boost the data volume significantly (Source: Frost & Sullivan Report).

Data services are expected to grow (in volume terms) at a CAGR of 73.7 percent from 56.6 TB in Fiscal 2014 to 1552.5 TB in Fiscal 2020. CSSPs are likely to grow at a CAGR of 86.0 percent for the same period while TSPs are expected to grow at a CAGR of 63.2 percent during the same period.

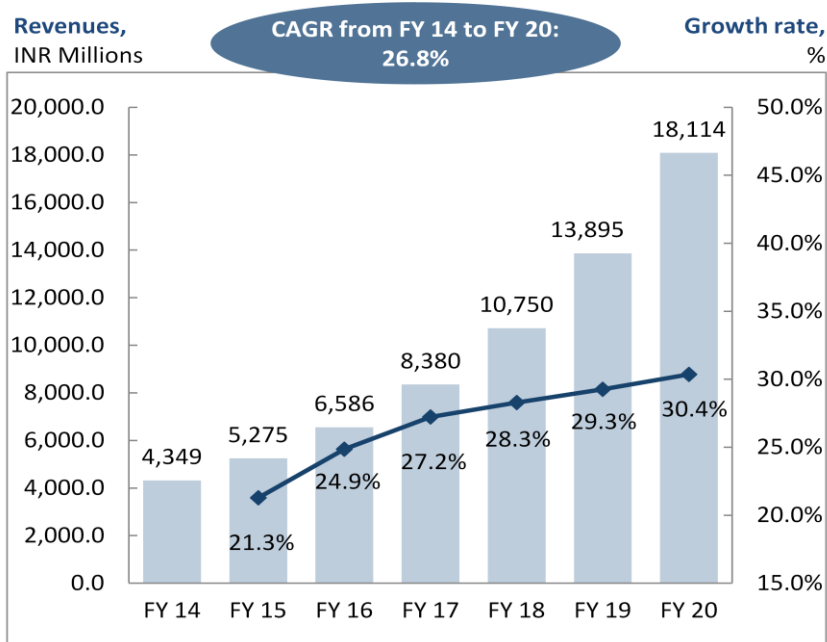
Key drivers in growth of data services in terms of volume are rise in data penetration with an increasing younger population, potential availability of low cost and affordable data packs, increasing necessity for on-the-go connectivity, increasing per capita data usage, accelerating higher speed network deployments such as 3G and LTE, increasing smart phone penetration and uptake of OTT applications such as Google Hangout, Skype, Viber and Whatsapp (Source: Frost & Sullivan Report).

The charts below detail out the data volume forecasts of the India outbound roaming market



Source: Frost & Sullivan Report. Note: Base year is 2014, All volume figures in terabytes. All figures have been rounded.

The data services market is expected to grow (in value terms) at a CAGR of 26.8 percent from ₹4,349 million in Fiscal 2014 to ₹18,114 million in Fiscal 2020. The chart below provides the forecasts for data services in India outbound international roaming from Fiscal 2014 to Fiscal 2020.



SMS services

SMS services are the smallest part of the India outbound international roaming market. The market is likely to gradually decline over the next few years.

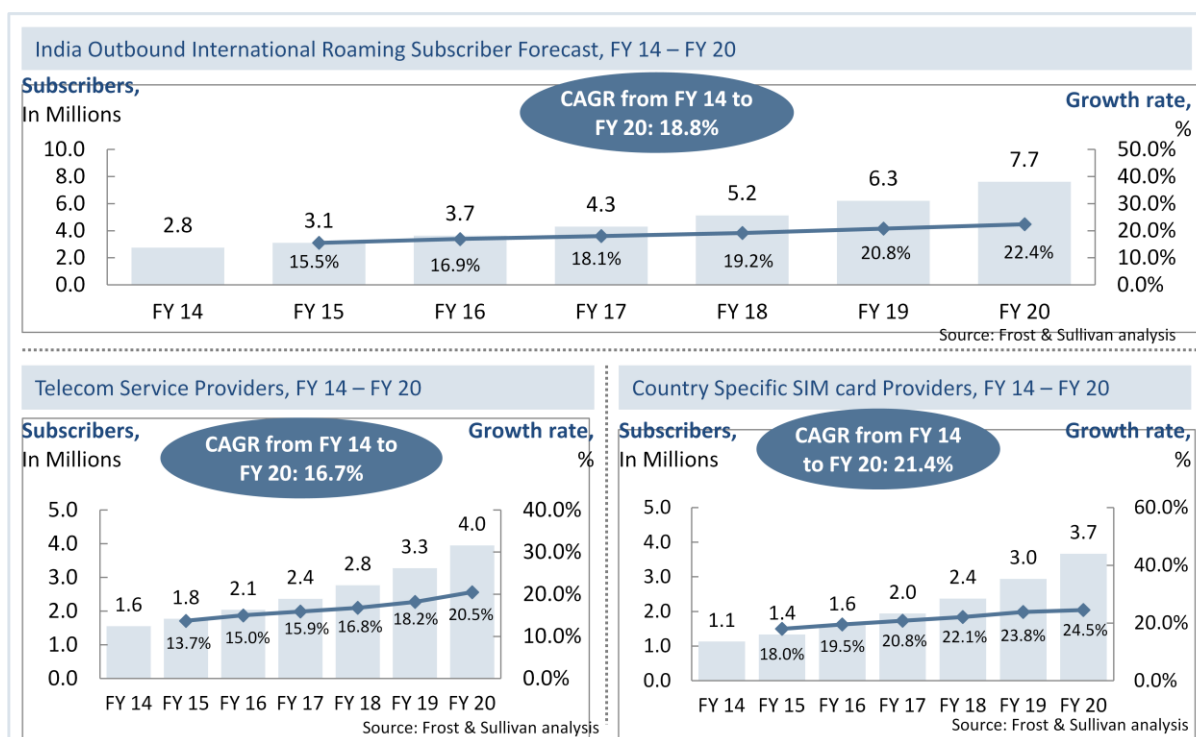
The rise of Over-the-top (OTT) instant messaging services has negatively affected the use of conventional SMS services and is cannibalizing SMS revenues. Amid various types of SMS services, P2P segment is the one which is directly hit by the OTT uptake. Due to the high SMS tariffs, subscribers prefer to communicate over an instant messenger using their existing data packs or using a local WiFi hotspot for free/minimal cost instead of spending on a per SMS basis (Source: Frost & Sullivan Report).

However SMS services, typically used for campaigns, polls, product promotion, and transactional messages used by various industries like banking, financial services, retail, healthcare, telecom, and media are still likely to witness traction.

India outbound international roaming subscribers

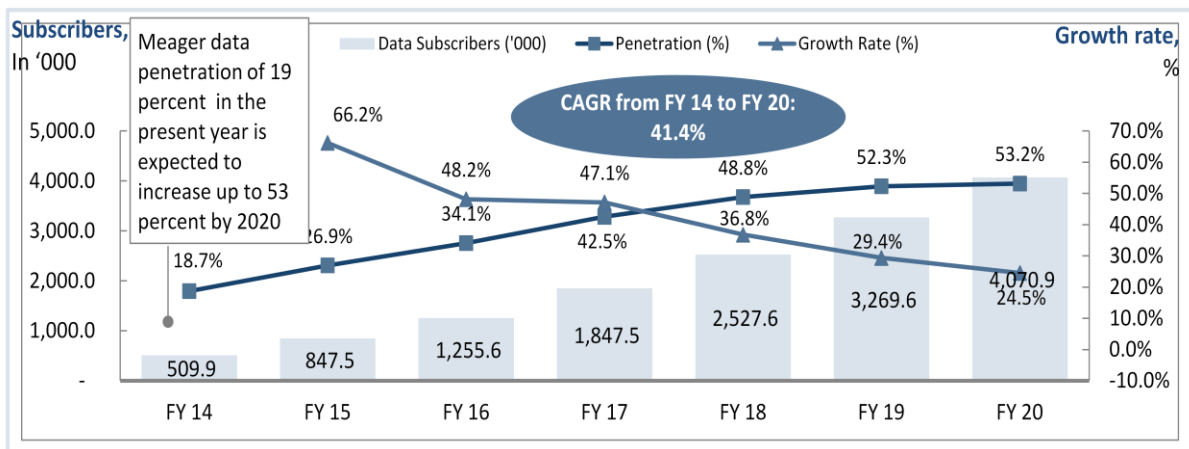
In terms of subscribers, the number of India outbound international roaming subscribers is expected to grow at a CAGR of 18.8 percent from 2.8 million in Fiscal 2014 to 7.7 million in Fiscal 2020. Within this, subscribers for TSPs are likely to grow at a CAGR of 16.7 percent from 1.6 million in Fiscal 2014 to 4.0 million in Fiscal 2020. In comparison, subscribers for CSSPs are likely to grow at a CAGR of 21.4 percent from 1.2 million in Fiscal 2014 to 3.7 million in Fiscal 2020.

The chart provides details on the forecasted growth of subscribers in the India outbound international roaming market over the next few years:



Source: Frost & Sullivan Report. Note: Base year is 2014. All figures have been rounded.

The chart below forecasts the data subscriber trends from Fiscal 2014 to Fiscal 2020 in the Indian outbound international roaming market.



Source: Frost & Sullivan Report. Note: Base year is 2014. Subscriber numbers are in thousands. All figures have been rounded

Service delivery models

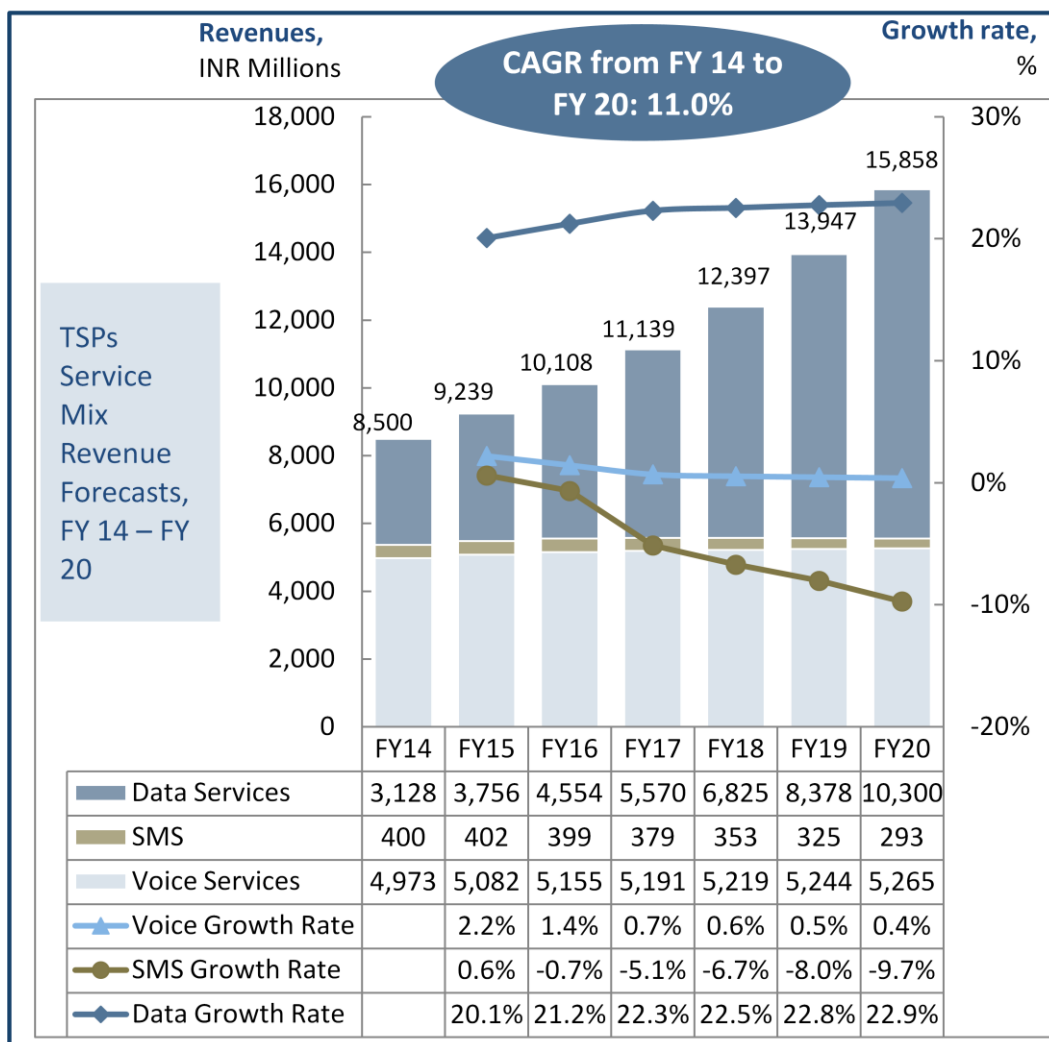
International roaming from TSPs

This segment comprises of license holders permitted to provide telecom services and to operate in India. Through their partnerships with international service providers, they are able to offer international roaming services to their Indian customers. Some of the players in this segment are Airtel and Vodafone. (Source: Frost & Sullivan Report).

The segment has a market size of ₹8,500 million in Fiscal 2014 and is expected to grow at a CAGR of 11.0 percent to reach a size of ₹15,858 million by Fiscal 2020. Roaming on a domestic SIM continues to witness such a healthy growth pace owing to small spurts of usage from a large roaming population who want to have the utility of maintaining their domestic numbers and notifications. Although a large population of such users remain silent roamers, there is some minimal usage from these customers, which range from short calls to both home as well as onsite to many emerging cases of small data usage (Source: Frost & Sullivan Report).

The voice revenue growth in the TSP segment is primarily fuelled by incoming call revenues and is anticipated to slowly decline in favour of data usage facilities over the long term. The SMS revenue base is declining sharply with the advent of OTT services and instant messaging apps. Currently, a large part of domestic TSP data revenues on the roaming front comes in from accidental usage on smartphones but increased dependence and dropping prices would continue to bring in a larger user base (Source: Frost & Sullivan Report).

The chart below provides the details of growth estimates in the India outbound roaming market by the telecom service providers.



Source: Frost & Sullivan Report. Note: Base year is 2014. All figures have been rounded,

Country Specific SIM Card Providers

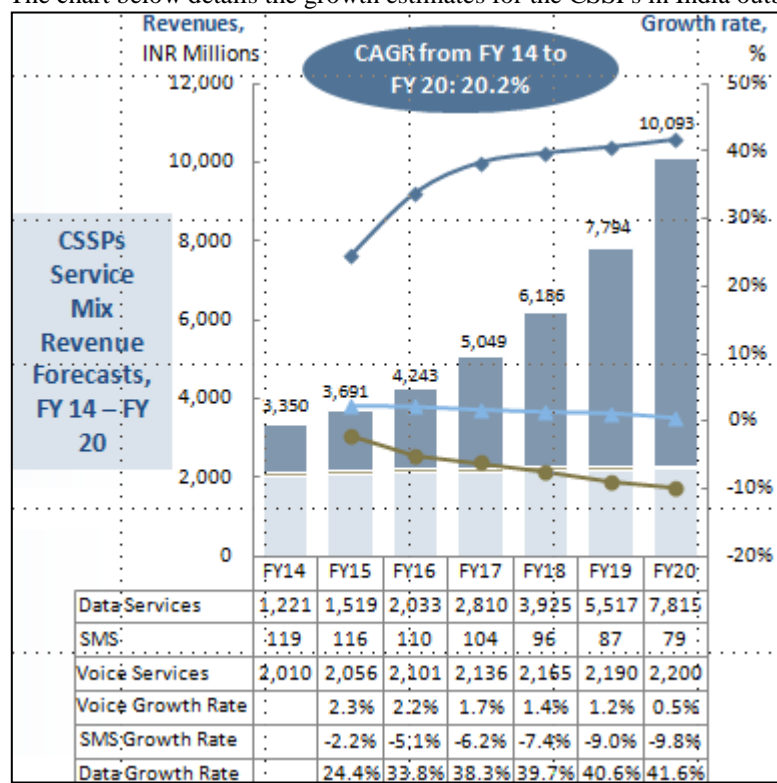
The Country Specific SIM Card (CSSPs) Providers market has a size ₹3,350 million as of Fiscal 2014. The segment attributes to 28% of the India outbound roaming market as of Fiscal 2014. This segment consists of multiple providers posing tough competition to the local TSPs. Matrix is the largest player in the CSSP segment with a majority market share. Some of the other players in this segment offer services through various brands such as Uniconnect and Clay Telecom (Source: Frost & Sullivan Report).

The segment is expected to steadily grow at a CAGR of 20.2 percent to reach of size of ₹10,093 million by Fiscal 2020. This will be driven primarily by the growth in international tourism, tariff drops and demand for work-based travel and the convenience factor of buying an international SIM domestically before beginning the travel as well as the free incoming calls (Source: Frost & Sullivan Report).

In voice, with free incoming calls, a large part of the revenue for this segment comes in from outgoing calls as well as daily rentals, which all providers charge. Even though the call revenues are lesser, the ARPU is higher, owing to the fixed rental revenues. CSSPs offer minimal base revenue for SMS, which itself is declining owing to lack of dependence on SMS across the user base and cheaper availability of OTT services. With multiple OTT services, a lot of the voice revenues are being cannibalized by data since CSSPs offer better data rates and plans when compared to domestic TSP and is on a very high growth rate. (Source: Frost & Sullivan Report)

The players in this segment have started offering innovative services such as single SIM usage for multiple countries which is expected to convert this segment's weakness of multiple numbers for different countries into a strength and thereby attract more users to the CSSP segment

The chart below details the growth estimates for the CSSPs in India outbound international roaming



Source: Frost & Sullivan Report. Note: Base year is 2014. All figures have been rounded.

Comparison of various service providers

Telecom service providers	Country Specific SIM card Providers
Advantages <ul style="list-style-type: none"> Number retention and reachability for all contacts Single bill for all travel purposes and special plans Services such as incoming SMS remain free Option of identifying incoming calls, receiving them as per discretion, and silent roaming with notifications Billing and incoming call list customization 	Advantages <ul style="list-style-type: none"> Lower calling rates when compared to international roaming by TSPs Guaranteed connectivity across the roaming region and purchase at domestic location Local calls in the roaming area will be charged lower Free incoming calls
Disadvantages <ul style="list-style-type: none"> Certain regions may not be supported by certain service providers owing to lack of tie-ups Very expensive incoming call rates Data roaming is very expensive as well as tracking usage becoming complex Cannot be done on the go as most providers require activation for international roaming 	Disadvantages <ul style="list-style-type: none"> Cannot carry forward existing domestic number Roaming between multiple countries may require purchase of multiple SIMs

The silent roamer and local SIM opportunity

Silent roamers are the outbound international roamers who may use little-to-no mobile service while they are abroad, largely for fear of high-usage charges.

This silent roamers opportunity represents a revenue potential for every service provider, which can be addressed by the CSSPs through their discounted tariff rates, VAS offerings, and some other methodologies including:

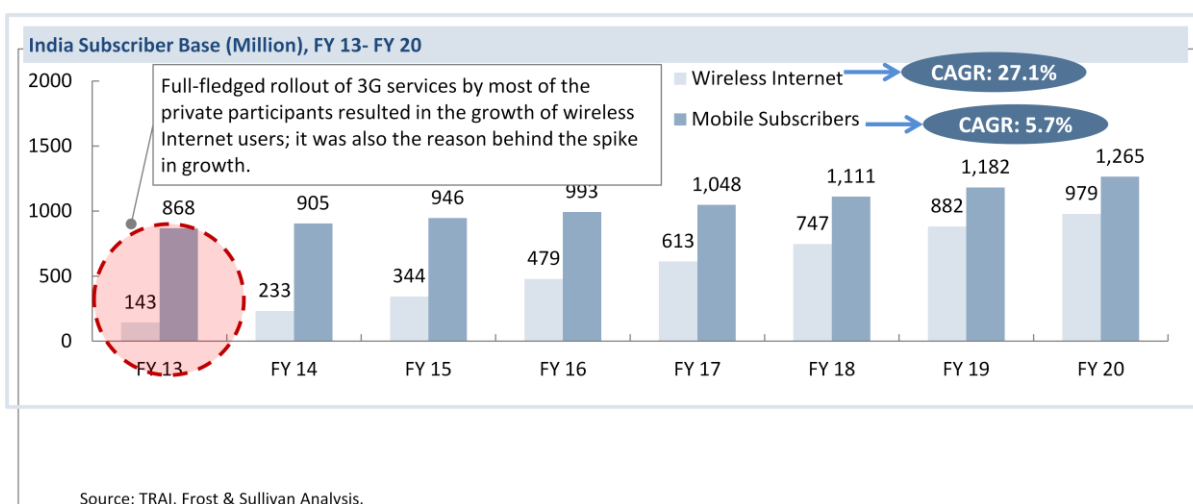
- Flexible and real-time billing analytics and solutions
- Effective spend control mechanisms
- Real-time threshold alerts to avoid bill shocks
- Customized and need based tariff packages

Key drivers of the India outbound international roaming market

Increase in domestic mobile users: The growth of mobile subscribers and wireless internet users is expected to grow over the next 6 years in India and it is anticipated that there will be a significant growth in the wireless internet subscribers with a CAGR of 27.1 percent from Fiscal 2014 to Fiscal 2020 driven mainly by the improved quality of service of 3G networks, availability of cheaper smartphones, and rising usage of applications.

The need for mobile phones for anywhere anytime data access might act as a catalyst to drive similar usage pattern among outbound international travellers as well. (Source: Frost & Sullivan Report)

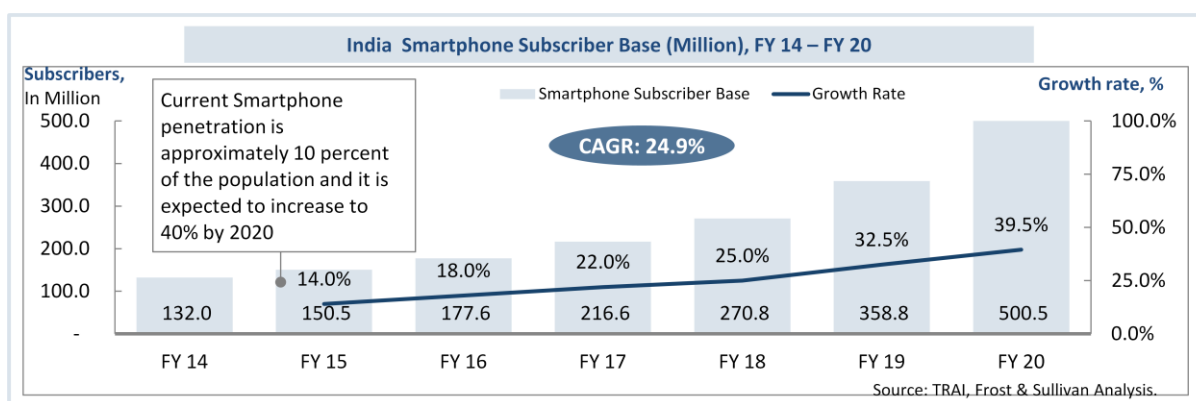
The chart below provides the subscriber base forecasts from Fiscal 2013 to Fiscal 2020.



Source: TRAI and Frost & Sullivan Report. All figures have been rounded

Increase in smartphone penetration: Declining cost of smartphones and launch of handsets by some of the manufacturers has blurred the lines of differentiation between smartphones and feature phones in the region. With the availability of mobile Internet services starting from basic 2G GPRS / EDGE services to the 4G LTE services, end users are increasingly using smartphones as their primary medium to access Internet. Smartphones are expected to emerge as the first medium of access to Internet for many in the region. Availability of a healthy mobile application ecosystem that provides apps ranging from entertainment to utility functions further drives the need for smartphones. This increasing penetration of smartphones is another key driving factor for mobile roaming services because of the availability of advanced smartphones with subscribers, they may tend to leverage the same to access travel, hotel, maps, and other logistics apps during their travel in an unknown country (Source: Frost & Sullivan Report).

The chart below details the smart phone usage forecasts in the domestic market in India



Source: TRAI and Frost & Sullivan Report. All figures have been rounded

Improved macro-economic scenario: An improved macro-economic scenario will lead to further outbound travel due to better trade relations with countries, stabilisation of India rupee, improvement in visa processes, the “Make in India” campaign, increasing employment which could potentially lead to further outbound tourism (Source: Frost & Sullivan Report).

Increase in tourism: The growth of the middle class and increase in disposable income has made international travel affordable. The India outbound travel and tourism industry has grown steadily over the years. The number of Indian national departures from India was ~2 million in calendar 1991. This has increased to ~17million in calendar 2014 and is likely to reach a size of 32 million by calendar 2020 (Source: Ministry of Tourism as quoted in the Frost & Sullivan Report).

Social Media/Navigation/Utilities: Social media, navigation, utilities and other chat services push the need for people to be constantly connected, thus driving roaming data volumes.

Bring Your Own Device (BYOD) and demand for connectivity on the move: With more people opting to work out of their own devices, the demand for connectivity on devices has gone up. Further even with WiFi hitting the roaming revenues, most users require to be constantly connected leading to many users not having the patience to search and utilize WiFi hotspots (Source: Frost & Sullivan Report).

Increased outsourcing: With more international customers, demand for international travel within corporate increases, pushing both long and short-term roaming usage (Source: Frost & Sullivan Report).

Dropping roaming costs: Dropping call and data rates have been instrumental in making roaming usage more affordable and pushing the volume through increased demand (Source: Frost & Sullivan Report).

OTT messaging services: Push messaging services have been pivotal in the declining SMS revenues even on the non-roaming front; but it has led to an increased dependence on being connected to the messaging service. (Source: Frost & Sullivan Report).

Foreign Exchange Cards and Travel Insurance Market

Foreign exchange and travel insurance services are important services related to the travel business.

Foreign Exchange Cards Market

Money changing business consists of buying and selling foreign currencies for the needs of the travellers. Foreign exchange comes into the country through tourists visiting India, physical currency deposits into FCNR accounts by NRIs. These foreign currencies are bought by the various foreign exchange players. Similarly foreign exchange is sold by these players to tourist going out of India. Excess currency in the system is exported back to the country of issuance.

Indian foreign exchange is serviced by banks and other intermediaries registered to offer such services. Foreign exchange cards are issued by intermediaries registered with RBI to Indian outbound travellers. The foreign exchange cards are typically prepaid cards wherein the card issuer loads the card with foreign currency for usage abroad. The cards can be issued by a bank or co-branded by a registered intermediary and a bank.

Market Players

RBI, the central banking and monetary authority of India, is the central regulatory and supervisory authority for the Indian financial system. A variety of financial intermediaries / entities in the public and private sectors are authorized to deal in foreign exchange and issue forex cards.

Overseas travel insurance

Travel insurance protects travellers against contingencies associated with travelling. This insurance provides coverage for emergencies such as emergency hospitalization due to accident or illness, loss or delay of checked luggage, loss of travel documents and accidental death/dismemberment, repatriation of remains and emergency medical evacuation. This policy often includes trip cancellation insurance and personal liability.

Some of the major policies sold for overseas travel insurance are group insurance policies, family/floater insurance policies and individual insurance policies.

Given the large and widespread growth expected in outbound tourism, travel insurance has good growth prospects. Some countries like those of the Schengen Area, do not allow visitors' entry without a minimum specified insurance cover, and with the steady growth of outbound travellers, many general insurance companies in India are providing customized travel insurance products to passengers based on value of cover, period of stay and destination.

In fiscal 2013, approximately 2.17 million overseas travel insurance policies were sold covering approximately 3.40 million persons and resulting in gross direct premium of ₹3,866.37 million. In comparison, in fiscal 2012, approximately 2.11 million overseas travel insurance policies were sold covering approximately 2.58 million persons and resulting in gross direct premium of ₹3417.74 million (Source: IRDA Annual Report 2012-13).

OUR BUSINESS

OVERVIEW

We are the largest country specific SIM card provider offering voice, data and SMS services under our brand name “Matrix” to travellers outbound from India, with a majority market share. *(Source: Frost & Sullivan Report)* We offer convenience to our customers by providing the SIM card and setup prior to departure from India, while endeavouring to deliver cost savings (as compared with international roaming rates from origin country telecom service providers) and providing variety and flexibility in our service plans. Our Indian customers include corporate customers and their employees; and individuals travelling for leisure or business purposes. In addition, we offer foreign exchange services and facilitate access to overseas travel insurance. We also sell voice, data and SMS services to third parties, or resellers, which resell these services to their customers. A Group Entity, Matrix Inc., has entered into an agreement with a telecom services provider that entitles our Group Entity to purchase handsets at discounted rates, in addition to bulk voice, data and SMS services. We have entered into an arrangement with our Group Entity which enables us to directly purchase such handsets and voice, data and SMS services, which we subsequently sell. As a measure of our customer base in India (excluding resellers), we activated new connections to provide voice, data and SMS services based on 453,160, 452,411, 499,273 and 426,494 agreements with customers, or through customer acquisition forms or CAFs, in Fiscal 2012, 2013 and 2014 and the nine months ended December 31, 2014 respectively.

In Fiscal 2012, 2013 and 2014 and the nine months ended December 31, 2014, our customers, including resellers, consumed an aggregate of 70.96 million, 81.05 million, 68.81 million and 58.77 million voice minutes, respectively; an aggregate of 11.00 million MB, 25.63 million MB, 41.24 million MB and 124.57 million MB of data services, respectively; and SMS services aggregating to 5.33 million, 5.36 million, 4.72 million and 3.27 million SMSs, respectively. We generated total revenue of ₹1,072.18 million, ₹1,726.07 million, ₹2,223.86 million, ₹2,687.28 million and ₹2,466.16 million and recorded a net profit/(loss) after tax (and minority interest) of ₹32.21 million, ₹57.33 million, ₹46.76 million, ₹231.29 million and ₹(24.05) million in Fiscal 2010, 2011, 2012, 2013 and 2014, respectively. Our total revenue and net profit after tax (and minority interest) for the nine months ended December 31, 2014 were ₹2,173.47 million and ₹147.63 million respectively. Revenue from sale of airtime constituted 99.88%, 99.46%, 98.98%, 98.95%, 94.50% and 88.16%, respectively, revenue from the sale of handsets constituted 0.00%, 0.00%, 0.00%, 0.00%, 4.70% and 11.09%, respectively, and the remaining revenue from operations, which comprises of margin on sale of cards/currency, sale of prepaid SIM cards, recoveries for late payment and set up fee and commission on card and service charges, constituted 0.12%, 0.54%, 1.02%, 1.05%, 0.80% and 0.75%, respectively, of our revenue from operations, in Fiscal 2010, 2011, 2012, 2013 and 2014, and the nine months ended December 31, 2014, respectively.

Our telecom services offerings include services used with country-specific and global SIM cards on a postpaid and prepaid basis. As of December 31, 2014, we offered postpaid services in respect of 32 destination countries. As of December 31, 2014, we offered prepaid services in respect of 8 destination countries and a Europe bundle which covers 26 destination countries. Our prepaid SIM cards may be recharged online through our website www.matrix.in (in respect of certain destination countries) or at any of our branch offices in India. We also offer services based on a global postpaid SIM card with connectivity in more than 150 countries and a global prepaid SIM card with connectivity in more than 100 countries.

We sell our services through a multi-channel distribution network, which includes our direct sales team comprised of our employees, direct sales agents with whom we contract on a sales commission basis and our airport counters at major international airports in India, including New Delhi, Mumbai, Hyderabad, Kolkata and Kochi. We also sell our services at the Bengaluru airport and recently started selling our services at the Mangalore airport. We also intend to open a counter at the Amritsar airport. Our direct sales team operates from our branch offices located in 13 cities in India and our sales employees also work with direct sales agents to reach our customers. At our airport counters, we target customers immediately prior to their travel abroad. We also reach out to customers of other travel-related service providers based on interest indicated in our services. We have relationships and arrangements with companies such as Bridgestone, India Win Sports (Mumbai Indians), Mylan Labs, Aurobindo Pharma, Emcure and Geometric under which we offer our services to their employees travelling abroad. We also offer our services on our website, www.matrix.in, where a customer can sign up for services and pay online, and choose place of delivery of the SIM card at the airport prior to departure, at one of our branch offices or at the office or residence of the customer. We have entered into agreements and

arrangements with various travel sector providers such as Jet Privilege and banks including HDFC Bank, pursuant to which their customers can benefit from discounts on our services or earn air-miles or other benefits when using our services.

We enter into agreements with local telecom service providers in destination countries visited by our customers to purchase bulk voice minutes, data and SMS services, as well as SIM cards typically branded by such providers with which such services are to be used. As of December 31, 2014, we (and in one case, a Group Entity) had agreements and relationships with 41 telecom service providers, including SingTel Mobile Singapore Pte. Ltd. in Singapore, China Motion Telecom (H.K.) Limited in Hong Kong and EE Limited in the United Kingdom. Our relationships with the aforementioned providers tend to be of longstanding duration.

As of December 31, 2014, we offered foreign exchange services in 12 currencies through our prepaid Matrix Forex Card (enabled by ICICI Bank and VISA) and also in currency notes, through Matrix Forex Services Private Limited, our subsidiary. In addition, we facilitate access to overseas travel insurance provided through AGA Assistance (India) Private Limited. We also share leads with AGA Services (India) Private Limited, which provides travel related assistance, in relation to interested travellers and we earn revenue for such leads generated by us.

Our Promoters, Major General Manjit Singh Dugal and Gagan Deep Singh Dugal, have approximately 20 years of experience in the field of telecommunications. They initiated the business of providing telecommunication and allied services (such as purchase and rent of mobile communication systems) in 1995, through a partnership firm, Matrix Rent-A-Tel. In 1999, our Group Entity, MCS, was incorporated for the purposes of sale, purchase, renting of mobile phones and to carry on the business of cellular telecom services. In 2000, our Promoters transferred the business of Matrix Rent-A-Tel to our Group Company, MCS through a business transfer agreement dated January 1, 2000. MCS commenced offering domestic cellular mobile services and voice and SMS services for local use in the destination country under the brand “Matrix”. We commenced our operations in 2005 and our brand “Matrix” was transferred from MCS to our Company through a deed of assignment in 2011. Certain of our senior managerial personnel have been employed with Matrix Rent-A-Tel and MCS prior to the commencement of their employment with our Company. For instance, our Chief Executive Officer, Anish Khanna was previously employed with Matrix Rent-A-Tel and our Chief Financial Officer, Gaurav Kumar Khanna was previously employed with MCS from 2001 until 2010 prior to commencing employment with our Company.

We commenced offering telecom services with country-specific SIM cards in 2005. We introduced data services in 2008. We have implemented sales force automation and developed a proprietary enterprise resource planning software system to process data on costs and usage in multiple currencies and networks for our customers.

As of December 31, 2014, we had 1,024 employees in India, across our corporate office, branch offices located in 13 cities in India and five airport counters.

We believe the strength of our brand, quality and variety of services, dedication to cost-effectiveness, superior customer service and relationships with our telecom service providers and other partners have helped us emerge as a preferred choice for outbound Indian travellers seeking international mobile connectivity. We also believe that the overall Indian travel industry will experience continued growth and increased spending on leisure and business travel, and that we are well-positioned to benefit and deliver services to our customers.

OUR STRENGTHS

We believe that our leadership position in the market for telecom services based on country-specific SIM cards in India is primarily attributable to the following competitive strengths:

Leadership position in the market for services used with country-specific SIM cards

We believe we were one of the first companies to offer services based on country-specific SIM cards. We are the largest country specific SIM card provider offering voice, data and SMS services with SIM cards, to travellers outbound from India, with a majority market share. (*Source: Frost & Sullivan Report*) We commenced offering such services in 2005 and started offering data services in 2008. We believe that we have an advantage over our competitors arising from our relationships with individual and corporate customers who have previously used our

services, our agreements with telecom service providers in destination countries and our alliances with travel sector companies.

Our Promoters, Gagan Deep Singh Dugal and Major General Manjit Singh Dugal, have approximately 20 years of experience in the field of telecommunications. They initiated the business of providing telecommunication and allied services (such as purchase and rent of mobile communication systems) in 1995, through a partnership firm, Matrix Rent-A-Tel. In 2000, our Promoters transferred the business of Matrix Rent-A-Tel to our Group Company, MCS through a business transfer agreement dated January 1, 2000. MCS commenced offering domestic cellular mobile services, and voice and SMS services for local use in the destination country under the brand name “Matrix”. Certain of our senior managerial personnel have been employed with Matrix Rent-A-Tel and MCS prior to the commencement of their employment with our Company. For instance, our Chief Executive Officer, Anish Khanna was previously employed with Matrix Rent-A-Tel and our Chief Financial Officer, Gaurav Kumar Khanna was previously employed with MCS from 2001 until 2010 prior to commencing employment with our Company.

Comprehensive suite of telecom services

We provide comprehensive SIM card-based telecom services to outbound travellers, comprised of voice, data and SMS services. Our services are compatible with various electronic communication devices, such as tablets and smartphones. We provide a variety of service plans for our postpaid and prepaid services with flexibility to allow customization to suit our customers’ preferences, such as increasing levels of voice, data or SMS services in our bundled service plans. We also endeavour to provide free incoming calls in several of our voice service plans as this is a popular feature sought by our customers. Customers can sign up and pay for our services at our branch offices, through our direct sales agents, at our airport counters or online through our website, www.matrix.in, and can choose to have the SIM card delivered at the airport prior to departure, at one of our branch offices or at their office or residence.

Well-known and established brand

We believe our brand “Matrix” is well-recognized in the travel sector and has a leadership position in the market for telecom services used with country-specific SIM cards. We are the largest country specific SIM card provider offering voice, data and SMS services with SIM cards, to travellers outbound from India, with a majority market share. (*Source: Frost & Sullivan Report*) For further details, see the section “Industry” on page 125. MCS had filed applications for registration of “Matrix” as a trademark in 2004 which are currently pending with the Office of the Registrar of Trade Marks. The brand was transferred to us under a deed of assignment in February 2011, however, certain of our Group Entities continue to use the name “Matrix”. “Matrix” was chosen among the Delhi NCR Hot 50 Brands by Hindustan Times in 2014 and has been ranked India’s most trusted international SIM card by The Brand Trust Report (India Study 2015). We have consistently invested in developing our brand using a variety of media channels, including on digital advertising, television, radio, print and social media. We were one of the sponsors of the Kolkata Knight Riders, a cricket franchise in the Indian Premier League tournament in Fiscal 2012, 2013 and 2014. We believe that our reputation and leadership position in the market helps us while contracting with telecom service providers, marketing and advertising partners and corporate customers. For the Fiscal 2012, 2013, 2014 and the nine months ended December 31, 2014 our expenses for advertising and sales promotion were ₹275.84 million, ₹261.20 million, ₹242.68 million and ₹89.11 million, respectively.

Multi-channel distribution network

We sell our services through a multi-channel distribution network, which includes our direct sales team comprised of our employees, direct sales agents with whom we contract on a sales commission basis and our airport counters at major international airports in India, including New Delhi, Mumbai, Hyderabad, Kolkata and Kochi. We also sell our services at the Bengaluru airport and recently started selling our services at the Mangalore airport. We also intend to open a counter at the Amritsar airport. Our direct sales team operates from our branch offices located in 13 cities in India and our sales employees also work with such agents on seeking our customers. Our direct sales agents interact with intermediaries such as travel agents and have access to potential customers across India through such intermediaries. At our airport counters, we target customers immediately prior to their travel abroad. We also reach out to customers of other travel-related service providers based on interest indicated in our services. We believe that our sales and distribution network enables us to effectively

market our offerings. We have implemented sales force automation whereby our sales employees and direct sales agents can sign up customers using our tablet application, which provides information on our service plans to our customers, facilitates collection of required documents electronically and purchase of our services. Further, we believe that our sales and distribution network also serves as a point of contact for us to offer additional services to our customers such as foreign exchange and facilitation of access to overseas travel insurance.

We believe that management of our sales force is key to our business, including through initiatives such as sales force automation. Further, we also hire commission-based sales agents.

Alliances with travel services partners

We believe that our arrangements with certain well-established brands in the travel-related and lifestyle services enable us to expand and popularize our services, and enhance our brand value by creating positive associations with established market brands. We have entered into agreements and formed alliances with various travel sector providers such as Jet Privilege and banks including HDFC Bank under which we help our customers avail of better tariffs in the form of discounts or earn air-miles and other offers from such well-known service providers while using our services. We believe that this also provides us with the opportunity to advertise our services to prospective customers of our alliance partners and to test the market for expansion of our services.

Strong relationships with telecom service providers

We have relationships with various leading telecom service providers with access to quality networks and wide coverage for countries in which we provide our services to outbound Indian travellers and we purchase bulk voice minutes, data and SMS services, as well as SIM cards branded by such providers with which such services are to be used. As of December 31, 2014, we (and in one case, a Group Entity) had agreements and relationships with 41 telecom service providers for purchasing bulk airtime including SingTel Mobile Singapore Pte. Ltd. in Singapore, China Motion Telecom (H.K.) Limited in Hong Kong and EE Limited in the United Kingdom. These agreements are generally non-exclusive, and typically provide for automatic renewal with provisions to revise commercial terms from time to time. For further details, see “– Sourcing”.

Robust technological platform

We have developed a proprietary enterprise resource planning software system to capture customer information and process data on cost and usage in multiple currencies and networks to generate a single unified format for itemized billing for our customers. We have also implemented sales force automation by deploying a cross platform based tablet application for our sales teams to sign up new customers on mobile devices electronically and store required customer documents and information, which helps us to improve customer service, as we do not require customers to also provide physical copies of such documents.

OUR STRATEGY

To sustain our future growth and development, we have and will continue to employ the following strategies:

Expansion of customer base in the outbound travel sector

We believe that there is a significant opportunity to increase our customer base among outbound Indian travellers arising from the growth of the Indian travel industry as more Indians are travelling abroad for business and leisure, including by targeting first-time customers. An increase in the disposable income, together with the increasing ease of connectivity and emerging travel agencies and portals has been a key factor in boosting outbound tourism in India. The number of Indian nationals who have travelled abroad for tourism has increased from approximately 2 million in 1991 to approximately 17 million in 2014. (*Source: Ministry of Tourism as quoted in the Frost & Sullivan Report*)

We activated new connections to provide voice, data and SMS services based on 453,160, 452,411, 499,273 and 426,494 CAFs, in Fiscal 2012, 2013 and 2014 and the nine months ended December 31, 2014 respectively. In comparison, the number of outbound Indian travellers for Fiscal 2014 was approximately 17 million. We intend to offer new services to our customers in line with their evolving needs. As of December 31, 2014, we offered

postpaid services in respect of 32 destination countries. As of December 31, 2014, we offered prepaid services in respect of 8 destination countries and a Europe bundle which covers 26 destination countries. We also offer services based on a global postpaid SIM card with connectivity in more than 150 countries and a global prepaid SIM card with connectivity in more than 100 countries.

Increase data services offering

We believe that data consumption is driven by the increasing mobile and Internet penetration worldwide and in India and the increasing use of mobile applications for social networking, utilities and video chat and demand for constant access to corporate and personal e-mail. Our data penetration, which we define as the percentage of CAFs in Fiscal 2012, 2013 and 2014 and the nine months ended December 31, 2014 under which our customers (excluding resellers) have been billed for postpaid data services, was 16%, 17%, 20% and 33%, respectively. We intend to expand our data services to be available in more countries while maintaining our emphasis on affordability for our data customers by negotiating with our telecom service providers. We intend to grow our data services business by encouraging existing users of our voice services to also consider our data services and by offering more data bundled with our voice and SMS service plans.

Enhancing and diversifying our services portfolio

We intend to continue expanding and diversifying our services portfolio which currently encompasses voice, data and SMS services. We evaluate our service plans in order to introduce new plans to address evolving customer preferences. We intend to focus on geographies emerging as popular destinations for the Indian traveller, including those in which we currently do not offer services. Based on our understanding of our target customer base, we seek to design innovative offerings, such as the multi-IMSI solution with which customers may travel across the world or a region with a single SIM card enabling multiple country-specific mobile numbers. We also have a mobile application currently under development from which users can order services, view bills and obtain access to other relevant travel-related services such as tourism discounts and coupons. We will also seek to cater to other ancillary travel requirements such as foreign exchange and facilitating access to overseas travel insurance for our customers, to enable our customers to have a one-stop solution for their overseas travel requirements.

Use market leadership position to deepen relationships with telecom service providers

We propose to continue to use our strong position in the country-specific SIM card business to deepen relationships with our key existing telecom service providers and with additional telecom service providers. As of December 31, 2014, we (and in one case, a Group Entity) had relationships and agreements with 41 telecom service providers to purchase bulk voice minutes, data and SMS services, as well as SIM cards branded by such providers with which such services are to be used, in order to maintain our focus on cost-effectiveness for our customers and retain our leadership position as a provider of services with country-specific SIM cards.

Expand our prepaid services

Our prepaid services cater to travellers who prefer lower value services and also wish to avoid payment of security deposit and other formalities associated with a postpaid connection. We seek to establish our presence in this segment by reaching out to such customers through our airport counters at the point of departure, our direct sales team and direct sales agents. As of December 31, 2014, we offered prepaid services in respect of 8 destination countries and a Europe bundle which covers 26 destination countries.

Expand our reseller business

We seek to partner with companies, with business models similar to ours and that are present in other countries, as we believe that we are able to lower our costs of entry into markets abroad by using pre-existing channels of distribution of such resellers. Our resellers purchase services from us and resell such services to their customers, while also providing customer support services which in turn helps us reduce our need for manpower to provide such support. This business also gives us an insight into the preferences of customers in developed mobile markets.

OUR OFFERINGS

We provide a comprehensive suite of services to travellers outbound from India including voice, data and SMS services as well as foreign exchange and facilitation of access to overseas travel insurance. We offer our telecom services on a postpaid and prepaid basis using SIM cards in smartphones, tablets, data cards and other devices.

Postpaid SIM and Data cards: Under our postpaid services, we bill the customer after use of services at the end of the billing cycle. The SIM card provides the customer with a local mobile number of the destination country. Customers can choose either a voice and SMS plan or a data services plan or a combination of both. We offer country-specific SIM cards in respect of 32 countries. We also offer global SIM cards that can be used in more than 150 countries. Regular international travellers can also choose to retain a permanent SIM card and international mobile number on a postpaid basis. In accordance with applicable regulations in India, postpaid SIM card customers are required to provide certain documents to register, including tickets, passport and visa. In Fiscal 2012, 2013 and 2014 and the nine months ended December 31, 2014, excluding resellers, we activated new postpaid connections to provide voice, data and SMS services based on 448,904, 437,309, 452,197 and 377,344 CAFs.

Prepaid SIM and Data cards: For our prepaid services, our customers seeking more control and certainty over costs are able to purchase credit in advance of use of services. We launched prepaid services in Fiscal 2011 and as of December 31, 2014, we offered a global prepaid SIM card for more than 100 countries as well as country-specific prepaid cards for the United Kingdom, the United States, Hong Kong, Saudi Arabia, Qatar, United Arab Emirates, Malaysia and Thailand. The card can be recharged online through our website, www.matrix.in, or at any of our branch offices. In accordance with applicable laws in India, prepaid customers are required to provide certain documents, including tickets, passport and visa. In Fiscal 2012, 2013 and 2014 and the nine months ended December 31, 2014, excluding resellers, we activated new prepaid connections to provide voice, data and SMS services based on 4,256, 15,102, 47,076 and 49,150 CAFs, respectively.

In order to encourage use of our services and for the convenience of our customers, we may provide customers mobile handsets upon request at no rental charge during the travel period.

The table below provides the details of certain operational data in relation to our postpaid and prepaid services:

Details	Fiscal 2012	Fiscal 2013	Fiscal 2014	Nine months ended December 31, 2014
Application Forms (CAFs) signed (excluding resellers)	453,160	452,411	499,273	426,494
Post-paid CAFs signed	448,904	437,309	452,197	377,344
Pre-paid CAFs signed	4,256	15,102	47,076	49,150
Gross Voice Services (Million minutes consumed)				
Domestic	64.21	71.16	61.22	54.97
Foreign Reseller	6.51	9.09	6.94	3.63
Others	0.24	0.80	0.65	0.17
Total	70.96	81.05	68.81	58.77
Gross Data (Million MB consumed)				
Domestic	4.49	8.13	12.69	23.51
Foreign Reseller	6.46	17.04	27.62	100.30
Others	0.05	0.46	0.94	0.76
Total	11.00	25.63	41.24	124.57
Million SMS consumed				
Domestic	4.87	4.67	4.10	2.87
Foreign Reseller	0.43	0.60	0.57	0.39

Others	0.03	0.10	0.05	0.01
Total	5.33	5.36	4.72	3.27

Notes:

Domestic: all domestic sales and one domestic reseller, who has been converted as a direct sales agent pursuant to agreement dated March 2, 2015

Foreign Reseller: sales by resellers based outside India

Others: sales by one domestic reseller and our Subsidiaries and Joint Ventures

Foreign Reseller Business

We sell voice, data, SMS services and handsets to third parties located abroad, or resellers, which resell these services to their customers. As of December 31, 2014, we had arrangements with 54 resellers in 14 countries. Such resellers with which we have existing relationships include Wide Mobile in Korea, Cellomobile in the United States and Xcom Global in Japan. In Fiscal 2012, 2013 and 2014 and the nine months ended December 31, 2014, such foreign resellers have purchased 6.51 million, 9.09 million, 6.94 million and 3.63 million minutes of talk time, 6.46 million, 17.04 million, 27.62 million and 100.30 million MB of data services, and 0.43 million, 0.60 million, 0.57 million and 0.39 million SMSs from us. Our revenues from outside India, which primarily consists of our revenues from foreign resellers constituted 25%, 18%, 13% and 11%, of our revenue from operations as for the nine months ended December 31, 2014 and fiscal 2014, 2013 and 2012, respectively.

Sourcing

We enter into agreements with local telecom service providers in destination countries for purchasing voice, data and SMS services in bulk, in order to provide connectivity to our customers. Although we typically have a relationship with one telecom service provider in respect of each destination country, our choice of provider depends on commercial considerations and the quality of service and extent of coverage offered by the telecom service provider. We enter into agreements with the telecom service providers directly or through our Subsidiaries. For instance, our Company has entered into agreements with a telecom service provider in the UK and the United Arab Emirates, while our Subsidiary, Matrix Singapore has entered into an agreement with a telecom service provider in Singapore.

As of December 31, 2014, we (and in one case, a Group Entity) had agreements and relationships with 41 telecom service providers, including with SingTel Mobile Singapore Pte. Ltd. in Singapore, China Motion Telecom (H.K.) Limited in Hong Kong and EE Limited in the United Kingdom. These agreements typically provide for automatic renewal after the agreed initial term is completed and may be terminated at the discretion of either party. Under certain agreements, we are not permitted to resell services to a wholesale or third party intermediary without the prior consent of the telecom service provider. Under our agreements with telecom service providers, we are generally responsible for customer service and have agreed to indemnify such providers against claims and any consequences arising from misuse of the service or network by our customers. Our agreements with telecom service providers are typically non-exclusive, have provisions to revise commercial terms from time to time, are subject to confidentiality restrictions and are governed by laws of the jurisdiction of the telecom service provider.

A Group Entity, Matrix Inc., has entered into an agreement with a telecom services provider that entitles our Group Entity to purchase handsets at discounted rates, in addition to bulk voice, data and SMS services. We have entered into an arrangement with our Group Entity which enables us to directly purchase such handsets and voice, data and SMS services, which we subsequently sell. In fiscal 2012, 2013 and 2014 and the nine months ended December 31, 2014, our revenue from the sale of handsets as a percentage of total revenue from operations was 0.00%, 0.00%, 4.70% and 11.09%, respectively.

Other Services

Foreign Exchange

We carry out our foreign exchange business through our subsidiary, Matrix Forex Services Private Limited. These services are provided through our prepaid Matrix Forex Card enabled by ICICI Bank and VISA and

through the sale of foreign currency notes. The Matrix Forex Card can be currency-specific or allow for multi-currency usage and allows customers to make withdrawals and purchases at any VISA ATM or point-of-sale terminals outside India and for online transactions abroad.

The Matrix Forex Cards can be reloaded with cash value at any of our branch offices in India. As of December 31, 2014, we provided foreign exchange in 12 currencies, including U.S. Dollar, Great Britain Pound Sterling, Euro, Australian Dollar, Canadian Dollar, Singapore Dollar, Swiss Franc, Japanese Yen and UAE Dirham. We earn commissions from ICICI Bank based on the amount of foreign exchange loaded by a customer on the Matrix Forex Card, a card issuance fee and the difference between sale and purchase prices of foreign currency.

Overseas Travel Insurance

In addition, we facilitate access to overseas travel insurance provided through AGA Assistance (India) Private Limited. We also share leads with AGA Services (India) Private Limited, which provides travel related assistance, in relation to interested travellers and we earn revenue for such leads generated by us.

Our Customers

Our customers (excluding resellers) include business and leisure travellers and corporate customers, as well as resellers.

Individual Customers

Our individual customers include business and leisure travellers.

Corporate Customers

We enter into agreements or memoranda of understanding, or MoUs, with our corporate customers to provide a range of customized service plans for voice, data and SMS services for their travelling employees. Our agreements and MoUs with corporate customers typically include obligations for such customers in relation to the loss, damage or misuse of the SIM card or data card, credit period, terms of payment and validity. The responsibility for bill payment typically lies with the corporate customer in accordance with the terms of the MoU or agreements. We provide certain special facilities to our corporate customers, including consolidated monthly billing statements to help with ease of payment.

Our corporate customers include Bridgestone, India Win Sports (Mumbai Indians), Mylan Labs Aurobindo Pharma, Emcure and Geometric.

Billing and Payment Processing

Billing is processed through our billing system, which has been developed by us, depending upon the usage and service plan chosen by the customer and according to the billing cycle of the relevant network or local telecom service provider. Usage information sourced from the network is provided to the customer by us. We also collect a security deposit depending upon the network and the service plan purchased by the customer. Based on the bill cycle, service plan and usage of the customer, a bill is generated and communicated to the customers through e-mail or physical delivery depending upon customer preference. The customer can pay using a credit card or in cash at our branch offices or through our direct sales agents or sales employees. Customers can also pay online through our website, www.matrix.in. If we do not receive payment on or prior to the due date, we follow up with the customer for payment with reminders, followed by issuance of a legal notice and, if required, filing recovery cases in the applicable jurisdiction. For further details, see the section “Outstanding Litigation and Material Developments – Litigation/Proceedings involving our Company – Recovery Suits” on page 419.

Sales, Marketing and Business Development

Sales

We have a multi-channel distribution network reaching out to our existing and potential customers in India. Sales to customers are initiated by our telemarketing employees based at our corporate office in New Delhi, our direct sales team and other sales employees based at our branch offices, our direct sales agents, our airport counters and our website, www.matrix.in. Customers are signed up by our sales team and direct sales agents using our tablet application, which provides information on our service plans to our customers, facilitates collection of required documents electronically and purchase of our services. Thereafter, an automatic e-mail is sent to the customer confirming the chosen plan, mode of payment, tentative billing dates and information provided by the customer, and requesting click-through acceptance.

Direct Sales Team: As of December 31, 2014, we had 333 employees comprising our direct sales team in our branch offices located in 13 cities in India, (i.e., Delhi, Noida, Mumbai, Bengaluru, Kolkata, Chandigarh, Jalandhar, Ludhiana, Jaipur, Ahmedabad, Pune, Hyderabad, and Chennai). These employees approach prospective customers to inform them of our services.

Direct Sales Agents: As of December 31, 2014, we had agreements and relationships with over 250 direct sales agents in more than 30 cities in India. Typically, the direct sales agents source customers on our behalf upon providing a security deposit to our Company. We either pay direct sales agents an incentive or commission based on sales performance or such other criteria or offer them a discounted rate to purchase our services, and we also provide marketing and technical assistance to them. The arrangements are on a non-exclusive basis and the Company retains the right to appoint other agents in the territory. Typically under our agreements, the direct sales agent agrees to comply with all reasonable security measures requested by the Company, including the Payment Card Industry Data Security Standard or the VISA Cardholder Security Information Program, if applicable, to protect customer data from unauthorized control, tampering, or any other unauthorized access. We undertake to provide customer care to customers activated by the agents. As of December 31, 2014, we also had 98 sales employees at our corporate office and branch offices who supervise and work with such agents to reach, sign up and service customers.

Airport Counters: As of December 31, 2014, we had counters at five international airports in India, (i.e., New Delhi, Mumbai, Hyderabad, Kochi and Kolkata). We also sell our services at the Bengaluru airport and recently started selling our services at the Mangalore airport. We also intend to open a counter at the Amritsar airport. We believe that our airport counters help us target potential first-time customers walking in to the airport, existing customers as a reminder to purchase our services and corporate customers.

Telemarketing: We have a telemarketing sales team based at our corporate office in New Delhi, which directs sales leads based on outgoing calls to and incoming queries from potential customers to our direct sales team and direct sales agents.

Website: Our website, www.matrix.in, provides access to information about our services and allows customers to purchase postpaid services and prepaid services.

Marketing and Business Development

We undertake advertising campaigns from time to time in order to increase our brand recall and raise awareness of our services. In recent years, we have primarily carried out our marketing through digital advertising on the Internet, through various search engines, social networking and e-mail. We have also advertised on television, radio and print. We believe that our airport counters are key to our advertising.

We were one of the sponsors of the Kolkata Knight Riders, a cricket franchise in the Indian Premier League tournament in Fiscal 2012, 2013 and 2014. We also reach out to customers of other travel-related service providers based on interest indicated in our services. We have entered into agreements and arrangements with various travel sector providers such as Jet Privilege and banks including HDFC Bank, pursuant to which their customers can benefit from discounts on our services or earn air-miles or other benefits when using our services.

Customer Support Services

We are focused on a favorable experience for customers using our services, including to encourage brand loyalty and repeat business. We aim to provide services catering to the communication requirements of each customer,

including by providing a variety of service plans for our postpaid and prepaid services with flexibility to allow customization to suit our customers' preferences, such as increasing levels of voice, data or SMS services in our bundled service plans. We also monitor feedback received from our customers to improve our services, and provide technical assistance and support services. As of December 31, 2014, we had 55 employees at our customer care centre located at our corporate office in New Delhi to address issues in relation to connectivity, billing or any other service provided by us 24 hours a day, seven days a week. Our customers can communicate with us through our call centre, branch offices or our website, www.matrix.in.

Technology and Infrastructure

We have developed a proprietary enterprise resource planning software system to capture customer information, process data on costs and usage in multiple currencies and networks to generate a single unified format for itemized billing for our customers. In 2013, we implemented sales force automation, an application through which customer information is electronically entered into the system by the salesperson with input from the customer and the activation of the SIM card or data card is completed electronically, which we believe has helped us to improve our customer service. Our system enables us to provide access on service plans to our sales teams, retrieve customer records and preferences and perform data analysis. We have also developed a network system for the activation and deactivation of services and service plans across networks in various countries.

Our customers can log on to their accounts on our website, www.matrix.in, and view bills with call records, as well as purchase services using our payment gateways with HDFC Bank and Paytm. We have an in-house data centre located at our corporate office in New Delhi. We use server virtualization for efficiency in our hardware and software systems. Our sales process, using sales force automation and salespeople equipped with mobile devices, is aimed at achieving paperless customer acquisition which we believe will help in reducing costs and physical space for storage of documents. We have connected all our offices to our in-house data centre and have a secure MPLS with multiple links for connectivity.

Security

We are committed to protecting the security of the information regarding our customers, including their personal information and credit card details. We maintain information security through the implementation of security-monitoring software, encryption and access control and password policies and have installed firewalls.

Our information security policy seeks to protect the security of our information assets (whether belonging to the Company or the customers). We have put in place certain controls, including limiting access to authorised persons and computer systems, to ensure confidentiality of our assets. We follow information security guidelines as recommended by Payment Card Industry Data Security Standard Version 3.0.

Competition

The market for providing telecom services to outbound travellers from India is highly competitive and we currently compete with other companies providing telecom services to outbound Indian customers, such as Uniconnect and Clay Telecom, as well as with Indian telecom companies providing international roaming services to outbound Indian customers.

In addition, we also compete with the local telecom service providers in various countries, which also offer similar services on a prepaid basis. In the reseller business, we compete with local telecom service providers and other companies providing services similar to our business.

In the foreign exchange business, we compete with banks and full-fledged money changers and in the facilitation of access to overseas travel insurance business, we compete with insurance brokers, insurance agents and insurance companies engaging in direct sales to ultimate customers.

Intellectual Property

Our intellectual property rights include trademarks and domain names associated with the name "Matrix". We conduct our business under the "Matrix" brand name and logo, and have applied for various "Matrix" trademarks

in India. Certain “Matrix” trademarks had been applied for by MCS, a Group Entity controlled by our Promoters. In February 2011, our Company and MCS entered into a deed of assignment whereby MCS assigned and transferred its trademarks, including all applications for registration of trademarks, to our Company. We have obtained a copyright registration for our sales application – user interface. We have received trademark registration for “Matrix Makes Sense” in Saudi Arabia and the United Arab Emirates and in relation to Matrix Forex in Canada, Singapore, South Africa, the United States, the European Union and Japan. For details, see the section “Government and Other Approvals – Intellectual Property” on page 434. We have registered our domain name, “http://www.matrix.in” and other sub-domain names and have the right to such domain and sub-domain names for the period for which such domain names are registered.

We enter into non-competition and confidentiality agreements with our employees and certain of our partners to protect our intellectual property rights and customer information. We require our employees to enter into agreements to keep confidential all information relating to our Company and our customers, including trade secrets, intellectual property rights, contact details of customers and our inventions during and after their employment with us.

Employees

We are focused on the recruitment, training and retention of our employees. As of December 31, 2014, we had 1,024 employees based in India and one employee based in the United Kingdom. The following table shows the total number of our employees as of the end of Fiscal 2014 and the nine months ended December 31, 2014:

DEPARTMENT		MARCH 31, 2014	DECEMBER 31, 2014
Sales	Direct Sales Team	454	333
	Direct Sales Agents support*	110	98
	Airport	31	49
Total		595	480
Non-Sales	Others	602	542
Managing Director		1	1
Chairman		1	1
Grand Total		1199	1024

** These employees support our direct sales agents.*

None of our employees are represented by a labour union and we have not experienced any work stoppages as of the date of this Draft Red Herring Prospectus. We believe our employee relations are good. We also contract with a third party for the provision of contract personnel from time to time, in accordance with applicable law, for housekeeping and security.

Insurance

We maintain and annually renew insurance for losses (but not business interruption) arising from fire and burglary. We also maintain health insurance for certain of our employees. We also maintain car insurance for our vehicles, cash-in-transit insurance, fidelity insurance and group personal accident insurance. As of December 31, 2014, we had director and officer liability insurance with a policy limit of ₹60 million which is valid until September 13, 2015.

Properties

Our registered and corporate office is located at 7 Khullar Farm, Mandi Road, Mehrauli, New Delhi, on leased property. In addition, as of December 31, 2014, we had branch offices located in 13 cities in India (i.e., Delhi, Noida, Mumbai, Bengaluru, Kolkata, Chandigarh, Jalandhar, Ludhiana, Jaipur, Ahmedabad, Pune, Hyderabad and Chennai, which have been occupied by us under lease or leave-and-license agreements for periods varying from two years to nine years. Our Company does not have any offices outside India. We believe that our existing properties are adequate for our current requirements and that additional space can be obtained on commercially reasonable terms to meet our future requirements as they arise.

REGULATIONS AND POLICIES IN INDIA

The following description is a summary of certain key regulations and policies prescribed by the Government which are applicable to our Company and our Subsidiaries in India and are currently in force. The information detailed in this section has been obtained from publications available in the public domain. The regulations set out below may not be exhaustive, and are only intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice. The statements below are based on the current provisions of Indian law, and remain subject to 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 our Company in compliance with these regulations and policies, see the section “Government and Other Approvals” on page 430.

The Telecom Regulatory Framework

The usage of telecommunications infrastructure in India is regulated by legislation, administrative orders, licensing and contractual mechanisms. The Department of Telecommunications or DoT under the Ministry of Communications and Information Technology, Government of India frames and administers policy in matters of telecommunications. The Telecom Regulatory Authority of India (the “**TRAI**”), established under the Telecom Regulatory Authority of India Act, 1997, as amended is an independent regulator of telecommunication services in India.

As part of our Company’s operations, we are required to comply from time to time with various laws, rules and regulations in relation to telecommunications services and infrastructure in India.

Sale/Rent of International Roaming SIM Cards and Global Calling Cards

Every entity engaged in the business of sale/rent of international roaming SIM cards and global calling cards is required to obtain a no-objection certificate from the DoT. The certificate issued by the DoT is subject to certain conditions including that the SIM cards and global calling cards being offered to Indian customers will be for use only outside India. The SIM card may be used in India for making only test or emergency calls subject to a maximum of 48 hours prior to departure from India and a maximum of 24 hours after arrival in India. If such time limits are violated, the SIM card issuer will be liable to pay a fine of ₹500 per hour for each SIM/calling card. The details of SIM cards and global calling cards, including the address of the person to whom such cards have been sold/rented are required to be provided to designated security agencies on a monthly basis.

Previously, the DoT issued the no-objection certificate for a period of one year and the entity was required to apply for renewal of the certificate. However, pursuant to an amendment dated August 5, 2014 to the terms and conditions of the no-objection certificate, the no-objection certificates are being issued for a period of three years and will be required to be renewed thereafter.

OSP Licenses

The New Telecom Policy, 1999 (the “**NTP**”) was framed by DoT and aimed at creating an enabling framework for developing the telecommunications industry in India. The NTP provided for other service providers (“**OSPs**”) to use the infrastructure provided by various access providers by obtaining registrations for specific services being offered subject to certain restrictions.

An OSP is required to comply with the terms and conditions issued by the DoT on August 5, 2008 and the registration granted to an OSP may be cancelled by the DoT if such terms and conditions are breached, or the DoT deems it necessary to do so in public interest or in the interest of the security of the state.

The units of our Company providing call centre services are required to obtain separate licenses from the DoT. These units are subject to license-based restrictions issued by the DoT from time to time.

Telemarketing Licenses

The DoT has framed telemarketing guidelines which regulate commercial messages transmitted through telecommunication services. These guidelines require any person or entity engaged in telemarketing to obtain registration from the DoT. Our voice-based and text-based services are subject to the telemarketing guidelines and the restrictions provided for therein.

Telemarketing guidelines were issued by TRAI as the Telecom Unsolicited Commercial Communications Regulations, 2007 (the “**Unsolicited Communications Regulations**”). The Unsolicited Communications Regulations required telemarketers to, *inter alia*, obtain registration and discontinue the transmission of unsolicited commercial messages to telephone subscribers registered with a national database established under the regulations. The Unsolicited Communications Regulations have now been replaced with the Telecom Commercial Communications Customer Preference Regulations, 2010 (the “**Customer Preference Regulations**”), issued by TRAI on December 1, 2010. Certain provisions of the Unsolicited Communications Regulations, however, continue to remain in force including provisions pertaining to reporting requirements and complaints. The Customer Preference Regulations prohibit the transmission of unsolicited commercial communication via calls or SMS, except commercial communication relating to certain categories specifically chosen by the subscribers, certain exempted transactional messages and any message transmitted on the directions of the Government or State Government or their authorized agencies, impose penalties on access providers for any violations, require setting up customer complaint registration facilities by access providers and provide for blacklisting of telemarketers in specified cases. Further, the regulations prohibit the transmission of commercial messages during the night, allocate clearly identifiable telephone numbers to telemarketers and also restrict the number of commercial messages transmitted through an access provider. Under the Customer Preference Regulations, no person, or legal entity who subscribes to a telecom service provided by an access provider, shall make any commercial communication without obtaining a registration as a telemarketer from TRAI.

Foreign Exchange

Authorised Money Changers (AMCs) are entities, authorised by the RBI under Section 10 of the FEMA. An AMC is a Full Fledged Money Changer (FFMC). FFMCs are authorised by the RBI to deal in foreign exchange for specified purposes, to widen the access of foreign exchange facilities to residents and tourists while ensuring efficient customer service through competition. FFMCs are authorised to purchase foreign exchange from residents and non-residents visiting India and to sell foreign exchange for certain approved purposes. FFMCs may appoint franchisees to undertake purchase of foreign currency. No person is permitted to carry on or advertise any form of money changing business unless such person is in possession of a valid money changer’s licence issued by the RBI.

Each FFMC is required to comply with the provisions of the master circular on the memorandum of instructions governing money changing activities issued by the RBI from time to time.

An FFMC has to be a company registered under the Companies Act and it should have minimum Net Owned Funds of ₹2.5 million in case of a single branch FFMC and ₹5 million in case of a multiple branch FFMC.

Net Owned Funds is required to be calculated in the following manner:

Owned Funds = (paid-up equity capital + free reserves + credit balance in profit and loss account) minus (accumulated balance of loss, deferred revenue expenditure and other intangible assets)

Net Owned Funds = Owned Funds minus the amount of investments in shares of its subsidiaries, companies in the same group, all (other) non-banking financial companies as also the book value of debentures, bonds, outstanding loans and advances made to and deposits with its subsidiaries and companies in the same group in excess of 10 per cent of the Owned funds.

Shops and Establishments Acts

Under the provisions of local shops and establishments legislation, commercial establishments are required to be registered. Such legislation regulate the working and employment conditions of workers employed in shops and commercial establishments and provide for fixation of working hours, rest intervals, overtime, holidays, leave,

termination of service, and other rights and obligations of the employers and employees. Such laws are enforced by the Chief Inspector of Shops and various inspectors under the supervision and control of the Labour Commissioner acting through the various District Deputy/Assistant Labour Commissioners.

Intellectual Property Laws

India provides for patent protection under the Patents Act, 1970, copyright protection under the Copyright Act, 1957 and trademark protection under the Trade Marks Act, 1999. These enactments provide for the protection of intellectual property by imposing civil and criminal liability for infringement. In addition to the domestic laws, India is a party to several international intellectual property treaties and conventions including the Patent Cooperation Treaty, 1970, the Paris Convention for the Protection of Industrial Property, 1883, the International Convention for the Protection of Literary and Artistic Works adopted at Berne in 1886, the Universal Copyright Convention adopted at Geneva in 1952, the Rome Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations 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.

Our Company has applied for trade mark registrations for the various brands and logos used in our business which are subject to the provisions of the Trade Marks Act, 1999.

Information Technology Act, 2000

The Information Technology Act, 2000 (the “**IT Act**”) creates liability on a body corporate which is negligent in implementing and maintaining reasonable security practices and procedures, and thereby causing wrongful loss or wrongful gain to any person, while possessing, dealing or handling any sensitive personal data or information in a computer resource owned, controlled or operated by it but affords protection to intermediaries with respect to third party information liability. The IT Act also provides for civil and criminal liability including compensation, fines and imprisonment for various computer related offences. These include offences relating to unauthorized access to computer systems, damaging such systems or modifying their contents without authorization, unauthorized disclosure of confidential information and committing of fraudulent acts through computers.

In April 2011, the Department of Information Technology under the Ministry of Communications & Information Technology notified the Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules, 2011 under section 43A of the IT Act (the “**IT Personal Data Protection Rules**”) and the Information Technology (Intermediaries Guidelines) Rules, 2011 under Section 79(2) of the IT Act (the “**IT Intermediaries Rules**”). The IT Personal Data Protection Rules prescribe directions for the collection, disclosure, transfer and protection of sensitive personal data. The IT Intermediaries Rules require persons receiving, storing, transmitting or providing any service with respect to electronic messages to not knowingly host, publish, transmit, select or modify any information prohibited under the Intermediaries Rules and to disable such information after obtaining knowledge of it.

Foreign Ownership of Indian Securities

Foreign investment in Indian securities is regulated through the Industrial Policy of the Government and the FEMA and the circulars and notifications issued thereunder.

The consolidated FDI Policy Circular of 2015 issued by the DIPP, which took effect from May 12, 2015, as amended (“**Consolidated FDI Policy**”), consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP.

The transfer of shares from an Indian resident to 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 FDI policy and such transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within applicable sectoral limits under the FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI and the RBI.

Foreign Trade (Development and Regulation) Act, 1992

In India, exports and imports are regulated by the Foreign Trade (Development and Regulation) Act, 1972 (the “**Foreign Trade Act**”). Under the Foreign Trade Act, every importer and exporter must obtain an ‘Importer Exporter Code’ from the Director General of Foreign Trade or from any other duly authorized officer. The Director General of Foreign Trade or an authorised officer can suspend or cancel a licence issued for export or import of goods in accordance with the Foreign Trade Act, after giving the licence holder a reasonable opportunity of being heard.

Labour Laws

Our operations are subject to compliance with certain labour and industrial laws, including, but not limited to the following:

- the Contract Labour (Regulation and Abolition) Act, 1970;
- the Employees’ Provident Funds and Miscellaneous Provisions Act, 1952;
- the Employees’ State Insurance Act, 1948;
- the Equal Remuneration Act, 1976;
- the Payment Of Gratuity Act, 1972;
- the Maternity Benefit Act, 1961; and
- the Shops and Establishments acts of various States.

Other regulations

In addition to the above, our Company is required to comply with the provisions of the Companies Act, the Competition Act, 2002, different state laws, various tax related laws and other applicable statutes for its day-to-day operations.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief History of our Company

Our Company was incorporated in New Delhi, as Matrix Cellular (International) Services Private Limited on November 17, 2005 under the Companies Act, 1956. Subsequently, pursuant to special resolutions of the Shareholders at an extraordinary general meeting held on April 2, 2015, our Company became a public limited company and the word “private” was deleted from its name. A fresh certificate of incorporation reflecting this change was issued by the RoC on April 21, 2015.

Our Company has seven equity shareholders, as of the date of filing of this Draft Red Herring Prospectus. For further information, see the section “Capital Structure” on page 77.

Our Registered Office is located at 7 Khullar Farm, Mandi Road, Mehrauli, New Delhi 110 030, India.

Changes in Registered Office

There has been no change in the registered office of our Company since incorporation.

Main Objects of our Company

The main objects of our Company contained in its Memorandum of Association are as follows:

- “1. To carry on the business of trading, hiring, renting, of International Roaming Sim Cards and to carry on the business of International Cellular Telecom Services, Service Providers for Telephone, Telegraph, Cable and for Wireless Communication and to establish, work, manage, sell, hire and maintain International Cellular Airtime, Telecom Services, Cellular Providers, Cable Communication, including airtime receiving and transmitting station and to act as agent, advisors, consultants, importers, exporters of telecom, information or communication technology whether involving sound, visual image, electric impulses, digital, modem or otherwise.*
- 2. To engage in the business of providing cellular mobile, fixed line telecommunication and multi-media services including direct broadcast satellite, high speed internet and interactive video and other value added services.”*

The main objects as contained in the Memorandum of Association enable our Company to carry on the business presently being carried out.

Amendments to the Memorandum of Association

Date of Shareholders' Resolution	Nature of Amendment
January 18, 2006	Authorized share capital increased from ₹5,000,000 divided into 500,000 equity shares of ₹10 each to ₹10,000,000 divided into 1,000,000 equity shares of ₹10 each
March 30, 2007	Authorized share capital increased from ₹10,000,000 divided into 1,000,000 equity shares of ₹10 each to ₹20,000,000 divided into 2,000,000 equity shares of ₹10 each
March 31, 2007	Authorized share capital increased from ₹20,000,000 divided into 2,000,000 equity shares of ₹10 each to ₹25,000,000 divided into 2,500,000 equity shares of ₹10 each
March 23, 2009	Authorized share capital sub-divided from ₹25,000,000 divided into 2,500,000 equity shares of ₹10 each to ₹25,000,000 divided into 25,000,000 equity shares of ₹1 each
December 23, 2010	Authorized share capital increased from ₹25,000,000 divided into 25,000,000 equity shares of ₹1 each to ₹30,000,000 divided into 30,000,000 equity shares of ₹1 each
April 6, 2011	Authorized share capital consolidated from ₹30,000,000 divided into 30,000,000 equity shares of ₹1 each to ₹30,000,000 divided into 3,000,000 equity shares of ₹10 each
April 30, 2011	Authorized share capital consolidated from ₹30,000,000 divided into 3,000,000 equity shares of ₹10 each to ₹420,000,000 divided into 42,000,000 equity shares of ₹10 each
February 27, 2012	Authorized share capital increased from ₹420,000,000 divided into 42,000,000 equity shares of ₹10 each to ₹430,000,000 divided into 43,000,000 equity shares of ₹10 each

Date of Shareholders' Resolution	Nature of Amendment
April 2, 2015	Conversion of the Company to a public limited company
May 6, 2015	Authorized share capital increased from ₹430,000,000 divided into 43,000,000 equity shares of ₹10 each to ₹470,000,000 divided into 47,000,000 equity shares of ₹10 each

Major Events

The table below sets forth some of the key events in the history of our Company:

Calendar Year	Event
2005	Incorporation of our Company
2007	Contract entered into with a local network in Singapore
2008	Investment by BCCL in our Company
	Launch of data services
	MVNO agreement entered into with T Mobile (now EE Limited)
2010	Commenced sale of services at Hyderabad airport
2011	Investment by Aleta in our Company
	Commenced sale of services at Chennai, New Delhi and Mumbai airports
	Commenced foreign exchange services through Matrix Forex
	Agreement entered into KKR for a term of 3 years
	Launch of global prepaid card and services in UK and Thailand
2012	Launch of prepaid services in Hong Kong, U.S. and Malaysia
	Commenced sale of services at Kolkata airport
	Launch of call centre in New Delhi
2013	Launch of prepaid services in Saudi Arabia
	Launch of sales force automation software for direct sales team
2014	Launch of data, voice and SMS bundled product

Other Details regarding our Company

For details of our Company's corporate profile, business, marketing, the description of our activities, services, products, market segment, the growth of our Company, profits due to foreign operations and country-wise analysis, standing of our Company in relation to competitors with reference to our products and services, technology, market, capacity built up, major suppliers, major customers and geographical segment, see the sections "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 141 and 365, respectively.

For details of the management of our Company and its managerial competence, see the section "Our Management" on page 173.

Capital raising activities through equity or debt

For details regarding our capital raising activities through equity and debt, see the sections "Capital Structure" and "Financial Indebtedness" on pages 77 and 392, respectively.

Injunctions or restraining order against our Company

Except as disclosed in the section "Outstanding Litigation and Material Developments" on page 395, there are no injunctions or restraining orders against our Company.

Guarantees provided by our Promoters

Our Promoters have not given any guarantees to third parties in respect of our Company and the Equity Shares that are outstanding as of the date of filing of this Draft Red Herring Prospectus.

Financial and Strategic Partners

Our Company does not have any financial and strategic partners as of the date of filing of this Draft Red Herring Prospectus.

Changes in the activities of our Company during the last five years

Except as disclosed herein, there have been no changes in the activities of our Company during the last five years which may have had a material effect on the profits and loss of our Company, including discontinuance of lines of business, loss of agencies or markets and similar factors:

- (i) in Fiscal 2014, our Subsidiary, Matrix Singapore, stopped offering services to customers travelling from Singapore to other countries; and
- (ii) as at December 31, 2014, our Joint Venture, M&S Telecom, had minimal activities and we are in the process of restructuring our operations in the Joint Venture. For further details in relation to such restructuring, see the section “Financial Statements” on page 199.

Defaults or rescheduling of borrowings from financial institutions/ banks and conversion of loans into equity

No defaults have been called by any financial institution or bank in relation to borrowings from financial institutions or banks.

Lock outs and strikes

There have been no lock outs or strikes at any of the units of our Company, the Subsidiaries or the Joint Ventures.

Time and cost overruns

Our Company has not implemented any projects and therefore has not experienced any time or cost overrun in relation thereto.

Details regarding acquisition of business/undertakings, mergers, amalgamations and revaluation of assets

For details on the acquisition of certain of our Subsidiaries and Joint Ventures, see the section “History and Certain Corporate Matters – Summary of Certain Agreements” on page 165.

The Company, together with Matrix Cellular Services Private Limited, had filed a scheme of amalgamation under Sections 391 and 394 of the Companies Act, 1956 before the High Court of Delhi for amalgamation of MCS with the Company. However, an application was filed by MCS and the Company in January 2011 requesting that the scheme of amalgamation be withdrawn, and accordingly, the High Court of Delhi passed an order on February 22, 2011 disposing of the application.

Except as stated above and in the section “History and Certain Corporate Matters”, our Company has not acquired any business or undertaking, and has not undertaken any merger, amalgamation or revaluation of assets.

Awards, Certifications and Recognitions

We have received the following awards, certifications and recognitions:

Calendar Year	Award/Certification/Recognition
2010	“Emerging Company of the year” by V & D Awards 2010
2011	“India’s Most Promising Brands 2011” by 4Ps Business and Marketing
2011 and 2012	“Innovative Product – Others” by Economic Times Telecom Awards
2014	“Delhi NCR Hot 50” by Hindustan Times
2015	“India’s most trusted international SIM card” by The Brand Trust Report (India Study 2015)

Holding Company

We have no holding company.

Subsidiaries

Our Company has the following subsidiaries:

1. Matrix Cellular Dubai (FZE);
2. Matrix Cellular International Services Corporation (USA);
3. Matrix Cellular International Services UK Ltd.;
4. Matrix Cellular Pte Ltd (Singapore);
5. Matrix Forex Services Private Limited; and
6. Preciflex Insulations Private Limited.

None of the Subsidiaries (i) is listed on any stock exchange in India or abroad; (ii) has become a sick company under the meaning of SICA; (iii) is under winding up; or (iv) has made any public or rights issues in the last three years. There are no accumulated profits or losses of the Subsidiaries not accounted for by our Company.

1. Matrix Cellular Dubai (FZE)

Corporate Information:

Matrix Cellular Dubai (FZE) (“**Matrix Dubai**”) was incorporated as GD Enterprises (FZE) under the laws of United Arab Emirates on July 14, 2008. Its name was subsequently changed to Matrix Cellular Dubai (FZE) on September 20, 2010. The registered office of Matrix Dubai is located at Executive Suite, R3 – 39 P.O Box 123269, SAIF-Zone, Sharjah, United Arab Emirates.

Matrix Dubai is engaged in the business of *inter alia*, creating, establishing and maintaining an organization for the purchase, sale, distribution, advertisement or introduction of products, goods, merchandise and commodities of every description.

Capital Structure:

The authorised share capital of Matrix Dubai is AED 150,000. The issued, subscribed and paid-up share capital of Matrix Dubai is AED 150,000.

Shareholding Pattern:

Name of Shareholder	Number of Shares	Percentage of Issued Capital (%)
Our Company	1	100
Total	1	100

2. Matrix Cellular International Services Corporation

Corporate Information:

Matrix Cellular International Services Corporation (“**Matrix USA**”) was incorporated as a corporation under the laws of Delaware on August 22, 2013. The registered office of Matrix USA is located at 1220 N. Market St., Ste 806, Wilmington, DE 19801, County of New Castle, U.S.A.

Matrix USA is authorized to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of Delaware.

Capital Structure:

The authorised share capital of Matrix USA is US\$5,000 divided into 500 equity shares of face value of US\$10 each. The issued, subscribed and paid-up share capital of Matrix USA is US\$5,000 divided into 500 equity shares of face value of US\$10 each.

Shareholding Pattern:

Name of Shareholder	Number of Equity Shares	% of Issued Capital
Our Company	500	100
Total	500	100

3. Matrix Cellular International Services UK Ltd

Corporate Information:

Matrix Cellular International Services UK Ltd. (“**Matrix UK**”) was incorporated as Your Best Connection Limited under the laws of the United Kingdom on June 8, 1999. Pursuant to the acquisition of Matrix UK by our Company in Fiscal 2007, its name was changed to Matrix Cellular International Services UK Ltd. on December 6, 2007. The registered office of Matrix UK is located at 59 Abbeygate Street, Bury St Edmunds, Suffolk, IP33 1LB.

Matrix UK is engaged in the business of *inter alia*, manufacturing, importing, exporting any article of commercial, manufacturing and personal use.

Capital Structure:

The issued, subscribed and paid-up share capital of Matrix UK is £10,000 divided into £10,000 ordinary shares of face value of £1 each.

Shareholding Pattern:

Name of Shareholder	Number of Ordinary Shares	% of Issued Capital
Our Company	10,000	100
Total	10,000	100

4. Matrix Cellular Pte Ltd

Corporate Information:

Matrix Cellular Pte Ltd (“**Matrix Singapore**”) was incorporated as a private company limited by shares under the laws of Singapore on May 8, 2007. The registered office of Matrix Singapore is located at 141, Cecil Street, #08-06 Tung Ann Association Building, Singapore 069 541.

Matrix Singapore is engaged in the business of *inter alia*, establishing, installing, maintaining and operating a telecommunication system for the provision of the telecommunication services.

Capital Structure:

The issued, subscribed and paid-up share capital of Matrix Singapore is SGD 1,300,000 divided into 13,000 ordinary shares of face value of SGD 100 each.

Shareholding Pattern:

Name of Shareholder	Number of Ordinary Shares	% of Issued Capital
Our Company	13,000	100
Total	13,000	100

5. Matrix Forex Services Private Limited

Corporate Information:

Matrix Forex Services Private Limited (“**Matrix Forex**”) was incorporated under the Companies Act, 1956 on July 15, 2010. The registered office of Matrix Forex is located at 7 Khullar Farm, Mandi Road, Mehrauli, New Delhi 110 030, India.

Matrix Forex is engaged in the business of *inter alia*, foreign exchange and dealing in currency cards subject to the rules, regulations and permission of the RBI.

Capital Structure:

The authorised share capital of Matrix Forex is ₹160,000,000 divided into 16,000,000 equity shares of ₹10 each. The issued, subscribed and paid-up share capital of Matrix Forex is ₹146,457,750 divided into 14,645,775 equity shares of ₹10 each.

Shareholding Pattern:

Name of Shareholder	Number of Equity Shares	% of Issued Capital
Our Company	14,645,774	99.99
Gagan Deep Singh Dugal	1	0.00
Total	14,645,775	100

6. Preciflex Insulations Private Limited

Corporate Information:

Preciflex Insulations Private Limited (“**Preciflex**”) was incorporated under the Companies Act, 1956 on August 31, 1998. Pursuant to a share purchase agreement dated June 7, 2007, our Company acquired Preciflex. For details on the acquisition of Preciflex, see the section “History and Certain Corporate Matters – Summary of Certain Agreements – Sale and Purchase Agreement dated June 7, 2007 among our Company, Ishwar Khushiram Bajaj, Malini Ishwar Bajaj, Bela Kennedy Gajra and Gayatri Rajesh Narang” on page 169. The registered office of Preciflex is located at 601 Nirman Kendrza Primisesc S Ltd Dr E Moses Road Mahalaxmi, Mumbai, Maharashtra 400 011, India.

Preciflex is authorized to engage in the business of *inter alia*, manufacturing, exporting and dealing in plastic and rubber products.

Capital Structure:

The authorised share capital of Preciflex is ₹2,500,000 divided into 250,000 equity shares of ₹10 each. The issued, subscribed and paid-up share capital of Preciflex is ₹2,500,000 divided into 250,000 equity shares of ₹10 each.

Shareholding Pattern:

Name of Shareholder	Number of Equity Shares	% of Issued Capital
Our Company	249,998	99.99
Gagan Deep Singh Dugal	1	0.00
Major General Manjit Singh Dugal	1	0.00
Total	250,000	100

Joint Ventures

Our Company has the following joint ventures:

1. Matrix Cellular International Ltd;
2. M&S Telecom Co. Ltd; and
3. Telecom Wimax Limited.

None of the Joint Ventures (i) is listed on any stock exchange in India or abroad; (ii) has become a sick company under the meaning of SICA; or (iii) is under winding up. There are no accumulated profits or losses of the Joint Ventures not accounted for by our Company.

1. Matrix Cellular International Ltd

Corporate Information:

Matrix Cellular International Ltd (“**Matrix Thailand**”) was incorporated under the laws of the Kingdom of Thailand on July 21, 2008. The registered office of Matrix Thailand is located at 571 RSU Tower, Unit 4 – 5, 10th Floor, Soi Sukhumvit 31, Sukhumvit Road, Klongton-Nua Sub-District, Wattana District, Bangkok Metropolis, Thailand.

Matrix Thailand is engaged in the business of *inter alia*, providing services in connection with mobile phones, SIM cards and mobile accessories.

Capital Structure:

The authorised share capital of Matrix Thailand is THB 1,000,000 divided into 10,000 shares of THB 100 each. The issued, subscribed and paid-up share capital of Matrix Thailand is THB 1,000,000 divided into 10,000 shares of THB 100 each.

Shareholding Pattern:

Name of Shareholder	Number of Preferred Stock	Number of Common Stock	% of Issued Capital
Our Company	-	4,899	48.99
Gaurav Kumar Khanna	-	1	0.01
Kanit Buaporn	5,100	-	51
Total		10,000	100

2. M&S Telecom Co. Ltd

Corporate Information:

M&S Telecom Co. Ltd (“**M&S**”) was incorporated under the laws of the Kingdom of Thailand on November 17, 2010. The registered office of M&S is located at No.75/78-79 Ocean Tower 2, 31st Floor, Sukhumvit 19 Alley, Sukhumvit Road, Klong Toey Nua Sub-district, Wattana District, Bangkok Metropolis, Thailand.

M&S is authorized to engage in the business of *inter alia*, purchasing, procuring, using and managing any assets.

Capital Structure:

The authorised share capital of M&S is THB 32,000,000 divided into 320,000 shares of THB 100 each. The issued, subscribed and paid-up share capital of M&S is THB 32,000,000 divided into 320,000 shares of THB 100 each.

Shareholding Pattern:

Name of Shareholder	Number of Equity Shares	% of Issued Capital
Sawasdeeshop Company Limited	160,000	50
Matrix Thailand	3,520	1.1
Our Company	156,480	48.9
Total	320,000	100

3. Telecom Wimax Limited

Corporate Information:

Telecom Wimax Limited (“**Wimax**”) was incorporated under the laws of Hong Kong as Pegasus Worldwide Limited on September 8, 2009. Its name was subsequently changed to Telecom Wimax Limited on August 30, 2010. The registered office of Wimax is located at Suites 1-3, 16th Floor, Kinwick Centre, 32 Hollywood Road, Central, Hong Kong.

Wimax is authorized to engage in the business of *inter alia*, investing, holding, selling and dealing with stock, shares, bonds, debentures and securities of any government state, company or corporation.

Capital Structure:

The authorised share capital of Wimax is HK\$ 11,000,000 divided into 11,000,000 ordinary shares of HK\$ 1 each. The issued, subscribed and paid-up share capital of Wimax is HK\$ 11,000,000 divided into 11,000,000 ordinary shares of HK\$ 1 each.

Shareholding Pattern:

Name of Shareholder	Number of Equity Shares	% of Issued Capital
Our Company	5,500,000	50
Dee Telecom Holdings HK Limited	5,500,000	50
Total	11,000,000	100

Revenue or Profit or Asset Contribution

There is no Subsidiary or Joint Venture which has contributed more than 5% of revenue or profits or assets of our Company on a consolidated restated basis as of and for the nine month period ended December 31, 2014. Further our Company has net losses for the year ended March 31, 2014 on a restated consolidated basis. Except Matrix Forex, there is no Subsidiary or Joint Venture which has contributed more than 5% of revenue or assets of our Company on a consolidated restated basis as of and for the year ended March 31, 2014.

Significant Sale/Purchase between Subsidiaries, Joint Ventures and our Company

Except as disclosed in the section “Related Party Transactions” on page 197, none of the Subsidiaries and the Joint Ventures is involved in any sales or purchase with our Company where such sales or purchases exceed in value in the aggregate of 10% of the total sales or purchases of our Company.

Common Pursuits

Except as disclosed in the sections “Our Business” and “Related Party Transactions” on pages 141 and 197 respectively, there are no common pursuits between our Company and the Joint Ventures or the Subsidiaries.

Business Interest between our Company and the Joint Ventures or the Subsidiaries

Except as disclosed in the sections “Our Business” and “Related Party Transactions” on pages 141 and 197 respectively, none of the Subsidiaries and the Joint Ventures has any business interest in our Company.

Summary of Certain Agreements

In this section, unless otherwise defined or the context requires otherwise, defined terms used in the descriptions below have the meanings given to such terms under the respective agreements.

1. *Debenture subscription agreement dated January 25, 2008 among our Company, BCCL and Gagan Deep Singh Dugal*

Pursuant to the Debenture Subscription Agreement among our Company, BCCL and Gagan Deep Singh Dugal (representing the then existing shareholders of the Company), BCCL subscribed to 50,000,000 Fully Convertible Debentures for a price of ₹10 per Fully Convertible Debenture. Further, pursuant to the Debenture Subscription and Shareholders Amendment Agreement dated October 28, 2009 among BCCL, our Company and Gagan Deep Singh Dugal, certain terms of the Debenture Subscription Agreement were amended.

2. *Debenture Purchase Agreement dated October 28, 2009*

Pursuant to the Debenture Purchase Agreement among our Company, BCCL and our Promoters, our Promoters purchased 15,000,000 Fully Convertible Debentures held by BCCL for a price of ₹10 per Fully Convertible Debenture.

3. *Share Sale and Purchase Agreement dated February 2, 2011 among Aleta, BCCL, our Company and Gagan Deep Singh Dugal*

Pursuant to the Share Sale and Purchase Agreement, Aleta purchased 2,487,562 Equity Shares held by BCCL (which represented 12.96% of the equity share capital of the Company at the time) for an aggregate consideration of ₹418,510,385.

4. *Subscription cum share purchase agreement dated February 2, 2011 among Aleta, our Company, Gagan Deep Singh Dugal, Major General Manjit Singh Dugal and Urvashi Kaur (the “Aleta Subscription Agreement”)*

Pursuant to the Aleta Subscription Agreement, Aleta purchased 4,887,052 Equity Shares held by Gagan Deep Singh Dugal for an aggregate consideration of ₹1,000,000,000 and subscribed to 733,058 Equity Shares for an aggregate consideration of ₹150,000,000.

In addition, Gagan Deep Singh Dugal subscribed to 1,221,763 Warrants A and 516,311 Warrants B. The terms of Warrants A stated that they will be convertible into Equity Shares on or prior to December 31, 2013 subject to fulfilment of certain conditions, including the filing of a draft red herring prospectus by the Company at a price per Equity Share which gives Aleta an internal rate of return of 25% on the investment amount or the sale by Aleta of 1/3rd of its shareholding in the Company to a third party at a price per Equity Share which gives Aleta an internal rate of return of 25% on the investment amount. The terms of Warrants B stated that they will be convertible into Equity Shares on or prior to June 30, 2011 if the Company recovers its outstanding receivables of ₹120,000,000, provided that in the event the Company is able to recover a portion of the outstanding receivables, Gagan Deep Singh Dugal will be entitled to convert a proportionate number of Warrants B.

For details in relation to the conversion of Warrants B to Equity Shares, see the section “Capital Structure” on page 77.

5. *Shareholders’ Agreement dated February 2, 2011 among Aleta, Gagan Deep Singh Dugal, Major*

General Manjit Singh Dugal, Urvashi Kaur and our Company, as amended by an amendment agreement dated May 14, 2015 (the “Aleta Shareholders’ Agreement”)

The Aleta Shareholders’ Agreement was entered into to provide for certain matters relating to the rights and obligations of our Company, our Promoters and Aleta Private Limited (“**Aleta**”) in their capacity as shareholders, including relating to the management and functioning of our Company.

Pursuant to an amendment agreement dated May 14, 2015 and in view of the Offer, the parties modified certain terms and conditions of the Aleta Shareholders’ Agreement, including in relation to termination of the Aleta Shareholders’ Agreement and non-compete obligations of the Promoters.

Management Rights: The Board shall comprise up to twelve directors. Our Promoters shall have the right to jointly appoint two directors to the Board (each such director, a “**Promoter Nominee Director**”). Aleta shall have the right to appoint such number of directors in proportion to their shareholding (“**Aleta Nominee Director**”) until Aleta holds at least 10% of the equity share capital of our Company. In addition, Aleta shall be entitled to appoint one observer on the board of directors of each of Preciflex, Matrix Forex, Matrix Singapore, Matrix UK, Matrix Thailand, GD Enterprises (FZE) and Matrix Inc. and up to two directors to each of the committees established by the Board, including each of the compensation committee and the audit committee.

Reserved Matters: Reserved matters include, *inter alia*, the following:

- Acquisition of shares, assets, business, business organization or division of any other person, commencement of any new line of business, which is unrelated to the business of the Company, or making of any investment (other than short-term deposits with banking institutions), or any change in the nature of business of the Company, creation of legal entities, joint ventures or partnerships, mergers, de-mergers, spin-offs and consolidations, creation of any new subsidiaries;
- Providing guarantees or making any loans, other than in the ordinary course of business;
- Changes in the capital structure of the Company, such as, but not limited to, (a) the issuance of new equity or capital, including shares, rights, options, warrants to purchase shares (or other convertible or quasi-equity securities), (b) increases in the authorized share capital, (c) creation of any new class of equity securities, (d) redemption or reduction of shares or other equity securities, (e) granting of options, or (f) changes to rights associated with a class of securities (directly or indirectly);
- Sale, transfer, assignment, mortgage, pledge of substantial assets of the Company and grant of security interest in, or otherwise dispose of, any assets or securities of the Company, with a fair market value of such assets or securities exceeding ₹20 million in a single transaction;
- Listing/de-listing of the Company or change in legal status;
- Incurrence, issuance or assumption of any form of indebtedness in excess of the levels agreed upon in the annual budget, or grant of any security in the assets of the Company other than in the ordinary course of business;
- Declaration or payment of dividends or other distributions on any class of equity shares of the Company;
- Approval, adoption, amendment or modification of the annual budget, or the taking of any action that would be inconsistent with the budget then in effect;
- Entering into an amendment or termination of any agreement or commitment that imposes or is likely to impose obligations or liabilities on the Company to pay an amount of ₹20 million or more or provide services or products generating revenues of ₹50 million or more, in one calendar year;
- Appointment or removal of key personnel, determination of the terms of their employment; compensation payable to key personnel;
- Create or adopt any new or additional equity option plan, or change, modify or amend any existing equity option plan;
- Prosecution or settlement of legal actions or claims where the aggregate amount of all claims so prosecuted or settled would exceed ₹2,500,000;

- Dissolution, winding-up or liquidation of the Company, whether or not voluntary or any restructuring or reorganization which has a similar effect;
- Any amendment, supplement, modification or restatement of the memorandum of association or the articles of association;
- Material changes to accounting or tax policies, procedures or practices or change of internal or statutory auditors;
- Change of registered office;
- Reorganization, transformation or restructuring of the Company;
- Change in the size of the Board or in any procedure of the Company relating to the designation, nomination, or election of the Board, and the constitution of any committee of the Board;
- Capital expenditure, including constructions and leases more than ₹10 million per annum in excess of the levels in the annual budget;
- Conversion of Warrants B;
- Affiliated or related party transactions, agreements or arrangements between the Company and the Promoters, their associates or their affiliates; and
- Grant of a license to use the “Matrix” brand.

Transfer restrictions: Our existing shareholders are restricted from transferring any equity shares in excess of 5% (five percent) in aggregate (either individually or collectively) of the equity share capital to any person at any time prior to the IPO without Aleta’s prior written consent, provided however, that (i) such shareholder is permitted to sell any or all of its equity shares to one or more of its affiliates, without the consent of the Board or the other shareholders, after the transferring shareholder has given prior written notice to the other parties and such affiliate agrees to become bound to the Aleta Shareholders’ Agreement; and (ii) subject to right of first offer, the existing shareholders will also be permitted to transfer up to 5% (five percent) in aggregate (either individually or collectively) of the equity share capital at any time prior to the IPO without Aleta’s prior written consent.

Right of first offer (“ROFO”): If at any time, any of the shareholders proposes to transfer any portion of the equity shares, such selling shareholder is required to first notify each of the other shareholders of the number of equity shares proposed to be transferred (the “**ROFO Shares**”) by delivering a written notice. Each of the other shareholders has the right to communicate an offer to purchase all, but not less than all, of the ROFO Shares, within a specified period. Upon receipt of the notice of acceptance setting forth the price per equity share (the “**ROFO Price**”), the selling shareholder shall have the option to transfer to the other shareholder at the ROFO Price or transfer the ROFO Shares to any person excluding a competitor at a price that is not less than the ROFO Price. If the other shareholder fails to exercise the ROFO or pay the ROFO Price, the selling shareholder shall have the absolute right to sell the ROFO Shares to any person other than a competitor at any price.

Tag-along rights: Except for transfer to an affiliate, none of the existing shareholders (each, a “**Tag-Along Offeror Shareholder**”) shall, directly or indirectly, transfer any ROFO Shares to any person without delivering a notice of sale to Aleta and after receipt of such notice of sale, Aleta will have a right for a period of 30 (thirty) business days from the date of such notice (the “**Tag-Along Sale Period**”) to participate in the sale by the existing shareholders to a (third) person (the “**Transferee**”), at the transfer price (or such greater price at which the ROFO Shares may be actually sold to the Transferee) (the “**Tag-Along Sale**”). Aleta may exercise its rights by delivering a written notice setting forth the number of equity shares it wishes to sell in the Tag-Along Sale to the Tag-Along Offeror Shareholder and any Person to whom the equity shares are so transferred shall execute a deed of adherence to be bound by the terms and conditions.

Pre-emptive rights: If our Company proposes to undertake any future issue of any equity shares, preference shares or any rights, options, warrants, debentures, securities or instruments entitling the holder thereof to receive, subscribe, convert into or exchange for equity shares of our Company (the “**New Securities**”), we are required to first give notice to Aleta and the existing shareholders entitling them to purchase up to their pro rata share of the New Securities proposed to be issued, at the price and on the terms specified in such notice. If any New Securities exist after the exercise by the pre-emptive rightholders of its right to purchase from our Company, such New Securities may be offered to a third

party on the same terms and conditions. However, these pre-emptive rights shall not apply to, *inter-alia*, equity shares of our Company issued as a stock dividend including pursuant to the employee stock option plan of our Company, pursuant to conversion of fully convertible debentures, if any held by the existing shareholders, and pursuant to an IPO.

Anti-dilution rights: Prior to the IPO, Aleta will be protected against any dilution of its shareholding in our Company in the event of any Anti-Dilution Event (as defined in the Aleta Shareholders' Agreement) which shall not happen without Aleta's prior written consent. However, such anti-dilution rights shall not apply to, *inter-alia*, any equity shares already vested/allocated or issuance of stock options under the employee stock option plan of our Company and conversion of fully convertible debentures, if any held by the existing shareholders.

More favourable rights: The rights and entitlements of Aleta shall stand in preference and is required to be given priority over any other rights and entitlements of the existing shareholders and without Aleta's prior consent, our Company and the existing shareholders shall not provide any rights more favorable than those provided to Aleta to any person (including any of the existing shareholders).

Shareholders' meetings: Under the terms of the agreement, all shareholders' meetings are required to have a quorum which includes at least one representative of Aleta unless prior written consent waiving the condition is obtained.

Non-compete: Each of the existing shareholders and certain of our key personnel, and their affiliates, are restricted from, *inter-alia*, (i) for so long as such existing shareholder holds any equity shares of our Company and for six months thereafter, competing with our Company, soliciting any customer or soliciting or enticing away any employee of our Company; (ii) at any time after closing, using the words "Matrix" in any language or using any trade, business or domain name or mark, design or logo previously used by our Company; and (iii) assisting or causing any other person to do any of the above. "Compete" means to carry on, own, manage, operate, join, assist, control, participate in, undertake or be interested in, directly or indirectly, any business which is identical or similar to the business carried out by our Company.

Third Party Sale: Upon failure to rectify an event of default under the Aleta Shareholders' Agreement, Aleta shall at their absolute discretion be entitled to take any or all of the following steps: (a) third party sale facilitated by the existing shareholders; (b) sale to any person by Aleta; and (c) liquidation.

Drag-along Rights: On occurrence of any event of default under the Aleta Shareholders' Agreement, Aleta shall have the right, exercisable in one or more tranches, to require the existing shareholders and their affiliates (or any of them) to sell the equity shares held by them in our Company to any person (including a competitor) ("**Proposed Buyer**") on the same terms and conditions agreed between Aleta and the Proposed Buyer. The sale and purchase of the dragged shares shall be concluded on a spot sale basis. The proceeds from such sale of the dragged shares shall be distributed first to Aleta in accordance with the terms of the Aleta Shareholders' Agreement and the balance amount is to be paid to all remaining shareholders (other than Aleta) in our Company in proportion to their respective shareholding in our Company at the time of sale of the Dragged Shares.

Liquidation Preference: The total proceeds from (i) any liquidation, dissolution or winding up of our Company, or (ii) any sale of all or substantially all of the assets of our Company, remaining after discharging the liabilities of our Company, shall be distributed first to Aleta in accordance with the terms of the Aleta Shareholders' Agreement and the balance amount is to be paid to all remaining shareholders (other than Aleta) in our Company in proportion to their respective shareholding in our Company at the time of liquidation.

Termination: The Aleta Shareholders' Agreement shall terminate (a) upon the date of consummation of the public listing of the equity shares conducted in accordance with the terms of this agreement; or (b) by the mutual consent of the parties in writing; or (iii) with respect to Aleta, upon the date of consummation of a transfer by Aleta to any person (other than its affiliate) of equity shares of our Company equal to or in excess of 3/5 (three-fifth) of the equity shares of the Company held by Aleta as

of closing.

6. ***Consultancy Agreement dated April 1, 2014 between our Company and GD Trading FZE (the “Consultancy Agreement”)***

Pursuant to the Consultancy Agreement, GD Trading FZE provides services to our Company including advice on territories for future expansion of business, acting as a channel of communication between the operators in foreign territories and our Company. As consideration for the services rendered, GD Trading FZE shall be paid US\$ 300 per hour on the basis of invoices which are required to be raised monthly.

Our promoter controls GD Trading FZE. For details in relation to GD Trading FZE, see the section “Our Group Entities” on page 188.

The original term of the Consultancy Agreement was one year and shall be automatically extended for a further period of one year thereafter. Our Company has the right to terminate the Consultancy Agreement immediately by providing written notice in the event there is a change in the management, control or ownership of GD Trading FZE.

7. ***Sale and Purchase Agreement dated June 7, 2007 among our Company, Ishwar Khushiram Bajaj, Malini Ishwar Bajaj, Bela Kennedy Gajra and Gayatri Rajesh Narang (the “Preciflex SPA”)***

Pursuant to the Preciflex SPA, our Company purchase 10,000 equity shares, representing 100% of the issued equity share capital of Preciflex from Ishwar Khushiram Bajaj, Malini Ishwar Bajaj, Bela Kennedy Gajra and Gayatri Rajesh Narang for an aggregate consideration of ₹5.54 million.

8. ***Shareholders agreement dated December 3, 2010 among our Company, Matrix Thailand, Sawasdeeshop Company Limited and M&S Telecom Company Limited (the “M&S Shareholders’ Agreement”)***

The parties entered into the M&S Shareholders’ Agreement to provide for certain matters governing the relationship between Company, Matrix Thailand and Sawasdeeshop Company Limited (“**Sawasdeeshop**”) as shareholders of M&S, including relating to the operation and management of M&S.

Management Rights: The board shall comprise up to four directors. Our Company and Matrix Thailand shall have the right to appoint up to two directors to the board (each such director, a “**Matrix Nominee Director**”) and Sawasdeeshop shall have the right to appoint the other two directors to the Board (each such Director, a “**Sawasdeeshop Nominee Director**”).

Specified Matters: Matters that require the written approval of each of our Company and Sawasdeeshop include, *inter-alia*, the following:

- Approval of any business plan, annual budget, financial accounts (including those to be issued by the auditors), and/or capital expenditure plan;
- Borrowing of money or acquiring credit facilities from any person, juristic person or financial institution in excess of any aggregate sum of THB 1,000,000;
- Amending, modifying, altering, repealing or supplementing M&S’s constitutional documents or its objectives or the commencement of any new type of business not being ancillary or incidental to its business;
- Increasing or decreasing M&S’s issued share capital, or otherwise create any new class of shares or voting rights, or otherwise changing or varying the rights attaching to any of the shares;
- Formation, acquisition, disposition, liquidation or winding up of M&S or acquisition or disposal by M&S of any shares or any interest in any partnership or joint venture, or undertaking any amalgamation or merger of M&S with any other company or concern;

- Entering into any transaction or series of transactions which results in any shares in M&S being listed or floated upon any stock exchange or traded in any stock market;
- Sale or disposal of the whole or a substantial part of the assets (other than in the ordinary course of business) or buying, leasing (for more than 12 months in the aggregate) or selling or agreeing to buy, lease or sell any real property (save with respect to investments approved by the annual budget);
- Declaring or paying any dividend, return of capital or other distribution to any shareholder with respect to any of its shares other than on a pro rata basis to all shareholders, or make any advances, loans or other disbursements of money to any of the shareholders;
- Increasing or decreasing the number of directors, changing the directors authorized to bind M&S, or change the provisions regarding nominating and voting for directors, or increasing or decreasing the compensation of any director;
- Use of the brand “Matrix”; and
- Prior approval of any other vendor to supply voice and data telecom solution to the company. However, our Company and Matrix Thailand will allow the company to enter into an agreement with any other vendor providing country specific SIM cards, provided it is not able to match the terms and conditions offered by such other vendor providing country specific SIM cards and a notice of 30 days has been given to our Company and Matrix Thailand.

Transfer Restrictions: Our Company and the other shareholders are restricted from transferring any shares held by them, without first offering to sell such shares to the non-selling shareholders, provided however, that where a shareholder desires to sell all or part of their shares to (a) a company which owns or controls more than fifty percent of the total issued capital of the selling party, or (b) one or more companies in which they own or control more than fifty percent of the total issued share capital of such companies, such shares may be transferred without restriction.

Right of First Offer: If at any time, our Company or any of the other shareholders proposes to sell, transfer or dispose of their shares, such Company or other shareholder is required to first offer such shares to the non-selling shareholders in proportion to their then existing shareholding.

Call Option: Under the M&S Shareholders’ Agreement, if the defaulting party fails to remedy their breach in the time provided after receipt of notice in writing from one or more of the other parties, then the non-defaulting parties shall have an option to acquire all or part of the defaulting party’s shares.

Shareholders’ Meetings: To the extent permitted by law, the shareholders may adopt a resolution without holding a meeting if all the shareholders approve such action by signing the original copy of the resolution. No party is permitted, without the written consent of the other party, to (a) borrow money in the name of M&S or utilize any assets owned by M&S as security for loan; or (b) make any assignment for the benefit of creditors or give any bond, mortgage, guarantee or contract to sell the property of M&S; (c) borrow money from M&S; or (d) lend money of M&S.

Non-compete: Our Company and the other shareholders, while they are beneficially interested in any shares of M&S, are restricted from, *inter-alia*, carrying on or being engaged in or interested in or assisting in the operations of any other firm or company which directly competes with the business of M&S, soliciting customers for any goods or services directly competing with any goods or services supplied by M&S, or inducing any person to cease being a customer of M&S, without the prior written consent of the other shareholders.

Termination: The M&S Shareholders’ Agreement shall automatically terminate in the event that one party acquires all of the shares of M&S. The M&S Shareholders’ Agreement may also be terminated (a) upon the mutual written agreement of the parties; or (b) by the non-defaulting party upon failure by the defaulting party to cure certain specified defaults within the applicable cure period or in case of bankruptcy or insolvency of any party. If termination is effected by the non-defaulting party, then the non-defaulting shareholders shall have the right, but not obligation, to either (a) purchase all the shares of stock in M&S owned by the other party at 70% of the net book value or cause such shares to be purchased by any third party that it desires at the same price; or (b) dissolve and liquidate M&S.

9. *Shareholders agreement dated July 27, 2011 among our Company, Dee Telecom Holdings HK Limited and Telecom Wimax Limited (the “Wimax Shareholders’ Agreement”)*

The parties entered into the Wimax Shareholders’ Agreement to provide for certain matters relating to the rights and obligations of our Company and Dee Telecom Holdings HK Limited (“**Dee Telecom**”), including relating to the operation and management of Wimax.

Management Rights: The board shall comprise up to four directors. Our Company shall have the right to appoint up to two directors to the board (each such director, a “**Matrix Nominee Director**”) and Dee Telecom shall have the right to appoint the other two directors to the Board (each such Director, a “**Dee Nominee Director**”).

Board Meetings: Under the terms of the Wimax Shareholders’ Agreement, all board meetings are required to have a quorum of at least two directors and such quorum shall include at least one representative each of our Company and Dee Telecom.

Reserved Matters: Matters that require the prior written approval of our Company include, *inter-alia*, the following:

- Approval of business plan, annual budget, financial accounts (including those to be issued by the auditors), and/or capital expenditure plan;
- Borrowing of money or acquiring credit facilities from any person, juristic person or financial institution in excess of any aggregate sum of HKD 10,000;
- Amending, modifying, altering, repealing or supplementing Wimax’s constitutional documents or its objectives or the commencement of any new type of business not being ancillary or incidental to its business;
- Increasing or decreasing Wimax’s issued share capital, or otherwise create any new class of shares or voting rights, or otherwise changing or varying the rights attaching to any of the shares;
- Formation, acquisition, disposition, liquidation or winding up of Wimax or acquisition or disposal by Wimax of any shares or any interest in any partnership or joint venture, or undertaking any amalgamation or merger of Wimax with any other company or concern;
- Entering into any transaction or series of transactions which results in any shares in Wimax being listed or floated upon any stock exchange or traded in any stock market;
- Sale or disposal of the whole or a substantial part of the assets (other than in the ordinary course of business) or buying, leasing (for more than 12 months in the aggregate) or selling or agreeing to buy, lease or sell any real property (save with respect to investments approved by the annual budget);
- Declaring or paying any dividend, return of capital or other distribution to any shareholder with respect to any of its shares other than on a pro rata basis to all shareholders, or make any advances, loans or other disbursements of money to any of the shareholders;
- Increasing or decreasing the number of directors, changing the directors authorized to bind Wimax, or change the provisions regarding nominating and voting for directors, or increasing or decreasing the compensation of any director; and
- Use of the brand “Matrix”.

Transfer Restrictions: Our Company and Dee Telecom are restricted from transferring any shares held by them, without first offering to sell such shares to the non-selling shareholder, provided however, that where a shareholder desires to sell all or part of their shares to (a) a company which owns or controls more than fifty percent of the total issued capital of the selling party, or (b) one or more companies in which they own or control more than fifty percent of the total issued share capital of such companies, such shares may be transferred without restriction.

Right to subscribe new shares: In the event of an increase in capital, the existing shareholders shall be offered the first right to subscribe new shares in proportion to their then existing shareholding. If either shareholder declines to exercise the right to subscribe to any new shares being issued by Wimax, the other shareholder shall be entitled to subscribe to all such new shares being issued.

Right of First Offer: If at any time, our Company or Dee Telecom proposes to sell, transfer or dispose of their shares, our Company or Dee Telecom, as the case may be, is required to first offer such shares to the non-selling shareholder in proportion to their then existing shareholding.

Call Option: Under the Wimax Shareholders' Agreement, if a default is committed by either shareholder, the other non-defaulting shareholder shall have an option to acquire all or part of the defaulting party's shares.

Shareholders' Meetings: To the extent permitted by law, the shareholders may adopt a resolution without holding a meeting if all the shareholders approve such action by signing the original copy of the resolution. No shareholder is permitted, without the written consent of the other shareholder, to (a) borrow money in the name of Wimax or utilize any assets owned by Wimax as security for loan; or (b) make any assignment for the benefit of creditors or give any bond, mortgage, guarantee or contract to sell the property of Wimax; (c) borrow money from Wimax; or (d) lend money owned by Wimax as loans or otherwise to third parties.

Non-compete: Our Company and Dee Telecom, while they are beneficially interested in any shares of Wimax, are restricted from, *inter-alia*, carrying on or being engaged in or interested in or assisting in the operations of any other firm or company which directly competes with the business of Wimax, soliciting customers for any goods or services directly competing with any goods or services supplied by Wimax, or inducing any person to cease being a customer of Wimax, without the prior written consent of the other shareholders. Neither of the shareholders shall cause Wimax to directly or indirectly enter into a transaction or any contract with a related third party unless written consent of all parties is obtained.

Termination: The Wimax Shareholders' Agreement shall automatically terminate in the event that one party acquires all of the shares of Wimax. The Wimax Shareholders' Agreement may also be terminated (a) upon the mutual written agreement of the parties; or (b) by the non-defaulting party upon occurrence of any default or in case of bankruptcy or insolvency of any party. If termination is effected by the non-defaulting party, then the non-defaulting shareholders shall have the right, but not obligation, to either (a) purchase all the default shares or cause such shares to be purchased by any third party; or (b) dissolve and liquidate Wimax.

OUR MANAGEMENT

Board of Directors

Under the Articles of Association, our Company is required to have not less than three Directors and not more than 15 Directors. Currently our Company has 6 Directors.

The following table sets forth details regarding the Board as of the date of this Draft Red Herring Prospectus:

Name, Designation, Term, DIN, Occupation, Nationality and Address	Age (in years)	Other Directorships
Gagan Deep Singh Dugal <i>Designation:</i> Non-Independent and Non-Executive Director <i>Term:</i> Liable to retire by rotation <i>DIN:</i> 00513181 <i>Occupation:</i> Business <i>Nationality:</i> Indian <i>Address:</i> 6 Sultanpur Estate, Mandi Road Mehrauli, New Delhi 110 030 India	42	Private Companies: 1. Luxalon Building Private Limited 2. Matrix TeleSolutions Private Limited 3. Matrix Forex Services Private Limited 4. SMG Sports Management Company Private Limited 5. Preciflex Insulations Private Limited 6. YBO Solutions (India) Private Limited 7. Tamarinde Holidays Private Limited 8. Signature Talent Private Limited 9. Liberty India Destination Management Company Private Limited 10. Matrix Cellular Services Private Limited Public Companies: Nil Foreign Companies: 1. Matrix Cellular International Services UK Limited 2. Matrix Cellular Pte Ltd 3. GD Trading FZE 4. Matrix Cellular International Services Corporation 5. Matrix Inc.
Major General Manjit Singh Dugal <i>Designation:</i> Non-Independent and Executive Director <i>Term:</i> Liable to retire by rotation <i>DIN:</i> 01402011 <i>Occupation:</i> Business <i>Nationality:</i> Indian <i>Address:</i> 6 Sultanpur Estate, Mandi Road Mehrauli, New Delhi 110 030 India	75	Private Companies: 1. Preciflex Insulations Private Limited 2. Matrix Cellular Services Private Limited Public Companies: Nil Foreign Companies Nil Partnerships 1. Hexagon Assets LLP
Jayanta Kumar Basu <i>Designation:</i> Nominee and Non-Executive Director <i>Term:</i> Liable to retire by rotation <i>DIN:</i> 01268046 <i>Occupation:</i> Independent Professional <i>Nationality:</i> Indian <i>Address:</i> I-1742, Chittaranjan Park	49	Private Companies: 1. Sutures India Private Limited 2. Transaction Solutions International (India) Private Limited 3. Minacs Private Limited 4. Ujjivan Financial Services Private Limited Public Companies: 1. Security and Intelligence Services (India) Limited Foreign Companies 1. Minacs Group (USA) Inc. 2. Mincas Group Inc.

Name, Designation, Term, DIN, Occupation, Nationality and Address	Age (in years)	Other Directorships
New Delhi 110 019 India		Partnerships 1. CX Advisors LLP
Chander Mohan Mehra <i>Designation:</i> Independent and Non-Executive Director <i>Term:</i> 2 (two) years <i>DIN:</i> 07173867 <i>Occupation:</i> Advocate <i>Nationality:</i> Indian <i>Address:</i> House No. 71, Uday Park New Delhi 110 049	65	Private Companies: 1. Matrix Forex Services Private Limited Public Companies: Nil Foreign Companies Nil
Gulkirat Kaur Panag <i>Designation:</i> Independent and Non-Executive Director <i>Term:</i> 2 (two) years <i>DIN:</i> 02008388 <i>Occupation:</i> Actress <i>Nationality:</i> Indian <i>Address:</i> B-804, Akanksha Kalyan Complex, Versova Andheri (West) Mumbai 400 061	36	Private Companies: 1. Skipper Aviation Private Limited 2. Tittar Lodge Productions Private Limited Public Companies: Nil Foreign Companies Nil
Gaurav Sekhri <i>Designation:</i> Independent and Non-Executive Director <i>Term:</i> 2 (two) years <i>DIN:</i> 00090676 <i>Occupation:</i> Business <i>Nationality:</i> Indian <i>Address:</i> 448-451, Chin Min Farms Satbari, Mehrauli New Delhi 110 030	42	Private Companies: 1. Yardstick Technologies Private Limited 2. BGK Commodities Private Limited 3. B.G.K. Infrastructure and Developers Private Limited 4. BGK Infratech Private Limited 5. Green Range Farms Private Limited 6. BGNS Infratech Private Limited 7. Bee Pee Farms and Properties Private Limited 8. Fratelli Wines Private Limited 9. Quenny Agro Tech Private Limited 10. Navico Shipping (India) Private Limited 11. Tinna Trade Private Limited Public Companies: 1. Tinna Agro Ventures Limited 2. Modipon Limited Foreign Companies Nil

Relationship between the Directors

Name of the Director	Relationship
Major General Manjit Singh Dugal	Father of Gagan Deep Singh Dugal
Gagan Deep Singh Dugal	Son of Major General Manjit Singh Dugal

Arrangement or Understanding with Major Shareholders

Jayanta Kumar Basu is a nominee director of Aleta, pursuant to the Shareholders Agreement.

Except as stated above, none of the Directors have been appointed pursuant to any arrangement or understanding with major Shareholders, customers, suppliers or others.

Brief Biographies

1. Major General Manjit Singh Dugal

Major General Manjit Singh Dugal is a Non-Independent and Executive Director of our Company. He has been a Director of the Company since incorporation. He holds a master's degree in science (defence studies). He was a commissioned officer in the Indian Army for 34 years and has been associated with MCS since 1999 and with the Company since its incorporation. He was also associated with Matrix Rent-A-Tel from 1995 until 2000.

2. Gagan Deep Singh Dugal

Gagan Deep Singh Dugal is a Non-Independent and Non-Executive Director of our Company. He was appointed as a Director on April 1, 2015. He holds a bachelor's degree in commerce from the University of Delhi. He has approximately 20 years of experience in the field of telecommunications and has been associated with MCS since 1999 and with the Company since its incorporation. He was also associated with Matrix Rent-A-Tel from 1995 until 2000.

3. Jayanta Kumar Basu

Jayanta Kumar Basu is a Nominee and Non-Executive Director of our Company and a nominee of Aleta on the Board. He was appointed as a Director on February 15, 2011. He holds a post-graduate diploma in management from the Indian Institute of Management, Ahmedabad and a bachelor's degree in economics from University of Delhi. He has approximately 25 years of experience in the fields of investing, investment banking and corporate banking. He is currently a Designated Partner at CX Advisors LLP. He has previously worked with Citibank N.A.

4. Chander Mohan Mehra

Chander Mohan Mehra is an Independent and Non-Executive Director of our Company. He was appointed as a Director on May 6, 2015. He holds bachelor's degree in science from Panjab University and bachelor's degree in law from Guru Nanak University. He is currently a practising lawyer. He was previously associated with the Indian Revenue Service of the Government of India for 34 years and retired as the Chief Commissioner, Customs and Central Excise.

5. Gulkirat Kaur Panag

Gulkirat Kaur Panag is an Independent and Non-Executive Director of our Company. She was appointed as a Director on May 6, 2015. She holds a bachelor's degree in arts from Punjabi University and a master's degree in arts from University School of Open Learning, Panjab University. She has approximately 10 years of experience in the field of acting. She is currently working as an actress and is also active in the field of politics.

6. Gaurav Sekhri

Gaurav Sekhri is an Independent and Non-Executive Director of our Company. He was appointed as a Director on May 6, 2015. He holds an associate of arts degree from Richmond University, London, United Kingdom. He has approximately 20 years of experience in commodities trading. He is currently the Managing Director of Tinna Trade Private Limited and has been associated with the Tinna Viterra group since 1994.

Confirmations

None of the Directors is or was a director of any listed company during the last five years preceding the date of filing of this Draft Red Herring Prospectus, whose shares have been or were suspended from being traded on the BSE or the NSE.

None of the Directors is or was a director of any listed company that has been or was delisted, during the term of such directorships, from any recognised stock exchange in India.

No relative of any of the Directors has been appointed to an office or place of profit in our Company or the Subsidiaries or Joint Ventures.

Terms of Appointment of the Executive Directors

Major General Manjit Singh Dugal

Major General Manjit Singh Dugal has been a Director of our Company since incorporation. Pursuant to resolutions adopted by the Shareholders of our Company on February 17, 2014, Major General Manjit Singh Dugal is being paid a remuneration of ₹0.05 million per month with effect from November 1, 2013.

Payment or Benefit to Directors

Except as disclosed in this Draft Red Herring Prospectus, no amount or benefit has been paid or given within the two preceding years or is intended to be paid or given to any of the executive Directors except the normal remuneration for services rendered as a Director of our Company.

The sitting fees/other remuneration paid to the Directors for Fiscal 2014 are as follows:

1. Remuneration to Executive Directors:

Major General Manjit Singh Dugal was paid an aggregate remuneration of ₹0.25 million during Fiscal 2014.

2. Remuneration to Non-Executive Directors:

No Director is entitled to receive sitting fees for attending meetings of the Board or any of its committees and no sitting fees and other payments have been made to any Director during Fiscal 2014.

No remuneration has been paid, or is payable, to the Directors by the Subsidiaries.

Loans to Directors

There are no loans that have been availed by the Directors from our Company that are outstanding as of the date of this Draft Red Herring Prospectus.

Other than as disclosed in the section "Financial Statements" on page 199, none of the beneficiaries of loans and advances and sundry debtors are related to the key management personnel.

Service Contracts entered into with the Directors

Our Company has not entered into any service contracts, pursuant to which, the Directors are entitled to benefits upon termination of employment.

Bonus or Profit-Sharing Plan with the Directors

None of our Directors are a party to any bonus or profit sharing plan by our Company.

Shareholding of the Directors

The Articles of Association do not require the Directors to hold any qualification shares in our Company. The following are details of the shareholding of the directors in our Company at the time of filing of this Draft Red Herring Prospectus:

S. No.	Name of the Director	No. of Equity Shares Held	% of Pre-Offer Share Capital
1.	Gagan Deep Singh Dugal	22,793,560	54.23
2.	Major General Manjit Singh Dugal	20,000	0.05
	Total	22,813,560	54.28

No ESOPs have been granted to any Director under each of the ESOP 2010, ESOP 2012, ESOP 2014 and ESOP 2015.

For details of shareholding of our Directors in the Subsidiaries, see the section “History and Certain Corporate Matters” on page 157.

Borrowing Powers of the Board

As of the date of filing of this Draft Red Herring Prospectus, the overall borrowings of our Company do not exceed the overall limit as specified under Section 180(1)(c) of the Companies Act, 2013. The Board may, from time to time, at its discretion, borrow money in accordance with the provisions of the Companies Act, 2013.

Corporate Governance

The provisions of the Listing Agreement with respect to corporate governance will be applicable to our Company immediately upon the listing of the Equity Shares on the Stock Exchanges. The Board has been constituted in compliance with the Companies Act and the Listing Agreement. Our corporate governance framework is based on an effective independent Board, separation of the Board’s supervisory role from the executive management team and constitution of the Board Committees, as required under law.

The Board functions either as a full board or through various committees constituted to oversee specific operational areas. The Company’s executive management provides the Board with detailed reports on its performance periodically.

Currently the Board has 6 Directors. In compliance with the requirements of Clause 49 of the Listing Agreement, we have one Executive Director and 5 Non-Executive Directors, including 3 independent Directors, and one woman Director, on the Board.

Committees of the Board

The Committees of the Board include the following committees:

1. *Audit Committee*

The members of the Audit Committee are:

1. Chander Mohan Mehra (Chairman);
2. Jayanta Kumar Basu; and
3. Gaurav Sekhri.

Nitasha Sinha is the secretary of the Audit Committee.

The Audit Committee was constituted by the Board at its meeting held on May 6, 2015. The scope and functions of the Audit Committee are in accordance with Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

Pursuant to Clause 49 of the Listing Agreement, the powers of the Audit Committee also include the power to:

- a. Investigate any activity within its terms of reference;
- b. Seek information from any employee;
- c. Obtain outside legal or other professional advice; and
- d. Secure attendance of outsiders with relevant expertise, if it considers necessary.

Pursuant to Clause 49 of the Listing Agreement, the Audit Committee will mandatorily review the following information:

- a. Management discussion and analysis of financial condition and results of operations;
- b. Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management;
- c. Management letters/ letters of internal control weaknesses issued by the statutory auditors;
- d. Internal audit reports relating to internal control weaknesses; and
- e. Appointment, removal and terms of remuneration of the chief internal auditor.

The Audit Committee is required to meet at least four times in a year under Clause 49 of the Listing Agreement.

2. *Nomination and Remuneration Committee*

The members of the Nomination and Remuneration Committee are:

1. Gaurav Sekhri (Chairman);
2. Chander Mohan Mehra; and
3. Jayanta Kumar Basu.

The Nomination and Remuneration Committee was constituted by the Board at its meeting held on May 6, 2015. The scope, functions and terms of reference of the Nomination and Remuneration Committee are in accordance with Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

3. *Stakeholders Relationship Committee*

The members of the Stakeholders Relationship Committee are:

1. Chander Mohan Mehra (Chairman);
2. Jayanta Kumar Basu; and
3. Gaurav Sekhri.

The Stakeholders Relationship Committee was constituted by the Board at its meeting held on May 6, 2015. The scope, functions and terms of reference of the Stakeholders' Relationship Committee are in accordance with Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

4. *Corporate Social Responsibility Committee*

The members of the Corporate Social Responsibility Committee are:

1. Major General Manjit Singh Dugal (Chairman);
2. Gagan Deep Singh Dugal; and
3. Gulkirat Kaur Panag.

The Corporate Social Responsibility Committee was constituted by the Board at its meeting held on May 6, 2015. The scope and functions of the Corporate Social Responsibility Committee are in accordance with Section 135 of the Companies Act, 2013.

5. ***Risk Management Committee***

The members of the Risk Management Committee are:

1. Gagan Deep Singh Dugal (Chairman);
2. Jayanta Kumar Basu; and
3. Gulkirat Kaur Panag.

The Risk Management Committee was constituted by the Board at its meeting held on May 6, 2015. The scope and functions of the Risk Management Committee are in accordance with Clause 49 of the Listing Agreement.

6. ***IPO Committee***

The members of the IPO Committee are:

1. Gagan Deep Singh Dugal; and
2. Major General Manjit Singh Dugal.

The IPO Committee was constituted by the Board at its meeting held on May 6, 2015. The IPO Committee is authorized to approve and decide upon all activities in connection with the Offer, including, but not limited to, to approve the Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus, to decide the terms and conditions of the Offer, including the Price Band and the Offer Price, to appoint various intermediaries, negotiating and executing Offer related agreements and to submit applications and documents to relevant statutory and other authorities from time to time.

Interest of Directors

All 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, reimbursement of expenses payable to them. Further, the Directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by the Company with any company in which such Directors hold directorships or any partnership firm in which such Directors are partners.

All the Directors may also be deemed to be interested to the extent of Equity Shares, if any, already held by them or their relatives in our Company, or that may be subscribed for and allotted to them, out of the present offer in terms of the Red Herring Prospectus and also to the extent of any dividend payable to them and other distributions in respect of such Equity Shares.

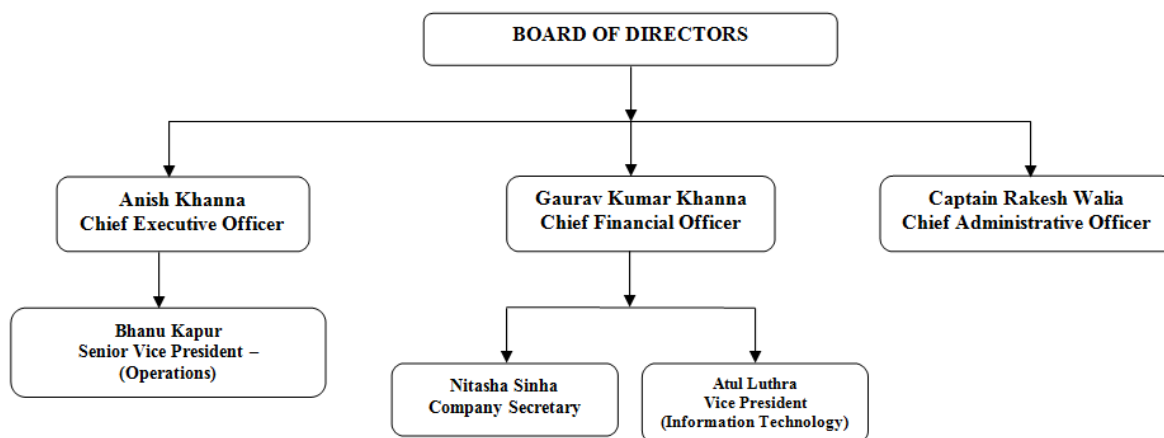
Except as stated in the section “Related Party Transactions” and described herein, the Directors do not have any other interest in our business.

Changes in the Board during the Last Three Years

Name	Date of Appointment/Cessation	Reason
Gagan Deep Singh Dugal	March 31, 2014	Cessation due to resignation
Urvashi Kaur	April 3, 2014	Appointed as an additional director
Urvashi Kaur	April 3, 2014	Appointed as the Managing Director
Urvashi Kaur	April 1, 2015	Resignation as the Managing Director

Name	Date of Appointment/Cessation	Reason
Gagan Deep Singh Dugal	April 1, 2015	Appointed as an additional director
Chander Mohan Mehra	May 6, 2015	Appointed as an Independent director
Gulkirat Kaur Panag	May 6, 2015	Appointed as an Independent director
Gaurav Sekhri	May 6, 2015	Appointed as an Independent director
Gagan Deep Singh Dugal	May 6, 2015	Appointed as a director

Management Organisation Structure



Key Management Personnel

The details of the key management personnel as of the date of this Draft Red Herring Prospectus are as follows:

- **Anish Khanna, Chief Executive Officer**

Anish Khanna, aged 40 years, is the Chief Executive Officer of our Company. He has been associated with our Company since July 15, 2013 and is responsible for sales, marketing and operations departments of our Company and the Subsidiaries. Mr. Khanna holds a master's degree in business administration from Mahatma Jyotiba Phule Rohilkhand University and a master's degree in business administration from Northwestern University and WHU-Otto Beisheim School of Management. He has approximately 16 years of experience in the field of sales and marketing. Prior to joining our Company, he was associated with our group company, Matrix Rent-A-Tel, where he was the Deputy General Manager – Sales. Mr. Khanna has also worked with ABC Consultants as Executive Director – Business Development. The remuneration paid to him during Fiscal 2014 was ₹3.99 million.

- **Gaurav Kumar Khanna, Chief Financial Officer**

Gaurav Kumar Khanna, aged 41 years, is the Chief Financial Officer of our Company. He has been associated with our Company since January 1, 2010 and is responsible for finance, collections, and information technology departments of our Company. Mr. Khanna holds a bachelor's degree in commerce from Zakir Hussain College, University of Delhi. Mr. Khanna is a fellow Chartered Accountant. He has approximately 15 years of experience in the field of corporate finance and accounts. Prior to joining our Company, he was associated with Matrix Cellular Services Private Limited, where he was the General Manager – Finance. Mr. Khanna has also worked as a partner at G.P. Agarwal & Co., Chartered Accountants. The remuneration paid to him during Fiscal 2014 was ₹5.07 million.

- **Captain Rakesh Walia, Chief Administrative Officer**

Captain Rakesh Walia, aged 54 years, is the Chief Administrative Officer of our Company. He has been associated with our Company since December 15, 2006 and is responsible for administrative, human

resource, regulatory and legal departments of our Company. Captain Walia holds a bachelor's degree in economics and political science from Meerut University. He has approximately 31 years of experience in the fields of human resource, administration, corporate and legal advisory services. Prior to joining our Company, he was associated with STIC Travel Group, New Delhi, where he was a director of corporate and legal advisory services. Captain Walia has also previously worked as a General Manager at Financial & Stock Management Company, prior to which he served the Indian Army for 9 years and relinquished his commission at the rank of Captain. The remuneration paid to him during Fiscal 2014 was ₹6.17 million.

- **Bhanu Kapur, Senior Vice President (Operations)**

Bhanu Kapur, aged 40 years, is the Senior Vice President (Operations) of our Company. He has been associated with our Company since April 29, 2013 and is responsible for overall operations of our Company. Mr. Kapur holds a bachelor's degree in commerce from University of Delhi and is a certified associate of the Indian Institute of Bankers. He has approximately 18 years of experience in the field of banking and operations. Prior to joining our Company, he was associated with Morgan Stanley India Financial Services Private Limited, where he was the Vice President – International Wealth Management Division. Mr. Kapur has also previously worked with The Hongkong and Shanghai Banking Corporation Limited. The remuneration paid to him during Fiscal 2014 was ₹2.95 million.

- **Atul Luthra, Vice President (Information Technology)**

Atul Luthra, aged 42 years, is the Vice President (Information Technology) of our Company. He has been associated with our Company since May 6, 2013 and is responsible for the information technology department of our Company. Mr. Luthra holds a bachelor's degree in engineering from University of Bangalore. He has also completed a senior management programme from Indian Institute of Management, Calcutta and has received a global CIO certificate from the Centre of Executive Education at the Indian School of Business. He has approximately 18 years of experience in the field of information technology. Prior to joining our Company, he was associated with ABC Consultants Private Limited, where he was the Chief Information Officer. Mr. Luthra has also worked with PVR Limited and WNS – Mortgage Services Private Limited. The remuneration paid to him during Fiscal 2014 was ₹2.47 million.

- **Nitasha Sinha, Company Secretary**

Nitasha Sinha, aged 31 years, is Company Secretary of our Company. She has been associated with our Company since June 1, 2012 and is responsible for company secretarial functions of our Company. She holds a bachelor's degree in commerce from University of Calcutta and a master's degree in commerce from University of Burdwan. Ms. Sinha is a qualified Company Secretary. She has approximately 7 years of experience in the field of company secretarial functions. Prior to joining our Company, she was associated with the De Diamond Electric India Private Limited, where she was the company secretary. Ms. Sinha has also worked with Bhanot Construction and Housing Limited and Apex Buildsys Limited. The remuneration paid to her during Fiscal 2014 was ₹0.47 million.

All key management personnel as mentioned above are permanent employees of our Company.

None of the above mentioned key management personnel are related to each other and neither are they related to our Promoters or Directors. There are no arrangements or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the key management personnel were selected as members of our senior management.

Shareholding of Key Management Personnel

Anish Khanna holds 200 Equity Shares and Gaurav Kumar Khanna holds 100 Equity Shares. Gaurav Kumar Khanna also holds equity shares in certain Joint Ventures. For details regarding the shareholding of the key management personnel in the Joint Ventures, see the section "History and Certain Corporate Matters" on page 157.

For details regarding employee stock options granted to the key management personnel under the ESOP 2010, ESOP 2012, ESOP 2014 and ESOP 2015, see the section “Capital Structure – 12. Employee Stock Option Plans” on page 89.

Loans to Key Management Personnel

No loans have been given to any key management personnel of the Company.

Bonus or Profit Sharing Plan of the Key Management Personnel

There is no profit sharing plan for the key management personnel. Our Company makes bonus payments based on their performance, which is in accordance with their terms of appointment.

Interests of Key Management Personnel

The key management personnel of our Company do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled in accordance with their terms of appointment, reimbursement of expenses incurred by them during the ordinary course of business and the employee stock options or Equity Shares held, if any. Further, certain key management personnel may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by the Company with their relatives. The key management personnel may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of such Equity Shares, if any.

Except as disclosed, none of the key management personnel has been paid any consideration of any nature from our Company, other than their remuneration.

Other than as disclosed in the section “Financial Statements” on page 199, none of the beneficiaries of loans and advances and sundry debtors are related to the key management personnel.

Changes in the Key Management Personnel

The changes in the key management personnel in the last three years are as follows:

Name	Designation	Date of Change	Reason for Change
Nitasha Sinha	Company Secretary	June 21, 2012	Appointed as the Company Secretary
Arun Batra	Chief Executive Officer	February 28, 2013	Resignation
Bhanu Kapur	Vice President – Operations	April 29, 2013	Appointed as Vice President
Atul Luthra	Vice President – Information Technology	May 6, 2013	Appointed as Vice President
Anish Khanna	Director – Sales	July 15, 2013	Appointed as Director – Sales
Gaurav Kumar Khanna	Director - Finance	July 15, 2013	Appointed as Director – Finance
Captain Rakesh Walia	Director - Legal	July 15, 2013	Appointed as Director – Legal
Bhanu Kapur	Senior Vice President - Operations	May 1, 2014	Appointed as Senior Vice President - Operations
Anish Khanna	Chief Executive Officer	August 15, 2014	Appointed as Chief Executive Officer
Gaurav Kumar Khanna	Chief Financial Officer	August 15, 2014	Appointed as Chief Financial Officer
Captain Rakesh Walia	Chief Administrative Officer	August 15, 2014	Appointed as Chief Administrative Officer

Employee Stock Option Plans

For details of our Company’s employee stock option plans, see the section “Capital Structure” on page 77.


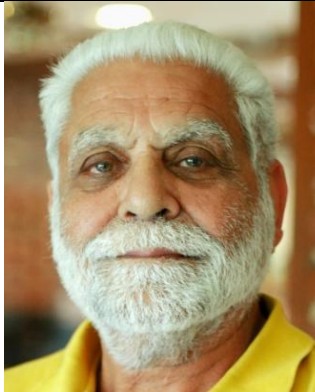

Payment or Benefit to Officers of our Company

Except as stated otherwise in this Draft Red Herring Prospectus and any statutory payments made by our Company, no non-salary amount or benefit has been paid, in the two years preceding the date of filing of this Draft Red Herring Prospectus, or given or is intended to be paid or given to any of our Company's officers except remuneration of services rendered as Directors, officers or employees of our Company.

OUR PROMOTERS AND PROMOTER GROUP

Promoters

Gagan Deep Singh Dugal, Major General Manjit Singh Dugal and Urvashi Kaur are the Promoters of our Company.

	<p>Gagan Deep Singh Dugal is a Non-Independent and Non-Executive Director of our Company. He was appointed as a Director on April 1, 2015. He holds a bachelor's degree in commerce from the University of Delhi. He has approximately 20 years of experience in the field of telecommunications and has been associated with MCS since 1999 and with the Company since its incorporation. He was also associated with Matrix Rent-A-Tel from 1995 until 2000.</p> <p>For a complete profile of Gagan Deep Singh Dugal, <i>i.e.</i>, his age, residential address, educational qualifications, professional experience, positions / posts held in the past and other directorships and special achievements, see the section "Our Management" on page 173.</p> <p>His driving license number is DL-0319930363401 and his voter identification number is CKD1113562.</p>
	<p>Major General Manjit Singh Dugal is a Non-Independent and Executive Director of our Company. He has been a Director of the Company since incorporation. He holds a master's degree in science (defence studies). He was a commissioned officer in the Indian Army for 34 years and has been associated with MCS since 1999 and with the Company since its incorporation. He was also associated with Matrix Rent-A-Tel from 1995 until 2000.</p> <p>For a complete profile of Major General Manjit Singh Dugal, <i>i.e.</i>, his age, residential address, educational qualifications, professional experience, positions / posts held in the past and other directorships and special achievements, see the section "Our Management" on page 173.</p> <p>His driving license number is DL-0319980004195 and his voter identification number is CKD1553296.</p>
	<p>Urvashi Kaur, aged 41 years, holds a diploma in fashion design from JD Institute of Fashion Technology. She has approximately 9 years of experience in the field of fashion design. Ms. Kaur was the Managing Director of our Company from April 1, 2014 until March 31, 2015.</p> <p>Her address is 6 Sultanpur Estate, Mandi Road, Mehrauli, New Delhi 110 030, India. Her driving license number is LD/14182 and her voter identification number is CKD1113570.</p>

Our Company confirms that the permanent account number, bank account number and passport number of each of our Promoters will be submitted to the Stock Exchanges at the time of filing of this Draft Red Herring Prospectus.

Interest of Promoters and Common Pursuits

Each of our Promoters is interested in our Company to the extent that they have promoted our Company and to the extent of their shareholding in our Company and the dividend payable, if any, and other distributions in respect of the Equity Shares held by them, respectively. For further information on shareholding of our Promoters in our Company, see the sections “Capital Structure” and “Our Management” on pages 77 and 173, respectively.

Further, Major General Manjit Singh Dugal is the Chairman and a Director and Gagan Deep Singh Dugal is a Director of our Company, and may be deemed to be interested to the extent of the remuneration and other compensation provided by our Company. For further details, see the section “Our Management” on page 173.

Except for the related party transactions entered into by our Company as disclosed in this Draft Red Herring Prospectus and otherwise as disclosed in this Draft Red Herring Prospectus, our Company has not entered into any contract, agreements or arrangements which are not in the ordinary course of business during the preceding two years from the date of this Draft Red Herring Prospectus or proposes to enter into any such contract in which our Promoters 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. For further details of related party transactions, in accordance with Accounting Standard 18, see the section “Related Party Transactions” on page 197.

Our Promoters have no interest in any property acquired within the two years from the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company, or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

Except as disclosed in this Draft Red Herring Prospectus, our Promoters are not interested as a member of a firm or company, and no sum has been paid or agreed to be paid to our Promoters or to such firm or company in cash or shares or otherwise by any person for services rendered by them or by such firm or company in connection with the promotion or formation of our Company.

Except as disclosed in the section “Our Group Entities” on page 188, our Promoters do not have any direct interest in any venture that is involved in any activities similar to those conducted by our Company. In addition, our Promoters have certain non-compete and non-solicit obligations in relation to the Company, the Subsidiaries and Joint Ventures under the Aleta Shareholders’ Agreement. For details, see the section “History and Certain Corporate Matters – Summary of Certain Agreements – 4. Aleta Shareholders’ Agreement” on page 165.

Except as disclosed in the section “Related Party Transactions” on page 197, our Promoters are not related to any of the sundry debtors of our Company.

Payment or benefits to our Promoters or Promoter Group

Except as stated in the sections “Related Party Transactions”, “Our Management” and “Our Promoters and Promoter Group”, no payment or benefits have been given to our Promoters or Promoter Group during the two years preceding the date of filing of this Draft Red Herring Prospectus, nor is there any intention to pay or give any benefit to our Promoters or Promoter Group.

Confirmations

None of our Promoters has been declared as a wilful defaulter by the RBI or any other regulatory or government authority. Further, there are no violations of securities laws committed by any of our Promoters in the past and no proceedings for violation of securities laws are pending against them.

None of our Promoters and Promoter Group persons and entities has been debarred from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Except as disclosed under the section “Outstanding Litigation and Material Developments” on page 395, there is no litigation or legal action pending or taken by any ministry or department of the Government or statutory authority during the last five years preceding the date of this Draft Red Herring Prospectus against our Promoters.

Our Promoters are not and have never been a promoter, director or person in control of any other company which is or has ever been debarred from accessing or operating in capital markets under any order or direction passed by the SEBI or any other regulatory or governmental authority.

Except as disclosed in this Draft Red Herring Prospectus, our Promoters are not interested in any entity which holds any intellectual property rights that are used by our Company.

Companies with which our Promoters have disassociated in the last three years

Except Matrix Back Office Services Private Limited which was dissociated by Gagan Deep Singh Dugal pursuant to a divestment of shares and resignation as a director from the board of directors, none of our Promoters have disassociated themselves as promoters from any company during the three years preceding the date of this Draft Red Herring Prospectus.

Promoter Group

The constitution of the Promoter Group is set forth below:

In addition to the Promoters named above, the natural persons who form part of our Promoter Group are set forth below:

S. No.	Member of the Promoter Group	Relationship with our Promoters
1.	Ajit Singh Dugal	Brother of Major General Manjit Singh Dugal
2.	Pinky Bedi	Sister of Major General Manjit Singh Dugal
3.	Surjit Singh Dugal	Brother of Major General Manjit Singh Dugal
4.	Gurjit Singh Dugal	Brother of Major General Manjit Singh Dugal
5.	Anupama Kaur	Mother of Urvashi Kaur
6.	General J.J. Singh	Father of Urvashi Kaur
7.	Vivek Pal Singh	Brother of Urvashi Kaur
8.	Mamta Sharma	Daughter of Major General Manjit Singh Dugal and sister of Gagan Deep Singh Dugal
9.	Harmohina Dugal	Mother of Gagan Deep Singh Dugal and wife of Major General Manjit Singh Dugal
10.	Suveer Dugal	Son of Gagan Deep Singh Dugal and Urvashi Kaur
11.	Sumair Dugal	Son of Gagan Deep Singh Dugal and Urvashi Kaur
12.	Seerat Dugal	Daughter of Gagan Deep Singh Dugal and Urvashi Kaur

The entities forming part of the Promoter Group are set forth below:

- (i) Luxalon Building Private Limited
- (ii) Matrix TeleSolutions Private Limited
- (iii) SMG Sports Management Company Private Limited
- (iv) Matrix Cellular Services Private Limited
- (v) Matrix Cellular International Services US, LLC/International Business Systems Inc.
- (vi) YBO Solutions (India) Private Limited
- (vii) Tamarinde Holidays Private Limited
- (viii) Signature Talent Private Limited
- (ix) GD Trading FZE
- (x) Yana Enterprises Private Limited
- (xi) Rusk Engineering Private Limited
- (xii) Comma Infocom Solutions Private Limited
- (xiii) India Touch (partnership)
- (xiv) Hexagon Assets LLP (partnership).

No Hindu Undivided Families form part of our Promoter Group.

The trusts forming part of our Promoter Group are set forth below:

- (i) AAGAZ.

OUR GROUP ENTITIES

Unless otherwise specified, all information in this section is as of the date of this Draft Red Herring Prospectus.

The following entities are promoted by our Promoter(s) and accordingly, are our Group Entities as defined under Schedule VIII of the SEBI Regulations:

1. Matrix Cellular Services Private Limited
2. GD Trading FZE
3. Matrix Cellular International Services US, LLC/International Business Systems Inc.
4. Tamarinde Holidays Private Limited
5. YBO Solutions (India) Private Limited
6. SMG Sports Management Company Private Limited
7. Matrix TeleSolutions Private Limited
8. Signature Talent Private Limited
9. Luxalon Building Private Limited
10. AAGAZ
11. Hexagon Assets LLP

The equity shares of our Group Entities are not listed on any stock exchange and none of the Group Entities have made any public or rights issues of securities in the preceding three years.

The details of our Group Entities are provided below:

1. Matrix Cellular Services Private Limited (“MCS”)

Corporate Information

Matrix Cellular Services Private Limited was incorporated under the Companies Act, 1956 as a private limited company on November 17, 1999 with corporate identification number U64120DL1999PTC102444. The registered office of MCS is situated at 7, Khullar Farm, New Manglapuri, Mandi Road, Mehrauli, New Delhi 110 030.

MCS is engaged in the business of *inter alia*, sale, purchase, renting of mobile phones and to carry on the business of cellular telecom services.

Interests of Promoters

The shareholding pattern of MCS is as follows:

Name	Number of shares held	Percentage of shareholding (%)
Gagan Deep Singh Dugal	2,067,500	75.18
Major General Manjit Singh Dugal	67,500	2.45
Urvashi Kaur	614,987	22.36
Harmohina Dugal	10	0.00
Ranjan Chopra	1	0.00
P C Chopra	1	0.00
Indu Chopra	1	0.00

Financial Information

(in ₹)

	For the year ended March 31		
	2012	2013	2014
Total Income	514,625,030	2,803,888	1,187,182

Profit (Loss) after Tax	(110,619,663)	(49,421,800)	(33,013,140)
Earnings per share (₹) (basic)	(147.49)	(54.05)	(12)
Earnings per share (₹) (diluted)	(147.49)	(54.05)	(12)
Equity Share Capital	7,500,000	27,500,000	27,500,000
Share Application Money Pending Allotment	20,000,000	-	-
Reserves and surplus (excluding revaluation reserves)	(151,959,050)	(201,367,369)	(234,380,509)
Book Value per share (₹)	(192.61)	(63.22)	(75.23)

There are no significant notes of the auditors in relation to the aforementioned financial statements.

2. GD Trading FZE (“GD Trading”)

Corporate Information

GD Trading FZE was incorporated under the laws of Sharjah Airport International Free Zone (SAIF-Zone) as a limited liability establishment on December 10, 2013. The registered office of GD Trading is situated at Executive Desk, Q1-07-011/B, P.O. Box – 123695, SAIF-Zone, Sharjah, United Arab Emirates.

GD Trading is engaged in the business of *inter alia*, general trading, import, export and related activities.

Interest of Promoter

The shareholding pattern of GD Trading is as follows:

Name	Number of shares held	Percentage of shareholding (%)
Gagan Deep Singh Dugal	1	100

Financial Information

No financial information in relation to GD Trading is available as the audit of the first financial statements of GD Trading for the period ended December 31, 2014 is currently in progress. GD Trading has filed an undertaking with the Sharjah Airport International Free Zone (SAIF Zone) that the financial statements for the year ended December 31, 2014 shall be submitted to the relevant authorities by August 31, 2015.

3. Matrix Cellular International Services US, LLC/International Business Systems Inc. (“Matrix Inc.”)

Corporate Information

Matrix Inc. was incorporated as International Business Systems Inc. under the laws of the State of Delaware as a corporation on January 2, 2003 with corporate identification number 99-0361625. Pursuant to a merger of Matrix Cellular International Services US, LLC into International Business Systems Inc., Matrix Cellular International Services US, LLC was extinguished, and the name of the merged entity was changed to Matrix Cellular International Services US, LLC/International Business Systems Inc.

The registered office of Matrix Inc. is situated at c/o Law Offices of Megha D. Bhouraskar, P.C., 139 Fulton Street, Suite 902, New York, NY 10038, U.S.A.

Matrix Inc. is engaged in the business of *inter alia*, purchase and sale of airtime.

Interest of Promoter

The shareholding pattern of Matrix Inc. is as follows:

Name	Number of shares held	Percentage of shareholding (%)
Gagan Deep Singh Dugal	1,500	100

Financial Information

Matrix Inc. has not had any financial transactions, and as a result there is no financial information to provide.

4. Tamarinde Holidays Private Limited (“THPL”)

Corporate Information

Tamarinde Holidays Private Limited was incorporated under the Companies Act, 1956 as a private limited company on August 23, 2006 with corporate identification number U63090DL2006PTC152348. The registered office of THPL is situated at 7, Khullar Farm, Mandi Road, Mehrauli, New Delhi 110 030.

THPL is engaged in the business of *inter alia*, tourism and travel agents, transport agents, contractor freight, and passage bookers.

Interest of Promoter

The shareholding pattern of THPL is as follows:

Name	Number of shares held	Percentage of shareholding (%)
Gagan Deep Singh Dugal	70,000	70
Prashant Yadav	20,000	20
Sheherazad L Mehta	10,000	10

Financial Information

(in ₹)

	For the year ended March 31		
	2012	2013	2014
Total Income	1,041	1,607,877	8718
Profit (Loss) after Tax	(133,948)	(73,774)	(68,890)
Earnings per share (₹) (basic)	(1.49)	(0.82)	(0.69)
Earnings per share (₹) (diluted)	(1.49)	(0.82)	(0.69)
Equity Share Capital	900,000	900,000	1,000,000
Share Application Money Pending Allotment	100,000	100,000	-
Reserves and surplus (excluding revaluation reserves)	(6,714,487)	(6,788,261)	(6,857,151)
Book Value per share (₹)	(64.61)	(65.43)	(58.57)

There are no significant notes of the auditors in relation to the aforementioned financial statements.

5. YBO Solutions (India) Private Limited (“YSIPL”)

Corporate Information

YBO Solutions (India) Private Limited was incorporated under the Companies Act, 1956 as a private limited company on November 10, 2005 with corporate identification number U72400UP2005PTC030946. The registered office of YSIPL is situated at 1/1, Neem Sarai, Transport Nagar, Allahabad, Uttar Pradesh.

YSIPL is engaged in the business of *inter alia*, running call centers and providing all types of back office services to the companies situated in India or abroad.

Interest of Promoter

The shareholding pattern of YSIPL is as follows:

Name	Number of shares held	Percentage of shareholding (%)
Gagan Deep Singh Dugal	9,900	99
Gaurav Kumar Khanna	100	1

Financial Information

(in ₹)

	For the year ended March 31		
	2012	2013	2014
Total Income	-	-	-
Profit (Loss) after Tax	(2,634,149)	(39,302)	(32,687)
Earnings per share (₹) (basic)	(263.41)	(3.93)	(3.27)
Earnings per share (₹) (diluted)	(263.41)	(3.93)	(3.27)
Equity Share Capital	100,000	100,000	100,000
Share Application Money Pending Allotment	-	-	-
Reserves and surplus (excluding revaluation reserves)	(6,467,328)	(6,506,630)	(6,539,317)
Book Value per share (₹)	(636.73)	(640.66)	(643.93)

There are no significant notes of the auditors in relation to the aforementioned financial statements.

6. SMG Sports Management Company Private Limited (“SMG”)

Corporate Information

SMG Sports Management Company Private Limited was incorporated under the Companies Act, 1956 as a private limited company on April 4, 2012 with corporate identification number U92419DL2012PTC234058. The registered office of SMG is situated at 7, Khullar Farms, Mandi Road, Mehrauli, New Delhi 110 030.

SMG is authorized to engage in the business of *inter alia*, commercial activities in the sports and sports related health field including providing sports infrastructure and consultancy.

Interests of Promoters

The shareholding pattern of SMG is as follows:

Name	Number of shares held	Percentage of shareholding (%)
Gagan Deep Singh Dugal	9,000	90
Urvashi Kaur	1,000	10

Financial Information

(in ₹)

	For the year ended March 31	
	2013	2014
Total Income	10,000,000	-
Profit (Loss) after Tax	(20,148,773)	(38,421)
Earnings per share (₹) (basic)	(2,014.88)	(3.84)

Earnings per share (₹) (diluted)	(2,014.88)	(3.84)
Equity Share Capital	100,000	100,000
Share Application Money Pending Allotment	-	-
Reserves and surplus (excluding revaluation reserves)	(20,148,773)	(20,187,194)
Book Value per share (₹)	(2,004.88)	(2,008.72)

There are no significant notes of the auditors in relation to the aforementioned financial statements.

7. Matrix TeleSolutions Private Limited (“MTPL”)

Corporate Information

Matrix TeleSolutions Private Limited was incorporated under the Companies Act, 1956 as a private limited company on May 11, 2010 with corporate identification number U64202DL2010PTC202522. The registered office of MTPL is situated at 7, Khullar Farms, Mandi Road, Mehrauli, New Delhi 110 030.

MTPL is engaged in the business of *inter alia*, trading, hiring and renting of International/national roaming SIM cards.

Interests of Promoters

The shareholding pattern of MTPL is as follows:

Name	Number of shares held	Percentage of shareholding (%)
Gagan Deep Singh Dugal	5,000	50
Urvashi Kaur	5,000	50

Financial Information

(in ₹)

	For the year ended March 31		
	2012	2013	2014
Total Income	-	-	-
Profit (Loss) after Tax	(15,555)	(20,896)	(71,051)
Earnings per share (₹) (basic)	(1.56)	(2.09)	(7.11)
Earnings per share (₹) (diluted)	(1.56)	(2.09)	(7.11)
Equity Share Capital	100,000	100,000	100,000
Share Application Money Pending Allotment	-	-	-
Reserves and surplus (excluding revaluation reserves)	(27,186)	(48,082)	(119,133)
Book Value per share (₹)	(7.28)	(5.19)	(1.91)

There are no significant notes of the auditors in relation to the aforementioned financial statements.

8. Signature Talent Private Limited (“STPL”)

Corporate Information

Signature Talent Private Limited was incorporated under the Companies Act, 1956 as a private limited company on December 31, 2007 with corporate identification number U74140DL2007PTC172069. The registered office of STPL is situated at 7, Khullar Farms, Mandi Road, Mehrauli, New Delhi 110 030.

STPL is engaged in the business of *inter alia*, human resource sourcing management and development.

Interest of Promoter

The shareholding pattern of STPL is as follows:

Name	Number of shares held	Percentage of shareholding (%)
Gagan Deep Singh Dugal	6,000	60
Rashmi Khosla	4,000	40

Financial Information

(in ₹)

	For the year ended March 31		
	2012	2013	2014
Total Income	3,281,474	798,562	16,450
Profit (Loss) after Tax	801,195	(681,291)	(449,782)
Earnings per share (₹) (basic)	80.12	(68.13)	(44.98)
Earnings per share (₹) (diluted)	80.12	(68.13)	(44.98)
Equity Share Capital	100,000	100,000	100,000
Share Application Money Pending Allotment	-	-	-
Reserves and surplus (excluding revaluation reserves)	(555,416)	(1,236,707)	(1,686,490)
Book Value per share (₹)	(45.54)	(113.67)	(158.65)

There are no significant notes of the auditors in relation to the aforementioned financial statements.

9. Luxalon Building Private Limited (“LBPL”)

Corporate Information

Luxalon Building Private Limited was incorporated under the Companies Act, 1956 as a private limited company on December 26, 1985 with corporate identification number U74899DL1985PTC022881. The registered office of LBPL is situated at 7, Khullar Farm, Mandi Road, Mehrauli, New Delhi 110 030.

LBPL is engaged in the business of *inter alia*, manufacturing, developing, designing, buying, selling, distributing and otherwise dealing in all kinds of building and construction material.

Interests of Promoters

The shareholding pattern of LBPL is as follows:

Name	Number of shares held	Percentage of shareholding (%)
Gagan Deep Singh Dugal	9,375	92.80
Urvashi Kaur	727	7.20

Financial Information

(in ₹)

	For the year ended March 31		
	2012	2013	2014
Total Income	5,821,189	3,223,009	3,972,928
Profit (Loss) after Tax	1,307,018	(2,094,378)	61,026
Earnings per share (₹) (basic)	129.38	(207.32)	6.04
Earnings per share (₹) (diluted)	129.38	(207.32)	6.04
Equity Share Capital	1,010,200	1,010,200	1,010,200
Share Application Money Pending Allotment	-	-	-

Reserves and surplus (excluding revaluation reserves)	62,947	(2,031,431)	(1,970,405)
Book Value per share (₹)	106.23	(101.09)	(95.05)

There are no significant notes of the auditors in relation to the aforementioned financial statements.

10. AAGAZ (“Aagaz”)

Corporate Information

Aagaz was incorporated as a private trust on December 7, 2005. The registered office of Aagaz is situated at 7 Khullar Farm, Mandi Road, Mehrauli, New Delhi 110 030.

Aagaz is engaged in the business of *inter alia*, social welfare, i.e., welfare of women, children and upliftment of backward classes.

Interest of Promoter

The trustees of Aagaz are as follows:

1. Major General Manjit Singh Dugal;
2. Major General S S Sandhu; and
3. Mamta Sharma.

Financial Information

(in ₹)

	For the year ended March 31		
	2012	2013	2014
Total Income	471,520	440,000	453,500
Excess of income over expenditure transferred to General Fund	45,915	27,512	(10,213)
General Fund	68,137	95,649	85,436

There are no significant notes of the auditors in relation to the aforementioned financial statements.

11. Hexagon Assets LLP (“Hexagon”)

Hexagon Assets LLP was incorporated under the Limited Liability Partnership Act, 2008 as a limited liability partnership on June 3, 2014 with Limited Liability Partnership identification number AAC-3420. The registered office of Hexagon is situated at 6, Sultanpur Estate, Mandi Road, Mehrauli, New Delhi 110 030.

Hexagon is engaged in the business of *inter alia*, acquiring, holding, letting-out and to deal in and act as brokers, intermediaries, advisors, broker agents, consultants for all kinds of immovable properties.

Interest of Promoters

The partnership details of Hexagon are as follows:

Name	Capital Contribution	Percentage of Partnership (%)
Urvashi Kaur	₹65,241,000	99
Major General Manjit Singh Dugal	₹659,000	1

Financial Information

No financial information in relation to Hexagon is currently available as the first financial year of Hexagon ended on March 31, 2015.

Certain Confirmations

None of the Group Entities mentioned above has made any capital issue in the last three years. The board of directors of STPL at its meeting held on May 5, 2015 adopted a resolution to file an application under Section 560 of the Companies Act, 1956 for striking off the name of STPL. No winding up petition has been filed against any of the Group Entities. Except as disclosed above, none of the Group Entities has a negative net worth. None of the Group Entities is a sick industrial company within the meaning of SICA.

None of the Group Entities is listed on any stock exchange.

Five largest Group Entities (based on turnover)

The five largest Group Entities (based on turnover) are as follows:

1. Matrix Cellular Services Private Limited;
2. Tamarinde Holidays Private Limited;
3. Signature Talent Private Limited;
4. Luxalon Building Private Limited; and
5. Aagaz.

Group Entities with negative net worth

The following Group Entities have negative net worth:

1. Matrix Cellular Services Private Limited;
2. Tamarinde Holidays Private Limited;
3. Signature Talent Private Limited;
4. YBO Solutions (India) Private Limited;
5. Luxalon Building Private Limited;
6. SMG Sports Management Company Private Limited; and
7. Matrix TeleSolutions Private Limited.

Loss making Group Entities

The following Group Entities have incurred losses in the last Financial Year:

1. Matrix Cellular Services Private Limited;
2. Tamarinde Holidays Private Limited;
3. Signature Talent Private Limited;
4. YBO Solutions (India) Private Limited;
5. SMG Sports Management Company Private Limited; and
6. Matrix TeleSolutions Private Limited.

Legal Proceedings

For details in relation to the legal proceedings involving our Group Entities, see the section “Outstanding Litigation and Material Developments – Litigation/Proceedings involving the Group Entities” on page 427.

Nature and Extent of Interest of Group Entities

In the promotion of our Company

Except as disclosed in this Draft Red Herring Prospectus, none of our Group Entities has any interest in the promotion or any business interest or other interests in our Company.

In the properties acquired or proposed to be acquired by our Company in the past two years before filing the Draft Red Herring Prospectus with SEBI

None of our Group Entities is interested in the properties acquired or proposed to be acquired by our Company in the two years preceding the date of filing of this Draft Red Herring Prospectus.

In transactions for acquisition of land, construction of buildings and supply of machinery

None of our Group Entities is interested in any transactions for the acquisition of land, construction of buildings or supply of machinery.

Common Pursuits

Except as disclosed in this Draft Red Herring Prospectus, our Promoters and Directors do not have any interest in any venture that is involved in any activities similar to those conducted by our Company or any member of our Group Entities. We will adopt the necessary procedures and practices as permitted by law to address any conflict situations, as and when they may arise.

Defunct Group Entities

There are no defunct Group Entities and no applications have been made to any registrar of companies for striking off the name of any of the Group Entities in the five years preceding the date of filing of this Draft Red Herring Prospectus.

Significant Sale/Purchase between Group Entities and our Company

None of our Group Entities is involved in any sales or purchase with our Company where such sales or purchases exceed in value in the aggregate of 10% of the total sales or purchases of our Company.

Business interest between our Company and the Group Entities

Except as disclosed in the section “Related Party Transactions” on page 197, none of the Group Entities has any business interest in our Company.

RELATED PARTY TRANSACTIONS

For details of the related party transactions during the last five financial years and the nine month period ended December 31, 2014, as per the requirements under Accounting Standard 18 '*Related Party Disclosures*', see the sections "Financial Statements – Annexure IVC – 8. Restated Unconsolidated Statement of Related Party Transactions" and "Financial Statements – Annexure IVC – 9. Restated Consolidated Statement of Related Party Transactions" on pages 231 and 317, respectively.

DIVIDEND POLICY

The declaration and payment of dividends on our Equity Shares will be recommended by our Board and approved by our Shareholders, at their discretion, subject to the provisions of the Articles of Association and the Companies Act. The dividend, if any, will depend on a number of factors, including but not limited to our profits, capital requirements, contractual restrictions, applicable legal restrictions and overall financial condition.

The details of dividend on Equity Shares (excluding tax on dividend) declared and paid by our Company during the last five Fiscal years are detailed in the following table:

Fiscal Year	Dividend per Equity Share (in ₹)	Amount (in ₹ million)
2014	0.00	0.00
2013	4.52	190
2012	2.38	100
2011	0.00	0.00
2010	0.00	0.00

In addition, our Company has declared an interim dividend on Equity Shares on January 30, 2015 of ₹3.45 per Equity Share.

The amounts paid as dividends in the past are not necessarily indicative of our Company's dividend policy or dividend amounts, if any, in the future.

SECTION V: FINANCIAL INFORMATION

FINANCIAL STATEMENTS

Report of auditors on the restated summary statement of assets and liabilities as at December 31, 2014, March 31, 2014, 2013, 2012, 2011 and 2010 and profits and losses and cash flows for the nine months period ended December 31, 2014 and for each of the years ended March 31, 2014, 2013, 2012, 2011 and 2010 of Matrix Cellular International Services Ltd (collectively, the “Restated Unconsolidated Summary Statements”)

The Board of Directors

Matrix Cellular (International) Services Ltd, [Formerly Matrix Cellular (International) Services Private Limited]
7, Khullar Farm, Mandi Road, Delhi-110030

Dear Sirs,

1. We have examined the restated unconsolidated summary statements of Matrix Cellular International Services Ltd (‘the Company’) as at December 31, 2014, March 31, 2014, 2013, 2012, 2011 and 2010 and for the nine month ended December 31, 2014 and for each of the years ended March 31, 2014, 2013, 2012, 2011, 2010 annexed to this report for the purpose of inclusion in the offer document (collectively the “Restated Unconsolidated Financial Information”) prepared by the Company in connection with its proposed Initial Public Offer (“IPO”).

Such financial information, which has been approved by the Board of Directors of the Company, has been prepared in accordance with the requirements of:

- a. Sub-clause (i), (ii) and (iii) of clause (b) of Sub-section (1) of Section 26 of Chapter III of The Companies Act 2013 (the “Act”) read with rule 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014; and
 - b. relevant provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the “Regulations”) issued by the Securities and Exchange Board of India (“SEBI”) on August 26, 2009, as amended from time to time in pursuance of the Securities and Exchange Board of India Act, 1992.
2. We have examined such restated unconsolidated financial information taking into consideration:
 - a. the terms of our engagement agreed with you vide our engagement letter dated January 14, 2015, requesting us to carry out work on such financial information, proposed to be included in the offer document of the Company in connection with its proposed IPO;
 - b. the Guidance Note on Reports in Company Prospectuses (Revised) issued by the Institute of Chartered Accountants of India.
 3. The Company proposes to make an IPO by offer for sale by certain shareholders’ existing equity shares of Rs 10 each at such premium, arrived at by book building process (referred to as the “Issue”), as may be decided by the Company’s Board of Directors.
 4. The restated unconsolidated financial information has been compiled by the management from
 - a. the audited unconsolidated interim financial statements of the Company as at and for the nine months period ended December 31, 2014, which have been approved by the board of directors on April 29, 2015;
 - b. the audited unconsolidated financial statements of the Company as at and for each of the years ended March 31, 2014, 2013, 2012, 2011 and 2010 prepared in accordance with accounting principles generally accepted in India at the relevant time and which have been approved by the board of directors on August 14, 2014, July 25, 2013, September 20, 2012, September 7, 2011 and May 5, 2010, respectively, and books of account, financial

and other records of the Company in relation to the years ended March 31, 2011 and 2010, to the extent considered necessary, for the presentation of the Restated Unconsolidated Financial Information under the requirements of the Revised Schedule VI of the Companies Act, 1956, as the case may be.

5. For the purpose of our examination, we have relied on
- a. The financial statements of the Company for the period ended December 31, 2014 and the year ended March 31, 2014, audited by us, in respect of which we have issued our auditor's reports dated April 29, 2015 and August 14, 2014, respectively.
 - b. The financial statements of the Company for the years ended March 31, 2013, 2012, 2011 audited by S R B C Co LLP (Formerly S R B C & Co) and for the year ended March 31, 2010 audited by G.P.Agarwal & Co.
6. In accordance with the requirements of Sub-clause (i), (ii) and (iii) of clause (b) of Sub-section (1) of Section 26 of Chapter III of the Act read with rules 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014, the Regulations and terms of our engagement agreed with you, we report that, read with paragraph 5 above, we have examined the Restated Unconsolidated Financial Information as at and for the nine month period ended December 31, 2014 and as at and for the years ended March 31, 2014, 2013, 2012, 2011 and 2010 as set out in Annexures I to III.
7. Based on our examination and the audited financial statements of the Company for the nine month period ended December 31, 2014 and for each of the years ended March 31, 2014, 2013, 2012, 2011 and 2010, we report that:
- a. the restated unconsolidated profits have been arrived at after making such adjustments and regroupings as, in our opinion, are appropriate and more fully described in the notes appearing in of Annexure IVB to this report;
 - b. There are no changes in accounting policy in the financial statements as at and for the nine month period ended December 31, 2014 and year ended March 31, 2014, 2013 and 2012. The impact arising on account of changes in accounting policies adopted by the Company as at and for the year ended March 31, 2011 is applied with retrospective effect in the restated unconsolidated financial information to the extent applicable;
 - c. Adjustments for the material amounts in the respective financial years/period to which they relate have been adjusted in the attached restated unconsolidated summary statements;
 - d. There are no extraordinary items which need to be disclosed separately in the restated unconsolidated summary statements;
 - e. Audit qualifications in the unconsolidated financial statements for the year ended March 31, 2012 and March 31, 2011 which do not require any adjustment to the Restated unconsolidated financial information, are as follows:

I. For the year ended March 31, 2012 (Refer note 5(A)(i) of Annexure IVB)

As more fully discussed in Note 28 to the financial statements, the Company is in the process of seeking approval for setting-off year till date payable of Rs. 80,200,791 (net) to certain foreign vendors against amount receivable from them. The Company is in the process of regularizing these set-off through post-facto approval of its Authorised Dealer and has furnished the requisite information sought by its Authorised Dealer in this regard. As represented to us, though the Company is reasonably confident of receiving the requisite approvals from its Authorised Dealer, the impact of penal consequences, if any, on the financial statements cannot be ascertained at this stage, and accordingly, we are unable to comment upon the same. The above was also a subject matter of qualification in our audit report for previous year ended March 31, 2011.

Note 28 to the financial statements mentioned above reads as follows:

The Company, in respect of certain transactions entered into with overseas vendors, had till previous year ended 31st March 2011 set off Rs. 80,200,791(net) against amount payable to them. In respect of the above cases the Company had made an application to the Reserve Bank of India ('RBI') for seeking approval for set off. The RBI has subsequently delegated its power of approving the 'set off' of export receivables against import payables to the Authorised Dealer ('A.D.'). The Company has accordingly approached the A.D. for approval of the above-mentioned transactions. Final approval from the A.D. is still awaited.

II. For the year ended March 31, 2011 (Refer note 5(A)(ii) of Annexure IVB)

As more fully discussed in Note 5 of Schedule 23 to the financial statements, the Company is in the process of making application to the Reserve Bank of India ('RBI') for seeking approval for setting off year till date Rs. 80,200,791 (including Rs. 18,891,941(net) for year ended March 31, 2011) payable to certain foreign vendors against amount receivable from them. Pending final outcome of the matter, no adjustment have been carried out in the financial statements, the appropriateness of which we are unable to comment.

Note 5 on Schedule 23 to the financial statements mentioned above reads as follows:

The Company, in respect of certain transactions entered into with overseas vendors, has during the year set off Rs. 18,891,941(net) against amount payable to them [Rs. 61,308,850 (net) payable being set off till March 31, 2010]. In the above cases the Company is in the process of making application to the Reserve Bank of India ('RBI') for seeking approval for being set off.

- f. Emphasis of Matters reported in the unconsolidated financial statements for the year ended March 31, 2014, March 31, 2013, March 31, 2012 and March 31, 2011 which do not require any adjustment to the Restated unconsolidated financial information, are as follows:

I. For the year ended March 31, 2014 (Refer note 5(B)(i) of Annexure IVB)

We draw attention to Note 28 to the financial statements, regarding purchase and sale of services amounting to Rs. 1,315,464 and Rs.165,246, respectively from private limited companies in which a director is interested. Further, during the previous years as well the Company had also purchased trademarks, handsets, availed services, paid sales commission and sold airtime amounting to Rs. 25,750,000 Rs. 4,084,328, Rs.5,701,017, Rs. 1,453,292 and Rs. 88,273, respectively to private limited companies in which director is interested. The transactions in current year as well as in previous years are not in compliance with the requirements laid under Section 297 of the Companies Act, 1956. As represented by the management, the Company is in the process of obtaining the approval from Central Government, for these transactions though the financial impact, if any, is not expected to be material. Accordingly, these financial statements do not include any financial impact of such non compliances, if any. Our opinion is not qualified in respect of this matter.

Note 28 to the financial statements mentioned above reads as follows:

During the year the Company has purchased services amounting to Rs. 1,315,464 and sold services amounting to Rs.165,246 from private limited companies in which director is interested. The Company in previous years had also purchased trademarks, handsets, availed services, paid sales commission and sold airtime amounting to Rs. 25,750,000 Rs. 4,084,328, Rs.5,701,017, Rs. 1,453,292 and Rs. 88,273, respectively to private limited companies in which director is interested. All of the above transactions are not in compliance with section 297 of the Companies Act, 1956. The Company is in the process of filing application for compounding of above mentioned non-compliances in the current financial year.

II. For the year ended March 31, 2013 (Refer note 5(B)(ii) of Annexure IVB)

We draw attention to Note 27 to the financial statements, regarding purchase of services amounting to Rs. 2,586,285 from private limited companies in which a director is interested. Further, during the previous

years as well the Company had purchased trademarks, handsets, availed services and paid sales commission amounting to Rs. 25,750,000, Rs. 4,084,328, Rs. 3,203,005 and Rs. 1,453,292, respectively, to private limited companies in which a director was interested. The transactions in current year as well as in previous years are not in compliance with the requirements laid under Section 297 of the Companies Act, 1956. As represented by the management, the Company is in the process of obtaining the approval from Central Government, for these transactions though the financial impact, if any, is not expected to be material. Accordingly, these financial statements do not include any financial impact of such non compliances, if any. Our opinion is not qualified in respect of this matter.

Note 27 to the financial statements mentioned above reads as follows:

During the year the Company has purchased services amounting to Rs. 2,498,012 from private limited companies in which director is interested. The Company in previous years had also purchased trademarks, handsets availed services and paid sales commission amounting to Rs. 25,750,000, Rs. 4,084,328, Rs.3,203,005 and Rs. 1,453,292, respectively to private limited companies in which director is interested. All of the above transactions are not in compliance with section 297 of the Companies Act, 1956. The Company is in the process of evaluating its options of obtaining approval from Central Government as required under section 297 of the Companies Act, 1956.

III. For the year ended March 31, 2012 (Refer note 5(B)(iii) of Annexure IVB)

Without qualifying our opinion, we draw attention to Note 27 to the financial statements regarding purchase of services amounting to Rs 3,203,005 from a private limited company in which a director is interested. Further, during the previous year as well the Company had purchased trademarks and handsets amounting to Rs. 25,750,000 and Rs. 4,084,328, respectively, and had paid sales commission amounting to Rs. 1,453,292 to a private limited company in which a director was interested. The transactions in current year as well as in previous year are not in compliance with the requirements laid under Section 297 of the Companies Act, 1956. As represented by the management, the Company is in the process of obtaining the approval from Central Government, for these transactions though the financial impact, if any, is not expected to be material. Accordingly, these financial statements do not include any financial impact of such non compliances, if any.

Note 27 to the financial statements mentioned above reads as follows:

During the year the Company has purchased services amounting to Rs. 3,203,005 from a private company in which director is interested. The Company in previous year had also purchased trademarks and handsets amounting to Rs. 25,750,000 and Rs. 4,084,328 and paid sales commission amounting to Rs. 1,453,292 to a private limited company in which director is interested. All of the above transactions are not in compliance with section 297 of the Companies Act, 1956. The Company is in the process of evaluating its options of obtaining approval from Central Government as required under section 297 of the Companies Act, 1956.

IV. For the year ended March 31, 2011 (Refer note 5(B)(iv) of Annexure IVB)

Without qualifying our opinion, we draw attention to Note no. 4 of schedule 23 to the financial statements regarding purchased trademarks and handsets amounting to Rs. 25,750,000 and Rs. 4,084,328 and sales commission paid amounting to Rs. 1,453,292 to a private limited company in which director is interested which are not in compliance with section 297 of the Companies Act, 1956. As represented to us by the management, the Company is in process of obtaining the approval from central government as required for these transactions. Accordingly, these financial statements do not include any financial impact of such non compliances, if any.

Note 4 on Schedule 23 to the financial statements mentioned above reads as follows:

During the year, the Company has purchased trademarks and handsets amounting to Rs. 25,750,000 and Rs. 4,084,328 and paid sales commission amounting to Rs. 1,453,292 to a private limited company in

which director is interested. The Company is in the process of obtaining the approval from Central Government as required under section 297 of the Companies Act, 1956.

- g. Other audit qualifications included in the annexure to the audit report issued in terms of the requirements of the Companies (Auditor's Report) Order, 2003 (as amended) on the financial statements for the years ended March 31, 2014, 2013, 2012 and 2011 which do not require any corrective adjustment in the financial information, are as follows.

I. Annexure to auditor's report for the Financial year ended March 31, 2014

1. Clause (iv)

In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for sale of services. *However, the internal control system for sale of goods needs to be strengthened further.* During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.

2. Clause (ix) (a)

The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, cess and other material statutory dues applicable to it *though there has been a slight delay in few cases.* The provisions relating to investor education and protection fund and excise duty are not applicable to the Company.

3. Clause (ix) (c)

According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty and cess on account of any dispute, are as follows:

Name of the Statute	Nature of dues	Amount (Rs.)	Period for which the amount relates	Forum where the dispute is pending
Income-tax Act, 1961	Income Tax	10,142,138	Assessment year 2008-09	Income Tax Appellate Tribunal (ITAT)
Delhi Value Added Tax Act	Value added tax	4,976,175	Assessment year 2006-10	Delhi Value Added Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	2,943,511	Assessment year 2011-12	Commissioner of Income Tax (Appeals)

II. Annexure to auditor's report for the Financial year ended March 31, 2013

1. Clause (iii) (b)

In our opinion and according to the information and explanations given to us, we are of the opinion that the rate of interest and other terms and conditions of loans given by the Company to a firm in which directors of the Company are interested, *are prima facie prejudicial to the interest of the Company as no interest has been recovered.*

2. Clause (iii) (c)

The loans granted are re-payable on demand. We are informed that the Company has not demanded repayment of any such loan during the year, and thus, there has been no default on the part of the parties to whom the money has been lent. *No interest has been recovered against the loan.*

3. Clause (ix) (a)

The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it *though there has been a slight delay in few cases.*

4. Clause (ix) (c)

According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty excise duty and cess on account of any dispute, are as follows:

Name of the Statute	Nature of dues	Amount (Rs.)	Period for which the amount relates	Forum where the dispute is pending
Income-tax Act, 1961	Income Tax	10,142,138	Assessment year 2008-09	Commissioner of Income Tax (Appeals)
Delhi Value Added Tax Act	Value added tax	4,976,175	Assessment year 2006-10	Delhi Value Added Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	4,811,478	Assessment year 2010-11 and 2011-12	Commissioner of Income Tax (Appeals)

III. Annexure to auditor's report for the Financial year ended March 31, 2012

1. Clause (iii) (b)

In our opinion and according to the information and explanations given to us, we are of the opinion that the rate of interest and other terms and conditions of loans given by the Company to a firm in which directors of the Company *are interested, are prima facie prejudicial to the interest of the Company as these loans have been granted at nil rate of interest.*

2. Clause (iii) (c)

The loans granted are re-payable on demand. We are informed that the Company has not demanded repayment of any such loan during the year, and thus, there has been no default on the part of the parties to whom the money has been lent. *The loans given are interest free.*

3. Clause (xi) (a)

Undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, custom duty, excise duty, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities *though there has been a slight delay in few cases.*

4. Clause (xi) (c)

According to the records of the Company, the dues outstanding of income tax, sales tax, wealth-tax, service tax, customs duty, excise duty and cess on account of any dispute are as follows:

Name of the Statute	Nature of dues	Amount (Rs.)	Period for which the amount relates	Forum where the dispute is pending
Income-tax Act, 1961	Income Tax	10,142,138	Assessment year 2008-09	Commissioner of Income Tax (Appeals)
Delhi Value Added Tax Act	Value added tax	4,976,175	Assessment year 2006-10	Delhi Value Added Tax Appellate

				Tribunal
Income Tax Act, 1961	Income Tax	1,867,967	Assessment year 2010-11	Commissioner of Income Tax (Appeals)

IV. Annexure to auditor's report for the Financial year ended March 31, 2011

1. Clause (i) (b)

Fixed assets have not been physically verified by the management during the year. However, as represented to us, subsequent to year end, a category of fixed assets have been physically verified by the management and no material discrepancies were identified on such verification.

2. Clause (v) (b)

In our opinion and according to the information and explanations given to us, transactions made in pursuance of such contract or arrangement exceeding value of Rs. Five lacs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time. *However, in respect of one transactions pertaining to purchase of trademarks amounting to Rs. 25,750,000 because of the unique and specialized nature of the item involved and absence of any comparable prices, we are unable to comment whether the transactions were made at prevailing market prices at the relevant time.*

3. Clause (vii)

The Company has an internal audit system, *the scope and coverage of which, in our opinion, requires to be enlarged to be commensurate with the size and nature of its business.*

4. Clause (viii) (a)

Undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, custom duty, excise duty, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities *though there has been a slight delay in a few cases.*

5. Clause (viii) (c)

According to the records of the Company, the dues outstanding of income tax, sales tax, wealth-tax, service tax, customs duty, excise duty and cess on account of any dispute are as follows:

Name of the Statute	Nature of dues	Amount (Rs.)	Period for which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	10,142,138	Assessment year 2008-09	Commissioner of Income Tax (Appeals)
Delhi Value Added Tax Act	Value added tax	4,976,175	Assessment years 2006-10	Delhi value added tax appellate tribunal

6. Clause (xxi)

Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, *except for misappropriation of funds amounting to Rs. 395,000 by an employee during the year*, we report that no fraud on or by the Company has been noticed or reported during the course of our audit. Based on investigations by the management, the concerned employee was dismissed after recovering the entire amount.

8. We have not audited or reviewed any financial statements of the Company as of any date or for any period subsequent to December 31, 2014. 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 December 31, 2014.

Other Financial Information:

9. At the Company's request, we have also examined the following unconsolidated 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 as at and for the nine month period ended December 31, 2014 and for each of the years ended March 31, 2014, 2013, 2012, 2011 and 2010:
- i. Restated Unconsolidated Statement of Equity Share Capital, enclosed as Annexure V-A
 - ii. Restated Unconsolidated Statement of Share Warrants, enclosed as Annexure V-B
 - iii. Restated Unconsolidated Statement of Reserves & Surplus, enclosed as Annexure V-C
 - iv. Restated Unconsolidated Statement of Long term borrowings, enclosed as Annexure VI
 - v. Restated Unconsolidated Statement of Provisions, enclosed as Annexure VII
 - vi. Restated Unconsolidated Statement of Short Term Borrowings, enclosed as Annexure VIII
 - vii. Restated Unconsolidated Statement of Trade Payables and Other current liabilities, enclosed as Annexure IX
 - viii. Restated Unconsolidated Statement of Tangible Fixed Assets, enclosed as Annexure X
 - ix. Restated Unconsolidated Statement of Intangible Fixed Assets, enclosed as Annexure XI
 - x. Restated Unconsolidated Statement of Non Current Investments, enclosed as Annexure XII
 - xi. Restated Unconsolidated Statement of Deferred Tax Assets (net), enclosed as Annexure XIII
 - xii. Restated Unconsolidated Statement of Loans and Advances, enclosed as Annexure XIV
 - xiii. Restated Unconsolidated Statement of Current Investments, enclosed as Annexure XV
 - xiv. Restated Unconsolidated Statement of Current Trade Receivables, enclosed as Annexure XVI
 - xv. Restated Unconsolidated Statement of Cash and Bank Balances, enclosed as Annexure XVII
 - xvi. Restated Unconsolidated Statement of Other Assets, enclosed as Annexure XVIII
 - xvii. Restated Unconsolidated Statement of Revenue from Operations, enclosed as Annexure XIX
 - xviii. Restated Unconsolidated Statement of Other Income, enclosed as Annexure XX
 - xix. Restated Unconsolidated Statement of Decrease / (Increase) in inventories, enclosed as Annexure XXI
 - xx. Restated Unconsolidated Statement of Employee Benefit Expenses, enclosed as Annexure XXII
 - xxi. Restated Unconsolidated Statement of Other Expenses, enclosed as Annexure XXIII
 - xxii. Restated Unconsolidated Statement of Finance Cost, enclosed as Annexure XXIV

xxiii. Restated Tax Shelter Statement, enclosed as Annexure XXV

xxiv. Restated Unconsolidated Statement of Accounting Ratios, enclosed as Annexure XXVI

xxv. Restated Unconsolidated Statement of Dividend, enclosed as Annexure XXVII

xxvi. Capitalisation statement, as appearing in Annexure XXVIII

10. In our opinion, the financial information as disclosed in the Annexures to this report, read with the respective significant accounting policies and notes disclosed in Annexure IV-C, and after making adjustments and regroupings as considered appropriate and disclosed in Annexures IV-A and IV-B, have been prepared in accordance with the relevant provisions of the Act and the Regulations.
11. We did not perform audit tests for the purpose of expressing an opinion on individual balances of account or summaries of selected transactions, and accordingly, we express no such opinion thereon.
12. This report should not be in any way construed as a reissuance or redating of any of the previous audit reports issued by us or by other firm of Chartered Accountants, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
13. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
14. This report is intended solely for your information and for inclusion in the Offer Document in connection with the proposed public offer of the Company, and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For S. R. Batliboi & Associates LLP

Firm Registration. No.: 101049W

Chartered Accountants

per Vineet Kedia

Partner

Membership No. 212230

Place: Gurgaon

Date: April 29, 2015

Matrix Cellular (International) Services Limited [Formerly Matrix Cellular (International) Services Private Limited]
Annexure I - Restated Unconsolidated Summary Statement of Assets and Liabilities

(Rs. In Million)

		(Rs. in Million)					
Particulars	Annexure	As at					
		Dec 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
Equity and Liabilities							
Shareholders' funds							
Equity share capital	V- A	420.29	420.29	420.29	420.29	20.99	19.19
Share warrants	V- B	-	-	-	-	-	-
Reserves and surplus	V- C	404.93	263.00	214.48	125.41	506.48	173.73
		825.22	683.29	634.77	545.70	527.47	192.92
Non current liabilities							
Long term borrowings	VI	3.86	5.12	10.75	3.17	56.94	71.54
Long term provisions	VII	2.26	3.30	0.53	3.37	2.53	3.91
		6.12	8.42	11.28	6.54	59.47	75.45
Current liabilities							
Short term borrowings	VIII	-	158.38	86.02	-	-	123.87
Trade payables	IX	421.89	278.33	242.27	283.55	168.69	150.85
Other current liabilities	IX	79.01	82.07	99.30	120.68	116.85	296.96
Short term provisions	VII	116.44	29.02	310.93	80.51	40.22	2.78
		617.34	547.80	738.52	484.74	325.76	574.46
TOTAL		1,448.68	1,239.51	1,384.57	1,036.98	912.70	842.83
Assets							
Non current assets							
Fixed assets							
Tangible assets	X	127.81	188.84	178.28	104.76	73.05	25.10
Intangible assets	XI	20.99	31.74	14.11	8.11	3.86	5.00
Capital work-in-progress		-	-	-	-	0.52	-
Intangible assets under development		3.14	3.11	11.91	4.29	-	-
		151.94	223.69	204.30	117.16	77.43	30.10
Non-current investments	XII	246.28	277.19	220.94	128.29	25.21	18.09
Deferred tax assets (net)	XIII	118.71	98.27	88.26	61.08	27.65	30.21
Long term loan & advances	XIV	68.54	75.31	69.74	42.88	29.71	60.90
Other non-current assets	XVIII	-	-	-	-	1.67	-
		585.47	674.46	583.24	349.41	161.67	139.30
Current assets							
Current investments	XV	-	-	80.00	-	10.20	11.03
Inventories		1.13	1.98	3.70	1.11	-	-
Trade receivables	XVI	425.16	296.44	286.18	217.48	162.85	183.84
Cash and bank balances	XVII	201.74	51.04	82.83	155.26	198.46	24.31
Short term loans and advances	XIV	169.85	166.44	262.95	236.78	324.07	450.42
Other current assets	XVIII	65.33	49.15	85.67	76.94	55.45	33.94
		863.21	565.05	801.33	687.57	751.03	703.54
TOTAL		1,448.68	1,239.51	1,384.57	1,036.98	912.70	842.83

Notes:

The above statement should be read with the notes to restated unconsolidated summary statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IVA, IVB and IVC

As per our report of even date

For S R Batliboi & Associates LLP
Firm Registration No. 101049W
Chartered Accountants

For and on behalf of the Board of Directors of
Matrix Cellular (International) Services Limited
CIN No.U64202DL2005PLC142628

per Vineet Kedia
Partner
Membership No. 212230

Place: Gurgaon
Date: April 29, 2015

Gagan Deep Singh Dugal Maj. Gen. Manjit Singh Dugal
Director Director
DIN No.00513181 DIN No.01402011

Place: New Delhi
Date: April 29, 2015

Place: New Delhi
Date: April 29, 2015

Gaurav Khanna
Chief Financial Officer

Place: New Delhi
Date: April 29, 2015

Nitasha Sinha
Company Secretary
Membership No. 27439

Place: New Delhi
Date: April 29, 2015

Matrix Cellular (International) Services Limited [Formerly Matrix Cellular (International) Services Private Limited]
Annexure II - Restated Unconsolidated Summary Statement of Profit and Losses

(Rs. in Million)

Particulars	Annexure	Nine months period ended	For the year ended				
		Dec 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
Income							
Revenue from operations	XIX	2,121.32	2,406.63	2,643.07	2,181.45	1,690.13	1,060.72
Other income	XX	35.04	33.69	18.42	31.18	35.29	9.78
Total revenue (I)		2,156.36	2,440.32	2,661.49	2,212.63	1,725.42	1,070.50
Expenses							
Network operating cost		804.92	893.82	914.50	844.16	714.47	538.71
Purchase of traded goods	XXI	189.99	98.91	4.89	2.31	-	-
Decrease / (Increase) in inventories of traded goods	XXI	0.86	1.71	(2.59)	(1.11)	-	-
Employee benefits expense	XXII	342.90	485.29	465.49	384.09	281.16	177.11
Other expenses	XXIII	444.62	756.98	725.78	698.37	571.84	244.20
Total Expenses (II)		1,783.29	2,236.71	2,108.07	1,927.82	1,567.47	960.02
Restated earnings before interest, tax, depreciation and amortisation and exceptional item (EBITDA) (I)-(II)		373.07	203.61	553.42	284.81	157.95	110.48
Depreciation expense	X	74.94	91.84	73.13	57.08	30.45	11.87
Amortisation expense	XI	18.64	15.68	5.82	2.63	2.24	2.94
Finance costs	XXIV	9.79	20.23	14.60	19.64	40.13	45.80
Restated profit before tax and exceptional item		269.70	75.86	459.87	205.46	85.13	49.87
Exceptional item (refer note 19 in annexure IV-C)		30.91	-	-	-	-	-
Tax expenses							
Current tax		110.37	37.36	175.68	104.48	30.57	1.19
Deferred tax (credit) / charge		(18.08)	(10.02)	(27.17)	(33.45)	2.57	17.01
Total tax expenses		92.29	27.34	148.51	71.03	33.14	18.20
Restated profit after tax for the period/year		146.50	48.52	311.36	134.43	51.99	31.67

Notes:

The above statement should be read with the notes to restated unconsolidated summary statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IVA, IVB and IVC

As per our report of even date

For S R Batliboi & Associates LLP
Firm Registration No. 101049W
Chartered Accountants

For and on behalf of the Board of Directors of
Matrix Cellular (International) Services Limited
CIN No.U64202DL2005PLC142628

per Vineet Kedia
Partner
Membership No. 212230

Place: Gurgaon
Date: April 29, 2015

Gagan Deep Singh Dugal Maj. Gen. Manjit Singh Dugal
Director Director
DIN No.00513181 DIN No.01402011

Place: New Delhi Place: New Delhi
Date: April 29, 2015 Date: April 29, 2015

Gaurav Khanna Nitasha Sinha
Chief Financial Officer Company Secretary
Membership No. 27439

Place: New Delhi Place: New Delhi
Date: April 29, 2015 Date: April 29, 2015

Matrix Cellular (International) Services Limited [Formerly Matrix Cellular (International) Services Private Limited]
Annexure III - Restated Unconsolidated Summary Statement of Cash Flows

(Rs. in Million)

Particulars	Nine months period ended	For the year ended				
		Dec 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011
A. CASH FLOW FROM OPERATING ACTIVITIES						
- Net restated profit before taxation	269.70	75.86	459.87	205.46	85.13	49.87
Adjustments for :						
- Interest Expenses	8.79	18.19	13.08	16.08	35.75	35.95
- Provision for doubtful debts	53.10	82.14	110.72	76.12	52.24	-
- Provision for doubtful advances	7.72	15.56	5.83	67.18	0.74	-
- Provision for Rent Equalisation	(0.31)	2.05	0.77	1.33	1.05	-
- Provision for Gratuity	6.98	4.28	5.09	3.62	3.02	1.67
- Provision for Leave Encashment	(0.49)	1.89	1.34	1.89	2.26	0.42
- Bad Debts written off	-	-	18.19	12.61	87.98	26.85
- Amounts written off	0.22	0.01	1.03	0.59	4.08	-
- Amounts written Back	(4.99)	(15.17)	(0.00)	(1.77)	(7.01)	-
- Depreciation	93.58	107.52	78.95	59.71	32.69	14.63
- Interest income	(11.86)	(3.14)	(7.99)	(11.11)	(6.81)	(1.30)
- Profit on sale of fixed assets	(5.54)	(6.39)	(5.16)	(16.39)	(11.92)	-
- Profit on sale of short term investment	-	(4.60)	(0.36)	-	(3.43)	-
- Dividend Income	-	-	-	-	(2.54)	-
-Unrealized foreign exchange loss	4.79	(14.23)	(2.85)	(3.94)	1.05	-
Operating profit before working capital changes (as restated)	421.69	263.97	678.51	411.38	274.28	128.09
Movements in working capital:						
- Increase / (Decrease) in Provisions	(2.99)	(1.61)	(7.21)	(2.29)	(0.22)	-
- Increase / (Decrease) in Trade payables	134.39	39.86	(39.47)	111.21	16.01	4.16
- Increase / (Decrease) in other current liabilities	10.09	(0.87)	(20.03)	43.45	18.50	1.03
- Decrease / (Increase) in Inventory	0.86	1.71	(2.60)	(1.11)	-	-
- (Increase) in trade receivable	(189.80)	(54.91)	(204.57)	(170.15)	(136.75)	(95.85)
- Decrease / (Increase) in Long term Loans and advances	9.21	7.87	(22.70)	(5.37)	45.55	(23.01)
- Decrease / (Increase) in Short term loans and advances	(21.19)	83.53	(36.77)	27.61	116.70	4.73
Cash Generated from Operations	362.26	339.55	345.16	414.73	334.07	19.15

19.15

Restated Unconsolidated Summary Statement of Cash Flows (Continued)

(Rs. in Million)

Particulars	Nine months period ended	For the year ended				
		Dec 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011
- Taxes outflow (net of refunds)		20.09	105.82	174.44	73.66	15.18
Net cash generated from operating activities		342.17	233.73	170.72	341.07	318.89

B. CASH FLOW FROM INVESTING ACTIVITIES

- Purchase of fixed assets	(34.36)	(140.82)	(171.70)	(102.20)	(80.02)	(7.83)
- Sale of fixed assets	13.08	18.38	10.78	18.79	11.92	-
- Sale of short term investments	-	84.60	80.36	10.20	370.47	-
- Purchase of short term investments	-	-	(160.00)	-	(362.71)	-
- Investment in Subsidiaries/JV	-	(56.24)	(92.67)	(103.07)	(8.50)	0.54
- Interest received	3.38	3.11	5.25	11.72	2.05	1.07
- In Fixed Deposit Account (More than 3 Months Maturity)	(116.46)	27.81	(26.92)	(37.91)	(1.02)	-
- Redemption of bank deposits (with original maturity for more than 12 months)	-	-	-	1.67	(1.67)	-
- Dividend Income	-	-	-	-	2.54	-
Net cash (used in) investing activities	(134.36)	(63.16)	(354.90)	(200.80)	(66.94)	(6.22)

C. CASH FLOW FROM FINANCING ACTIVITIES

- Issue of Share Capital for Cash	-	-	-	0.03	0.73	2.49
- Proceeds from Long-term borrowings	-	6.82	22.89	-	41.78	-
- Repayment of Long-term borrowings	(9.61)	(13.40)	(16.23)	(91.04)	(97.66)	-
- Proceeds from Short-term borrowings	-	72.36	86.02	-	-	-
- Repayment of Short-term borrowings	(158.38)	-	-	-	(123.87)	-
- Share Premium Received	-	-	-	-	131.82	347.51
- Proceeds from secured Loans	-	-	-	-	-	33.35
- Interim Dividend paid	-	(190.00)	-	(100.00)	-	-
- Interim Dividend paid	-	-	-	-	-	-
- Tax on Interim Dividend paid	-	(32.29)	-	(16.22)	-	-
- Repayment of Unsecured Loans	-	-	-	-	-	(351.47)
- Interest expenses	(5.59)	(18.03)	(7.85)	(14.15)	(31.60)	(35.95)
Net cash generated from/(used in) financing activities	(173.58)	(174.54)	84.83	(221.38)	(78.80)	(4.07)

Net Increase/(decrease) in cash and cash equivalents (A+B+C)	34.23	(3.97)	(99.36)	(81.11)	173.13	7.00
Cash & Cash equivalents at the beginning of the period	5.93	9.91	109.26	190.37	17.24	10.24

(Rs. in Million)

Particulars	Nine months period ended	For the year ended				
	Dec 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
Cash & Cash equivalents at the end of the period/year	40.17	5.93	9.91	109.26	190.37	17.24
Components of cash and cash equivalents						
Cash in hand	3.10	4.38	2.55	2.93	1.27	8.64
Balances with scheduled banks:						
- On current accounts	5.62	1.55	7.36	13.69	17.57	8.50
- Cash Credit accounts	31.45	-	-	54.01	21.53	-
- Deposits with original maturity of less than three months	-	-	-	-	150.00	0.10
- On Dividend Account	0.00	0.00	0.00	38.63	-	-
Total	40.17	5.93	9.91	109.26	190.37	17.24

Notes:

1. The above statement should be read with the notes to restated unconsolidated summary statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IVA, IVB and IVC
2. Figures in brackets denote cash outflow.

As per our report of even date

For S R Batliboi & Associates LLP
Firm Registration No. 101049W
Chartered Accountants

**For and on behalf of the Board of Directors of
Matrix Cellular (International) Services Limited
CIN No.U64202DL2005PLC142628**

per Vineet Kedia
Partner
Membership No. 212230

Place: Gurgaon
Date: April 29, 2015

Gagan Deep Singh Dugal	Maj. Gen. Manjit Singh Dugal
Director	Director
DIN No.00513181	DIN No.01402011

Place: New Delhi
Date: April 29, 2015

Place: New Delhi
Date: April 29, 2015

Gaurav Khanna
Chief Financial Officer

Nitasha Sinha
Company Secretary
Membership No. 27439

Place: New Delhi
Date: April 29, 2015

Place: New Delhi
Date: April 29, 2015

Annexure IVA : Notes on Material Adjustments

The summary of results of restatement made in the audited unconsolidated summary statements for the respective years and its impact on the profit/(loss) of the Company is as follows:

(Rs. in Million)						
Particulars	31 Dec 2014	31 March 2014	31 March 2013	31 March 2012	31 March 2011	31 March 2010
(A) Net Profit as per audited financial statements	151.65	46.26	311.37	134.07	4.38	48.00
Adjustments due to changes in accounting policies						
Change in accounting for handset / SIM Cards (Refer Note (1) of Annexure IVB)	-	-	-	-	19.05	(5.50)
Other Adjustments						
Reversal of prior year adjustments due to the expense recognition in the year to which it relates. (Refer Note (2) of Annexure IVB)	(5.15)	2.26	(0.01)	0.36	28.56	(10.83)
(B) Total Adjustments	(5.15)	2.26	(0.01)	0.36	47.61	(16.33)
Restated Profit (A+B)	146.50	48.52	311.36	134.43	51.99	31.67

Notes

The above statement should be read with the notes to restated unconsolidated summary statements of assets and liabilities, profit and losses and cash flows as appearing in Annexure IVB & IVC.

Annexure IVB**1. Change in accounting policy**

Till March 31, 2010, handsets and SIM cards were accounted for and classified as inventories. Effective April 1, 2010, the Company has re-evaluated the accounting and, accordingly, believes it is more appropriate to account for SIM cards and handsets as fixed assets (under plant and machinery) rather than as inventory. The management believes that such change will result in more appropriate presentation of handsets and sim cards.

In the financial statements for the year ended March 31, 2011, this change in treatment of handsets and SIM cards has been identified as change in accounting policy. Accordingly brought forward cost of handsets and sim cards amounting to Rs. 19.05 million has been reclassified under fixed assets (as plant & machinery). In accordance with Company's depreciation policy the reclassified fixed assets have been fully depreciated resulting into depreciation charge of Rs 5.50 million for financial year ended March 31, 2010 and Rs. 13.55 million against net deficit in the statement of Profit & loss as at April 1, 2009. For the purpose of restated unconsolidated summary statements, this change in accounting policy has been appropriately adjusted in the respective years to which the transactions pertain to.

2. Prior period items

For the nine months period ended December 31, 2014 and for the year ended March 31, 2014, March 31, 2013, March 31, 2012, March 31, 2011 and March 31, 2010 certain items of income / expense have been identified as prior period adjustments. These adjustments were recorded in the year when identified. However, for the purpose of restated summary statements, such prior period adjustments have been adjusted in respective year to which the transactions pertain to. The details of such prior period adjustments are as under :

Figures in bracket represent decrease in profits.

(Rs. in Million)

Particulars	Nine months Period ended	Year ended				
	31-Dec-14	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
Network operating cost	-	-	-	-	4.71	(4.71)
Gratuity	-	-	-	-	4.15	(1.67)
Leave Encashment	-	-	-	-	1.31	(0.42)
Travelling and conveyance	-	-	-	-	4.12	(4.12)
Decrease in closing stock	-	-	-	-	9.03	-
Income tax expense	-	-	-	-	3.05	0.67
Finance cost	-	-	-	-	2.36	(2.17)
Wealth Tax	0.26	(0.26)	-	-	-	-
Depreciation	(1.93)	1.93	-	-	-	-
Other Income	-	-	-	-	(0.90)	0.90
Dividend Income	(3.55)	-	-	-	2.54	-
Exchange difference on Dividend receivable	0.07	0.59	(0.01)	0.36	-	-
Deferred tax impact of prior period expenses	-	-	-	-	(1.81)	0.69
Total	(5.15)	2.26	(0.01)	0.36	28.56	(10.83)

3. Restatement adjustments made in the audited opening balance figure in the net (deficit) in the Statement of Profit and Loss for the year ended March 31, 2010

	Amount
Net (deficit) in the statement of Profit and Loss as at April 1, 2009 as per audited financial statements	(176.71)
Adjustments :	
Change in accounting for handset / SIM Cards (Refer Note (1) of Annexure IVB)	(13.55)
Prior Period Expenses (Refer Note (2) of Annexure IVB)	(15.19)
Net (deficit) in the Statement of Profit and Loss as at April 1, 2009 (as restated)	(205.45)

4. Material Regrouping

- (i) W.e.f April 1 2011, revised schedule VI notified under the Companies Act, 1956 has become applicable to the Company for preparation and presentation of its financial statements. The adoption of Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The Company has also reclassified the figures for the previous years ended March 31, 2011 and March 31, 2010 in accordance with the requirements applicable for the year ended March 31, 2012.

Appropriate adjustments have been made in the restated unconsolidated summary statements of assets and liabilities, profit and losses and cash flows, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the interim audited financials of the company as at and for the Nine month period ended December 31, 2014, prepared in accordance with Revised Schedule VI and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009 (as amended).

- (ii) Considering the nature of business transactions effective year ended March 31, 2012, credit card collection charges were grouped under 'Other expense' and accordingly, such expenses which were disclosed under "Finance Cost" in previous year were re-classified.
- (iii) Certain fixed assets having gross block value and accumulated depreciation of Rs. 24 million respectively (Written down value : Rs. nil) were discarded during year ended March 31, 2014 and were inadvertently disclosed as disposal under fixed assets schedule during the year ended March 31, 2013. The same has been re-classified to March 31, 2014.

5. Non-adjusting items

- A. Certain qualification in the auditor's report on the unconsolidated financial statements of the Company for the years ended March 31, 2012 and 2011 which do not require any quantitative adjustment in the restated unconsolidated summary statements are as follows:

- (i) The audit report for year ended March 31, 2012 included a qualification in respect of the Company being in the process of seeking approval for setting-off of inception till date payable of Rs. 80.20 million (net) to certain foreign vendors against amount receivable from them. The Company has subsequent to year end March 31, 2012 received approval for set off.
- (ii) The audit report for year ended March 31, 2011 included a qualification in respect of the Company being in the process of making application to the Reserve Bank of India ('RBI') for seeking approval for setting off of Rs. 18.89 million (net) payable to certain foreign vendors against amount receivable from them. The Company has subsequent to year end March 31, 2011 received approval for set off.

- B. Certain Emphasis of Matter in the auditor's report on the unconsolidated financial statements of the Company for the year ended March 31, 2014, 2013, 2012 and 2011 which do not require any quantitative adjustment in the restated unconsolidated summary, statements are as follows:

- (i) The audit report for year ended March 31, 2014 included emphasis of matter regarding purchase and sale of services during current and previous years from private limited companies in which a director was interested. The transactions in current year as well as in previous years are not in compliance with the requirements laid under Section 297 of the Companies Act, 1956. The Company has on December 10, 2014 filed for compounding under section 297 of the Companies Act, 1956.
- (ii) The audit report for year ended March 31, 2013 included emphasis of matter regarding purchase of services during current and previous years from private limited companies in which a director was interested. The transactions in current and previous year are not in compliance with the requirements laid under Section 297 of the Companies Act, 1956. The Company has on December 10, 2014 filed for compounding under section 297 of the Companies Act, 1956.
- (iii) The audit report for year ended March 31, 2012 included emphasis of matter regarding purchase of services during current and previous years from a private limited company in which a director was interested. The transactions in current year as well as in previous year are not in compliance with the requirements laid under Section 297 of the

Companies Act, 1956. The Company has on December 10, 2014 filed for compounding under section 297 of the Companies Act, 1956.

- (iv) The audit report for year ended March 31, 2011 included emphasis of matter regarding purchased trademarks and handsets and sales commission paid from / to a private limited company in which director was interested which are not in compliance with the requirement laid under section 297 of the Companies Act, 1956. The Company has on December 10, 2014 filed for compounding under section 297 of the Companies Act, 1956.

Certain qualifications in the Annexure to the Auditor's report on the unconsolidated financial statements of the Company for the years ended 31 March, 2014, 2013, 2012 and 2011 which do not require any quantitative adjustment in the restated unconsolidated summary statement are as follows:

- (i) The annexure to the audit report for the years ended March, 31 2014, March, 31 2013, March, 31 2012 and March 31, 2011 included a qualification in respect of delayed deposit of certain statutory dues.
- (ii) The annexure to the audit report for the year ended March, 31 2014 included qualification of further strengthening of the internal control system for sale of goods.
- (iii) The annexure to the audit report for the year ended March, 31 2013 included qualification in respect of loan given being prima facie prejudicial to the interest of the Company as interest free loan were given to a Company in which a director was interested.
- (iv) The annexure to the audit report for the year ended March, 31 2012 included qualification in respect of loan given being prima facie prejudicial to the interest of the Company as interest free loan were given to a Company in which a director was interested.
- (v) The annexure to the audit report for the year ended March 31, 2011 included a qualification in respect of a fraud whereby an employee of the Company had misappropriated funds amounting to Rs. 0.40 million. The concerned employee was dismissed after recovering the entire amount
- (vi) The annexure to the audit report for the year ended March 31, 2011 included a qualification in respect of fixed assets not been physically verified during the year.
- (vii) The annexure to the audit report for the year ended March 31, 2011 included a qualification in respect of purchase of trademarks from parties covered under register 301 of the Companies Act, 1956 and because of the unique and specialized nature of the item involved and absence of any comparable prices, we were unable to comment whether the transactions were made at prevailing market prices at the relevant time.
- (viii) The annexure to the audit report for the year ended March 31, 2011 included a qualification in respect of the scope and coverage of internal audit was required to be enlarged to be commensurate with the size and nature of its business.
- (ix) The annexure to the audit report for the year ended March 31, 2010 included a qualification in respect of undisputed statutory dues remaining outstanding for a period of more than six months.

Annexure IVC : Notes to the restated unconsolidated summary statements of assets and liabilities, profits and losses and cash flows for the Nine months period ended December 31, 2014 and for each of the years ended March 31, 2014, 2013, 2012, 2011 and 2010:

1. Corporate information

Matrix Cellular (International) Services Ltd (the Company) was incorporated on November 17, 2005 and is headquartered in New Delhi. The Company was converted into a public company with effect from April 21, 2015. The Company is a leading provider of country specific SIM Cards and data solutions. The Company has entered into agreement with leading telecom operators from around the world to provide services and operates through a network of agents, joint ventures and subsidiaries in United Kingdom, Singapore, United Arab Emirates, Thailand, Hong Kong & USA.

2. Basis of preparation of financial statements

- a. The Restated Unconsolidated Summary Statement of Assets and Liabilities of the Company as at December 31, 2014, March 31, 2014, March 31, 2013, March 31, 2012, March 31, 2011 and March 31, 2010 and the related Restated Unconsolidated Summary Statement of Profits and Losses and Cash Flows Statement for the Nine-months period ended December 31, 2014 and for the year ended March 31, 2014, March 31, 2013, March 31, 2012, March 31, 2011 and March 31, 2010 (herein collectively referred to as 'Restated Unconsolidated Summary Statement') have been compiled by the management from the interim Unconsolidated financial statements for the Nine-months period ended December 31, 2014 and the unconsolidated financial statements of the Company for year ended March 31, 2014, March 31, 2013, March 31, 2012, March 31, 2011 and March 31, 2010.
- b. The interim Unconsolidated Financial Statements of the Company for nine months period ended December 31, 2014 and unconsolidated financial statements of the Company for year ended March 31, 2014, March 31, 2013, March 31, 2012, March 31, 2011 and March 31, 2010 have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The Company has prepared these Unconsolidated Financial Statements to comply in all material respects with the accounting standards specified under the Companies Act, 1956 ("The Act") (which are deemed to be applicable as per section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014) and other accounting principles generally accepted in India. The Unconsolidated Financial Statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year other than those disclosed under point 1 of annexure IVB.
- c. The unconsolidated financial statements of the Company for year ended March 31, 2014, March 31, 2013, March 31, 2012, March 31, 2011 and March 31, 2010 have been prepared using the historical audited general purpose financial statements of the Company for the years ended March 31, 2014, 2013, 2012, 2011 and 2010 respectively which were prepared under Indian GAAP and originally approved by the board of directors of the Company at that relevant time.
- d. The Restated Unconsolidated Summary Statements have been prepared specifically for the inclusion in the offer document to be filed by the Company with the Securities and Exchange Board of India ('SEBI') in connection with its proposed Initial Public Offering.
- e. These Restated Unconsolidated Summary Statements of assets and liabilities, profit and losses and cash flows have been prepared to comply in all material respects with the requirements of Sub-clause (i), (ii) and (iii) of clause (b) of Sub-section (1) of Section 26 of Chapter II of the Companies Act, 2013 read with rule 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("the SEBI Guidelines") issued by SEBI on August 26, 2009 as amended from time to time.

3. Summary of significant accounting policies

3.1 Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

3.2 Change in Accounting Estimate

Pursuant to "the Act" being effective from 1 April 2014, the Company has revised the depreciation rates tangible and intangible fixed assets as per the useful life specified in Part 'C' of Schedule II of the Act. As a result of this change, the depreciation charge for the nine months period ended 31 December 2014 is higher by Rs.33.7 million. In respect of assets whose useful life is already exhausted as on 1 April 2014, depreciation of Rs.4.57 million (net of deferred tax impact of Rs 2.35 million) has been adjusted in surplus in statement of profit and loss in accordance with the requirement of Schedule II of the Act.

3.3 Tangible fixed assets

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

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

3.4 Depreciation on tangible fixed assets

Fixed assets are depreciated on pro-rata basis from the date on which the asset is ready to use, using written down value method, at higher of rates as per the useful lives of the assets estimated by the management, or at the rates as per useful life prescribed under Schedule II of the Companies Act, 2013 (from April 1, 2014) and at rates prescribed under schedule XIV of the Companies Act, 1956 (from April 1, 2009 to March 31, 2014).

The Company has used the following rates to provide depreciation on its fixed assets .

	Rates as per management's estimate of useful lives from April 1, 2014 (WDV)*	Rates as per management's estimate of useful life for the period from April 1, 2009 to March 31, 2014[WDV]
Building	Not applicable	5%
Vehicles	8 years	25.89%
Office equipment	5 years	13.91%
Plant & Machinery	1 year	13.91%
Furniture & Fixtures	10 years	18.10%
Computers - End User Devices	3 years	40%
Computers - Server & Network	3 years	40%

*Represents total revised useful life, WDV rates applied basis useful life of assets as at April 1, 2014.

All assets individually costing up to Rs. 5,000 are fully depreciated in the year of purchase.

Plant & Machinery comprising of mobile phones and SIM cards are depreciated over a period of twelve months from the date of purchase.

Leasehold Improvements are amortized on a straight line basis over the primary lease period or estimated useful life whichever is lower.

Gains or losses arising from de-recognition of a tangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

3.5 Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the period / year in which the expenditure is incurred.

Intangible items are amortized at the rate from 35%-40% on written down value basis. The Company uses a rebuttable presumption that the useful life of an intangible asset will not exceed three years from the date when the asset is available for use.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

3.6 Impairment of tangible and intangible assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal / external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital. After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

3.7 Leases

Where the Company is lessee :

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss account on a straight-line basis over the lease term.

3.8 Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. Current investments are carried in the financial statements 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 the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

3.9 Inventories

Inventories of traded goods are valued at lower of cost and net realizable value. Cost is determined on weighted average basis.

Net realizable value is the estimated selling price in the ordinary course of business and estimated costs necessary to make the sale.

3.10 Revenue Recognition

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. The following specific recognition criteria must also be met before revenue is recognized:

Service revenue

Service revenue from provision of airtime services is recognized on accrual basis over the period of consumption of services.

Revenue from set up fees is recognised when services have been rendered.

Sale of goods

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods.

Late payment fee and recovery for lost items

Late payment fees are accrued for time proportion basis when realisability is certain.

Interest Income

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable. Interest income is included under the head "other income" in the statement of profit and loss.

3.11 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

3.12 Foreign Currency Translation

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 retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

iii) Exchange Differences

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

3.13 Retirement and other employee benefits

i) Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service.

ii) 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 as per the Projected Unit Credit Method. The Company makes annual contributions to insurance company for the Gratuity Plan in respect of employees. Actuarial gains and losses are recognized in full in the period in which they occur in the statement of profit and loss.

iii) Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

3.14 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 and tax laws prevailing in the respective tax jurisdictions where the Company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred income taxes reflects the impact of current period / year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences 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 realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each reporting date, the company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset 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 realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The company writes-down the carrying amount of 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 realized. 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

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year, in which the company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as “MAT Credit Entitlement.” The Company reviews the “MAT credit entitlement” asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

3.15 Employee stock compensation cost

Measurement and disclosure of the employee share-based payment plans is done in accordance with the Guidance Note on Accounting for Employee Share-based Payments, issued by the Institute of Chartered Accountants of India. The Company measures compensation cost relating to employee stock options using the intrinsic value method. Compensation expense is amortised over the vesting period of the option on a straight line basis.

3.16 Segment Reporting Policies

Identification of segments:

The Company’s operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

Segment Policies:

The company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

3.17 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

3.18 Provisions

A provision is recognised when the Company has a present obligation as a result of past event; 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 estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

3.19 Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

3.20 Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

3.21 Measurement of EBITDA

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The company measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the Company does not include depreciation and amortization expense, finance costs and tax expense and includes other income.

4. Non-compliance with Section 297 of the Companies Act, 1956

The Company has purchased and sold services to private limited companies in which director is interested. These transactions are not in compliance with section 297 of the Companies Act, 1956. The Company has filed application for compounding for all of the transactions on December 10, 2014.

Rs. in million

Particulars	2014	2013	2012	2011
Purchase of Services	1.31	2.59	3.20	-
Sale of Services	0.17	-	-	-
Purchase of Trademarks	-	-	-	25.75
Purchase of Handsets	-	-	-	4.08
Sales Commission paid	-	-	-	1.45

5. Employees benefits

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with an insurance company in the form of qualifying insurance policy.

The following tables summarises the components of net benefit expense recognised in the statement of profit and loss account and amounts recognised in the balance sheet for the respective plans.

Statement of profit and loss

Net employee benefit expense recognised in employee cost :

Rs. in million

	Gratuity					
	31 Dec, 14	2014	2013	2012	2011	2010
Current service cost	3.49	4.32	3.96	3.27	2.48	1.60
Interest cost on benefit obligation	1.07	1.16	0.86	0.61	0.33	0.21
Expected return on plan assets	(0.37)	(0.64)	(0.16)	-	-	-
Net actuarial(gain) / loss recognised in the year	(3.03)	(0.56)	(0.34)	(0.26)	0.21	(0.14)
Past service cost	-	-	-	-	-	-
Net benefit expense	1.16	4.28	4.32	3.62	3.02	1.67
Actual Return on plan assets	-	0.55	0.40			

Balance sheet

Benefit asset / liability

Rs. in million

	Gratuity					
	31 Dec,14	2014	2013	2012	2011	2010
Present value of defined benefit obligation	17.17	16.86	14.56	10.73	7.17	4.15
Fair value of plan assets	7.11	5.47	7.14	2.00	-	-
Plan (liability)	(10.06)	(11.39)	(7.41)	(8.73)	(7.17)	(4.15)

Changes in the present value of the defined benefit obligation are as follows:

Rs. in million

	Gratuity					
	31 Dec, 14	2014	2013	2012	2011	2010
Opening defined benefit obligation	16.86	14.56	10.73	7.17	4.15	2.62
Interest cost	1.07	1.16	0.87	0.61	0.33	0.21
Current service cost	3.49	4.32	3.96	3.27	2.48	1.60
Benefits paid	(0.85)	(2.54)	(0.90)	(0.06)	-	(0.14)
Actuarial (gains) / losses on obligation	(3.40)	(0.64)	(0.10)	(0.26)	0.21	(0.14)
Closing defined benefit obligation	<u>17.17</u>	<u>16.86</u>	<u>14.56</u>	<u>10.73</u>	<u>7.17</u>	<u>4.15</u>

Changes in the fair value of plan assets are as follows:

Rs. in million

	Gratuity					
	31 Dec, 14	2014	2013	2012	2011	2010
Opening fair value of plan assets	5.47	7.14	2.00	-	-	-
Expected return	0.37	0.64	0.16	-	-	-
Contribution by employer	2.50	0.30	5.64	2.00	-	-
Benefits paid	(0.86)	(2.53)	(0.90)	-	-	-
Actuarial gains / (losses)	(0.37)	(0.08)	0.24	-	-	-
Closing fair value of plan assets	<u>7.11</u>	<u>5.47</u>	<u>7.14</u>	<u>2.00</u>	<u>-</u>	<u>-</u>

The principal assumptions used in determining gratuity obligations for the Company's plans is shown below :

	31 Dec, 14	2014	2013	2012	2011	2010
	%	%	%	%	%	%
Discount rate	8.00	8.50	8.00	8.50	8.00	8.00
Expected rate of return on plan assets	9.00	9.00	9.00	9.00	-	-
Future Salary increase rate	5.50	6.00	5.50	6.00	5.50	5.50
Up to 30 years	3	3	3	3	3	3
From 31 to 44 years	2	2	2	2	2	2
Above 44 years	1	1	1	1	1	1

In each respective year the Company has taken into consideration, the estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled. There has been significant change in expected rate of return on assets due to change in the market scenario.

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

		Gratuity					
		31 Dec, 14	2014	2013	2012	2011	2010
Investments	with	100%	100%	100%	100%	-	-
insurer							

Amounts for the current period and previous years are as follows:

		Rs. in million					
		Gratuity					
		31 Dec, 14	2014	2013	2012	2011	2010
Gratuity							
Defined benefit obligation		17.17	16.86	14.56	10.73	7.17	4.15
Plan assets		7.11	5.46	7.14	2.00	-	-
Experience adjustments on plan liabilities		3.36	0.66	0.13	0.24	(0.21)	(0.14)
Experience adjustments on plan assets		(0.37)	(0.09)	0.24	-	-	-

6. Employee Stock Option Plans

A. Plan details

The Company provides share-based payment schemes to its employees and employees of Subsidiaries. The Company has three Employee Stock Option plans (ESOP) scheme namely : “Matrix Employee Stock Option Plan 2010” (Plan I), “Matrix Employee Stock Option Plan 2012” (Plan II) and “Matrix Employee Stock Option Plan 2014” (Plan III).

The relevant details of the schemes and the grant are as below.

	Plan I	Plan II	Plan III
Date of grant	April 1, 2010	July 13, 2012	February 17, 2014
Date of Board Approval	March 29, 2010	July 13, 2012	February 17, 2014
Date of shareholder approval	March 29, 2010	July 13, 2012	February 17, 2014
Number of options granted	The total number of options granted under the scheme shall not cumulatively exceed 2.5% of the issued and subscribed equity capital of the Company. Number of options granted : 852,240 (after considering effect of consolidation & issue of bonus shares)	The total number of options granted under the scheme shall not exceed 5% of the issued equity capital of the Company, for the first phase of application. Number of options granted : 614,220	The total number of options granted under the scheme shall not exceed 5% of the issued equity capital of the Company, for the first phase of application. Number of options granted : 1,89,835
Method of Settlement	Equity	Equity	Equity

Vesting Period / Condition	On completion of 12 months	50% of options - on completion of 12 months from the grant date Balance 50% of options- on completion of 24 months from the grant date	50% of options - on completion of 12 months from the grant date Balance 50% of options- on completion of 24 months from the grant date
Exercise Period	8 Years	6 Years	6 Years

The details of activity under Plan I have been summarized below:

	Dec. 14	2014	2013	2012	2011
	Number of options	Number of options	Number of options	Number of options	Number of options
Outstanding at the beginning of the period / year	312,340	741,200	852,240	426,120	-
Effect of bonus and consolidation of shares	-	-	-	416,120	-
Granted during the period / year	-	-	-	-	458,800
Forfeited during the period / year	-	428,860	111,040	-	32,680
Exercised during the period / year	-	-	-	-	-
Expired during the period / year	-	-	-	-	-
Outstanding at the end of the period/ year	312,340	312,340	741,200	852,240	426,120
Exercisable at the end of the period / year	312,340	312,340	741,200	852,240	426,120
Weighted average fair value of options granted on the date of grant	-	-	-	-	141
Exercise price of Options outstanding	70.50	70.50	70.50	70.50	141
Weighted average remaining contractual life (in years)	3	4	5	6	7

Pursuant to consolidation of shares and issue of bonus shares, the 426,120 exercisable shares outstanding as on April 1, 2011 at Rs. 141 per share were converted into 852,240 shares exercisable at Rs. 70.50 per share.

The details of activity under Plan II have been summarized below:

	Dec, 14	2014	2013	2012	2011
	Number of options	Number of options	Number of options	Number of options	Number of options
Outstanding at the beginning of the period / year	300,008	506,782	-	-	-
Granted during the period / year	-	-	614,220	-	-
Forfeited during the period / year	20,136	206,774	107,438	-	-
Exercised during the period / year	-	-	-	-	-
Expired during the period/ year	-	-	-	-	-
Outstanding at the end of the period / year	279,872	300,008	506,782	-	-
Exercisable at the end of the period / year	279,872	300,008	506,782	-	-
Weighted average fair value of options granted on the date of grant	-	-	118.96	-	-
Exercise price of options outstanding	118.96	118.96	118.96	-	-
Weighted average remaining contractual life (in years)	3	4	5	-	-

The details of activity under Plan III have been summarized below:

	Dec, 14	2014	2013	2012	2011
	Number of options	Number of options	Number of options	Number of options	Number of options
Outstanding at the beginning of the period / year	189,835	-	-	-	-
Granted during the period/ year	-	189,835	-	-	-
Forfeited during the period / year	-	-	-	-	-
Exercised during the period / year	-	-	-	-	-
Expired during the period / year	-	-	-	-	-
Outstanding at the end of the period / year	189,835	189,835	-	-	-

Exercisable at the end of the period / year	189,835	189,835	-	-	-
Weighted average fair value of options granted on the date of grant	-	45.21	-	-	-
Exercise price of options outstanding	118.96	118.96	-	-	-
Weighted average remaining contractual life (in years)	5	6	-	-	-

B. Impact on the reported net profit and earnings per share by applying the fair value based method

As per the guidance note on “Accounting for Employees Share Based Payments” issued by the Institute of Chartered Accountants of India, the Proforma disclosures of the impact of the fair value method of accounting of employee stock compensation accounting in the financial statements on the reported net profit and earnings per share would be as follows :

	Rs. in million					
	Dec, 14	2014	2013	2012	2011	2010*
Profit as per unconsolidated restated financials	146.50	48.52	311.36	134.43	51.99	-
Add: ESOP cost using Intrinsic value method	-	-	-	-	-	-
Less: ESOP cost using fair value method	(3.49)	(4.18)	(5.63)	-	(4.60)	-
Proforma profit	143.01	44.34	305.73	134.43	47.39	-
Basic earnings per share						
- As Reported (Refer Anneure XXVI)	3.49	1.15	7.41	3.20	1.34	-
- Performa	3.40	1.05	7.27	3.20	1.22	-
Diluted earnings per share						
- As Reported (Refer Anneure XXVI)	3.49	1.15	7.00	3.02	1.23	-
- Performa	3.40	1.05	6.87	3.02	1.12	-

*not applicable as no ESOP were granted during the year.

C. Fair value of options granted during the year

The weighted average fair value of stock options under ESOP Plan I granted during the previous year ended March 31, 2011 was Rs. 11. The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

	Dec, 2014	2014	2013	2012	2011	2010
Weighted average share price	*	*	*	*	141	*
Exercise Price	*	*	*	*	141	*
Expected Volatility	*	*	*	*	0%	*
Life of the options granted in years	*	*	*	*	1	
Risk-free interest rate	*	*	*	*	8%	*
Dividend yield (%)	*	*	*	*	0%	*

*: Not applicable since no ESOP's were granted during the year.

The expected volatility was determined based on historical volatility data; historical volatility includes early years of the Company's life.

The weighted average fair value of stock options under ESOP Plan II granted during the previous year ended March 31, 2013 was Rs. 18. The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs

	Dec, 2014	2014	2013	2012	2011	2010
Weighted average share price	*	*	118.96	*	*	*
Exercise Price	*	*	118.96	*	*	*
Expected Volatility	*	*	0%	*	*	*
Life of the options granted in years	*	*	2	*	*	*
Risk-free interest rate	*	*	8%	*	*	*
Dividend yield (%)	*	*	0%	*	*	*

*: Not applicable since no ESOP's were granted during the year.

The expected volatility was determined based on historical volatility data; historical volatility includes early years of the Company's life.

The weighted average fair value of stock options under ESOP Plan III granted during the previous year ended March 31, 2014 was Rs. 45.21. The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

	Dec, 2014	2014	2013	2012	2011	2010
Weighted average share price	*	118.96	*	*	*	*
Exercise Price	*	118.96	*	*	*	*
Expected Volatility	*	0%	*	*	*	*
Life of the options granted in years	*	2	*	*	*	*
Risk-free interest rate	*	8%	*	*	*	*
Dividend yield (%)	*	0%	*	*	*	*

*: Not applicable since no ESOP's were granted during the year.

The expected volatility was determined based on historical volatility data; historical volatility includes early years of the Company's life.

7. Leases

The Company's significant leasing arrangements are in respect of operating lease taken for office premises. The lease contracts period ranges from 3 to 9 years.

Rental expenses towards operating lease charged to the statement of profit and loss account and minimum lease payments for non-cancelable periods till the expiry date are as follows:

Particulars	31 Dec, 14	2014	2013	2012	2011	2010
Lease payments for the year	52.64	73.86	56.87	56.99	29.15	15.23
Minimum lease payments :						
Not later than one year	5.45	10.40	8.08	10.55	13.71	1.94
Later than one year but not later than five years	-	5.26	1.12	9.56	29.89	2.21
Later than five years	-	-	-	-	-	-

8. Restated Unconsolidated Statement of Related Party Transactions

List of related parties and transactions as per requirements of Accounting Standard -18, "Related Party Disclosures"

Particulars	Nine month period ended	For the year ended				
	Dec 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010

A. Related Parties where control exist

i) Subsidiaries	Matrix Cellular Dubai FZE	Matrix Cellular Dubai FZE	Matrix Cellular Dubai FZE	Matrix Cellular Dubai FZE	Matrix Cellular Dubai FZE	Matrix Cellular Dubai FZE
	Matrix Cellular Pte. Ltd	Matrix Cellular Pte. Ltd	Matrix Cellular Pte. Ltd	Matrix Cellular Pte. Ltd	Matrix Cellular Pte. Ltd	Matrix Cellular Pte. Ltd
	Matrix Cellular International Services UK Ltd.	Matrix Cellular International Services UK Ltd.	Matrix Cellular International Services UK Ltd.	Matrix Cellular International Services UK Ltd.	Matrix Cellular International Services UK Ltd.	Matrix Cellular International Services UK Ltd.
	Matrix Forex Services Pvt. Ltd.	Matrix Forex Services Pvt. Ltd.	Matrix Forex Services Pvt. Ltd.	Matrix Forex Services Pvt. Ltd.	Matrix Forex Services Pvt. Ltd.	NA
	Preciflex Insulation Pvt. Ltd.	Preciflex Insulation Pvt. Ltd.	Preciflex Insulation Pvt. Ltd.	Preciflex Insulation Pvt. Ltd.	Preciflex Insulation Pvt. Ltd.	Preciflex Insulation Pvt. Ltd.
	Matrix Cellular International Services Corporation.	Matrix Cellular International Services Corporation.				
ii) Enterprises owned substantial interest in voting power of the Company						
	Aleta Private Limited	Aleta Private Limited	Aleta Private Limited	Aleta Private Limited	Aleta Private Limited	

B. Related parties where transactions have been entered into during the year/period

i) Jointly controlled entity

	M & S Telecom Ltd.	M & S Telecom Ltd.	M & S Telecom Ltd.	M & S Telecom Ltd.	M & S Telecom Ltd.	
				Telecom Wimax Limited		
	Matrix Cellular International Ltd. Thailand	Matrix Cellular International Ltd. Thailand	Matrix Cellular International Ltd. Thailand	Matrix Cellular International Ltd. Thailand	Matrix Cellular International Ltd. Thailand	Matrix Cellular International Ltd. Thailand

ii) Key Management Personnel

	Urvashi Kaur, Managing director	Gagan Deep Singh Dugal, Managing director	Gagan Deep Singh Dugal, Managing director	Gagan Deep Singh Dugal, Managing director	Gagan Deep Singh Dugal, Managing director	Gagan Deep Singh Dugal, Managing director
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iii) Relatives of Key Management Personnel

	Gagan Deep Singh Dugal, Spouse of Urvashi Kaur	Urvashi Kaur, Spouse of Gagan Deep Singh Dugal	Urvashi Kaur, Spouse of Gagan Deep Singh Dugal	Urvashi Kaur, Spouse of Gagan Deep Singh Dugal	Urvashi Kaur, Spouse of Gagan Deep Singh Dugal	Urvashi Kaur, Spouse of Gagan Deep Singh Dugal
	Maj. Gen. Manjit Singh Dugal, Father in law of Managing Director	Maj. Gen. Manjit Singh Dugal, Father of Managing Director	Maj. Gen. Manjit Singh Dugal, Father of Managing Director	Maj. Gen. Manjit Singh Dugal, Father of Managing Director	Maj. Gen. Manjit Singh Dugal, Father of Managing Director	Maj. Gen. Manjit Singh Dugal, Father of Managing Director

Particulars	Nine month period ended	For the year ended				
	Dec 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010

iv) Enterprises owned or significantly influenced by key management personnel or their relatives

	Luxalon Building Private Limited	Luxalon Building Private Limited	Luxalon Building Private Limited	Luxalon Building Private Limited	Luxalon Building Private Limited	Luxalon Building Private Limited
					YBO Solutions(India) Private Limited	YBO Solutions(India) Private Limited
	Liberty India DMC Private Limited	Liberty India DMC Private Limited	Liberty India DMC Private Limited	Liberty India DMC Private Limited		
					Matrix Back Office Services Private Limited	Matrix Back Office Services Private Limited
			Tamarinde Holidays Pvt. Ltd.		Tamarinde Holidays Pvt. Ltd.	Tamarinde Holidays Pvt. Ltd.
			SMG Sports Management Pvt. Ltd.			
	Matrix Cellular Services Pvt. Ltd.	Matrix Cellular Services Pvt. Ltd.	Matrix Cellular Services Pvt. Ltd.	Matrix Cellular Services Pvt. Ltd.	Matrix Cellular Services Pvt. Ltd.	Matrix Cellular Services Pvt. Ltd.

Matrix Cellular (International) Services Limited [Formerly Matrix Cellular (International) Services Private Limited]
Notes to restated unconsolidated summary statements
Detail of Transactions with Related Parties (Continued)

(Rs. in Million)

Particulars	Dec 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
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1. Subsidiaries

a) Sale of Services

Matrix Cellular Pte. Ltd	0.47	11.95	11.40	5.92	-	-
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b) Purchases of Airtime

Matrix Cellular International Services UK Ltd.	114.63	114.18	113.79	138.93	102.63	103.86
Matrix Cellular Pte. Ltd	41.41	34.78	44.88	40.44	24.17	11.89
Matrix Cellular Dubai FZE	71.16	36.66	43.27	32.20	34.07	11.03

c) Purchases of Sim

Matrix Cellular International Services UK Ltd.	0.10	0.56	1.14	-	-	-
Matrix Cellular Pte. Ltd	0.03	1.70	-	-	-	-
Matrix Cellular International Ltd.	-	0.01	-	-	-	-

d) Purchase of Services

Matrix Forex Services Pvt. Ltd.	0.96	2.16	4.13	3.30	-	-
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e) Investments made during the year

Matrix Forex Services Pvt. Ltd.	-	33.09	49.69	58.19	5.50	-
Matrix Cellular Intl Services Corp	-	0.62	-	-	-	-
Matrix Cellular Pte. Ltd	-	5.94	36.07	11.84	-	-
Preciflex Insulation Pvt. Ltd.	-	-	-	-	3.60	-

f) Loans given during the year

Matrix Forex Services Pvt. Ltd.	-	3.07	29.21	-	-	-
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g) Recovery of loans given during the year

Matrix Forex Services Pvt. Ltd.	-	3.81	29.86	-	-	-
Preciflex Insulation Pvt. Ltd.	-	-	-	-	3.60	-

h) Guarantee Given by Company on behalf of Related parties

Matrix Cellular Dubai FZE	-	17.11	-	7.09	-	-
Matrix Forex Services Pvt. Ltd.	5.00	-	-	20.00	-	-
Matrix Cellular International Services UK Ltd.	-	-	1.79	12.16	-	-

i) Expenses incurred by the Company on behalf of Related Parties

Preciflex Insulation Pvt. Ltd.	-	0.00	0.01	0.05	0.05	0.01
Matrix Forex Services Pvt. Ltd.	1.05	0.38	0.55	2.42	0.13	-
Matrix Cellular Pte. Ltd	-	-	-	1.03	-	-
Matrix Cellular Dubai FZE	-	-	-	0.12	-	-
Matrix Cellular International Services UK Ltd.	-	-	-	0.26	-	-

Detail of Transactions with Related Parties (Continued)

(Rs. in Million)

Particulars	Dec 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
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j) Advance given during the year

Matrix Cellular Dubai FZE	-	-	-	28.36	-	-
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k) Loans Taken during the year

Matrix Forex Services Pvt. Ltd.	-	-	-	-	9.76	-
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l) Repayment of Loans during the year

Matrix Forex Services Pvt. Ltd.	-	-	-	-	9.76	-
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m) Dividend Received

Matrix Cellular International Services UK Ltd.	-	-	-	-	2.54	-
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2. Joint Ventures

a) Sale of Services

M & S Telecom Co. Ltd.	6.04	13.46	11.96	7.28	0.51	-
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b) Purchases of Airtime

Matrix Cellular International Ltd.	3.14	11.82	56.68	38.25	29.35	18.00
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c) Investments made during the year

Matrix Cellular International Ltd.	-	-	-	-	0.73	-
M & S Telecom Co. Ltd.	-	16.59	6.91	2.15	2.25	-
Telecom Wimax Limited	-	-	-	30.91	-	-

3. Key Management Personnel

a) Remuneration

Gagandeep Singh Dugal	-	33.60	33.60	33.60	40.61	30.01
Urvashi Kaur	2.70	-	-	-	-	-

b) Dividend Paid

Gagandeep Singh Dugal	-	103.04	-	54.17	-	-
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c) Expenses incurred by the Company on behalf of Related Parties

Gagandeep Singh Dugal	-	5.67	11.15	14.11	63.84	9.97
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d) Issue of shares

Gagandeep Singh Dugal	-	-	-	216.57	150.00	-
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e) Proposed Dividend

Gagandeep Singh Dugal	-	-	103.04	54.17	-	-
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f) Loans given during the year

Gagandeep Singh Dugal	-	-	7.08	-	145.73	30.09
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g) Recovery of loans given during the year

Gagandeep Singh Dugal	-	7.08	-	45.06	198.46	42.72
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Detail of Transactions with Related Parties (Continued)

(Rs. in Million)

Particulars	Dec 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
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h) Expenses incurred by Related Parties on behalf of the Company

Gagandeep Singh Dugal	0.01	0.30	-	0.02	-	-
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i) Guarantee Given on behalf of the company

Gagandeep Singh Dugal	-	20.00	173.00	-	67.00	-
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4. Relatives of Key Management Personnel

a) Remuneration

Maj.Gen. Manjit Singh Dugal	0.45	0.25	-	-	-	-
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b) Dividend Paid

Maj.Gen. Manjit Singh Dugal	-	0.10	-	0.05	-	-
Urvashi Kaur	-	13.57	-	7.15	-	-

c) Loans given during the year

Urvashi Kaur	-	-	-	-	4.51	9.89
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d) Recovery of loans given during the year

Urvashi Kaur	-	-	-	-	16.19	5.97
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e) Guarantee Given on behalf of Company by related parties

Maj.Gen. Manjit Singh Dugal	-	20.00	240.00	-	-	-
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f) Expenses incurred by the Company on behalf of Related Parties

Maj.Gen. Manjit Singh Dugal	-	0.04	-	-	-	-
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g) Issue of shares

Maj.Gen. Manjit Singh Dugal	-	-	-	0.19	-	-
Urvashi Kaur	-	-	-	28.50	-	-

h) Proposed Dividend

Maj.Gen. Manjit Singh Dugal	-	-	0.10	-	-	-
Urvashi Kaur	-	-	13.57	-	-	-

5. Enterprises having significant influence over the company

a) Dividend Paid

Aleta Private Limited	-	73.30	-	38.63	-	-
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b) Issue of shares

Aleta Private Limited	-	-	-	154.05	150.00	-
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c) Proposed Dividend

Aleta Private Limited	-	-	73.30	38.63	-	-
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6. Enterprises owned or significantly influenced by key management personnel or their relatives

a) Sale of Services

Liberty India DMC Pvt. Ltd.	(0.01)	0.17	0.09	-	-	-
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b) Purchase of Services

Liberty India DMC Pvt. Ltd.	-	0.01	0.03	2.40	-	-
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Detail of Transactions with Related Parties (Continued)

(Rs. in Million)

Particulars	Dec 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
Luxalon Building Pvt Ltd.	0.01	1.30	0.87	0.81	-	-
Tamarinde Holidays Pvt. Ltd.	-	-	1.60	-	-	-
SMG Sports Management Pvt. Ltd.	-	-	11.24	-	-	-

c) Loans given during the year

Matrix Cellular Services Pvt. Ltd.	0.26	0.76	-	-	202.66	274.26
Luxalon Building Pvt Ltd.	-	-	-	-	0.43	0.64
Matrix Back office Pvt. Ltd.	-	-	-	-	-	1.84

d) Recovery of loans given during the year

Matrix Cellular Services Pvt. Ltd.	0.15	70.00	1.54	-	180.47	178.13
YBO Solutions (India) Pvt. Ltd.	-	-	-	-	0.27	-
Luxalon Building Pvt Ltd.	-	-	-	-	1.45	0.10
Matrix Back office Pvt. Ltd.	-	-	-	-	7.12	-

e) Expenses incurred by the Company on behalf of Related Parties

Luxalon Building Pvt Ltd.	-	0.17	0.00	0.16	0.25	-
Matrix Cellular Services Pvt. Ltd.	-	-	0.44	0.68	9.36	18.76
Matrix Back office Pvt. Ltd.	-	-	-	-	0.77	0.57
YBO Solutions (India) Pvt. Ltd.	-	-	-	-	0.02	0.03

f) Purchase of fixed assets

Matrix Cellular Services Pvt. Ltd.	-	-	6.61	0.04	4.08	-
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g) Loans Taken during the year

Luxalon Building Pvt Ltd.	-	-	-	0.05	-	-
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h) Commission (expense)/Income

Matrix Cellular Services Pvt. Ltd.	-	-	-	3.15	1.45	-
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i) Expenses incurred by Related Parties on behalf of the Company

Matrix Cellular Services Pvt. Ltd.	-	-	-	8.24	41.16	41.23
Luxalon Building Pvt Ltd.	-	-	-	0.20	0.22	-

j) Purchase of trademarks

Matrix Cellular Services Pvt. Ltd.	-	-	-	-	25.75	-
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k) Guarantee Given on behalf of Company

Matrix Cellular Services Pvt. Ltd.	-	-	-	-	67.00	-
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Detail of Transactions with Related Parties (Continued)

(Rs. in Million)

Particulars	Dec 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
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l) Interest Income

Matrix Cellular Services Pvt. Ltd.	7.72	-	-	-	3.20	-
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m) Write (off) / back of amounts due

Matrix Back office Pvt. Ltd.	-	-	-	-	0.01	-
Tamarinde Holidays Pvt. Ltd.	-	-	-	-	0.01	-

Balances outstanding as at period/year end

1. Subsidiaries

a) Trade receivable

Matrix Cellular Pte. Ltd	5.86	5.63	2.38	5.85	-	-
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b) Trade payables Creditors (including accrued expenses)

Matrix Cellular Dubai FZE	3.14	6.36	7.47	10.21	6.83	1.82
Matrix Cellular Pte. Ltd	14.83	8.44	1.42	3.30	11.58	6.44
Matrix Cellular International Services UK Ltd.	2.08	-	-	3.36	0.00	16.70
Matrix Forex Services Pvt. Ltd.	-	-	-	0.32	-	-

c) Loans and advances

Preciflex Insulation Pvt. Ltd.	0.15	0.15	0.14	0.13	0.09	3.63
Matrix Cellular International Services UK Ltd.	-	17.01	17.85	-	2.29	-
Matrix Forex Services Pvt. Ltd.	0.18	-	0.74	2.49	0.13	-
Matrix Cellular Dubai FZE	-	-	30.98	28.36	-	-

d) Security deposit

Matrix Cellular Pte. Ltd	1.00	1.00	0.91	0.83	0.72	0.66
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e) Guarantee Given by Company on behalf of Related parties

Matrix Forex Services Pvt. Ltd.	25.00	20.00	20.00	-	-	-
Matrix Cellular Dubai FZE	18.01	17.11	-	-	-	-
Matrix Cellular International Services UK Ltd.	1.98	2.13	1.79	-	-	-

2. Joint Ventures

a) Trade receivable

M & S Telecom Co. Ltd.	10.50	4.46	10.95	7.23	0.52	-
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b) Trade payables Creditors (including accrued expenses)

Matrix Cellular International Ltd.	3.24	1.30	4.79	7.37	4.74	4.62
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c) Security deposit

Matrix Cellular International Ltd.	2.25	2.17	2.18	1.90	1.52	1.68
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Detail of Transactions with Related Parties (Continued)

(Rs. in Million)

Particulars	Dec 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
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3. Key Management Personnel

a) Loans and Advances

Gagandeep Singh Dugal	-	-	7.08	(5.60)	45.06	8.07
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b) Guarantee Given on behalf of Company

Gagandeep Singh Dugal	260.00	260.00	240.00	67.00	67.00	-
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c) Trade payables Creditors (including accrued expenses)

Gagandeep Singh Dugal	0.01	0.02	-	-	-	-
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4. Relatives of Key Management Personnel

a) Trade payables Creditors (including accrued expenses)

Maj.Gen. Manjit Singh Dugal	-	0.01	-	-	-	-
Urvashi Kaur	-	-	-	-	-	11.68

b) Guarantee Given on behalf of Company by related parties

Maj.Gen. Manjit Singh Dugal	260.00	260.00	240.00	-	-	-
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5. Enterprises owned or significantly influenced by key management personnel or their relatives

a) Trade receivable

Liberty India DMC Pvt. Ltd.	0.03	0.05	-	-	-	-
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b) Trade payables Creditors (including accrued expenses)

Luxalon Building Pvt Ltd.	-	0.96	(0.00)	0.49	0.11	-
Matrix Forex Services Pvt. Ltd.	-	0.00	-	-	-	-
Liberty India DMC Pvt. Ltd.	0.07	0.07	0.07	0.07	-	-
Matrix Cellular Services Pvt. Ltd.	-	-	-	-	1.31	-

c) Loans and advances

Matrix Cellular Services Pvt. Ltd.	168.65	168.54	237.78	240.06	220.03	258.73
Tamarinde Holidays Pvt. Ltd.	-	-	-	-	-	0.01
Matrix Back Office Pvt. Ltd.	-	-	-	-	-	6.36
YBO Solutions (India) Pvt. Ltd.	-	-	-	-	-	0.24

d) Interest income accrued

Matrix Cellular Services Pvt. Ltd.	7.72	-	-	-	3.20	-
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f) Provision for doubtful loans

Matrix Cellular Services Pvt. Ltd.	66.13	66.13	66.13	66.13	-	-
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g) Guarantee Given on behalf of Company

Matrix Cellular Services Pvt. Ltd.	-	-	67.00	67.00	67.00	-
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9. Capital and other commitments**Rs. In Million**

	31 Dec, 14	2014	2013	2012	2011	2010
Contracts remaining to be executed (Net of Advances)	1.06	2.94	9.85	2.43	1.51	-

10. Contingent Liabilities

	31 Dec, 14	2014	2013	2012	2011	Rs. In Million 2010
Claims against the Company not acknowledged as debts*	12.44	7.94	9.27	4.56	5.59	2.74
Guarantees given by the Company	55.25	49.75	39.25	53.57	33.55	23.58
Income tax in respect of Assessment Year 2008-09 in respect of which the company has gone on appeal.	-	-	-	10.14	10.14	-
Demand on account of non-deposit of TDS in respect of Assessment Year 2011-12 in respect of which the Company has gone on appeal	-	2.94	2.94	-	-	-
Demand on account of non-deposit of TDS in respect of Assessment Year 2010-11 in respect of which the Company has gone on appeal	-	-	1.87	1.87	-	-
Delhi Value added tax in respect of Assessment Year 2006-10 in respect of which the Company has gone on appeal.	-	-	-	4.98	4.98	-

The Company in each of the year has received a no objection certificate (NOC) from Department of Telecom ('DOT'). As per the terms of the NOC, the Company is obligated to comply with certain conditions pertaining to activation / deactivation of sim cards, absence which, it is liable to pay penalties. The Company is confident of being compliant of the conditions stipulated in the NOC.

* The claims against the Company comprises of cases lodged against the Company by the Consumers and pending at various forums.

11. Segment information

The Company is solely engaged in business of providing international sim cards and data solutions services. The Company is also entitled to purchase handsets at special price from the service providers pursuant to its contract with them for purchase of SIM cards and data solutions. The Company reviews the risks and return from sale of handsets and providing SIM cards and data solutions together.

The entire operations are governed by the same set of risk and returns and hence, the same has been considered as representing a single primary segment. The said treatment is in accordance with the guiding principles enunciated in the Accounting Standard 17 on Segmental reporting notified under the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014.

The Company has operations serving customers within India as well as located in other countries. The information relating to the geographical segments in respect of customers being served and assets within India, which is the only reportable segment, the remaining portion being attributable to others, is presented below:

Geographical Segments

Particulars	Nine months period ended 31 Dec, 2014	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2011
REVENUE					
India	1,582.79	1,979.34	2,303.04	1,949.80	1,497.77
Others	538.53	427.29	340.02	231.65	192.35
Total	2,121.32	2,406.63	2,643.07	2,181.45	1,690.12
Other Segment Information					
Segment Assets					
India	1,343.28	1,173.09	1,324.49	988.38	889.49
Others	105.41	66.42	60.07	48.61	23.21
Total	1,448.68	1,239.51	1,384.57	1,036.99	912.70

12. Interest in joint venture

- a) The Company has a 48.90% stake in the assets, liabilities, expenses and output of M & S Telecom Ltd, a company being incorporated in Thailand. The Company is in the business of renting of country specific SIM cards.

The Company's share of the assets, liabilities, income and expenses in M & S Telecom Ltd. based on audited financial statements for the following period/ years:

	Rs. in million					
	31 Dec, 14	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
Assets	2.23	5.70	2.47	2.49	0.95	-
Liabilities	8.96	7.49	9.61	6.28	0.22	-
Revenue	6.50	9.98	9.37	4.15	0.07	-
Depreciation	0.20	0.07	0.08	0.05	0.01	-
Other expenses	10.99	21.19	19.13	10.80	1.52	-
(Loss) before tax	(4.69)	(11.28)	(9.84)	(6.70)	(1.46)	-

- b) The Company has a 48.99% stake in the assets, liabilities, expenses and output of Matrix Cellular International Ltd, a company being incorporated in Thailand. The company is in the business of renting local SIM cards.

The Company's share of the assets, liabilities, income and expenses in Matrix Cellular International Ltd based on audited financial statements for the following period/ years:

	Rs. in million					
	31 Dec, 14	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
Assets	3.80	2.82	7.02	6.60	4.14	4.96
Liabilities	2.05	1.10	5.26	5.09	2.89	4.05
Revenue	1.44	3.62	24.22	17.46	13.25	8.42
Depreciation	-	-	-	-	-	-
Other expenses	1.47	3.67	24.12	17.37	12.91	8.26
			0.10	0.09	0.34	
Profit/ (Loss) before tax	0.03	(0.05)				0.16

- c) The Company has a 50% stake in the assets, liabilities, expenses and output of Telecom Wimax Limited, a Company being incorporated in Hong Kong. The Company is in the business of investment holding.

The Company's share of the assets, liabilities, income and expenses in consolidated Telecom Wimax Limited based on audited financial statements for the following period/ years:

	Rs. in million					
	31 Dec, 14	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
Assets	22.08	39.72	37.18	29.88	-	-
Liabilities	0.21	0.25	0.81	3.73	-	-
Revenue	-	13.99	29.88	11.16	-	-
Depreciation	0.19	0.31	0.47	0.11	-	-
Other expenses	17.57	12.11	19.26	17.82	-	-
Profit/ (Loss) before tax	(17.76)	1.57	10.15	(6.77)	-	-

13. Particulars of Unhedged foreign Currency Exposure as at the Balance Sheet date

(in Million)													
Particulars	Currency	Dec 31, 2014		March 31, 2014		March 31, 2013		March 31, 2012		March 31, 2011		March 31, 2010	
		F.C	Amount	F.C	Amount	F.C	Amount	F.C	Amount	F.C	Amount	F.C	Amount
Accounts Receivable													
	GBP	0.05	5.41	0.08	7.83	0.12	10.21	0.08	6.26	0.06	4.81	0.12	7.88
	JPY	0.39	0.22	-	-	-	-	1.02	0.64	0.88	0.49	0.83	0.40
	SGD	0.12	5.86	0.11	5.57	0.05	2.42	0.14	5.85	-	-	-	-
	USD	1.04	67.59	0.17	10.74	0.35	19.85	0.22	11.69	0.30	14.21	0.04	1.72
	AED	-	-	-	-	-	-	-	-	-	-	0.00	0.02
	AUD	-	-	-	-	-	-	-	-	-	-	0.00	0.02
	SAR	0.21	3.76	-	-	-	-	-	-	-	-	-	-
Total		1.60	79.08	0.36	24.14	0.53	32.48	1.46	24.45	1.25	19.51	0.99	10.04
Trade Payable													
	AED	0.17	3.14	0.37	6.36	0.48	7.47	0.72	10.21	0.53	6.83	-	-
	AUD	0.00	0.08	0.00	0.15	0.01	0.81	-	-	0.03	1.48	0.06	2.58
	BHD	0.00	0.22	0.03	4.75	0.00	0.21	-	-	-	-	-	-
	BRL	0.04	0.91	0.03	0.92	0.05	1.33	0.03	0.72	-	-	-	-
	EUR	0.00	0.27	0.00	0.26	0.02	1.54	-	-	-	-	-	-
	GBP	0.02	1.68	-	-	0.03	2.17	0.29	24.35	0.01	0.81	0.23	15.67
	HKD	0.87	7.41	0.87	7.04	0.70	5.13	0.81	5.46	0.37	2.21	0.06	0.32
	JPY	0.06	0.03	0.06	0.04	0.30	0.18	1.24	0.79	2.94	1.67	2.10	1.02
	LKR	0.78	0.38	1.13	0.56	0.69	0.31	5.57	2.27	0.84	0.36	-	-
	MUR	0.22	0.42	0.04	0.08	0.05	0.09	0.04	0.08	0.08	0.13	-	-
	MYR	0.04	0.83	0.09	1.65	0.08	1.53	0.17	2.96	0.14	2.19	0.25	3.44
	SAR	-	-	0.34	5.64	-	-	-	-	-	-	-	-
	SGD	0.30	14.83	0.17	8.44	0.03	1.42	0.08	3.32	0.31	11.60	0.00	0.09
	THB	3.94	7.92	1.52	2.95	3.49	6.78	4.35	7.37	3.08	4.74	4.25	5.89
	USD	2.29	149.54	-	-	0.59	33.28	1.52	79.07	0.56	25.86	0.66	29.71
	ZAR	-	-	0.01	0.06	0.39	2.42	0.02	0.14	1.32	9.11	0.08	0.49
	KRW	2.92	0.17	-	-	-	-	-	-	-	-	-	-
	IDR	-	-	-	-	-	-	80.33	0.46	-	-	-	-
	CNY	-	-	-	-	-	-	-	-	-	-	0.07	0.49
		11.65	187.84	4.67	38.89	6.92	64.68	95.18	137.19	10.20	66.99	7.76	59.71
Loans & Advances													
	AED	0.26	4.59	-	-	2.00	30.98	2.00	28.36	-	-	-	-
	GBP	0.06	6.38	0.13	13.53	0.19	16.27	-	-	0.01	0.67	-	-
	IDR	2.20	0.01	-	-	-	-	-	-	-	-	-	-

Unhedged foreign Currency Exposure (Continued)

(in Million)													
Particulars	Currency	Dec 31, 2014		March 31, 2014		March 31, 2013		March 31, 2012		March 31, 2011		March 31, 2010	
		F.C	Amount	F.C	Amount	F.C	Amount	F.C	Amount	F.C	Amount	F.C	Amount
	JPY	0.17	0.09	-	-	-	-	-	-	-	-	-	-
	MYR	0.04	0.77	-	-	-	-	-	-	-	-	-	-
	THB	0.84	1.68	0.84	1.62	-	-	-	-	-	-	-	-
	ZAR	0.02	0.10	0.01	0.03	-	-	-	-	-	-	-	-
	KES	-	-	-	-	0.00	0.00	-	-	-	-	-	-
	USD	-	-	-	-	-	-	0.01	0.45	0.00	0.18	0.01	0.46
		3.58	13.63	0.97	15.17	2.19	47.25	2.01	28.81	0.01	0.85	0.01	0.46
Security Deposit													
	THB	4.22	8.49	4.22	8.16	2.72	5.29	1.12	1.90	1.12	1.72	1.12	1.55
	SGD	0.02	1.00	0.02	0.10	0.02	0.91	0.02	0.83	0.02	0.72	-	-
	JPY	1.52	0.84	1.52	0.93	1.52	0.92	1.52	0.96	1.52	0.87	1.52	0.74
	USD	0.02	1.30	0.02	1.24	0.02	1.12	0.02	1.04	0.00	0.21	0.01	0.23
	GBP	0.03	2.72	0.03	2.76	0.03	2.27	-	-	-	-	-	-
	EURO	0.01	0.46	0.01	0.49	0.01	0.42	-	-	-	-	-	-
		5.81	14.82	5.81	13.69	4.31	10.93	2.68	4.73	2.66	3.52	2.65	2.52

Derivative outstanding as at balance sheet date are as under :

(in Million)													
Particulars	Currency	Dec 31, 2014		March 31, 2014		March 31, 2013		March 31, 2012		March 31, 2011		March 31, 2010	
		F.C.	Amount	F.C.	Amount	F.C.	Amount	F.C.	Amount	F.C.	Amount	F.C.	Amount
	USD	0.04	4.47	0.20	20.48	-	-	-	-	-	-	-	-
	GBP	1.80	117.51	0.08	4.67	-	-	-	-	-	-	-	-

14. Details of dues to Micro, Small and Medium Enterprise

	31 Dec, 14	2014	2013	2012	2011	2010
the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year	Nil	Nil	Nil	Nil	Nil	Nil
the amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	Nil	Nil	Nil	Nil	Nil	Nil
the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	Nil	Nil	Nil	Nil	Nil	Nil
the amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil	Nil	Nil	Nil	Nil
the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006	Nil	Nil	Nil	Nil	Nil	Nil

Amount due to entities covered under Micro, Small and Medium Enterprise as defined in the Micro, Small and Medium Enterprise Development Act, 2006, have been identified on the basis of information available with the Company.

15. Value of imports calculated on CIF basis

	Rs. In Million					
	31 Dec, 14	2014	2013	2012	2011	2010
Capital goods	14.46	30.60	19.99	14.78	5.17	3.40
Traded goods	189.99	98.92	4.89	42.31	5.89	-
	204.45	129.52	24.88	57.09	11.06	3.40

16. Expenditure in foreign currency (Accrual basis)

	Rs. In Million					
	31 Dec, 14	2014	2013	2012	2011	2010
Advertisement and Sales	0.24	2.80	9.14	12.57	14.49	-
Promotion						
Purchase of Airtime	803.60	891.46	911.47	835.95	710.93	526.82
Travelling and conveyance	2.90	19.68	12.59	10.09	10.99	2.14
Legal & Professional fees	10.05	7.02	0.14	2.24	0.66	-
Others	0.28	0.29	0.32	1.16	-	0.45
	817.07	921.25	933.66	862.01	737.07	529.41

17. Earnings in foreign currency (Accrual basis)

	Rs. In Million					
	31 Dec, 14	2014	2013	2012	2011	2010
Sale of Airtime	317.39	320.62	349.14	225.83	195.39	80.95
Sale of Traded goods	237.11	114.20	-	-	-	-
	554.50	434.82	349.14	225.83	195.39	80.95

- 18.** The Company, subsequent to the nine months period ended December 31, 2014, in its board meeting held on January 30, 2015 declared interim dividend amounting to Rs. 3.45 per equity share.
- 19.** During the year ended March 31, 2012, Matrix Cellular (International) Services Private Limited had acquired 50% shares of Telecom Wimax (a joint venture in HongKong with Dee Telecom Holdings HK Limited) for a purchase consideration of Rs. 30.91 million (US\$ 0.66 million). In accordance with the accounting policies stated in Note 3.8, the Company conducts an annual impairment assessment for investment. The management, based on such assessment, has during the nine months period ended December 31, 2014 has concluded that the diminution in the value of investment is permanent in view of the current and future operations in the joint venture. Accordingly, it has recognized provision for impairment of Rs.30.9 million and disclosed under 'Exception items'.
- 20.** The Company had invested Rs. 27.91 million in M&S Telecom (a joint venture in Thailand with Swasdeeshop Co. Ltd.). As at December 31, 2014, the joint venture entity has minimal business activities and the Company is in process of re-structuring the operations of the joint venture entity. Though the operation of the joint venture entity is expected to decrease during the re-structuring phase, the board of directors of the Company are confident making the operation of joint venture entity EBIDTA positive as per initial plan by mid of 2016. Accordingly, the board is of the view that the diminution in the value of investment is temporary in nature, hence no provision is required.
- 21.** As at period end, the Company has advance recoverable of Rs. 168.65 million from Matrix Cellular Services Private Limited (MCS). The amount was initially secured by way of shares of the Company placed in an escrow account, whereby, in the event MCS fails to pay the outstanding amount to the Company on or prior to October 22, 2014, the investor (Aleta Private Limited) shall have the right (though not the obligation) to require the existing shareholder to sell / transfer the escrow shares to the investor at a price of Rs. 102.31 per share.

In the event the investor is unable to purchase the entire escrow shares or the investor decides not to purchase the escrow shares for any reason whatsoever, then the investor shall have the right to require the existing shareholder to transfer the escrow shares to a third party buyer as determined either by the; (a) Investor; or (b) existing shareholders and as acceptable to the investor.

The Company had in financial year ended March 31, 2012 created a provision of Rs. 66.13 million towards loan considered doubtful of recovery. The Company in financial year ended March 31, 2014 had received Rs. 70 million and from MCS.

The Company, subsequent to balance sheet date has received Rs. 110.22 million towards repayment of loan and interest (on amount net of provision) for the period April 1, 2014 to December 31, 2014. Also the shares held under Escrow have been released. The interest amount till March 31, 2014 has been waived off by the board of directors.

22. Details of commodities purchased and sold are as under :

Purchased

Commodity	Dec, 14	2014	2013	2012	2011		2010
					Quantity	Value (in million)	
Copper (Kg.)	-	-	-	-	185,000	70.83	-
Crude Oil (barrals)	-	-	-	-	14,000	54.53	-
Gold (Kg.)	-	-	-	-	8,000	162.57	-
Silver (Kg.)	-	-	-	-	1,350	58.83	-
Steel (kg.)	-	-	-	-	100	2.49	-
Zinc	-	-	-	-	100,000	10.01	-

Quantity Sold

Commodity	Dec, 14	2014	2013	2012	2011		2010
					Quantity	Value (in million)	
Copper (Kg.)	-	-	-	-	185,000	71.98	-
Crude Oil (barrals)	-	-	-	-	14,000	55.43	-
Gold (Kg.)	-	-	-	-	8,000	163.60	-
Silver (Kg.)	-	-	-	-	1,350	59.33	-
Steel (kg.)	-	-	-	-	100	2.44	-
Zinc	-	-	-	-	100,000	9.92	-

For S R Batliboi & Associates LLP
Firm Registration No. 101049W
Chartered Accountants

For and on behalf of the Board of Directors of
Matrix Cellular (International) Services Limited
CIN No.U64202DL2005PLC142628

per Vineet Kedia
Partner
Membership No. 212230

Place: Gurgaon
Date: April 29, 2015

Gagan Deep Singh Dugal Maj. Gen. Manjit Singh Dugal
Director Director
DIN No.00513181 DIN No.01402011

Place: New Delhi
Date: April 29, 2015

Place: New Delhi
Date: April 29, 2015

Gaurav Khanna
Chief Financial Officer

Nitasha Sinha
Company Secretary
Membership No. 27439

Place: New Delhi
Date: April 29, 2015

Place: New Delhi
Date: April 29, 2015

Matrix Cellular (International) Services Limited [Formerly Matrix Cellular (International) Services Private Limited]

Annexure V-A - Restated Unconsolidated Statement of Equity Share Capital

Particulars	Dec 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
Authorised shares						
Equity shares of Rs./ Re.	10	10	10	10	1	1
Total Authorised Equity shares (No.)	43,000,000	43,000,000	43,000,000	43,000,000	30,000,000	25,000,000
Total Authorised Equity shares (Rs. in Million)	430.00	430.00	430.00	430.00	30.00	25.00
Issued, subscribed and fully paid-up shares						
Equity Shares (No)	42,029,200	42,029,200	42,029,200	42,029,200	20,986,718	19,187,562
Total issued, subscribed and fully paid-up share capital (Rs. in Million)	420.29	420.29	420.29	420.29	20.99	19.19

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period/year

Particulars	Dec 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
Outstanding at the beginning of the period/year	42,029,200	42,029,200	42,029,200	20,986,718	19,187,562	16,700,000
Consolidation of shares [Refer note (d) below]	-	-	-	(18,888,046)	-	-
	42,029,200	42,029,200	42,029,200	2,098,672	19,187,562	16,700,000
Conversion of Debenture into equity shares [refer note {c (i)} below]	-	-	-	-	1,066,098	2,487,562
Equity share issued [refer note {c (ii)} below]	-	-	-	-	733,058	-
Bonus shares issued [refer note (e) below]	-	-	-	39,927,740	-	-
Warrant conversion [Refer note (b)] under annexure V-B below]	-	-	-	2,788	-	-
Outstanding at the end of the period/year	42,029,200	42,029,200	42,029,200	42,029,200	20,986,718	19,187,562

(b) Terms/ rights attached to equity shares

- The Company has only one class of equity shares. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees.
- During the financial year ended March 31, 2012, amount of per share interim dividend recognized as distributions to equity shareholders was Rs. 2.38.
- During the financial year ended March 31, 2013, amount of per share interim dividend recognized as distributions to equity shareholders was Rs. 4.52.
- In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Shares issued during the year ended March 31, 2010 and March 31, 2011

- The Company on January 25, 2008 had entered into a Debenture Subscription and Shareholder Agreement ('DSSA') with Bennet Coleman and Company Limited ("BCCL"). As per the DSSA, BCCL invested Rs. 500 million in the fully convertible debentures (50 million debentures of Rs. 10 each) of the Company. On October 28, 2009, the agreement was amended and debentures amounting to Rs. 350 million were converted into equity shares of the Company at conversion price of Rs 140.70. Consequently, the Company issued 2,487,562 equity shares to BCCL resulting in increase in equity share capital by Rs. 2.49 million and securities premium by Rs. 347.51 million. On the same date BCCL sold debentures amounting to Rs.150 million to promoters of the Company under a separate agreement. During financial year ended March 31, 2011, debentures sold to promoters were

converted into 1,066,098 equity shares at conversion rate of Rs 140.70 resulting in increase in equity share capital by Rs. 1.07 million and securities premium account by Rs. 148.93 million. BCCL, pursuant to a Share Purchase Agreement ('SPA') had during the financial year ended March 31, 2011 sold its equity shares acquired on conversion of debentures to Aleta Private Limited ('Investor').

- (ii) The Company had during the financial year ended March 31, 2011, entered into a Subscription cum Share Purchase Agreement ('SSPA') with Aleta Private Limited ('investor'), director ('promoter') and relatives of the director on February 2, 2011. As per the SSPA, the investor had subscribed to 733,058 equity shares of the Company and purchased 4,887,052 equity shares from the promoter of the Company at Rs. 204.62 per equity share, respectively. Pursuant to the transaction, equity share capital of the Company had increased by Rs. 0.73 Mn and securities premium account by Rs. 149.27 Mn.

(d) Consolidation of equity shares

The Company in its extraordinary general meeting held on April 6, 2011 has consolidated its 20,986,718 equity shares of face value of Re.1 each into 2,098,672 equity shares of face value of Rs.10 each.

- (e) The Company during financial year ended March 31, 2012 allotted 39,927,740 equity shares of Rs 10 each as fully paid bonus shares by capitalisation of security premium. The Company in 5 years prior to March 31, 2012 has not allotted any bonus share.
(f) The figures disclosed as above are based on the restated unconsolidated summary statement of assets and liabilities of the Company.
(g) The above statement should be read with the notes to restated unconsolidated summary statements of assets and liabilities, profit and losses and cash flow appearing in annexure IVA, IVB & IVC.

**Matrix Cellular (International) Services Limited [Formerly Matrix Cellular (International) Services Private Limited]
Annexure V-B - Restated Unconsolidated Statement of Share Warrants**

(Rs. in Million)

Particulars	Dec 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
Share Warrants	-	-	-	-	-	-
Total	-	-	-	-	-	-

(a) Reconciliation of the warrants outstanding at the beginning and at the end of the reporting period/year

	Dec 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
Outstanding at the beginning of the period/year	-	1	1	2	-	-
Issued during the period/year	-	-	-	-	2	-
Converted during the period/year	-	-	-	1	-	-
Cancelled during the period/year	-	1	-	-	-	-
Outstanding at the end of the period/year	-	-	1	1	2	-

(b) Terms of conversion of warrants

Warrant A:

The warrant entitled its holders to subscribe to 1,221,763 equity shares of Re 1 each of the Company on or before December 31, 2013 (Warrant A conversion date) upon: (a) the filing of the draft red herring prospectus or such time at a price per equity share which gives the investor an internal rate of return (IRR), as defined in the Shareholders Agreement, of 25% on the average investment price; or (b) the sale by the Investor of 1/3rd (one third) of its equity share holding in the Company to a third party at a price per equity share which gives the investor an IRR of 25% on the average investment price; or (c) a new issuance by the Company of 20% or more of the equity share capital at a price per equity share which gives the investor an IRR of 25% on the average investment price provided that where such new issuance is less than 20% but greater than 10%, the investor will have the right at its sole discretion to sell upto 5% of its equity shares over and above such new issuance (Milestone "A"). In the event that the investor does not achieve Milestone A on or before the Warrant A conversion date, Warrant A shall lapse and existing shareholders shall not be entitled to any equity shares in lieu of Warrant A. There shall be no partial conversion of Warrant A. After the consolidation of shares (refer note (c) under annexure V-A, the warrant were to be converted into proportionately reduced number of equity shares of Rs. 10 each.)

During financial year ended March 31, 2014, the Company did not achieve any of the conditions attached to Warrant A. Accordingly Warrant A lapsed and was cancelled in the Board Meeting held on February 17, 2014.

Warrant B:

The warrant entitled its holders to subscribe to 516,311 equity shares of Re 1 each of the Company on or before June 30, 2011 (Warrant B conversion date). The Warrant B were to be converted into 516,311 equity shares on or before warrant B conversion date, if the Company recovers its outstanding receivable of approximately Rs. 120 million. Further, in the event that the Company does not recover the receivables on or before the Warrant B conversion date, the warrant shall lapse and the existing shareholders shall not be entitled to any equity shares in lieu of warrant B. The warrant holder shall be entitled to partial conversion of warrant in proportion to the amount collected against the outstanding receivable.

The Company had collected Rs. 6,479,201 during the previous year ended 31 March 2012 against outstanding receivables of Rs. 120 million approximately. Accordingly, Warrant B were converted into 2,788 equity shares of Rs.10 each

- (c) The figures disclosed as above are based on the restated unconsolidated summary statement of assets and liabilities of the Company.
- (d) The above statement should be read with the notes to restated unconsolidated summary statements of assets and liabilities, profit and losses and cash flow appearing in annexure IVA, IVB & IVC

Matrix Cellular (International) Services Limited [Formerly Matrix Cellular (International) Services Private Limited]

Annexure V-C - Restated Unconsolidated Statement of Reserves and Surplus

(Rs. in Million)

Particulars	Dec 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
Securities premium account						
Balance as per the last financial statements	228.99	228.99	228.99	628.27	347.51	-
Add: premium on issue of equity shares [Refer note 3 & 4 below]	-	-	-	-	298.20	347.51
Less :share issue expenses	-	-	-	-	(17.44)	-
Less :amounts utilized toward issue of fully paid bonus shares [Refer note 5 below]	-	-	-	(399.28)	-	-
Closing Balance	228.99	228.99	228.99	228.99	628.27	347.51
General Reserve account						
Balance as per the last financial statements	45.78	45.78	14.64	-	-	-
Add: amount transferred from surplus balance in the statement of profit and loss	-	-	31.14	14.64	-	-
Closing Balance	45.78	45.78	45.78	14.64	-	-
Surplus / (deficit) in the statement of profit and loss						
Balance as per last financial statements	(11.77)	(60.29)	(118.22)	(121.79)	(173.78)	(205.45)
Depreciation adjustment (Refer note 3.2 in annexure IVC, net of deferred tax)	(4.57)	-	-	-	-	-
Restated Profit after tax	146.50	48.52	311.36	134.43	51.99	31.67
Less: Appropriations						
Interim Dividend paid	-	-	(190.00)	(100.00)	-	-
Tax on Interim Dividend paid	-	-	(32.29)	(16.22)	-	-
Transfer to general reserve	-	-	(31.14)	(14.64)	-	-
Net Surplus/ (deficit) in the statement of profit and loss	130.16	(11.77)	(60.29)	(118.22)	(121.79)	(173.78)
Total reserve and surplus	404.93	263.00	214.48	125.41	506.48	173.73

Notes :

- 1) The figures disclosed above are based on the restated unconsolidated summary statement of assets and liabilities of the Company.
- 2) The above statement should be read with the notes to restated unconsolidated summary statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IVA, IVB and IVC.
- 3) During the financial year ended March 31, 2010, the Company had converted debentures amounting to Rs 350 Mn into 2,487,562 equity shares of Re 1 each fully paid up at a premium of Rs. 139.70 per equity share.
- 4) During the financial year ended March 31, 2011, the Company had converted debentures amounting to Rs 150 Mn into 1,066,098 equity shares of Re. 1 each at a premium of Rs. 139.70 per share. Further, the Company had issued 733,058 equity shares at a premium of Rs. 203.62 per share.
- 5) The Company during financial year ended March 31, 2012 allotted 39,927,740 equity shares of Rs. 10 each fully paid up as bonus shares by capitalisation of securities premium.
- 6) During the year ended March 31, 2012, the amount of per share interim dividend recognized as distributions to equity shareholders was Rs. 2.38
- 7) During the year ended March 31, 2013, the amount of per share interim dividend recognized as distributions to equity shareholders was Rs. 4.52
- 8) Opening deficit of Rs 205.45 Mn in statement of profit and loss includes loss of Rs 28.74 Mn on account of restatement.

Matrix Cellular (International) Services Limited [Formerly Matrix Cellular (International) Services Private Limited]

Annexure VI - Restated Unconsolidated Statement of Long-Term Borrowings

						(Rs. in Million)
Non-current portion	Dec 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
Term Loans						
from banks						
Secured	-	-	-	-	-	20.55
Unsecured	-	-	-	-	-	0.75
from financial institution						
Secured	-	-	-	-	-	2.78
Unsecured	-	-	-	-	39.80	44.91
Car Loan						
from bank						
Secured	-	-	-	-	-	0.04
from financial institution						
Secured	3.86	5.12	10.75	3.17	17.15	2.52
	3.86	5.12	10.75	3.17	56.95	71.55
The above amount includes						
Secured borrowings	3.86	5.12	10.75	3.17	17.15	25.89
Un-secured borrowings	-	-	-	-	39.80	45.66
Net Amount	3.86	5.12	10.75	3.17	56.94	71.54

						(Rs. in Million)
Current maturities of long-term borrowings	Dec 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
Debentures (Unsecured)	-	-	-	-	-	150.00
(Non Redeemable, Fully Convertible 15,000,000 Debentures issued @ Rs 10 each, fully paid up)						
Term Loans						
from banks						
Secured	-	-	-	-	20.55	32.02
Unsecured	-	-	-	-	0.75	2.87
from financial institution						
Secured	-	-	-	-	2.78	15.84
Unsecured	-	-	-	0.43	11.41	41.02
Car Loan						
from bank						
Secured	-	-	-	-	0.04	0.22

Restated Unconsolidated Statement of Long-Term Borrowings (Continued)

(Rs. in Million)

Current maturities of long-term borrowings	Dec 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
from financial institution						
Secured	4.10	12.46	13.40	13.89	16.05	1.46
	4.10	12.46	13.40	14.32	51.58	243.43
The above amount includes						
Secured borrowings	4.10	12.46	13.40	14.32	39.42	49.54
Un-secured borrowings	-	-	-	-	12.16	193.89
Amount disclosed under the head "other current liabilities" (Refer annexure IX)	(4.10)	(12.46)	(13.40)	(14.32)	(51.58)	(243.43)
Net Amount	-	-	-	-	-	-

Matrix Cellular (International) Services Limited [Formerly Matrix Cellular (International) Services Private Limited]

Annexure VI - Restated Unconsolidated Statement of Long-Term Borrowings (Continued)

Key terms and break down of the loans are as follows:

(Rs. in Million)

Particulars	Non-current portion						Current portion					
	Dec 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010	Dec 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
Term Loans												
from Bank												
Secured												
Barclays Term Loan Account	-	-	-	-	-	-	-	-	-	-	-	8.37
HDFC Bank Term Loan	-	-	-	-	-	19.52	-	-	-	-	19.52	19.55
ICICI Bank Ltd	-	-	-	-	-	1.03	-	-	-	-	1.03	4.10
Sub Total (A)	-	-	-	-	-	20.55	-	-	-	-	20.55	32.02
Unsecured												
ABN AMRO	-	-	-	-	-	-	-	-	-	-	-	0.85
Barclays Bank Loan	-	-	-	-	-	0.11	-	-	-	-	0.11	1.17
Standard Chartered	-	-	-	-	-	0.64	-	-	-	-	0.64	0.85
Sub Total (B)	-	-	-	-	-	0.75	-	-	-	-	0.75	2.87
from Financial Institution												
Secured												
S.E. investment	-	-	-	-	-	2.78	-	-	-	-	2.78	13.70
Unitel Credit (P) Ltd	-	-	-	-	-	-	-	-	-	-	-	2.14
Sub Total (C)	-	-	-	-	-	2.78	-	-	-	-	2.78	15.84
Unsecured												
Bajaj Finance Limited	-	-	-	-	0.12	1.31	-	-	-	0.12	1.20	2.12
Cholamandalam Investment and Finance Co. Ltd.	-	-	-	-	-	0.07	-	-	-	-	0.07	0.78
Indiabulls	-	-	-	-	-	-	-	-	-	-	-	0.55
ING Vyasya	-	-	-	-	-	-	-	-	-	-	-	0.27

Annexure VI - Restated Unconsolidated Statement of Long-Term Borrowings (Continued)

Key terms and break down of the loans are as follows:

(Rs. in Million)

Particulars	Non-current portion						Current portion					
	Dec 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010	Dec 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
Intec Capital Limited	-	-	-	-	-	2.19	-	-	-	-	8.47	7.76
Magma Fincorp	-	-	-	-	-	-	-	-	-	-	-	0.85
Reliance Capital	-	-	-	-	-	0.05	-	-	-	-	0.05	0.59
Religare Finvest	-	-	-	-	39.68	41.29	-	-	-	0.31	1.62	26.68
Unitel Credit (P) Ltd	-	-	-	-	-	-	-	-	-	-	-	1.42
Sub Total (D)	-	-	-	-	39.80	44.91	-	-	-	0.43	11.41	41.02
Car Loans												
Bank (Secured)												
ICICI Bank Ltd	-	-	-	-	-	0.04	-	-	-	-	0.04	0.22
Sub Total (E)	-	-	-	-	-	0.04	-	-	-	-	0.04	0.22
from Financial Institution (Secured)												
Kotak Mahindra Prime	3.86	5.12	10.75	3.17	17.15	2.52	4.10	12.46	13.40	13.89	16.05	1.46
Sub Total (F)	3.86	5.12	10.75	3.17	17.15	2.52	4.10	12.46	13.40	13.89	16.05	1.46
Debentures (Unsecured) (G)	-	-	-	-	-	-	-	-	-	-	-	150.00
Grand Total (A+B+C+D+E+F+G)	3.86	5.12	10.75	3.17	56.95	71.55	4.10	12.46	13.40	14.32	51.58	243.43

Annexure VI - Restated Unconsolidated Statement of Long-Term Borrowings (Continued)

Notes :

- 1) The figures disclosed above are based on the restated unconsolidated summary statement of assets and liabilities of the Company.
- 2) The above statement should be read with the notes to restated unconsolidated summary statement of assets and liabilities, profit and losses and cash flows as appearing in Annexure IVA, IVB & IVC.
- 3) There are no long term borrowing taken from Directors/ promoters/ Promoter Group/ Relatives of Promoters/ Relatives of Directors/ Associate Companies.
- 4) List of persons/entities classified as "Promoters" and "Promoter Group Companies" has been determined by the management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.

5) Term Loan from Banks-Secured

- i) Term loan from Barclays taken during the financial year 2010–11 of Rs.32,528,508 and carries interest at rate of 13.00% per annum. The loan is repayable in 34 monthly instalments of Rs.1,087,858 each. The loan is secured by hypothecation on by way of first ranking pari passu charge on all the movable properties of the Company, present and future in favour of Barclays Bank Plc.
- ii) Term loan from HDFC Bank taken during the financial year 2009–10 of Rs.40,000,000 and carries interest at rate of 12.00% per annum (floating). The loan is repayable in 24 monthly instalments of Rs.1,882,939 each. The loan is secured by exclusive charge on all the credit receivables of the Company, both present and future.
- iii) Term loan from ICICI Bank taken during the financial year 2008–09 of Rs.8,600,000 and carries interest at rate of 17.00% per annum. The loan is repayable in 30 monthly instalments of Rs.354,000 each. The loan is secured by hypothecation of fixed assets (server, computer and printer).

6) Term Loan from Banks-Unsecured

Unsecured term loans from bank were taken in financial year 2008-09 and carries interest ranging from 18% to 20.28% per annum. The loans were repayable in 36 monthly instalments.

7) Term Loan from Financial institution – Secured

- i) Term loan from S.E. Investments Limited of Rs. 10,000,000 taken during the financial year 2009–10 and carries interest at rate of 10.75% per annum. The loan is repayable in 18 monthly instalments of Rs.645,150 each. The loan is secured by charge on all movable and intangible assets of the Company, corporate guarantee of another group company and personal guarantee of directors.
- ii) Term loan from Unitel Credit (P) Ltd of Rs. 5,200,000 taken during the financial year 2009–10 and carries interest at rate of 9% per annum. The loan is repayable in 24 monthly instalments of Rs.256,750 each. The loan is secured by hypothecation of fixed assets (server, computer and printer) of the Company and personal guarantee of directors and corporate guarantee of a group company.

8) Term Loan from Financial institution – Unsecured

- i) Term loan from Bajaj Finance Limited of Rs. 2,355,000 taken during the financial year 2010–11 and carries interest at rate of 19% per annum. The loan is repayable in 24 monthly instalments of Rs.118,712 each.
- ii) Term loan from Cholamandalam Investment and Finance Co. Ltd. of Rs. 2,000,000 was taken during the financial year 2008–09 and carries interest at rate of 17.67 % per annum. The loan is repayable in 36 monthly instalments of Rs. 72,320 each.
- iii) Term loan from Indiabulls of Rs. 2,000,000 taken during the financial year 2007–08 and carries interest at rate of 10.65 % per annum. The loan is repayable in 36 monthly instalments of Rs. 73,314 each.
- iv) Term loan from ING Vysya Bank of Rs. 1,000,000 taken during the financial year 2008–09 and carries interest at rate of 17 % per annum. The loan is repayable in 24 monthly instalments of Rs. 55,714 each.
- v) Term loan from Intec Capital Limited of Rs. 17,000,000 is taken during the financial year 2009–10 and carries interest at rate of 8.75% per annum. The loan is repayable in 24 monthly instalments of Rs.832,292 each. The loan is secured by corporate guarantee of a group company and personal guarantee of directors.
- vi) Term loan from Magma Fincorp of Rs. 2,000,000 taken during the financial year 2008–09 and carries interest at rate of 11.65 % per annum. The loan is repayable in 24 monthly instalments of Rs. 102,771 each.
- vii) Term loan from Reliance Capital Limited of Rs. 1,500,000 taken during the financial year 2008–09 and carries interest at rate of 19.00% per annum. The loan is repayable in 36 monthly instalments of Rs.54,990 each.
- viii) Term loan from Religare finvest taken during the financial year 2009–10 and carries interest at rate of 15.40% per annum (floating). The loan is repayable in 138 monthly instalments of Rs.706,240 each. The loan is secured by hypothecation of immovable property of another group company.
- ix) Term loan from Unitel Credit (P) Ltd of Rs. 7,500,000 taken during the financial year 2008–09 and carries interest at rate of 9% per annum. The loan is repayable in 24 monthly instalments of Rs.368,750 each.

9) Car Loan from Bank-Secured

Car loan from ICICI Bank Limited of Rs. 573,931 was taken during the financial year 2007–08 and carries interest at rate of 14.33% per annum. The loan is repayable in 34 monthly instalments of Rs.20,640 each. The loan is secured by hypothecation of vehicle.

10) Car Loan from Financial institution – Secured

Car loans from Kotak Mahindra Prime Ltd. taken during the year 2009-10, 2010-11, 2012-13 and 2013-14 and are repayable between 24 to 60 months. These loans carry interest ranging from 9.606% to 12.029% per annum. The loans are secured by hypothecation of respective vehicles.

11) Debenture Conversion into equity shares

Refer note (c) under annexure V-A for conversion of debenture into equity share.

Debenture Conversion Term

The debentures are convertible into the equity share as a multiple of EPS. For the purpose of first tranche conversion during the FY 2008-09, the conversion price was required to be equivalent to 30 times of EPS for the FY 2008-09. And the same was 16 times of EPS of the FY 2009-10 for the second tranche conversion.

The pre-money equity valuation of the Company for the purpose of conversion of BCCL FCD's in to BCCL Equity Shares and/or BCCL FCPP Shares was required to be less than Rs. 450 crores.

BCCL's Post-Money equity shareholding in the Company was required to remain less than 9.9% of the total expanded equity share capital. Otherwise, BCCL FCP Preference Shares were required to be issued on the following term :

- i) Fixed cumulative preference dividend at the rate of 1% plus the participatory variable dividend equal to the dividend declared on the equity shares of the Company reduced by 1%.
- ii) Each of BCCL FCP Preference Shares shall be convertible into one equity share of the Company at any time at the discretion of the holder of such share.

In the event Promoters sell more than 5% of the Shares held by them prior to conversion of either First Tranche or Second Tranche of BCCL FCD's, the conversion shall take place at the price per Share at which the Promoters have effected such sale and the Conversion Price for the purposes of the Agreement shall be such price per share less 18% (Eighteen percent) annual discount calculated on a simple interest basis for the period for which BCCL FCD's are held by BCCL. If the Promoters sell their shares in two or more lots, then conversion shall be effected at the lowest such price per Share. This Article shall not be applicable for sale of Shares inter se Promoters. The computation and execution of the actual conversion shall be certified by an Independent Chartered Accountant mutually appointed by both the parties.

In the event the Company makes any fresh offering either before First Tranche or Second Tranche of BCCL FCDs, the conversion shall take place at the price per Share at which such fresh offering was effected and the Conversion Price for the purposes of the Agreement shall be such price per Share less 18% (Eighteen per cent) annual discount calculated on a simple interest basis for the period for which BCCL FCD's are held by BCCL. If such fresh offering of Shares is made in two or more lots, then conversion shall be effected at the lowest of such price per Share. The computation and execution of the actual conversion shall be certified by an Independent Auditor mutually appointed by both the parties.

Conversion of BCCL FCD's in to BCCL Equity shares and/or BCCL FCP Preference shares shall be completed within 30 days of-

- a) Receipt of Audited Financial Statements for the periods ending March 31, 2009 & March 31, 2010 respectively in terms of Clause 5.1 (b) (1) of the agreement.
- b) Receipt of written information from the company on fresh offering or sale of stake by promoters as mentioned in Clause 2.2 (v) & Clause 2.2 (vi) of the agreement.

In the event, Profit after Tax (PAT) for FYE March 31, 2011 is less than Rs. 34 crores; then the Promoters/Company shall sell/issue additional shares to BCCL at par, such that the weighted average price of BCCL Shares shall be equal to PAT 2011* 13.25 times (PAT multiple) or Rs 450 crores as mentioned in Clause 2.2(iii) above; whichever is lower. EPS 2011 shall be defined as Profit after Tax based on Audited accounts for FY 2011 divided by Weighted average number of shares outstanding as on March 31, 2011 calculated in accordance with Accounting Standard 20 prescribed by Institute of Chartered Accountants of India Profit after tax shall exclude all non-recurring income and expenditure and other extra ordinary income and expenditure determined and computed in accordance with Indian GAAP However it is clarified that the advertisement expenditure may be treated as a deferred revenue expenditure in accordance with the Indian GAAP and Accounting Standards as provided by "The Institute of Chartered Accountants of India".

Matrix Cellular (International) Services Limited [Formerly Matrix Cellular (International) Services Private Limited]

Annexure VII - Restated Unconsolidated Statement of Provisions

	(Rs. in Million)					
Long-term Provision	Dec 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
Provision for gratuity (refer note 5 in annexure IV-C)	2.26	3.30	0.53	3.37	2.53	3.91
Total	2.26	3.30	0.53	3.37	2.53	3.91

	(Rs. in Million)					
Short-term Provision	Dec 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
Provision for gratuity (refer note 5 in annexure IV-C)	7.80	8.09	6.89	5.36	4.64	0.24
Provision for leave benefits	5.16	6.14	5.56	5.02	3.35	1.31
	12.96	14.23	12.45	10.38	7.99	1.55
Provision for income tax (net of advance tax)	103.48	14.79	76.19	70.13	32.23	1.25
Proposed equity dividend	-	-	190.00	-	-	-
Provision for tax on proposed dividend	-	-	32.29	-	-	-
	103.48	14.79	298.48	70.13	32.23	1.25
	116.44	29.02	310.93	80.51	40.22	2.78

Notes:

- 1) The figures disclosed above are based on the restated unconsolidated summary statement of assets and liabilities of the Company.
- 2) The above statement should be read with the notes to restated unconsolidated summary statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IVA, IVB and IVC

Matrix Cellular (International) Services Limited [Formerly Matrix Cellular (International) Services Private Limited]

Annexure VIII - Restated Unconsolidated Statement of Short Term Borrowings

	(Rs. in Million)					
Particulars	Dec 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
Short Term Borrowings						
Cash credit from banks (secured)	-	158.38	86.02	-	-	123.87
	-	158.38	86.02	-	-	123.87

Notes:

- 1) The figures disclosed above are based on the restated unconsolidated summary statement of assets and liabilities of the Company.
- 2) The above statement should be read with the notes to restated unconsolidated summary statement of assets and liabilities, profit and losses and cash flows as appearing in Annexure IVA, IVB & IVC.
- 3) Cash Credit facility taken from HDFC bank is secured against credit card receivables, first and exclusive charge on current assets and moveable fixed assets of the Company, both present and future, first charge by way of equitable mortgage of immovable property, personal guarantee of promoter directors. The cash credit is repayable on demand and carries interest rate as bank's base rate plus 290 pts. During the FY 2009-10, the same facility was secured by first pari passu charge on assets, movable fixed assets of the Company both present and future and against corporate and personal guarantee of directors.
- 4) There are no short term borrowing taken from Directors/ promoters/ Promoter Group/ Relatives of Promoters/ Relatives of Directors/ Associate Companies.
- 5) List of persons/entities classified as "Promoters" and "Promoter Group Companies" has been determined by the management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.

Matrix Cellular (International) Services Limited [Formerly Matrix Cellular (International) Services Private Limited]
Annexure IX - Restated Unconsolidated Statement of Trade Payables and Other Current Liabilities

	(Rs. in Million)					
Particulars	Dec 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
Trade payable (refer note 14 in annexure IV-C for detail of due to micro and small enterprise)	421.89	278.33	242.27	283.55	168.69	150.85
Other current liabilities						
Current maturities of long-term borrowings (Refer annexure VI)	4.10	12.46	13.40	14.32	51.58	243.43
Book overdraft	0.54	-	-	-	9.19	3.81
Interest accrued but not due	0.07	0.12	0.11	0.56	1.12	1.68
Interest free security deposit from customers	62.55	59.03	75.55	61.67	45.25	37.43
Unpaid Dividend	-	-	-	38.63	-	-
Other Payables						
Service tax payable	4.86	0.24	2.38	-	-	-
TDS Payable	6.74	9.30	7.22	4.79	8.34	10.27
Other Statutory dues	0.15	0.92	0.64	0.72	1.36	0.37
	79.01	82.07	99.30	120.68	116.85	296.96
	500.90	360.40	341.57	404.23	285.54	447.81

Notes:

- 1) The figures disclosed above are based on the restated unconsolidated summary statement of assets and liabilities of the Company.
- 2) The above statement should be read with the notes to restated unconsolidated summary statement of assets and liabilities, profit and losses and cash flows as appearing in Annexure IVA, IVB & IVC.
- 3) List of persons/entities classified as "Promoters" and "Promoter Group Companies" has been determined by the management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.
- 4) For details of transactions with related parties, refer note 8 in annexure IV-C

Matrix Cellular (International) Services Limited [Formerly Matrix Cellular (International) Services Private Limited]

Annexure X - Restated Unconsolidated Statement of Tangible Fixed Assets

(Rs. in Million)

Particulars	Leasehold improvements	Building	Plant and Machinery	Computers	Office equipments	Furniture and Fittings	Vehicle s	Total
Gross block								
As at April 01, 2009	-	1.54	13.55	20.28	10.55	7.14	1.81	54.87
Additions	-	-	5.50	2.85	0.45	0.24	2.53	11.57
As at March 31, 2010	-	1.54	19.05	23.13	11.00	7.38	4.34	66.44
As at April 01, 2010	-	1.54	19.05	23.13	11.00	7.38	4.34	66.44
Additions	3.25	-	18.60	9.95	3.64	2.58	40.38	78.41
Deletions / adjustments	-	-	-	-	-	-	-	-
As at March 31, 2011	3.25	1.54	37.65	33.08	14.64	9.96	44.72	144.85
As at April 01, 2011	3.25	1.54	37.65	33.08	14.64	9.96	44.72	144.85
Additions	13.07	-	38.85	28.96	7.11	2.06	1.16	91.20
Deletions / adjustments	-	-	5.99	0.97	1.74	2.52	1.14	12.37
As at March 31, 2012	16.32	1.54	70.50	61.07	20.01	9.50	44.74	223.68
As at April 01, 2012	16.32	1.54	70.50	61.07	20.01	9.50	44.74	223.68
Additions	34.21	-	32.09	10.74	28.47	20.36	26.37	152.24
Deletions / adjustments	-	-	1.75	1.03	2.41	0.06	6.12	11.36
As at March 31, 2013	50.53	1.54	100.85	70.78	46.07	29.80	64.99	364.56
As at April 01, 2013	50.53	1.54	100.85	70.78	46.07	29.80	64.99	364.56
Additions	8.78	-	41.32	10.47	16.73	28.23	8.85	114.38
Deletions / adjustments	0.45	1.54	29.48	2.97	0.36	3.49	13.12	51.42
As at March 31, 2014	58.86	-	112.68	78.28	62.44	54.54	60.72	427.52
As at April 01, 2014	58.86	-	112.68	78.28	62.44	54.54	60.72	427.52
Additions	-	-	23.08	3.17	0.84	0.47	-	27.56
Deletions / adjustments	-	-	7.59	1.22	-	-	15.38	24.19
As at December 31, 2014	58.86	-	128.17	80.23	63.28	55.01	45.34	430.89
Depreciation								
As at April 01, 2009	-	0.13	13.55	10.77	2.24	1.96	0.83	29.48
Additions	-	0.07	5.50	3.99	1.18	0.95	0.18	11.87
As at March 31, 2010	-	0.20	19.05	14.76	3.42	2.90	1.01	41.35
As at April 01, 2010	-	0.20	19.05	14.76	3.42	2.90	1.01	41.35
Additions	0.10	0.07	18.44	3.99	1.49	1.49	4.88	30.45
Deletions / adjustments	-	-	-	-	-	-	-	-
As at March 31, 2011	0.10	0.27	37.49	18.75	4.91	4.39	5.89	71.80
As at April 01, 2011	0.10	0.27	37.49	18.75	4.91	4.39	5.89	71.80
Additions	1.39	0.06	32.94	9.04	2.06	1.57	10.01	57.08
Deletions / adjustments	-	-	5.83	0.81	0.83	1.65	0.85	9.96
As at March 31, 2012	1.49	0.33	64.60	26.99	6.14	4.31	15.06	118.92
As at April 01, 2012	1.49	0.33	64.60	26.99	6.14	4.31	15.06	118.92
Additions	3.40	0.06	37.77	14.92	2.90	5.82	8.25	73.13
Deletions / adjustments	-	-	1.75	0.34	0.77	0.01	2.92	5.78
As at March 31, 2013	4.89	0.39	100.62	41.57	8.28	10.13	20.39	186.27
As at April 01, 2013	4.89	0.39	100.62	41.57	8.28	10.13	20.39	186.27
Additions	10.70	0.02	39.40	13.96	7.07	8.76	11.94	91.84
Deletions / adjustments	0.03	0.41	29.48	1.58	0.15	0.70	7.08	39.43
As at March 31, 2014	15.56	-	110.54	53.95	15.20	18.19	25.24	238.68
As at April 01, 2014	15.56	-	110.54	53.95	15.20	18.19	25.24	238.68
Additions	6.36	-	22.50	12.49	18.27	7.16	8.16	74.94
Adjusted with General Reserve (Refer note 3.2 of Annexure IV-C)	-	-	-	3.07	3.04	-	-	6.11

Restated Unconsolidated Statement of Tangible Fixed Assets (Continued)

(Rs. in Million)								
Particulars	Leasehold improvements	Building	Plant and Machinery	Computers	Office equipments	Furniture and Fittings	Vehicles	Total
Deletions / adjustments	-	-	5.50	0.76	-	-	10.39	16.65
As at December 31, 2014	21.93	-	127.54	68.76	36.51	25.34	23.00	303.08
Net block								
As at March 31, 2010	-	1.34	-	8.37	7.58	4.48	3.33	25.10
As at March 31, 2011	3.16	1.28	0.16	14.33	9.73	5.57	38.83	73.05
As at March 31, 2012	14.83	1.21	5.91	34.09	13.87	5.19	29.69	104.76
As at March 31, 2013	45.64	1.15	0.22	29.21	37.80	19.67	44.60	178.28
As at March 31, 2014	43.30	-	2.14	24.34	47.25	36.35	35.48	188.84
As at December 31, 2014	36.93	-	0.64	11.48	26.77	29.66	22.33	127.81

Notes:

- 1) The figures disclosed above are based on the restated unconsolidated summary statement of assets and liabilities of the Company.
- 2) The above statement should be read with the notes to restated unconsolidated summary statement of assets and liabilities, profit and losses and cash flows as appearing in Annexure IVA, IVB & IVC.
- 3) Vehicles include cars amounting to Rs. 26.37 Mn (WDV Rs. 14.29 Mn), Rs. 26.37 Mn (WDV Rs. 18.82 Mn), Rs. 26.37 Mn (WDV: Rs. 25.40 Mn), Rs. 27.79 Mn (WDV Rs. 18.52), Rs. 27.79Mn (WDV Rs. 24.99 Mn) for year ended December 31, 2014, March 31, 2014, March 31, 2013, March31, 2012 and March 31, 2011 respectively used by directors.

Matrix Cellular (International) Services Limited [Formerly Matrix Cellular (International) Services Private Limited]

Annexure XI - Restated Unconsolidated Statement of Intangible Fixed Assets

(Rs. in Million)

Particulars	Software	Total
Gross block		
As at April 01, 2009	6.62	6.62
Additions	4.27	4.27
Deductions	-	-
As at March 31, 2010	10.89	10.89
As at April 01, 2010	10.89	10.89
Additions	1.10	1.10
Deductions	-	-
As at March 31, 2011	11.99	11.99
As at April 01, 2011	11.99	11.99
Additions	6.88	6.88
Deductions	-	-
As at March 31, 2012	18.87	18.87
As at April 01, 2012	18.87	18.87
Additions	11.82	11.82
Deductions	-	-
As at March 31, 2013	30.69	30.69
As at April 01, 2013	30.69	30.69
Additions	33.31	33.31
Deductions	-	-
As at March 31, 2014	64.00	64.00
As at April 01, 2014	64.00	64.00
Additions	8.71	8.71
Deductions	-	-
As at December 31, 2014	72.71	72.71
Amortisation		
As at April 01, 2009	2.95	2.95
Additions	2.94	2.94
Deductions	-	-
As at March 31, 2010	5.89	5.89
As at April 01, 2010	5.89	5.89
Additions	2.24	2.24
Deductions	-	-
As at March 31, 2011	8.13	8.13
As at April 01, 2011	8.13	8.13
Additions	2.63	2.63
Deductions	-	-
As at March 31, 2012	10.76	10.76
As at April 01, 2012	10.76	10.76
Additions	5.82	5.82
Deductions	-	-
As at March 31, 2013	16.58	16.58
As at April 01, 2013	16.58	16.58
For the year	15.68	15.68
Deletions / adjustments	-	-
As at March 31, 2014	32.26	32.26
As at April 01, 2014	32.26	32.26
For the year	18.64	18.64

Restated Unconsolidated Statement of Intangible Fixed Assets (Continued)

(Rs. in Million)

Particulars	Software	Total
Adjusted with General Reserve (Refer note 3.2 of Annexure IV-C)	0.82	0.82
Deletions / adjustments	-	-
As at December 31, 2014	51.72	51.72
Net block		
As at March 31, 2010	5.00	5.00
As at March 31, 2011	3.86	3.86
As at March 31, 2012	8.11	8.11
As at March 31, 2013	14.11	14.11
As at March 31, 2014	31.74	31.74
As at December 31, 2014	20.99	20.99

Note:

- 1) The figures disclosed above are based on the restated unconsolidated summary statement of assets and liabilities of the Company.
- 2) The above statement should be read with the notes to restated unconsolidated summary statement of assets and liabilities, profit and losses and cash flows as appearing in Annexure IVA, IVB & IVC.

Matrix Cellular (International) Services Limited [Formerly Matrix Cellular (International) Services Private Limited]
Annexure XII - Restated Unconsolidated Statement of Non Current Investments

Particulars	(Rs. in Million)						No. of shares					
	Dec 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010	Dec 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
A. Trade investments, unquoted (valued at cost unless stated otherwise)												
(a) In Joint ventures												
Equity shares of THB 100 each fully paid up in Matrix Cellular International Ltd.	0.75	0.75	0.75	0.75	0.75	1.48	4,899	4,899	4,899	4,899	4,899	4,899
Equity shares of THB 100 each fully paid up in M & S Telecom Ltd.	27.91	27.91	11.31	4.40	2.25	-	156,480	156,480	68,480	29,340	14,670	-
Equity shares of HKD 1 each fully paid up in Telecom Wimax Limited	30.91	30.91	30.91	30.91	-	-	5,500,000	5,500,000	5,500,000	5,500,000	-	-
Sub total	59.57	59.57	42.97	36.06	3.00	1.48						
Provision for diminution in value of investments	(30.91)	-	-	-	-	-						
Net sub total (a)	28.66	59.57	42.97	36.06	3.00	1.48						
(b) In subsidiary companies												
Equity shares of GBP 1 each fully paid up in Matrix Cellular International Services UK Ltd	3.71	3.71	3.71	3.71	3.71	3.71	10,000	10,000	10,000	10,000	10,000	10,000
Equity shares of SGD 100 each fully paid up in Matrix Cellular Pte Ltd.	55.55	55.55	49.61	13.55	1.72	1.72	13,000	13,000	11,750	3,500	500	500
Equity shares of AED 150,000 each fully paid up in Matrix Cellular Dubai FZE	2.13	2.13	2.13	2.13	2.13	2.13	1	1	1	1	1	1
Equity shares of USD 10 each fully paid up in Matrix Cellular International Services Corporation	0.62	0.62	-	-	-	-	500	500	-	-	-	-
Sub Total (b)	62.01	62.01	55.45	19.39	7.56	7.56						
Total Trade Investments (A)-[(a)+(b)]	90.67	121.58	98.42	55.45	10.56	9.04						
B. Non-trade investments, unquoted (valued at cost unless stated otherwise)												
(a) In Subsidiary Companies												
Equity shares of Rs 10 each fully paid up in Preciflex Insulations Pvt Ltd.	9.15	9.15	9.15	9.15	9.15	5.55	249,998	249,998	249,998	249,998	249,998	9,998

Restated Unconsolidated Statement of Non Current Investments (Continued)

Particulars	(Rs. in Million)						No. of shares					
	Dec 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010	Dec 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
Equity shares of Rs 10 each fully paid up in Matrix Forex Services Pvt. Ltd.	146.46	146.46	113.37	63.69	5.50	-	14,645,773	14,645,773	11,337,273	6,368,651	549,998	
Total non-trade investments (B)	155.61	155.61	122.52	72.84	14.65	5.55						
C. Deposit with financial institution												
Fixed deposit kept as Margin Money	-	-	-	-	-	3.50						
Total Deposit with financial institution (C)	-	-	-	-	-	3.50						
Total Non Current Investments (A+B+C)	246.28	277.19	220.94	128.29	25.21	18.09						

Notes:

- 1) The figures disclosed above are based on the restated unconsolidated summary statement of assets and liabilities of the Company.
- 2) The above statement should be read with the notes to restated unconsolidated summary statement of assets and liabilities, profit and losses and cash flows as appearing in Annexure IVA, IVB & IVC

Matrix Cellular (International) Services Limited [Formerly Matrix Cellular (International) Services Private Limited]
Annexure XIII - Restated Unconsolidated Statement of Deferred Tax Asset (Net)

	(Rs. in Million)					
Particulars	Dec 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	-	-	-	-	-	2.83
Gross deferred tax liability	-	-	-	-	-	2.83
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	12.67	6.92	8.06	4.75	3.19	1.81
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	44.77	25.53	16.43	8.83	6.51	-
Provision for doubtful debts and advances	59.61	64.07	62.70	46.73	17.60	-
Carry forward of losses and depreciation	-	-	-	-	-	31.23
Effect of lease accounting	1.66	1.77	1.07	0.77	0.35	-
Gross deferred tax asset	118.71	98.27	88.26	61.08	27.65	33.04
Net deferred tax asset	118.71	98.27	88.26	61.08	27.65	30.21

Notes:

- 1) The figures disclosed above are based on the restated unconsolidated summary statement of assets and liabilities of the Company.
- 2) The above statement should be read with the notes to restated unconsolidated summary statement of assets and liabilities, profit and losses and cash flows as appearing in Annexure IVA, IVB & IVC.

Matrix Cellular (International) Services Limited [Formerly Matrix Cellular (International) Services Private Limited]
Annexure XIV - Restated Unconsolidated Statement of Loans and Advances

	(Rs. in Million)					
Non-current	Dec 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
A. Capital advances						
Unsecured, considered good	1.14	0.51	9.07	1.06	0.71	54.00
Doubtful	1.64	1.63	0.60	-	-	-
	2.78	2.13	9.67	1.06	0.71	54.00
Provision for doubtful advances	(1.64)	(1.63)	(0.60)	-	-	-
	1.14	0.51	9.07	1.06	0.71	54.00
B. Security deposit						
Unsecured, considered good	33.19	42.29	40.73	26.05	16.24	6.71
	33.19	42.29	40.73	26.05	16.24	6.71
C. Other loans and advances						
Advance income-tax (net of provision for taxation)	34.21	32.51	19.94	15.77	12.76	0.19
Total Long term Loans & advances (A +B+C)	68.54	75.31	69.74	42.88	29.71	60.90

	(Rs. in Million)					
Current	Dec 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
A. Security deposit						
Unsecured, considered good	12.44	3.13	1.16	4.98	6.57	1.46
Doubtful	0.85	0.85	0.85	0.85	-	-
	13.29	3.98	2.01	5.83	6.57	1.46
Provision for doubtful security deposit	(0.85)	(0.85)	(0.85)	(0.85)	-	-
	12.44	3.13	1.16	4.98	6.57	1.46
B. Loans and advances to related parties (refer note 8 in annexure IV-C)						
Unsecured, considered good	104.14	119.56	221.37	204.91	222.54	281.46
Doubtful	66.13	66.13	66.13	66.13	-	-
Total loans and advances to related parties	170.27	185.69	287.50	271.04	222.54	281.46
Provision for doubtful loans and advances	(66.13)	(66.13)	(66.13)	(66.13)	-	-
	104.14	119.56	221.37	204.91	222.54	281.46
C. Advances recoverable in cash or kind						
Unsecured considered good	31.82	11.05	8.22	15.61	41.61	125.58
Doubtful	1.90	1.88	1.35	0.94	0.74	-
	33.72	12.93	9.57	16.55	42.35	125.58

Restated Unconsolidated Statement of Loans and Advances (Continued)

	(Rs. in Million)					
Current	Dec 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
Provision for doubtful advances	(1.90)	(1.88)	(1.35)	(0.94)	(0.74)	-
	31.82	11.05	8.22	15.61	41.61	125.58
D. Other loans and advances						
Prepaid expenses	2.33	8.40	6.33	4.84	4.97	9.43
Service tax receivable	15.17	16.60	12.67	-	-	-
Advance to employees	3.22	7.00	12.65	3.29	46.14	30.91
Tax deducted at source	0.73	0.70	0.55	3.15	2.24	1.58
Doubtful	26.51	18.82	4.82	-	-	-
	47.96	51.52	37.02	11.28	53.35	41.92
Provision for doubtful loans and advances	(26.51)	(18.82)	(4.82)	-	-	-
Total other loan and advances	21.45	32.70	32.20	11.28	53.35	41.92
Total (A+B+C+D)	169.85	166.44	262.95	236.78	324.07	450.42

Notes:

- 1) The figures disclosed above are based on the restated unconsolidated summary statement of assets and liabilities of the Company.
- 2) The above statement should be read with the notes to restated unconsolidated summary statement of assets and liabilities, profit and losses and cash flows as appearing in Annexure IVA, IVB & IVC.
- 3) List of persons/entities classified as "Promoters" and "Promoter Group Companies" has been determined by the management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.
- 4) For details of transactions with related parties, refer note 8 in annexure IV-C.

Matrix Cellular (International) Services Limited [Formerly Matrix Cellular (International) Services Private Limited]
Annexure XV - Restated Unconsolidated Statement of Current Investments

	(Rs. in Million)					
Particulars	Dec 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
Current investments, unquoted, valued at lower of cost or fair value						
Deposit with financial institution						
Fixed deposit kept as Margin Money	-	-	-	-	10.20	11.03
Investment in Mutual Funds						
Kotak bond (Short term) growth (31st March 2013: 1,868,644 units at Rs 21.40)	-	-	40.00	-	-	-
SBI short term debt fund - Regular growth (31st March 2013:3,063,162 units at Rs. 13.06)	-	-	40.00	-	-	-
	-	-	80.00	-	10.20	11.03
Aggregate amount of unquoted investments	-	-	80.00	-	10.20	11.03

Notes:

- 1) The figures disclosed above are based on the restated unconsolidated summary statement of assets and liabilities of the Company.
- 2) The above statement should be read with the notes to restated unconsolidated summary statement of assets and liabilities, profit and losses and cash flows as appearing in Annexure IVA, IVB & IVC.
- 3) These investments are in the name of the Company.

Matrix Cellular (International) Services Limited [Formerly Matrix Cellular (International) Services Private Limited]
Annexure XVI - Restated Unconsolidated Statement of current Trade Receivables

(Rs. in Million)

Particulars	Dec 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
Outstanding for a period exceeding six months from the date they are due for payment						
Unsecured, considered good	39.77	10.00	15.19	15.50	5.17	83.63
Doubtful	31.39	72.74	72.28	50.34	24.10	-
	71.16	82.74	87.47	65.84	29.27	83.63
Provision for doubtful receivables	(31.39)	(72.74)	(72.28)	(50.34)	(24.10)	-
Total (A)	39.77	10.00	15.19	15.50	5.17	83.63
Other trade receivables						
Unsecured, considered good	385.39	286.44	270.99	201.98	157.68	100.21
Doubtful	46.96	26.43	38.44	25.78	28.14	-
	432.35	312.87	309.43	227.76	185.82	100.21
Provision for doubtful receivables	(46.96)	(26.43)	(38.44)	(25.78)	(28.14)	-
Total (B)	385.39	286.44	270.99	201.98	157.68	100.21
Total current trade receivables - (A) + (B)	425.16	296.44	286.18	217.48	162.85	183.84

Notes:

- 1) The figures disclosed above are based on the restated unconsolidated summary statement of assets and liabilities of the Company.
- 2) The above statement should be read with the notes to restated unconsolidated summary statement of assets and liabilities, profit and losses and cash flows as appearing in Annexure IVA, IVB & IVC.
- 3) List of persons/entities classified as "Promoters" and "Promoter Group Companies" has been determined by the management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.
- 4) For details of transactions with related parties, refer note 8 in annexure IV-C.

Matrix Cellular (International) Services Limited [Formerly Matrix Cellular (International) Services Private Limited]
Annexure XVII - Restated Unconsolidated Statement of Cash and Bank Balances

	(Rs. in Million)					
Particulars	Dec 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
Cash and cash equivalents						
<i>Balances with banks:</i>						
– On current accounts	5.62	1.55	7.36	13.69	17.57	8.50
– On cash credit accounts	31.45	-	-	54.01	21.53	-
– On Dividend account	0.00	0.00	0.00	38.63	-	-
– Deposits with original maturity of less than three months	-	-	-	-	150.00	0.10
Cash on hand	3.10	4.38	2.55	2.93	1.27	8.64
Total (A)	40.17	5.93	9.91	109.26	190.37	17.24
Other bank balances						
– Deposits with original maturity of more than 3 months but less than 12 months	161.57	45.11	72.92	46.00	8.09	7.07
Total (B)	161.57	45.11	72.92	46.00	8.09	7.07
Total Cash and bank balance (A+B)	201.74	51.04	82.83	155.26	198.46	24.31

Notes:

- 1) The figures disclosed above are based on the restated unconsolidated summary statement of assets and liabilities of the Company.
- 2) The above statement should be read with the notes to restated unconsolidated summary statement of assets and liabilities, profit and losses and cash flows as appearing in Annexure IVA, IVB & IVC.
- 3) Cash Credit facility taken from HDFC bank is secured against credit card receivables, first and exclusive charge on current assets and moveable fixed assets of the company, both present and future, first charge by way of equitable mortgage of immovable property, personal guarantee of promoter directors. The cash credit is repayable on demand and carries interest rate as bank's base rate plus 290 pts. During the FY 2009-10, the same facility was secured by first pari passu charge on assets, moveable fixed assets of the Company both present and future and against corporate and personal guarantee of directors.

Matrix Cellular (International) Services Limited [Formerly Matrix Cellular (International) Services Private Limited]
Annexure XVIII- Restated Unconsolidated Statement of Other assets

	(Rs. in Million)					
Non-current	Dec 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
Unsecured, considered good unless stated otherwise						
Non-current bank balances	-	-	-	-	1.67	-
Total	-	-	-	-	1.67	-

	(Rs. in Million)					
Current	Dec 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
Others						
Interest accrued on fixed deposits	2.96	2.54	2.90	0.96	1.57	0.23
Interest accrued on advances	7.72	-	-	-	3.20	-
Unbilled revenue	54.65	46.61	82.77	75.98	50.68	33.71
Total	65.33	49.15	85.67	76.94	55.45	33.94

Notes:

- 1) The figures disclosed above are based on the restated unconsolidated summary statement of assets and liabilities of the Company.
- 2) The above statement should be read with the notes to restated unconsolidated summary statement of assets and liabilities, profit and losses and cash flows as appearing in Annexure IVA, IVB & IVC.
- 3) List of persons/entities classified as "Promoters" and "Promoter Group Companies" has been determined by the management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.
- 4) For details of transactions with related parties, refer note 8 in annexure IV-C.

Matrix Cellular (International) Services Limited [Formerly Matrix Cellular (International) Services Private Limited]
Annexure XIX - Restated Unconsolidated Statement of Revenue from Operations

(Rs. in Million)						
Particulars	Dec 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
Sale of services	1,881.01	2,286.16	2,626.94	2,165.26	1,681.06	1,059.48
Sale of products						
-Traded goods	238.25	118.93	4.38	2.65	-	-
Other operating revenue						
- Recoveries for late payment & set up fee	2.06	1.54	11.75	13.54	9.07	1.24
	2,121.32	2,406.63	2,643.07	2,181.45	1,690.13	1,060.72
Detail of services rendered						
(Rs. in Million)						
Particulars	Dec 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
Sale of Airtime	1,881.01	2,286.16	2,626.94	2,165.26	1,681.06	1,059.48
	1,881.01	2,286.16	2,626.94	2,165.26	1,681.06	1,059.48
Detail of product sold						
(Rs. in Million)						
Particulars	Dec 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
Prepaid Sim cards	1.14	4.73	4.38	2.65	-	-
Handsets	237.11	114.20	-	-	-	-
Total	238.25	118.93	4.38	2.65	-	-

Notes:

- 1) The figures disclosed above are based on the restated unconsolidated summary statement of profit and losses of the Company.
- 2) The above statement should be read with the notes to restated unconsolidated summary statement of assets and liabilities, profit and losses and cash flows as appearing in Annexure IVA, IVB & IVC.
- 3) List of persons/entities classified as "Promoters" and "Promoter Group Companies" has been determined by the management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.
- 4) For details of transactions with related parties, refer note 8 in annexure IV-C.

Matrix Cellular (International) Services Limited [Formerly Matrix Cellular (International) Services Private Limited]

Annexure XX - Restated Unconsolidated Statement of Other Income

(Rs. in Million)

Particulars	Dec 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010	Nature: Recurring/ Non Recurring	Related/Not related to Business Activity
Interest income on:								
Bank deposits	4.14	3.14	7.99	11.11	3.39	1.30	Non-recurring	Non-related
Others	7.72	-	-	-	3.20	0.03	Non-recurring	Non-related
Amounts written back	4.99	15.17	0.00	1.77	7.01	-	Non-recurring	Non-related
Net gain on sale of current investment	-	4.60	0.36	-	3.43	0.18	Non-recurring	Non-related
Net gain on sale/ discard of fixed asset	5.54	6.39	5.16	16.39	13.58	6.54	Non-recurring	Related
Dividend income	-	-	-	-	2.54	-	Non-recurring	Related
Miscellaneous income	12.65	4.39	4.91	1.91	2.14	1.73	Recurring	Related
	35.04	33.69	18.42	31.18	35.29	9.78		

Notes:

- 1) The figures disclosed above are based on the restated unconsolidated summary statement of profit and losses of the Company.
- 2) The above statement should be read with the notes to restated unconsolidated summary statement of assets and liabilities, profit and losses and cash flows as appearing in Annexure IVA, IVB & IVC.
- 3) The classification of other income as recurring/not-recurring, related/not-related to business activity is based on the current operations and business activity of the Company as determined by the management.
- 4) Other income as % of net profit before tax and exceptional item, as re-stated.

Particulars	Dec 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
Other income	35.04	33.69	18.42	31.18	35.29	9.78
Profit before tax and exceptional item, (as re-stated)	269.70	75.86	459.87	205.46	85.13	49.87
%age of other income to net profit before tax, (as re-stated)	13%	44%	4%	15%	41%	20%

- 5) List of persons/entities classified as "Promoters" and "Promoter Group Companies" has been determined by the management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.
- 6) For details of transactions with related parties, refer note 8 in annexure IV-C.

Matrix Cellular (International) Services Limited [Formerly Matrix Cellular (International) Services Private Limited]

Annexure XXI - Restated Unconsolidated Statement of Decrease/(Increase) in inventories

	(Rs. in Million)					
Particulars	Dec 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
Inventories at the end of the year						
Traded Goods	1.13	1.99	3.70	1.11	-	-
Inventories at the beginning of the year						
Traded Goods	1.99	3.70	1.11	-	-	-
Decrease/(Increase) in inventories of traded goods	0.86	1.71	(2.59)	(1.11)	-	-
Details of purchase of traded goods						
Prepaid Sim cards	-	0.52	4.89	2.31	-	-
Handsets	189.99	98.39	-	-	-	-
	189.99	98.91	4.89	2.31	-	-

Notes:

- 1) The figures disclosed above are based on the restated unconsolidated summary statement of profit and losses of the Company.
- 2) The above statement should be read with the notes to restated unconsolidated summary statement of assets and liabilities, profit and losses and cash flows as appearing in Annexure IVA, IVB & IVC.

Matrix Cellular (International) Services Limited [Formerly Matrix Cellular (International) Services Private Limited]

Annexure XXII - Restated Unconsolidated Statement of Employee benefit expenses

	(Rs. in Million)					
Particulars	Dec 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
Salaries, wages and bonus	316.12	452.22	429.39	356.26	261.26	164.07
Contribution to provident and other funds	4.94	6.18	7.91	8.04	6.66	4.72
Gratuity expense	6.98	4.28	5.09	3.62	3.02	1.82
Staff welfare expenses	11.81	12.40	10.93	6.18	7.51	6.50
Recruitment, Training and Relocation Expenses	3.05	10.21	12.16	9.99	2.71	-
	342.90	485.29	465.49	384.09	281.16	177.11

Notes:

- 1) The figures disclosed above are based on the restated unconsolidated summary statement of profit and losses of the Company.
- 2) The above statement should be read with the notes to restated unconsolidated summary statement of assets and liabilities, profit and losses and cash flows as appearing in Annexure IVA, IVB & IVC.
- 3) List of persons/entities classified as "Promoters" and "Promoter Group Companies" has been determined by the management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.
- 4) For details of transactions with related parties, refer note 8 in annexure IV-C.

Matrix Cellular (International) Services Limited [Formerly Matrix Cellular (International) Services Private Limited]
Annexure XXIII - Restated Unconsolidated Statement of Other Expenses

(Rs. in Million)

Particulars	Dec 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
Power and fuel	14.86	17.17	14.92	11.66	7.80	4.42
Postage and courier	6.09	7.60	8.15	12.09	11.29	5.23
Rent	52.64	73.86	56.87	57.00	29.15	15.23
Rates and taxes	0.00	0.30	0.02	2.71	0.05	1.11
Insurance	1.59	4.41	2.94	2.46	0.64	0.74
Repairs and maintenance- Others	43.18	58.50	37.82	31.85	25.87	14.27
Advertising and sales promotion	88.84	209.84	224.41	213.63	184.17	107.36
Commission	39.84	49.71	59.10	46.95	27.17	4.81
Travelling and conveyance	38.91	81.74	69.48	56.64	40.32	24.17
Communication costs	19.31	26.81	28.47	25.26	20.48	13.24
Printing and stationery	6.70	18.07	17.91	18.08	10.67	6.38
Legal and professional fees	33.38	40.86	26.50	22.44	10.43	8.46
Trademark fee	-	-	-	-	25.75	-
Payment to auditors	1.44	1.55	1.79	1.99	1.11	0.20
Credit card collection charges	19.66	25.99	29.65	26.18	19.10	12.21
Exchange difference (net)	1.24	17.86	(10.51)	(7.67)	4.52	(5.79)
Provision for doubtful debts	53.10	82.14	110.72	76.12	52.24	-
Provision for doubtful advances	7.72	15.56	5.83	67.18	0.74	-
Amounts written off	0.22	0.01	1.03	0.59	4.08	-
Bad debts written off [net of amount recovered]	-	-	13.13	10.10	87.78	28.40
Conference and meeting expenses	0.00	0.08	3.50	3.86	1.04	0.06
Security expenses	4.29	6.67	5.14	5.64	1.92	1.63
Office expenses	3.03	5.91	5.97	5.14	2.78	1.00
Miscellaneous expenses	8.58	12.34	12.94	8.47	2.74	1.07
Total	444.62	756.98	725.78	698.37	571.84	244.20

Notes:

- 1) The figures disclosed above are based on the restated unconsolidated summary statement of profit and losses of the Company.
- 2) The above statement should be read with the notes to restated unconsolidated summary statement of assets and liabilities, profit and losses and cash flows as appearing in Annexure IVA, IVB & IVC.

Matrix Cellular (International) Services Limited [Formerly Matrix Cellular (International) Services Private Limited]
Annexure XXIV - Restated Unconsolidated Statement of Finance Costs

	(Rs. in Million)					
Particulars	Dec 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
Interest						
- on term loans	-	-	0.71	3.48	13.04	16.65
- on cash credit	4.32	15.44	5.83	2.17	15.39	19.31
- on car loans	1.22	2.61	0.85	2.81	1.81	0.47
- on late deposit of taxes	3.32	0.27	5.68	7.62	3.83	-
Finance charges	0.36	1.57	0.21	1.86	4.41	7.46
Bank charges	0.57	0.34	1.32	1.70	1.65	1.91
Total	9.79	20.23	14.60	19.64	40.13	45.80

Notes:

- 1) The figures disclosed above are based on the restated unconsolidated summary statement of profit and losses of the Company.
- 2) The above statement should be read with the notes to restated unconsolidated summary statement of assets and liabilities, profit and losses and cash flows as appearing in Annexure IVA, IVB & IVC.

Matrix Cellular (International) Services Limited [Formerly Matrix Cellular (International) Services Private Limited]
Annexure XXV - Restated Unconsolidated Tax Shelter Statement

	(Rs. in Million)					
Particulars	Dec 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
A. Restated profit before tax	269.70	75.86	459.87	205.46	85.13	49.87
B. Tax Rate	33.99%	33.99%	32.445%	32.445%	33.218%	33.99%
C. Tax thereon at the above rate (A x B)	91.67	25.78	149.20	66.66	28.28	16.95
Permanent differences						
Expenses disallowed under income tax act	7.10	0.64	7.86	12.40	26.37	22.58
Profit on sale on mutual fund/share-exempt under Income Tax Act-1961	-	(4.60)	(0.36)	-	-	(0.18)
D. Total permanent differences	7.10	(3.96)	7.50	12.40	26.37	22.40
Timing differences						
Difference in books depreciation and depreciation under the Income Tax Act, 1961	39.43	29.14	23.85	7.63	14.16	0.45
Timing difference on account of unabsorbed depreciation	-	-	-	-	(91.77)	(69.25)
Provision for Doubtful Debt	(20.83)	(11.54)	34.60	23.88	52.24	-
Provision for Doubtful Loan & Advances	7.72	15.56	5.83	67.18	0.74	-
Expenses allowable on payment basis	21.90	2.80	9.06	4.12	4.15	-
Rent Equalisation Reserve	(0.31)	2.05	0.77	1.33	1.05	-
E. Total timing differences	47.91	38.01	74.11	104.14	(19.43)	(68.80)
F. Net Adjustments (D + E)	55.01	34.05	81.61	116.54	6.94	(46.40)
G. Deferred tax (credit) / charge for the period/year	(18.08)	(10.02)	(27.17)	(33.45)	2.57	17.01
H. Tax expense / (benefits) (F x B)	18.70	11.57	26.47	37.82	2.29	(15.76)
I. Tax Expenses for the year/period (C + G + H)	92.29	27.34	148.51	71.03	33.14	18.20
As per restated financial						
Current Tax	110.37	37.36	175.68	104.48	30.57	1.19
Deferred tax expenses	(18.08)	(10.02)	(27.17)	(33.45)	2.57	17.01
Total as per restated financial	92.29	27.34	148.51	71.03	33.14	18.20

Notes:

- 1) The figures disclosed above are based on the restated unconsolidated summary statement of profit and losses of the Company.
- 2) The above statement should be read with the notes to restated unconsolidated summary statement of assets and liabilities, profit and losses and cash flows as appearing in Annexure IVA, IVB & IVC.

Matrix Cellular (International) Services Limited [Formerly Matrix Cellular (International) Services Private Limited]

Annexure XXVI - Restated Unconsolidated Statement of Accounting Ratios

		(Rs. in Million)					
Particulars		Dec 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
Net restated profit for calculation of basic and dilutive EPS	A	146.50	48.52	311.36	134.43	51.99	31.67
		Number of shares	Number of shares	Number of shares	Number of shares	Number of shares	Number of shares
Shares outstanding as at beginning of the period/year		42,029,200	42,029,200	42,029,200	20,986,718	19,187,562	16,700,000
Effect of consolidation of equity shares [refer note (4) below]		=	=	=	<u>(18,888,046)</u>	<u>(17,476,324)</u>	<u>(15,980,726)</u>
Net equity shares after consolidation		42,029,200	42,029,200	42,029,200	2,098,672	1,711,238	719,274
Effect of bonus shares [refer note (4) below]		-	-	-	39,927,740	36,894,463	33,737,086
Effect of warrant conversion		-	-	-	176	-	-
Effect of fresh issue of equity shares		-	-	-	-	230,576	1,056,362
Weighted average number of equity shares of Rs.10 in calculating basic EPS	B	42,029,200	42,029,200	42,029,200	42,026,588	38,836,277	35,512,722
Effect of dilution:							
Conversion of share warrants		-	-	2,443,526	2,443,526	3,476,148	-
Weighted average number of equity shares of Rs.10 in calculating diluted EPS	C	42,029,200	42,029,200	44,472,726	44,470,114	42,312,425	35,512,722
Basic earnings per share (Rs)	A/B	3.49	1.15	7.41	3.20	1.34	0.89
Diluted earnings per share (Rs)	A/C	3.49	1.15	7.00	3.02	1.23	0.89
Net worth at the end of the period/year	D	825.22	683.29	634.77	545.70	527.47	192.92
Total no. of equity shares outstanding at the end of the period/year (Refer note (a) of Annexure VA)	E	42,029,200	42,029,200	42,029,200	42,029,200	20,986,718	19,187,562
Return on Net Worth (%)	A / D * 100	17.75	7.10	49.05	24.63	9.86	16.42
Net asset value per equity share (Rs.)	D / E	19.63	16.26	15.10	12.98	25.13	10.05

Notes:

1) The ratios have been computed as below :

- | | |
|--------------------------------------|---|
| a) Basic Earning per share (Rs.) | $\frac{\text{Net restated profit after tax attributable to equity shareholders}}{\text{Weighted average number of equity shares outstanding during the period/year}}$ |
| b) Diluted Earning per share (Rs.) | $\frac{\text{Net restated profit after tax}}{\text{Weighted average number of diluted equity shares outstanding during the period/year}}$ |
| c) Return on net worth (%) | $\frac{\text{Net restated profit after tax attributable to equity shareholders}}{\text{Net worth at the end of the period/year}}$ |
| d) Net asset value per share (Rs.) | $\frac{\text{Net worth at the end of the period/year}}{\text{Total number of equity shares outstanding at the end of period/year}}$ |
- 2) Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the period/year adjusted by the number of equity shares issued during the period/year multiplied by the time weighting factor. The time weighing factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the period/year.
 - 3) Earnings per share calculations are in accordance with Accounting Standard 20 - Earnings per share, notified under the Companies (Accounting Standards) Rules 2006, as amended. As per AS 20, in case of bonus shares & Consolidation of share, the number of shares outstanding before the event is adjusted for the proportionate change in the number of equity shares outstanding as if the event has occurred at the beginning of the earliest period reported. The Company during the year ended March 31, 2012, issued bonus shares in the ratio of 19 shares for every one share held, to the existing shareholders by way of capitalization of securities premium account. Further, the Company during the year ended March 31, 2012 consolidated 10 equity share of Re. 1 each into one equity share of Rs. 10 each. Weighted average number of equity shares outstanding during all the previous years is after considering the effect of bonus and consolidation of equity share.(refer note (d) & (e) to annexure V-A)
 - 4) Effect of consolidation and bonus share is calculated on outstanding share at the beginning and fresh equity share issued during the period/year
 - 5) There are potential equity shares as on March 31, 2011, March 31, 2012, March 31, 2013, March 31, 2014 and December 31, 2014 in the form of stock options granted to employees . As these are anti-dilutive, the diluted earnings per share is same as basic earnings per share.
 - 6) Net worth for ratios mentioned in note 1 (c) and 1 (d) is = Equity Share Capital + Reserves and Surplus (Including securities premium, general reserve and surplus in statement of profit and loss) - Share issue expenses (to the extent not written off or adjusted.)
 - 7) The figures disclosed above are based on the unconsolidated restated summary statement of the Company.
 - 8) Ratios for the nine months period ended December 31, 2014 are not annualised.
 - 9) The above statement should be read with the notes to restated unconsolidated summary statement of assets and liabilities, profit and losses and cash flows as appearing in Annexure IVA, IVB & IVC.

Matrix Cellular (International) Services Limited [Formerly Matrix Cellular (International) Services Private Limited]
Annexure XXVII - Restated Unconsolidated Statement of Dividend

Particulars	Dec 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
Issued, subscribed and fully paid-up equity shares						
Equity Shares (No.)	42,029,200	42,029,200	42,029,200	42,029,200	20,986,718	19,187,562
Equity shares of Rs./Re.	10	10	10	10	1	1
Rate of Dividend (%)	-	-	45.21%	23.79%	-	-
Dividend Amount (Rs. in Million)	-	-	190.00	100.00	-	-
Tax on dividend (Rs. in Million)	-	-	32.29	16.22	-	-

Notes:

- 1) The above has been computed on the basis of the restated unconsolidated summary statements of assets and liabilities of the Company.
- 2) The above statement should be read with the notes to restated unconsolidated summary statement of assets and liabilities, profit and losses and cash flows as appearing in Annexure IVA, IVB & IVC.

Matrix Cellular (International) Services Limited [Formerly Matrix Cellular (International) Services Private Limited]
Annexure XXVIII - Capitalisation Statement

Particulars		(Rs. in Million)	
		Pre IPO as at	As adjusted for IPO
		Dec 31, 2014	(Refer note 2 below)
Long Term Borrowings			
Current Maturities		4.10	4.10
Non current maturities		3.86	3.86
Total of Long term borrowings	A	7.96	7.96
Shareholder's Funds			
Share Capital		420.29	420.29
Reserves and Surplus, as restated			
Securities Premium		228.99	228.99
General Reserve account		45.78	45.78
Net Surplus/ (deficit) in the statement of profit and loss		130.16	130.16
Total Shareholder's Funds	B	825.22	825.22
Long Term Debt / Equity	(A/B)	0.00:1	0.00:1

Notes:

- 1) The above has been computed on the basis of the restated unconsolidated summary statements of assets and liabilities of the Company.
- 2) The Company is proposing to have an initial public offering through offer for sale. Hence there will be no change in the shareholder's funds post issue.

Report of auditors on the Restated Consolidated Summary Statement of Assets and Liabilities as at December 31, 2014, March 31, 2014, 2013, 2012, 2011 and 2010 and Profits and Losses and Cash Flows for the nine months period ended December 31, 2014 and for each of the years ended March 31, 2014, 2013, 2012, 2011 and 2010 for Matrix Cellular (International) Services Ltd, its Subsidiaries and Joint Ventures (collectively, the “Restated Consolidated Summary Statements”)

The Board of Directors

Matrix Cellular (International) Services Ltd. [Formerly Matrix Cellular (International) Services Private Limited]
7, Khullar Farm, Mandi Road Delhi-110030

Dear Sirs,

1. We have examined the Restated Consolidated Summary Statements of Matrix Cellular (International) Services Ltd (the “Company”) and its subsidiaries and joint ventures [together referred to as (the “Group”)] , as at December 31, 2014, March 31, 2014, 2013, 2012, 2011 and 2010 and for the nine months period ended December 31, 2014 and for each of the years ended March 31, 2014, 2013, 2012, 2011 and 2010 annexed to this report for the purpose of inclusion in the offer document (collectively the “Restated Consolidated Financial Information”) prepared by the Company in connection with its proposed Initial Public Offer (“IPO”). Such restated consolidated financial information, which has been approved by the Board of Directors of the Company, has been prepared in accordance with the requirements of:
 - a. sub-clause (i), (ii) and (iii) of clause (b) of sub-section (1) of Section 26 of Chapter III of The Companies Act 2013 (the “Act”) read with Rule 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014; and
 - b. relevant provision of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the “Regulations”) issued by the Securities and Exchange Board of India (“SEBI”) on August 26, 2009, as amended from time to time in pursuance of the Securities and Exchange Board of India Act, 1992.
2. We have examined such restated consolidated financial information taking into consideration:
 - a. the terms of our engagement agreed with you vide our engagement letter dated January 14, 2015, requesting us to carry out work on such restated consolidated financial information, for the purpose of submission to SEBI in connection with the Company’s proposed IPO; and
 - b. the Guidance Note on Reports in Company Prospectuses (Revised) issued by the Institute of Chartered Accountants of India.
3. The Company proposes to make an IPO for the offer for sale by certain shareholders’ existing equity shares of Rs 10 each at such premium, arrived at by book building process (referred to as the “Issue”), as may be decided by the Company’s Board of Directors.
4. The restated consolidated financial information has been compiled by the management from:
 - i. the audited consolidated interim financial statements of the Group as at and for the nine months period ended December 31, 2014, in accordance with the generally accepted accounting principles in India (‘Indian GAAP’) and which have been approved by the board of directors on April 29, 2015;
 - ii. the audited consolidated financial statements of the Group, as at and for the year ended March 31, 2014, 2013, 2012 and 2011 prepared in accordance with Indian GAAP, which have been approved by the board of directors on April 29, 2015;
 - iii. the audited consolidated financial statements of the Group for the year ended March 31, 2010 prepared in accordance with Indian GAAP and audited by G.P. Agarwal & Co. and has been solely relied upon by S.R.Batliboi & Associates LLP.

Those consolidated financial statements included information in relation to the Company's subsidiaries and joint venture as listed below:

Name of the entity	Relationship	Period covered
Matrix Cellular International Services UK Limited	Subsidiary	Nine months period ended December 31, 2014 and years ended March 31, 2014, 2013, 2012, 2011 and 2010
Matrix Cellular Pte Ltd	Subsidiary	Nine months period ended December 31, 2014 and years ended March 31, 2014, 2013, 2012, 2011 and 2010
Matrix Cellular Dubai (FZE)	Subsidiary	Nine months period ended December 31, 2014 and years ended March 31, 2014, 2013, 2012, 2011 and 2010
Matrix Forex Services Pvt. Ltd.	Subsidiary	Nine months period ended December 31, 2014 and years ended March 31, 2014, 2013, 2012 and 2011.
Preciflex Insulations Private Limited	Subsidiary	Nine months period ended December 31, 2014 and years ended March 31, 2014, 2013, 2012, 2011 and 2010
Matrix Cellular International Services Corporation	Subsidiary	Nine months period ended December 31, 2014 and years ended March 31, 2014.
M & S Telecom Ltd., Thailand.	Joint Venture	Nine months period ended December 31, 2014 and years ended March 31, 2014, 2013, 2012 and 2011.
Matrix Cellular International Limited	Joint Venture	Nine months period ended December 31, 2014 and years ended March 31, 2014, 2013, 2012, 2011 and 2010.
Telecom Wimax Limited	Joint Venture	Nine months period ended December 31, 2014 and years ended March 31, 2014, 2013 and 2012.

5. For the purpose of our examination, we have relied on

- c. The consolidated financial statements of the Company for the period and the year ended December 31, 2014 and March 31, 2014, 2013, 2012 and 2011 audited by us, in respect of which we have issued our auditor's reports dated April 29, 2015.
- d. The consolidated financial statements of the Company for the year ended March 31, 2010 audited by G.P.Agarwal & Co.

6. As indicated in our auditors report on consolidated interim financial statements as at and for the nine months period ended December 31, 2014 and our auditors' reports on consolidated financial statements as at and for the years ended March 31, 2014, 2013, 2012, and 2011 and referred to in para 5 above, the consolidated financial statements for those years included the following amounts relating to subsidiaries and joint ventures, whose financial statements were audited by other auditors, which have been relied upon by us and our opinions, in so far as it relates to the amounts related to the such subsidiaries and joint ventures as at and for the nine months period ended December 31, 2014 and as at and for each of the years ended March 31, 2014, 2013, 2012 and 2011, included in these Restated Consolidated Summary Statements, are based solely on the reports of the other auditors.

Years	Asset	Revenue from Operation	Cash inflow (Outflow)
December 31, 2014	127,611,892	19,875,311	2,877,771
March 31, 2014	128,253,701	39,933,748	(11,126,444)
March 31, 2013	150,876,830	49,052,164	11,683,885
March 31, 2012	133,175,559	21,647,907	5,251,545
March 31, 2011	47,893,440	3,325,730	11,949,687

7. In accordance with the requirements of Sub-clause (i), (ii) and (iii) of clause (b) of Sub-section (1) of Section 26 of Chapter III of the Act, read with rules 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014, the Regulations and terms of our engagement agreed with you, we report that, read with paragraph 4, 5 and 6 above, we have examined the Restated Consolidated Financial Information as at and for the nine months period ended December 31, 2014 and as at and for the years ended March 31, 2014, 2013, 2012, 2011 and 2010 as set out in Annexures I to III.
8. Based on our examination and the reliance placed on the reports of the auditors as referred to paragraph 4, 5 and 6 above we further report that :
- The restated consolidated profits / (losses) have been arrived at after making such adjustments and regroupings as, in our opinion, are appropriate and more fully described in the notes appearing in Annexure IVB to this report;
 - There are no changes in accounting policies adopted by the Group as at and for the nine months period ended December 31, 2014 and years ended March 31, 2014, 2013 and 2012. The impact arising on account of changes in accounting policies adopted by the Group as at and for the year ended March 31, 2011 is applied with retrospective effect in the restated consolidated financial information to the extent applicable;
 - Adjustments for the material amounts in the respective financial years / period to which they relate have been adjusted in the attached Restated Consolidated Summary Statements;
 - There are no extraordinary items which need to be disclosed separately in the Restated Consolidated Summary Statements;
 - Our auditor's report on the Consolidated Financial Statements for the period and years ended December 31, 2014 and March 31, 2014, 2013, 2012 and 2011 included the following qualification, the corrective adjustments for which has been made in the restated consolidated financial information (refer note 5 in annexure IVB):
 - For the period ended December 31, 2014

The audit report on the financial statements of Matrix Cellular International Services UK Limited, the subsidiary of the Company, included following qualification whose financial statements were audited by other auditors.

Included in the debtors shown on the Balance Sheet are amounts of £333,276 due. Of this figure, £243,894 relates to invoices greater than six years old, which continue to remain unpaid. The remaining balance of £89,382 is due from a company which does not appear to have the means to repay this. Matrix Cellular International Services UK Limited has no security for this debt. In our opinion there is sufficient doubt as to the recoverability of these debts that full provision for £333,276 should be made. Accordingly, debtors should be reduced by £333,276 and retained earnings should be reduced by £333,276.

The effect of a provision for the above would be to turn a significant net asset position into that of a deficit of assets on the company's Balance Sheet. While the director continues to believe that the debtors noted

above are recoverable in full, the company has so far been unable to demonstrate this. We believe that this situation indicates the existence of a material uncertainty which may cast significant doubt on the company's ability to continue as a going concern and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business. The financial statements (and notes thereto) do not disclose this fact.

Had this provision for doubtful trade receivable been made in these consolidated financial statements, the net opening deficit in statement of profit and loss as at December 31, 2014 would have been Rs 289.65 million as against deficit of Rs 255.82 million and accounts receivable as at December 31, 2014 would have been Rs 423.97 million as against the reported figure of Rs 457.80 million.

(ii) For the year ended March 31, 2014

The audit report on the financial statements of Matrix Cellular International Services UK Limited, the subsidiary of the Company, included following qualification whose financial statements were audited by other auditors.

Included in the debtors shown on the Balance Sheet are amounts of £333,276 due. Of this figure, £243,894 relates to invoices greater than five years old, which continue to remain unpaid. The remaining balance of £89,382 is due from a company which does not appear to have the means to repay this. Matrix Cellular International Services UK Limited has no security for this debt. In our opinion there is sufficient doubt as to the recoverability of these debts that full provision for £333,276 should be made. Accordingly, debtors should be reduced by £333,276 and retained earnings should be reduced by £333,276.

The effect of a provision for the above would be to turn a significant net asset position into that of a deficit of assets on the company's Balance Sheet. While the director continues to believe that the debtors noted above are recoverable in full, the company has so far been unable to demonstrate this. We believe that this situation indicates the existence of a material uncertainty which may cast significant doubt on the company's ability to continue as a going concern and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business. The financial statements (and notes thereto) do not disclose this fact.

Had this provision for doubtful trade receivable been made in these consolidated financial statements the net opening deficit in statement of profit and loss as at March 31, 2014 would have been Rs 269.09 million as against deficit of Rs 234.79 million and accounts receivable as at March 31, 2014 would have been Rs 307.42 million as against the reported figure of Rs 341.72million.

(iii) For the year ended March 31, 2013

The audit report on the financial statements of Matrix Cellular International Services UK Limited, the subsidiary of the Company, included following qualification whose financial statements were audited by other auditors.

Included in the debtors shown on the Balance Sheet are amounts of £333,276 due. Of this figure, £243,894 relates to invoices greater than four years old, which continue to remain unpaid. The remaining balance of £89,382 is due from a company which does not appear to have the means to repay this. Matrix Cellular International Services UK Limited has no security for this debt. In our opinion there is sufficient doubt as to the recoverability of these debts that full provision for £333,276 should be made. Accordingly, debtors should be reduced by £333,276 and retained earnings should be reduced by £333,276.

The effect of a provision for the above would be to turn a significant net asset position into that of a deficit of assets on the company's Balance Sheet. While the director continues to believe that the debtors noted above are recoverable in full, the company has so far been unable to demonstrate this. We believe that this situation indicates the existence of a material uncertainty which may cast significant doubt on the company's ability to continue as a going concern and therefore it may be unable to realise its assets and

discharge its liabilities in the normal course of business. The financial statements (and notes thereto) do not disclose this fact.

Had this provision for doubtful trade receivable been made in these consolidated financial statements the net opening deficit in statement of profit and loss as at March 31, 2013 would have been Rs 240.91 million as against deficit of Rs 212.63 million and accounts receivable as at March 31, 2013 would have been Rs 295.68 million as against the reported figure of Rs 323.96 million.

(iv) For the year ended March 31, 2012

The audit report on the financial statements of Matrix Cellular International Services UK Limited, the subsidiary of the Company, included following qualification whose financial statements were audited by other auditors.

Included in the debtors shown on the Balance Sheet are amounts of £333,276 due. Of this figure, £243,894 relates to invoices greater than four years old, which continue to remain unpaid. The remaining balance of £89,382 is due from a company which does not appear to have the means to repay this. Matrix Cellular International Limited has no security for this debt. In our opinion there is sufficient doubt as to the recoverability of these debts that full provision for £333,276 should be made. Accordingly, debtors should be reduced by £333,276 and retained earnings should be reduced by £333,276.

The effect of a provision for the above would be to turn a significant net asset position into that of a deficit of assets on the company's Balance Sheet. While the director continues to believe that the debtors noted above are recoverable in full, the company has so far been unable to demonstrate this. We believe that this situation indicates the existence of a material uncertainty which may cast significant doubt on the company's ability to continue as a going concern and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business. The financial statements (and notes thereto) do not disclose this fact.

Had this provision for doubtful trade receivable been made in these consolidated financial statements the net opening deficit in statement of profit and loss as at March 31, 2012 would have been Rs 159.61 million as against deficit of Rs 131.85 million and accounts receivable as at March 31, 2012 would have been Rs 206.12 million as against the reported figure of Rs 233.87 million.

(v) For the year ended March 31, 2011

The audit report on the financial statements of Matrix Cellular International Services UK Limited, the subsidiary of the Company, included following qualification whose financial statements were audited by other auditors.

Included in the debtors shown on the Balance Sheet are amounts of £333,276 due. Of this figure, £243,894 relates to invoices greater than three years old, which continue to remain unpaid. The remaining balance of £89,382 is due from a company which does not appear to have the means to repay this. The Company has no security for this debt. In our opinion there is sufficient doubt as to the recoverability of these debts that full provision for £333,276 should be made. Accordingly, debtors should be reduced by £333,276 and retained earnings should be reduced by £333,276.

The effect of a provision for the above would be to turn a significant net asset position into that of a deficit of assets on the company's Balance Sheet. While the director continues to believe that the debtors noted above are recoverable in full, the company has so far been unable to demonstrate this.

Had this provision for doubtful trade receivable been made in these consolidated financial statements the net opening deficit in statement of profit and loss as at March 31, 2011 would have been Rs 168.07 million as against deficit of Rs 143.17 million and accounts receivable as at March 31, 2011 would have been Rs 155.50 million as against the reported figure of Rs 180.40 million.

- f. Auditor's report on the financial statements of Matrix Cellular International Services UK Limited for the year ended March 31, 2010 (subsidiary of the Company), which has been audited by the other auditor, include the qualification as follows the corrective adjustment for which has been made in the restated consolidated financial information (refer note 5 in annexure IVB):

Included in the debtors shown on the Balance Sheet are amounts of £350,939 due. Of this figure, £261,557 relates to invoices greater than two years old; in the subsequent years GBP 17,663 was recovered and balance amount of GBP 243,894 continues to remain unpaid. The remaining balance of £89,382 is due from a company which does not appear to have the means to repay this. The Company has no security for this debt. In our opinion there is sufficient doubt as to the recoverability of these debts and as such full provision for £333,276 should be made. Accordingly, debtors should be reduced by £333,276 and retained earnings should be reduced by £333,276.

The effect of a provision for the above would be to turn a significant net asset position into that of a deficit of assets on the company's Balance Sheet. While the director continues to believe that the debtors noted above are recoverable in full, the company has so far been unable to demonstrate this.

- g. Audit qualifications in the Consolidated financial statements for the year ended March 31, 2012 and March 31, 2011 which do not require any adjustment to the Restated Consolidated financial information, are as follows:

- (i) For the year ended March 31, 2012 (Refer note 6(A)(i) of annexure IVB)

As more fully discussed in Note 28 to the financial statements, the Company is in the process of seeking approval for setting-off year till date payable of Rs. 80,200,791 (net) to certain foreign vendors against amount receivable from them. The Company is in the process of regularizing these set-off through post-facto approval of its Authorised Dealer and has furnished the requisite information sought by its Authorised Dealer in this regard. As represented to us, though the Company is reasonably confident of receiving the requisite approvals from its Authorised Dealer, the impact of penal consequences, if any, on the financial statements cannot be ascertained at this stage, and accordingly, we are unable to comment upon the same. The above was also a subject matter of qualification in our audit report for previous year ended March 31, 2011.

Note 28 to the financial statements mentioned above reads as follows:

The Company, in respect of certain transactions entered into with overseas vendors, had till previous year ended 31st March 2011 set off Rs. 80,200,791(net) against amount payable to them. In respect of the above cases the Company had made an application to the Reserve Bank of India ('RBI') for seeking approval for set off. The RBI has subsequently delegated its power of approving the 'set off' of export receivables against import payables to the Authorised Dealer ('A.D.'). The Company has accordingly approached the A.D. for approval of the above-mentioned transactions. Final approval from the A.D. is still awaited.

- (ii) For the year ended March 31, 2011 (Refer note 6(A)(ii) of annexure IVB)

As more fully discussed in Note 5 of Schedule 23 to the financial statements, the Company is in the process of making application to the Reserve Bank of India ('RBI') for seeking approval for setting off year till date Rs. 80,200,791 (including Rs. 18,891,941(net) for year ended March 31, 2011) payable to certain foreign vendors against amount receivable from them. Pending final outcome of the matter, no adjustment have been carried out in the financial statements, the appropriateness of which we are unable to comment.

Note 5 on Schedule 23 to the financial statements mentioned above reads as follows:

The Company, in respect of certain transactions entered into with overseas vendors, has during the year set off Rs. 18,891,941(net) against amount payable to them [Rs. 61,308,850 (net) payable being set off till March 31, 2010]. In the above cases the Company is in the process of making application to the Reserve Bank of India ('RBI') for seeking approval for being set off.

9. Emphasis of Matters reported in the unconsolidated financial statements for the year ended March 31, 2014, March 31, 2013, March 31, 2012 and March 31, 2011 which do not require any adjustment to the Restated consolidated financial information, are as follows:

V. For the year ended March 31, 2014 (Refer note 6(B)(i) of Annexure IVB)

We draw attention to Note 28 to the financial statements, regarding purchase and sale of services amounting to Rs. 1,315,464 and Rs.165,246 respectively from private limited companies in which a director is interested. Further, during the previous years as well the Company had also purchased trademarks, handsets, availed services, paid sales commission and sold airtime amounting to Rs. 25,750,000 Rs. 4,084,328, Rs.5,701,017, Rs. 1,453,292 and Rs. 88,273 respectively to private limited companies in which director is interested. The transactions in current year as well as in previous years are not in compliance with the requirements laid under Section 297 of the Companies Act, 1956. As represented by the management, the Company is in the process of obtaining the approval from Central Government, for these transactions though the financial impact, if any, is not expected to be material. Accordingly, these financial statements do not include any financial impact of such non compliances, if any. Our opinion is not qualified in respect of this matter.

Note 28 to the financial statements mentioned above reads as follows:

During the year the Company has purchased services amounting to Rs. 1,315,464 and sold services amounting to Rs.165,246 from private limited companies in which director is interested. The Company in previous years had also purchased trademarks, handsets, availed services, paid sales commission and sold airtime amounting to Rs. 25,750,000 Rs. 4,084,328, Rs.5,701,017, Rs. 1,453,292 and Rs. 88,273 respectively to private limited companies in which director is interested. All of the above transactions are not in compliance with section 297 of the Companies Act, 1956. The Company is in the process of filing application for compounding of above mentioned non-compliances in the current financial year.

VI. For the year ended March 31, 2013 (Refer note 6(B)(ii) of Annexure IVB)

We draw attention to Note 27 to the financial statements, regarding purchase of services amounting to Rs. 2,586,285 from private limited companies in which a director is interested. Further, during the previous years as well the Company had purchased trademarks, handsets, availed services and paid sales commission amounting to Rs. 25,750,000, Rs. 4,084,328, Rs. 3,203,005 and Rs. 1,453,292 respectively, to private limited companies in which a director was interested. The transactions in current year as well as in previous years are not in compliance with the requirements laid under Section 297 of the Companies Act, 1956. As represented by the management, the Company is in the process of obtaining the approval from Central Government, for these transactions though the financial impact, if any, is not expected to be material. Accordingly, these financial statements do not include any financial impact of such non compliances, if any. Our opinion is not qualified in respect of this matter.

Note 27 to the financial statements mentioned above reads as follows:

During the year the Company has purchased services amounting to Rs. 2,498,012 from private limited companies in which director is interested. The Company in previous years had also purchased trademarks, handsets availed services and paid sales commission amounting to Rs. 25,750,00, Rs. 4,084,328, Rs.3,203,005 and Rs. 1,453,292 respectively to private limited companies in which director is interested. All of the above transactions are not in compliance with section 297 of the Companies Act, 1956. The Company is in the process of evaluating its options of obtaining approval from Central Government as required under section 297 of the Companies Act, 1956.

VII. For the year ended March 31, 2012 (Refer note 6(B)(iii) of Annexure IVB)

Without qualifying our opinion, we draw attention to Note 27 to the financial statements regarding purchase of services amounting to Rs 3,203,005 from a private limited company in which a director is interested. Further, during the previous year as well the Company had purchased trademarks and handsets amounting to Rs. 25,750,000 and Rs. 4,084,328 respectively, and had paid sales commission amounting to Rs. 1,453,292 to a private limited company in which a director was interested. The transactions in current year as well as in previous year are not in compliance with the requirements laid under Section 297 of the Companies Act, 1956. As represented by the management, the Company is in the process of obtaining the approval from Central Government, for these transactions though the financial impact, if any, is not expected to be material. Accordingly, these financial statements do not include any financial impact of such non compliances, if any.

Note 27 to the financial statements mentioned above reads as follows:

During the year the Company has purchased services amounting to Rs. 3,203,005 from a private company in which director is interested. The Company in previous year had also purchased trademarks and handsets amounting to Rs. 25,750,000 and Rs. 4,084,328 and paid sales commission amounting to Rs. 1,453,292 to a private limited company in which director is interested. All of the above transactions are not in compliance with section 297 of the Companies Act, 1956. The Company is in the process of evaluating its options of obtaining approval from Central Government as required under section 297 of the Companies Act, 1956.

VIII. For the year ended March 31, 2011 (Refer note 6B(iv) of Annexure IVB)

Without qualifying our opinion, we draw attention to Note no. 4 of schedule 23 to the financial statements regarding purchased trademarks and handsets amounting to Rs. 25,750,000 and Rs. 4,084,328 and sales commission paid amounting to Rs. 1,453,292 to a private limited company in which director is interested which are not in compliance with section 297 of the Companies Act, 1956. As represented to us by the management, the Company is in process of obtaining the approval from central government as required for these transactions. Accordingly, these financial statements do not include any financial impact of such non compliances, if any.

Note 4 on Schedule 23 to the financial statements mentioned above reads as follows:

During the year, the Company has purchased trademarks and handsets amounting to Rs. 25,750,000 and Rs. 4,084,328 and paid sales commission amounting to Rs. 1,453,292 to a private limited company in which director is interested. The Company is in the process of obtaining the approval from Central Government as required under section 297 of the Companies Act, 1956.

10. In our opinion, the restated consolidated financial information as disclosed in the Annexures to this report, read with the respective significant accounting policies and notes disclosed in Annexure IVC, and after making adjustments and re-groupings as considered appropriate and disclosed in Annexures IVA and IVB, have been prepared in accordance with Sub-clause (i), (ii) and (iii) of clause (b) of Sub-section (1) of Section 26 of Chapter III and the Regulations.
11. We have not audited / reviewed any financial statements of the Group as of any date or for any period subsequent to December 31, 2014. Accordingly, we express no opinion on the financial position, results of operations or cash flows of the Group as of any date or for any period subsequent to December 31, 2014.

Other Financial Information:

12. At the Company's request, we have also examined the following restated 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 Group as at and for the nine months period ended December 31, 2014 and as at and for each of the years ended March 31, 2014, 2013, 2012, 2011 and 2010:

- i. Restated Consolidated Statement of Equity Share Capital, enclosed as Annexure V-A
- ii. Restated Consolidated Statement of Share Warrants, enclosed as Annexure V-B
- iii. Restated Consolidated Statement of Reserves & Surplus, enclosed as Annexure V-C
- iv. Restated Consolidated Statement of Long term borrowings, enclosed as Annexure VI
- v. Restated Consolidated Statement of Provisions, enclosed as Annexure VII
- vi. Restated Consolidated Statement of Short Term Borrowings, enclosed as Annexure VIII
- vii. Restated Consolidated Statement of Trade Payables and Other Current Liabilities, enclosed as Annexure IX
- viii. Restated Consolidated Statement of Tangible Assets, enclosed as Annexure X
- ix. Restated Consolidated Statement of Intangible Assets, enclosed as Annexure XI
- x. Restated Consolidated Statement of Goodwill on Consolidation, enclosed as Annexure XII
- xi. Restated Consolidated Statement of Non Current Investments, enclosed as Annexure XIII
- xii. Restated Consolidated Statement of Deferred Tax Assets (net), enclosed as Annexure XIV
- xiii. Restated Consolidated Statement of Loan and Advances, enclosed as Annexure XV
- xiv. Restated Consolidated Statement of Other Assets, enclosed as Annexure XVI
- xv. Restated Consolidated Statement of Current Investments, enclosed as Annexure XVII
- xvi. Restated Consolidated Statement of Trade Receivables, enclosed as Annexure XVIII
- xvii. Restated Consolidated Statement of Cash and Bank Balances, enclosed as Annexure XIX
- xviii. Restated Consolidated Statement of Revenue from Operations, enclosed as Annexure XX
- xix. Restated Consolidated Statement of Other Income, enclosed as Annexure XXI
- xx. Restated Consolidated Statement of (Increase) / Decrease in inventories of traded goods, enclosed as Annexure XXII
- xxi. Restated Consolidated Statement of Employee Benefit Expenses, enclosed as Annexure XXIII
- xxii. Restated Consolidated Statement of Other Expenses, enclosed as Annexure XXIV
- xxiii. Restated Consolidated Statement of Finance Cost, enclosed as Annexure XXV
- xxiv. Restated Consolidated Statement of Ratios, enclosed as Annexure XXVI
- xxv. Restated Consolidated Statement of Dividend, enclosed as Annexure XXVII
- xxvi. Capitalisation statement, as appearing in Annexure XXVIII

13. In our opinion, the financial information as disclosed in the Annexures to this report, read with the respective significant accounting policies and notes disclosed in Annexure IVC, and after making adjustments and regroupings as considered appropriate and disclosed in Annexures IVA and IVB, have been prepared in accordance with the relevant provisions of the Act and the Regulations
14. We did not perform audit tests for the purpose of expressing an opinion on individual balances of account or summaries of selected transactions, and accordingly, we express no such opinion thereon.
15. The report should not be in any way construed as a reissuance or relating of any of the previous audit reports issued by us or by other firm of Chartered Accountants, nor should this report be construed as an opinion on any of the financial statements referred to herein.
16. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
17. This report is intended solely for your information and for inclusion in the offer document in connection with the proposed IPO of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For S.R. BATLIBOI & ASSOCIATES LLP

ICAI Firm Registration No.:101049W

Chartered Accountants

per Vineet Kedia

Partner

Membership No : 212230

Place : Gurgaon

Date : April 29, 2015

Matrix Cellular (International) Services Limited [Formerly Matrix Cellular (International) Services Private Limited]

Annexure I - Restated Consolidated Summary Statement of Assets and Liabilities

(Rs. in Million)

Particulars	Annexure	As at					
		Dec 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
Equity and Liabilities							
Shareholders' funds							
Equity share capital	V-A	420.29	420.29	420.29	420.29	20.99	19.19
Share warrants	V-B	-	-	-	-	-	-
Reserves and surplus	V-C	166.77	23.36	45.63	37.30	505.28	167.25
		587.06	443.65	465.92	457.59	526.27	186.44
Minority Interest							
		-	1.21	0.82	-	-	-
Non current liabilities							
Long term borrowings	VI	3.86	5.12	10.75	3.17	56.94	71.54
Long term provisions	VII	2.26	3.30	0.53	3.37	2.54	3.91
		6.12	8.42	11.28	6.54	59.48	75.45
Current liabilities							
Short term borrowings	VIII	0.90	159.29	90.95	5.27	12.76	128.48
Trade payables	IX	487.52	335.32	276.90	316.67	166.85	145.06
Other current liabilities	IX	80.71	83.57	100.69	122.10	108.41	300.51
Short term provisions	VII	116.49	29.06	311.05	81.38	41.20	8.16
		685.62	607.24	779.59	525.42	329.22	582.21
TOTAL		1,278.80	1,060.51	1,257.61	989.55	914.97	844.10
Assets							
Non current assets							
Fixed assets							
Tangible assets	X	130.44	191.77	181.27	107.42	75.42	27.55
Intangible assets	XI	21.98	33.40	16.35	10.42	5.84	7.82
Capital work-in-progress		-	-	-	-	0.52	-
Intangible assets under development		3.14	3.11	11.91	4.30	-	-
		155.56	228.28	209.53	122.14	81.78	35.37
Goodwill on consolidation	XII	5.45	30.09	30.09	30.09	5.45	5.45
Non-current investments	XIII	0.29	0.29	0.10	0.03	0.02	3.50
Deferred tax assets (net)	XIV	118.71	98.29	88.63	61.51	27.65	30.21
Long term loan & advances	XV	74.20	79.04	73.04	75.02	37.55	65.05
Other non-current assets	XVI	6.95	6.39	5.95	5.41	2.03	-
		361.16	442.38	407.34	294.20	154.48	139.58
Current assets							
Current investments	XVII	-	-	80.00	-	10.20	11.03
Inventories		12.57	14.98	10.26	9.39	-	-
Trade receivables	XVIII	433.70	317.47	303.84	213.66	162.69	185.10
Cash and bank balances	XIX	223.60	70.02	112.94	173.69	211.63	25.54
Short term loans and advances	XV	181.76	165.05	253.65	218.23	319.25	448.12
Other current assets	XVI	66.01	50.61	89.58	80.38	56.72	34.73
		917.64	618.13	850.27	695.35	760.49	704.52
TOTAL		1,278.80	1,060.51	1,257.61	989.55	914.97	844.10

Notes:

The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IVA, IVB and IVC

As per our report of even date

For S R Batliboi & Associates LLP
Firm Registration No. 101049W
Chartered Accountants

For and on behalf of the Board of Directors of
Matrix Cellular (International) Services Limited
CIN No.U64202DL2005PLC142628

per Vineet Kedia
Partner
Membership No. 212230

Gagan Deep Singh Dugal Maj. Gen. Manjit Singh Dugal
Director Director
DIN No.00513181 DIN No.01402011

Place: Gurgaon
Date: April 29, 2015

Place: New Delhi Place: New Delhi
Date: April 29, 2015 Date: April 29, 2015

Gaurav Khanna Nitasha Sinha
Chief Financial Officer Company Secretary
Membership No. 27439

Place: New Delhi Place: New Delhi
Date: April 29, 2015 Date: April 29, 2015

Matrix Cellular (International) Services Limited [Formerly Matrix Cellular (International) Services Private Limited]
Annexure II - Restated Consolidated Summary Statement of Profit and Loss

(Rs. in Million)

Particulars	Annexure	Nine months period ended	For the year ended				
		Dec 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
Income							
Revenue from operations	XX	2,137.76	2,427.84	2,665.24	2,189.06	1,693.32	1,060.72
Other income	XXI	35.71	38.32	22.04	34.80	32.75	11.46
Total revenue (I)		2,173.47	2,466.16	2,687.28	2,223.86	1,726.07	1,072.18
Expenses							
Network operating cost		775.61	869.76	876.43	818.92	690.90	521.97
Purchase of traded goods	XXII	189.99	98.92	4.89	2.31	-	-
(Increase)/Decrease in inventories of traded goods	XXII	0.86	1.72	(2.60)	(1.11)	-	-
Employee benefits expense	XXIII	360.77	531.81	525.34	413.99	286.65	181.91
Other expenses	XXIV	469.95	826.07	805.10	787.89	582.55	254.50
Total (II)		1,797.18	2,328.28	2,209.16	2,022.00	1,560.10	958.38
Restated Earnings before interest, tax, depreciation and amortisation and exceptional item (EBITDA) (I)-(II)		376.29	137.88	478.12	201.86	165.97	113.80
Depreciation expense	X	75.34	92.18	73.35	59.36	30.63	12.06
Amortisation expense	XI	19.30	16.54	6.80	3.40	3.22	4.46
Finance costs	XXV	12.05	24.77	16.20	20.90	40.91	46.19
Restated Profit before tax and exceptional Item		269.60	4.39	381.77	118.20	91.21	51.09
Exceptional Item (refer note 16 in annexure IV-C)		30.91	-	-	-	-	-
Tax expenses							
Current tax		110.37	37.62	175.07	105.29	31.31	1.86
Deferred tax (credit) / charge		(18.08)	(9.57)	(27.12)	(33.85)	2.57	17.02
Total tax expense		92.29	28.05	147.95	71.44	33.88	18.88
Restated Profit after tax for the period/year		146.40	(23.66)	233.82	46.76	57.33	32.21
Minority Interest		(1.23)	0.39	2.53	-	-	-
Net Profit after tax, Minority interest		147.63	(24.05)	231.29	46.76	57.33	32.21

Notes:

The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IVA, IVB and IVC

As per our report of even date

For S R Batliboi & Associates LLP
Firm Registration No. 101049W
Chartered Accountants

For and on behalf of the Board of Directors of
Matrix Cellular (International) Services Limited
CIN No.U64202DL2005PLC142628

per Vineet Kedia
Partner
Membership No. 212230

Place: Gurgaon
Date: April 29, 2015

Gagan Deep Singh Dugal Maj. Gen. Manjit Singh Dugal
Director Director
DIN No.00513181 DIN No.01402011

Place: New Delhi Place: New Delhi
Date: April 29, 2015 Date: April 29, 2015

Gaurav Khanna Nitasha Sinha
Chief Financial Officer Company Secretary
Membership No. 27439

Place: New Delhi Place: New Delhi
Date: April 29, 2015 Date: April 29, 2015

Matrix Cellular (International) Services Limited [Formerly Matrix Cellular (International) Services Private Limited]
Annexure III - Restated Consolidated Summary Statement of Cash Flows

(Rs. in Million)

Particulars	Nine months period ended	For the year ended				
	Dec 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
A CASH FLOW FROM OPERATING ACTIVITIES						
- Net restated profit before taxation	269.60	4.39	381.77	118.20	91.21	51.09
Adjustments for :						
- Interest Expenses	10.15	21.58	13.53	16.08	34.12	36.48
- Provision for doubtful debts	53.10	75.08	110.72	76.12	52.24	-
- Provision for doubtful advances	7.72	15.56	5.83	67.18	0.74	-
- Provision for Rent Equalisation	(0.31)	2.05	0.77	1.33	1.05	-
- Provision for Gratuity	6.98	4.28	5.09	3.62	3.02	1.67
- Provision for Leave Encashment	5.73	0.58	1.34	1.67	3.35	0.42
- Bad Debts written off	0.97	9.91	17.78	10.30	87.78	28.40
- Amounts written off	1.02	0.06	1.08	0.83	4.33	-
- Amounts written Back	(5.07)	(15.17)	(0.24)	(1.77)	(7.01)	-
- Depreciation	94.63	108.71	80.15	62.76	33.85	16.52
- Interest income	(12.28)	(3.67)	(8.95)	(11.52)	(6.58)	(1.33)
- Profit on sale of fixed assets	(5.54)	(6.41)	(5.16)	(16.39)	(13.58)	-
- Profit on sale of short term investment	-	(4.60)	(0.36)	-	(3.43)	(0.18)
- Minority Interest	0.03	-	(1.72)	-	-	-
- Unrealized foreign exchange loss	11.16	(8.68)	2.77	(0.01)	0.40	4.11
Operating Profit before Working Capital Changes (as restated)	437.89	203.67	604.40	328.40	281.49	137.18
Movements in working capital:						
- Increase / (Decrease) in Provisions	(15.28)	(0.30)	(7.21)	(2.06)	(1.31)	-
- Increase / (Decrease) in Trade payables	152.51	56.37	(40.52)	148.12	20.75	4.16
- Increase/ (Decrease) in Other current liabilities	10.62	(1.03)	(20.02)	53.26	5.66	4.41
- Decrease / (Increase) in Inventory	2.42	(4.73)	(0.86)	(9.39)	-	-
- Decrease / (Increase) in Trade receivable	(191.62)	(50.59)	(230.40)	(161.92)	(135.40)	(114.68)
- Decrease / (Increase) in Long term loans and advances	(1.81)	(2.08)	8.93	(36.33)	(25.61)	-
- Decrease / (Increase) in Short term loans and advances	(21.76)	76.34	(37.51)	36.90	136.28	(40.33)
- Decrease / (Increase) in Other Current Assets	(7.10)	0.12	0.74	(5.55)	(1.92)	(0.46)
Cash Generated from Operations	365.87	277.77	277.55	351.43	279.94	(9.72)
- Taxes outflow (net of refunds)	(22.98)	(111.17)	(175.03)	(70.69)	(14.73)	(2.54)
Net cash generated from operating activities	342.89	166.60	102.52	280.74	265.21	(12.26)
B CASH FLOW FROM INVESTING ACTIVITIES						
- Purchase of fixed assets	(39.00)	(133.87)	(180.72)	(130.92)	(26.99)	(3.54)
- Sale of fixed assets	13.08	18.41	10.75	18.79	13.58	6.00
- Sale of short term investments	-	84.42	-	10.20	7.74	-
- Purchase of short term investments	-	-	(79.72)	-	-	(4.58)
- Interest received	11.25	3.63	6.21	14.00	1.62	1.53
- In Fixed Deposit Account (More than 3 Months Maturity)	(116.46)	27.81	(26.92)	(37.91)	(1.02)	(9.68)
Net cash (used in) investing activities	(131.13)	0.40	(270.40)	(125.84)	(5.07)	(10.27)

Restated Consolidated Summary Statement of Cash Flows (Continued)

(Rs. in Million)

Particulars	Nine months period ended	For the year ended				
		Dec 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011
C CASH FLOW FROM FINANCING ACTIVITIES						
- Issue of Share Capital for Cash	-	-	-	0.03	0.73	2.49
- Proceeds from Long-term borrowings	-	6.82	22.89	-	41.78	75.38
- Repayment of Long-term borrowings	(9.61)	(13.40)	(16.23)	(91.04)	(98.22)	(10.26)
- Proceeds from Short-term borrowings	3.48	71.77	87.54	-	-	-
- Repayment of short term borrowings	(158.31)	(3.45)	-	(6.88)	(115.64)	-
- Repayment of Unsecured Loans	-	-	-	-	-	(350.00)
- Share Premium Received	-	-	-	-	131.82	347.51
- Interim Dividend paid	-	(190.00)	-	(100.00)	(2.54)	-
- Tax on Interim Dividend paid	-	(32.29)	-	(16.22)	-	-
- Interest expenses	(10.20)	(21.56)	(13.99)	(16.64)	(33.00)	(34.80)
Net cash generated from/(used in) financing activities		(174.64)	(182.11)	80.21	(230.75)	30.32
Net Increase (decrease) in cash and cash equivalents (A+B+C)		37.12	(15.11)	(87.67)	(75.85)	185.07
Cash & Cash equivalents at the beginning of the period		24.91	40.02	127.69	203.54	10.68
Cash & Cash equivalents at the end of the period		62.03	24.91	40.02	127.69	18.47
(Rs. in Million)						
Components of cash and cash equivalents	As at					
	Dec 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
Cash in hand	4.02	7.24	4.62	4.64	1.27	8.64
Balances with scheduled banks:						
- On current accounts	26.56	17.67	35.40	28.05	26.75	9.73
- Cash Credit accounts	31.45	-	-	54.02	21.53	-
- On Dividend Account	-	-	-	38.63	-	-
- Deposits with original maturity of less than three months	-	-	-	-	150.00	0.10
Cheques/ drafts on hand	-	-	-	2.35	-	-
Remittance-in-transit	-	-	-	-	3.99	-
Total	62.03	24.91	40.02	127.69	203.54	18.47

Notes:

- The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IVA, IVB and IVC.
- Figures in brackets denote cash outflow.

As per our report of even date

For S R Batliboi & Associates LLP
Firm Registration No. 101049W
Chartered Accountants

For and on behalf of the Board of Directors of
Matrix Cellular (International) Services Limited
CIN No.U64202DL2005PLC142628

per Vineet Kedia
Partner
Membership No. 212230

Place: Gurgaon
Date: April 29, 2015

Gagan Deep Singh Dugal Maj. Gen. Manjit Singh Dugal
Director Director
DIN No.00513181 DIN No.01402011

Place: New Delhi Place: New Delhi
Date: April 29, 2015 Date: April 29, 2015

Gaurav Khanna Nitasha Sinha
Chief Financial Officer Company Secretary
Membership No. 27439

Place: New Delhi Place: New Delhi
Date: April 29, 2015 Date: April 29, 2015

Annexure IVA: Notes on Material Adjustments

The summary of results of restatement made in the audited consolidated summary statements for the respective years and its impact on the profit/(loss) of the Group is as follows:

Particulars	Rs. In million					
	31 December 2014	31 March 2014	31 March 2013	31 March 2012	31 March 2011	31 March 2010
(A) Net Profit / (Loss) as per audited financial statements	152.56	(21.02)	231.28	50.07	13.85	48.54
Adjustments due to changes in accounting policies						
Change in accounting for handset / SIM Cards (Refer Note (1) of Annexure IVB)	-	-	-	-	19.05	(5.50)
Other Adjustments						
Reversal of prior year adjustments due to the expense recognition in the year to which it relates. (Refer Note (2) of Annexure IVB)	(5.15)	2.59	(0.10)	0.12	26.02	(10.83)
Provision for doubtful receivables and advances (Effect of Subsidiary auditor qualification) (Refer Note (5) of Annexure IVB)	0.22	(5.62)	0.11	(3.43)	(1.59)	-
(B) Total Adjustments	(4.93)	(3.03)	0.01	(3.31)	43.47	(16.32)
Restated Profit / (Loss) (A+B)	147.63	(24.05)	231.29	46.76	57.33	32.21

Notes

The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profit and losses and cash flows as appearing in Annexure IVB & IVC.

Annexure IVB

1. Change in accounting policy

Till March 31, 2010, handsets and SIM cards were accounted for and classified as inventories. Effective April 1, 2010, the Group has re-evaluated the accounting and accordingly believes it is more appropriate to account for SIM cards and handsets as fixed assets (under plant and machinery) rather than as inventory. The management believes that such change will result in more appropriate presentation of handsets and sim cards.

In the financial statements for the year ended March 31, 2011, this change in treatment of handsets and SIM cards has been identified as change in accounting policy. Accordingly brought forward cost of handsets and sim cards amounting to Rs. 19.05 million has been reclassified under fixed assets as plant & machinery. In accordance with Group's depreciation policy, the reclassified fixed assets have been fully depreciated resulting into depreciation charge of Rs 5.50 million for financial year ended March 31, 2010 and Rs. 13.55 million against net deficit in the statement of Profit & loss as at April 1, 2009. For the purpose of restated consolidated summary statements, this change in accounting policy has been appropriately adjusted in the respective years to which the transactions pertain to.

2. Prior period items

For the nine months period ended December 31, 2014 and for the year ended March 31, 2014, March 31, 2013, March 31, 2012, March 31, 2011 and March 31, 2010 certain items of income / expense have been identified as prior period adjustments. These

adjustments were recorded in the year when identified. However, for the purpose of restated summary statements, such prior period adjustments have been adjusted in respective year to which the transactions pertain to. The details of such prior period adjustments are as under :

Figures in bracket represent decrease in profits.

Rs. In million

Particulars	Nine months Period ended	Year ended				
	31-Dec-14	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
Network operating cost	-	-	-	-	4.71	(4.71)
Gratuity	-	-	-	-	4.15	(1.67)
Leave Encashment	-	-	-	-	1.31	(0.42)
Travelling and conveyance	-	-	-	-	4.12	(4.12)
Decrease in closing stock	-	-	-	-	9.03	-
Income tax expense	-	-	-	-	3.05	0.67
Finance cost	-	-	-	-	2.36	(2.18)
Wealth Tax	0.26	(0.26)	-	-	-	-
Depreciation	(1.93)	1.93	-	-	-	-
Other Income	-	-	-	-	(0.90)	0.90
Dividend Income [refer note (i) below]	(3.55)	-	-	-	-	-
Exchange difference on Dividend receivable	0.07	0.59	(0.01)	0.36	-	-
Other expenses	-	0.33	(0.09)	(0.24)	-	-
Deferred tax impact of prior period expenses	-	-	-	-	(1.81)	0.70
Total	(5.15)	2.59	(0.10)	0.12	26.02	(10.83)

Note (i) on prior period Dividend Income.

During the year ended March 31, 2011, Matrix Cellular International Services UK Limited, a subsidiary of the Company, had declared dividend of GBP 35,000, which was inadvertently not recorded by the Company. As a result, the same was recognized as appropriation to the consolidated statement of profit & loss during the year ended March 31, 2011 and the dividend income was recognized in the consolidated statement of profit & loss during the period ended December 31, 2014. Hence, the dividend income recognized in December 2014 and appropriation to the profit & loss account as of March 31, 2011 has been eliminated in the restated consolidated summary statements in the respective years.

3. Restatement adjustments made in the audited opening balance figure in the net (deficit) in the Statement of Profit and Loss for the year ended March 31, 2010

Particulars	Amount (Rs. In million)
Net (deficit) in the statement of Profit and Loss as at April 1, 2009 as per audited financial statements	(191.71)
Adjustments :	
Change in accounting for handset / SIM Cards (Refer Note (1) of Annexure IVB)	(13.55)
Prior Period Expenses (Refer Note (2) of Annexure IVB)	(15.19)
Provision for doubtful receivables and advances (Subsidiary auditor qualification) (Refer Note (5) of Annexure IVB)	(22.60)
Net (deficit) in the Statement of Profit and Loss as at April 1, 2009 (As restated)	(243.05)

4. Material Regrouping

- (i) W.e.f April 1 2011, revised schedule VI notified under the Companies Act, 1956 has become applicable to the Group for preparation and presentation of its financial statements. The adoption of Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The Company has also reclassified the figures for the previous years ended March 31, 2011 and March 31, 2010 in accordance with the requirements applicable for the year ended March 31, 2012.

Appropriate adjustments have been made in the restated consolidated summary statements of assets and liabilities, profit and losses and cash flows, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the interim audited financials of the Group as at and for the Nine month period ended on December 31, 2014, prepared in accordance with Revised Schedule VI and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009 (as amended).

- (ii) Considering the nature business transactions w.e.f. April 1, 2011, credit card collection charges were disclosed under 'Other expense' and accordingly, such expenses which were disclosed under "Finance Cost" in previous year were re-classified.
- (iii) Certain fixed assets having gross block value and accumulated depreciation of Rs. 24 million respectively (Written down value : Rs. nil) were discarded during year ended March 31, 2014 and were inadvertently disclosed as disposal under fixed assets schedule during the year ended March 31, 2013. The same has been re-classified to March 31, 2014.

5. Adjusting items: Auditor's Qualification in financial statements of Matrix Cellular International Services UK Limited (Subsidiary company).

The auditor's of Matrix Cellular International Services UK Limited (Subsidiary company) have qualified their opinion on the financial statements for the year ended March 31, 2009 onwards on account of overdue debtors amounting to GBP 0.33 million. Of this figure, GBP 0.24 million related to invoices greater than four year old, which continue to remain unpaid. The remaining balance of GBP 0.09 million is due from a company which does not appear to have the means to repay this. In the opinion of subsidiary auditor there is sufficient doubt as to the recoverability of these debts and that full provision for GBP 0.33 million should be made.

Further, the effect of provision of above amount would be to turn a significant asset position into that of a deficit of assets on the company's balance sheet. While the directors continue to believe that the debtors noted above are recoverable in full, the company has so far been unable to demonstrate this. The subsidiary auditor believe that this situation indicates the existence of a material uncertainty which may cast significant doubt on the company's ability to continue as a going concern and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business.

Accordingly, adjustments are made to the statement of consolidated financial statements, as restated by recording provision for amount qualified and adjusting the same with opening reserve. Further, the effect of revaluation of amount provided in INR and corresponding provision for same has been considered in respective years.

The management of the holding Company has committed to provide full financial and operational support to Matrix Cellular International Services UK Limited to enable it to operate and settle its liabilities and obligations as they become due. Accordingly, no other adjustments are required to be made in carrying value of net assets.

6. Non-adjusting items

- A. Certain qualification in the auditor's report on the consolidated financial statements of the Group for the years ended March 31, 2012 and 2011 which do not require any quantitative adjustment in the restated consolidated summary statements are as follows:
- (i) The audit report for year ended March 31, 2012 included a qualification in respect of the Company being in the process of seeking approval for setting-off of inception till date payable of Rs. 80.20 (net) to certain foreign vendors against amount receivable from them. The Company, subsequent to year end March 31, 2012, has received approval for set off.
 - (ii) The audit report for year ended March 31, 2011 included a qualification in respect of the Company being in the process of making application to the Reserve Bank of India ('RBI') for seeking approval for setting off of Rs. 18.89(net) payable to certain foreign vendors against amount receivable from them. The Company, subsequent to year end March 31, 2011, has received approval for set off.
- B. Certain Emphasis of Matter in the auditor's report on the consolidated financial statements of the Group for the year ended March 31, 2014, 2013, 2012 and 2011 which do not require any quantitative adjustment in the restated consolidated summary, statements are as follows:
- (i) The audit report of the Company for year ended March 31, 2014 included emphasis of matter regarding purchase and sale of services during current and previous years from private limited companies in which a director was interested. The transactions in current year as well as in previous years are not in compliance with the requirements laid under Section 297 of the Companies Act, 1956. On December 10, 2014, the Company has filed for compounding under section 297 of the Companies Act, 1956.
 - (ii) The audit report of the Company for year ended March 31, 2013 included emphasis of matter regarding purchase of services during current and previous years from private limited companies in which a director was interested. The transactions in current and previous years are not in compliance with the requirements laid under Section 297 of the Companies Act, 1956. On December 10, 2014, the Company has filed for compounding under section 297 of the Companies Act, 1956.
 - (iii) The audit report of the Company for year ended March 31, 2012 included emphasis of matter regarding purchase of services during current and previous years from a private limited company in which a director was interested. The transactions in current year as well as in previous years are not in compliance with the requirements laid under Section 297 of the Companies Act, 1956. On December 10, 2014, the Company has filed for compounding under section 297 of the Companies Act, 1956.
 - (iv) The audit report of the Company for year ended March 31, 2011 included a emphasis of matter regarding purchased trademarks and handsets and sales commission paid from / to a private limited company in which director was interested which are not in compliance with the requirement laid under section 297 of the Companies Act, 1956. On December 10, 2014, the Company has filed for compounding under section 297 of the Companies Act, 1956.

Annexure IVC: Notes to the Restated Consolidated summary statements of assets and liabilities, profits and losses and cash flows for the Nine months period ended December 31, 2014 and for each of the years ended March 31, 2014, 2013, 2012, 2011 and 2010:

1. Corporate information

Matrix Cellular (International) Services Limited ('Matrix' or 'the Company') was incorporated on November 17, 2005 and is headquartered in New Delhi. The Company was converted into a public company with effect from April 21, 2015. Matrix together with the subsidiaries & Joint ventures is hereinafter regard to as "the Group". The Group is a leading provider of country specific SIM Cards and data solutions and provides foreign currency and card as part of its ancillary business. The Group has entered into agreement with leading telecom operators from around the world to provide services and operates through a network of agents, Subsidiaries and Joint Ventures in United Kingdom, Singapore, United Arab Emirates, Thailand, Hong Kong and USA.

2 Basis of Preparation

- a. The Restated Consolidated Financial Statements of Assets and Liabilities of the group as at December 31, 2014, March 31, 2014, March 31, 2013, March 31, 2012, March 31, 2011 and March 31, 2010 and the related Consolidated Summary Statement of Profits and Losses and Cash Flows Statement for the nine month ended December 31, 2014, and for the year ended March 31, 2014, March 31, 2013, March 31, 2012, March 31, 2011 and March 31, 2010 (herein collectively referred to as ('Restated Consolidated Summary Statements')) have been compiled by the management from the interim consolidated financial statements for the nine months period ended December 2014 and from the consolidated financial statements of the Company for the year ended March 31, 2014, March 31, 2013, March 31, 2012, March 31, 2011 and March 31, 2010.
- b. The interim consolidated Financial Statements of the Group for nine months period ended December 31, 2014 and consolidated financial statements of the Group for year ended March 31, 2014, March 31, 2013, March 31, 2012, March 31, 2011 and March 31, 2010 have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The Company has prepared these consolidated Financial Statements to comply in all material respects with the accounting standards specified under the Companies Act, 1956 ("The Act") (which are deemed to be applicable as per section 133 of the Companies Act, 2103, read with rule 7 of the Companies (Accounts) Rules, 2014) and other accounting principles generally accepted in India. The Consolidated Financial Statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Group and are consistent with those used in the previous year other than those disclosed under point 1 of annexure IVB.
- c. Restated Consolidated Summary Statements have been prepared specifically for inclusion in the offer document to be filed by the Company with the Securities and Exchange Board of India ('SEBI') in connection with its proposed Initial Public Offering.
- d. The consolidated financial statements of the Company for year ended March 31, 2014, March 31, 2013, March 31, 2012, March 31, 2011 and March 31, 2010 have been prepared using the historical audited general purpose financial statements of the Company for the years ended March 31, 2014, 2013, 2012, 2011 and 2010 respectively which were prepared under Indian GAAP and originally approved by the board of directors of the Company at that relevant time.
- e. These Restated consolidated Summary Statements of assets and liabilities, profit and losses and cash flows have been prepared to comply in all material respects with the requirements of Sub-clause (i), (ii) and (iii) of clause (b) of Sub-section (1) of Section 26 of Chapter II of the Companies Act, 2013 read with rule 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("the SEBI Guidelines") issued by SEBI on August 26, 2009 as amended from time to time.

3. Principles of consolidation

The Consolidated financial statements of the Group have been prepared on the following basis:

- a) The financial statements of the Company and its subsidiaries have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, incomes and expenses, after eliminating all intra-group balances and intra group transactions and also unrealised profits or losses, in accordance with Accounting Standard (AS) 21- "Consolidated Financial Statements" issued by Institute of Chartered Accountant of India (ICAI).

- b) Interest in Joint Ventures have been accounted by using the proportionate consolidation method as per AS – 27 “Financial Reporting of Interest in Joint Venture” issued by Institute of Chartered Accountant of India (ICAI). The Company’s share of revenues, expenses, assets and liabilities in the joint venture are included in financial statements as revenues, expenses, assets and liabilities, respectively and intra-group balance and intra-group transactions and also unrealised profit or loss are eliminated.
- c) The excess of cost to the Parent Company of its investments in the subsidiaries over its portion of equity in the subsidiaries, as at the date on which investment was made, is recognized as goodwill in the consolidated financial statements. The Parent Company’s portion of equity in the subsidiaries is determined on the basis of the book value of assets and liabilities as per the financial statement of the subsidiary companies as on the date of investment. Capital reserve on consolidation represents negative goodwill arising on consolidation and is included as Capital Reserve under Reserves and Surplus under Shareholders’ Equity in the Consolidated Balance Sheet.
- d) Minority interest’s share of net profit of consolidated subsidiaries for the year is identified and adjusted against the income of group in order to arrive at the net income attributable to shareholders of the Company. In case where losses applicable to minority interest exceed the minority interest in the equity of the subsidiary, the excess of, any further losses applicable to minority interest are adjusted against the parent company’s portion of equity in the subsidiary, until all previous losses absorbed by parent are recovered.
- e) The Financial statements of the subsidiaries and joint venture are prepared for the same reporting year as the parent company.
- f) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances to the extent possible across the group and are presented, to the extent possible, in the same manner as per the parent’s separate financial statement, except in case of the accounting policies related to depreciation on fixed assets as mentioned in note 4.4 below, where there exists variance between Parent and the subsidiary and the impact on account of alignment of such policy with the parent company is not material.

(This space has been intentionally left blank)

(i) The subsidiaries included in the Consolidated financial statements are as under :

Subsidiary Name	Country of Incorporation	Proportion of Ownership interest of the Company as on Dec 31, 14	Proportion of Ownership interest of the Company as on March 31, 14	Proportion of Ownership interest of the Company as on March 31, 13	Proportion of Ownership interest of the Company as on March 31, 12	Proportion of Ownership interest of the Company as on March 31, 11	Proportion of Ownership interest of the Company as on March 31, 10
Matrix Cellular International Services UK Limited	UK	100%	100%	100%	100%	100%	100%
Matrix Cellular Pte. Limited	Singapore	100%	100%	100%	100%	100%	100%
Matrix Cellular Dubai FZE (Earlier GD Enterprises FZE)	UAE	100%	100%	100%	100%	100%	100%
Preciflex Insulations Private Limited	India	100%	100%	100%	100%	100%	100%
Matrix Forex Services Private Limited	India	100%	100%	100%	100%	100%	100%
Matrix Cellular International Services Corporation	USA	100%	100%	-	-	-	-

(ii) The list of Joint Venture entities included in the Consolidated financial statements are as under :

Joint Venture Entity Name	Country of Incorporation	Proportion of Ownership interest as on Dec 31, 14	Proportion of Ownership interest as on March 31, 14	Proportion of Ownership interest as on March 31, 13	Proportion of Ownership interest as on March 31, 12	Proportion of Ownership interest as on March 31, 11	Proportion of Ownership interest as on March 31, 10
Matrix Cellular International Limited (Kanit Buapom holds 51% shares &Gaurav Kumar Khanna holds 0.01%)	Thailand	48.99%	48.99%	48.99%	48.99%	48.99%	48.99%
M&S Telecom Company Limited (Sawasdeeshop Company Limited-50% shares & Matrix Cellular International Limited-1.10%)	Thailand	48.90%	48.90%	48.90%	48.90%	48.90%	-
Telecom Wimax Limited (Dee Telecom Holdings HK Limited holds 50% shares)	Hong Kong	50%	50%	50%	50%	-	-

4. Summary of significant accounting policies

4.1 Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

4.2 Change in Accounting Estimate

Pursuant to "the Act" being effective from April 1, 2014, the Company has revised the depreciation rates tangible and intangible fixed assets as per the useful life specified in Part 'C' of Schedule II of the Act. As a result of this change, the depreciation charge for the nine months period ended December 31, 2014 is higher by Rs.33.7 million. In respect of assets whose useful life is already exhausted as on April 1, 2014, depreciation of Rs.4.57 million (net of deferred tax impact of Rs 2.35 Million) has been adjusted in surplus in statement of profit and loss in accordance with the requirement of Schedule II of the Act.

4.3 Tangible Fixed Assets

- Fixed Assets are stated at cost less accumulated depreciation, amortization and impairment loss, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.
- Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure are charged to the statement of profit and loss for the period during which such expenses are incurred.
- Gains or losses arising from de-recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

4.4 Depreciation on tangible fixed assets

Fixed assets are depreciated on pro-rata basis from the date on which the asset is ready to use, using written down value method ('WDV'), at higher of rates as per the useful lives of the assets estimated by the management, or at the rates as per useful life prescribed under Schedule II of the Companies Act, 2013 (from April 1, 2014) and at rates prescribed under schedule XIV of the Companies Act, 1956 (from April 1, 2009 to March 31, 2014).

The Company has used the following rates to provide depreciation on its fixed assets.

	Rates as per management's estimate of useful lives from April 1, 2014 [WDV]*	Rates as per management's estimate of useful life for the period from April 1, 2009 to March 31, 2014[WDV]
Building	Not applicable	5%
Vehicles	8 years	25.89%
Office equipment	5 years	13.91%
Plant & Machinery	1 year	13.91%
Furniture & Fixtures	10 years	18.10%
Computers - End User Devices	3 years	40%
Computers - Server & Network	3 years	40%

*Represents total revised useful life, WDV rates applied basis balance useful life of assets as at April 1, 2014.

- All assets individually costing up to Rs. 5,000 are fully depreciated in the year of purchase.
- Plant & Machinery comprising of mobile phones and SIM Cards are depreciated over a period of twelve months from the date of purchase.
- Leasehold Improvements are amortized on a straight line basis over the primary lease period or estimated useful life whichever is lower.

- d) In the books of Matrix Cellular Pte. Ltd., depreciation on fixed assets are calculated on Straight Line method so as to write off the cost of fixed assets over their estimated useful lives at the following rates :

Computer – One Year

Furniture & Fixture – One Year

- e) In the books of M&S Telecom Co. Ltd., depreciation on fixed assets are calculated on a straight line method over the estimated useful life of 5-10 years.
- f) Gains or losses arising from de-recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

4.5 Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the period / year in which the expenditure is incurred.

Intangible items are amortized at the rate from 35%-40% on written down value basis. The Group uses a rebuttable presumption that the useful life of an intangible asset will not exceed three years from the date when the asset is available for use.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

4.6 Impairment of tangible and intangible Assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal / external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital. After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

4.7 Goodwill on consolidation

Goodwill on consolidation is not amortised and is tested for impairment on an annual basis. Such evaluation determines impairment in value if any, taking into account the ability to recover the carrying amount of goodwill from discounted cash flows. The group also considers projected future operating results, trends and other circumstances in making such evaluations.

In addition to the annual impairment test, the Group will perform an impairment test if an event occurs or circumstances change that would more likely than not reduce the fair value or the reporting unit below its carrying amount.

4.8 Lease

Where the Company is lessee :

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss account on a straight-line basis over the lease term.

4.9 Investment

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. Current investments are carried in the financial statements 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 the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

4.10 Inventories

Inventories of traded goods are valued at lower of cost and net realizable value. Cost is determined on weighted average basis.

Net realizable value is the estimated selling price in the ordinary course of business and estimated costs necessary to make the sale.

4.11 Revenue Recognition

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. The following specific recognition criteria must also be met before revenue is recognized:

Service revenue

Service revenue from provision of airtime services is recognized on accrual basis over the period of consumption of services.

Revenue from set up fees is recognised when services have been rendered.

Sale of goods

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods.

Late payment fee and recovery for lost items

Late payment fees are accrued for time proportion basis when realisability is certain.

Interest Income

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable. Interest income is included under the head "other income" in the statement of profit and loss.

Revenue from sale of forex cards

Revenue from sale of forex cards comprises of margin on foreign exchange transaction in the normal course of business as authorized dealers. The income arising from the buying and selling of foreign currencies (net of brokerages paid) is included on the basis of margin achieved, since the inclusion on the basis of their gross value would not be meaningful and potentially misleading for use as an indicator of the level of the group's business.

4.12 Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

4.13 Foreign Currency Translation

a) Initial Recognition:

Transactions denominated in foreign currencies are recorded at the exchange rates prevailing at the time of the transaction.

b) Conversion:

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

c) Exchange Differences:

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

d) Translation of foreign subsidiaries / joint ventures

Translations of foreign subsidiaries are done in accordance with AS – 11 (Revised) "The Effects of Changes in Foreign Exchange Rates".

In the case of subsidiaries, the operations of which are considered as integral, the Balance Sheet items have been translated at the closing rate except share capital and fixed assets, which have been translated at the transaction date. The income and expenditure items have been translated at the average rate for the period. Exchange gain / loss are recognized in the statement of profit and loss.

In case of foreign subsidiaries, the operation of which are considered as non-integral, all assets and liabilities are converted at the closing rate at the end of the period and items of income and expenditure items have been translated at the average rate. Any goodwill / Capital reserve arising on acquisition of a non – integral foreign operation is translated at the closing rate. Exchange gain / loss arising on conversion are recognized under Foreign Currency Translation Reserve.

4.14 Retirement and other Employee Benefits

- i) Retirement benefit in the form of provident fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund. The Group recognizes contribution payable to the provident fund scheme as expenditure, when an employee renders the related service.
- ii) The Group 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 Group. The Group provides for the Gratuity Plan based on actuarial valuations as per the Projected Unit Credit Method. The Group makes annual contributions to insurance company for the Gratuity Plan in respect of employees. Actuarial gains and losses are recognized in full in the period in which they occur in the statement of profit and loss.
- iii) Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Group presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

4.15 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 and tax laws prevailing in the respective tax jurisdictions where the Company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences 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 realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each reporting date, the company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset 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 realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The company writes-down the carrying amount of 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 realized. 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

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as “MAT Credit Entitlement.” The Company reviews the “MAT credit entitlement” asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

4.16 Employee Stock Compensation Cost

Measurement and disclosure of the employee share-based payment plans is done in accordance with the Guidance Note on Accounting for Employee Share-based Payments, issued by the Institute of Chartered Accountants of India. The Company measures compensation cost relating to employee stock options using the intrinsic value method. Compensation expense is amortised over the vesting period of the option on a straight line basis.

4.17 Segment Reporting Policies

Identification of segments:

The Group’s operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

Allocation of common costs:

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items:

Unallocated items include general corporate income and expense items, which are not allocated to any business segment. Assets and liabilities that cannot be allocated between the segments are shown as a part of unallocated corporate assets and liabilities, respectively.

Segment Policies:

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

4.18 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

4.19 Provisions

A provision is recognised when the Group has a present obligation as a result of past event; 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 estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

4.20 Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the financial statements.

4.21 Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

4.22 Measurement of EBITDA

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The company measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the Company does not include depreciation and amortization expense, finance costs, tax expense & exceptional item and includes other income.

5. Non-compliance with Section 297 of the Companies Act, 1956

The Group has purchased and sold services to private limited companies in which director is interested. These transactions are not in compliance with section 297 of the Companies Act, 1956. The Company has filed application for compounding for all of the transactions on December 10, 2014.

Rs in million				
Particulars	2014	2013	2012	2011
Purchase of Services	1.31	2.59	3.20	-
Sale of Services	0.17	-	-	-
Purchase of Trademarks	-	-	-	25.75
Purchase of Handsets	-	-	-	4.08
Sales Commission paid	-	-	-	1.45

6. Employees benefits

The Group has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with an insurance company in the form of qualifying insurance policy.

The following tables summarises the components of net benefit expense recognised in the statement of profit and loss account and amounts recognised in the balance sheet for the respective plans.

Statement of profit and loss

Net employee benefits expense recognised in employee cost :

Rs in million

	Gratuity					
	31Dec, 14	2014	2013	2012	2011	2010
Current service cost	3.49	4.32	3.96	3.26	2.48	1.60
Interest cost on benefit obligation	1.07	1.16	0.86	0.61	0.33	0.21
Expected return on plan assets	(0.37)	(0.64)	(0.16)	-	-	-
Net actuarial(gain) / loss recognised in the year	(3.03)	(0.56)	(0.34)	(0.26)	0.21	(0.14)
Past service cost	-	-	-	-	-	-
Net benefit expense	1.16	4.28	4.32	3.61	3.02	1.67
Actual Return on plan assets	-	0.55	0.40	-	-	-

Balance sheet**Benefit asset / liability**

Rs in million

	Gratuity					
	31 Dec,14	2014	2013	2012	2011	2010
Present value of defined benefit obligation	17.17	16.86	14.56	10.73	7.17	4.15
Fair value of plan assets	7.11	5.47	7.14	2.00	-	-
Plan (liability)	(10.06)	(11.39)	(7.41)	(8.73)	(7.17)	(4.15)

Changes in the present value of the defined benefit obligation are as follows:

Rs in million

	Gratuity					
	31 Dec, 14	2014	2013	2012	2011	2010
Opening defined benefit obligation	16.86	14.56	10.73	7.17	4.15	2.62
Interest cost	1.07	1.16	0.87	0.61	0.33	0.21
Current service cost	3.49	4.32	3.96	3.27	2.48	1.60
Benefits paid	(0.85)	(2.54)	(0.90)	(0.06)	-	(0.14)
Actuarial (gains) / losses on obligation	(3.40)	(0.64)	(0.10)	(0.26)	0.21	(0.14)
Closing defined benefit obligation	17.17	16.86	14.56	10.73	7.17	4.15

Changes in the fair value of plan assets are as follows:

Rs in million

	Gratuity					
	31 Dec, 14	2014	2013	2012	2011	2010
Opening fair value of plan assets	5.47	7.14	2.00	-	-	-
Expected return	0.37	0.64	0.16	-	-	-
Contribution by employer	2.50	0.30	5.64	2.00	-	-
Benefits paid	(0.86)	(2.53)	(.90)	-	-	-
Actuarial gains / (losses)	(0.37)	(0.08)	0.24	-	-	-
Closing fair value of plan assets	7.11	5.47	7.14	2.00	-	-

The principal assumptions used in determining gratuity obligations for the Company's plans are shown below :

	31 Dec, 14	2014	2013	2012	2011	2010
	%	%	%	%	%	%
Discount rate	8.00	8.50	8.00	8.50	8.00	8.00
Expected rate of return on plan assets	9.00	9.00	9.00	9.00	-	-
Future Salary increase rate	5.50	6.00	5.50	6.00	5.50	5.50
Up to 30 years	3	3	3	3	3	3
From 31 to 44 years	2	2	2	2	2	2
Above 44 years	1	1	1	1	1	1

In each respective year the Group has taken into consideration, the estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled. There has been significant change in expected rate of return on assets due to change in the market scenario.

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

		Gratuity					
		31 Dec, 14	2014	2013	2012	2011	2010
Investments with insurer		100%	100%	100%	100%	-	-

Amounts for the current period and previous years are as follows:

		Rs in million					
		Gratuity					
		31 Dec, 14	2014	2013	2012	2011	2010
Gratuity							
Defined benefit obligation		17.17	16.86	14.56	10.73	7.17	4.15
Plan assets		7.11	5.47	7.14	2.00	-	-
Experience adjustments on plan liabilities		3.36	0.66	0.13	0.24	(0.21)	(0.14)
Experience adjustments on plan assets		(0.37)	(0.09)	0.24	-	-	-

7. Employee Stock Option Plans

A. Plan details

The Group provides share-based payment schemes to its employees and employees of Subsidiaries. The Group has three Employee Stock Option plans (ESOP) scheme namely : "Matrix Employee Stock Option Plan 2010" (Plan I), "Matrix Employee Stock Option Plan 2012" (Plan II) and "Matrix Employee Stock Option Plan 2014" (Plan III).

The relevant details of the schemes and the grant are as below.

	Plan I	Plan II	Plan III
Date of grant	April 1, 2010	July 13, 2012	February 17, 2014
Date of Board Approval	March 29, 2010	July 13, 2012	February 17, 2014
Date of shareholder approval	March 29, 2010	July 13, 2012	February 17, 2014
Number of options granted	<p>The total number of options granted under the scheme shall not cumulatively exceed 2.5% of the issued and subscribed equity capital of the Company.</p> <p>Number of options granted : 852,240 (after considering effect of consolidation & issue of bonus shares)</p>	<p>The total number of options granted under the scheme shall not exceed 5% of the issued equity capital of the Company, for the first phase of application.</p> <p>Number of options granted : 614,220</p>	<p>The total number of options granted under the scheme shall not exceed 5% of the issued equity capital of the Company, for the first phase of application.</p> <p>Number of options granted : 1,89,835</p>

	Plan I	Plan II	Plan III
Method of Settlement	Equity	Equity	Equity
Vesting Period / Condition	On completion of 12 months	50% of options - on completion of 12 months from the grant date Balance 50% of options- on completion of 24 months from the grant date	50% of options - on completion of 12 months from the grant date Balance 50% of options- on completion of 24 months from the grant date
Exercise Period	8 Years	6 Years	6 Years

The details of activity under Plan I have been summarized below:

	Dec, 14	2014	2013	2012	2011
	Number of options	Number of options	Number of options	Number of options	Number of options
Outstanding at the beginning of the period / year	312,340	741,200	852,240	426,120	-
Effect of bonus and consolidation of shares	-	-	-	426,120	-
Granted during the period / year	-	-	-	-	458,800
Forfeited during the period / year	-	428,860	111,040	-	32,680
Exercised during the period / year	-	-	-	-	-
Expired during the period / year	-	-	-	-	-
Outstanding at the end of the period/ year	312,340	312,340	741,200	852,240	426,120
Exercisable at the end of the period / year	312,340	312,340	741,200	852,240	426,120
Weighted average fair value of options granted on the date of grant	-	-	-	-	141
Exercise price of Options outstanding	70.50	70.50	70.50	70.50	141
Weighted average remaining contractual life (in years)	3	4	5	6	7

Pursuant to consolidation of shares and issue of bonus shares, the 426,120 exercisable shares outstanding as on April 1, 2011 at Rs. 141 per share were converted into 852,240 shares exercisable at Rs. 70.50 per share.

The details of activity under Plan II have been summarized below:

	Dec, 14	2014	2013	2012	2011
	Number of options	Number of options	Number of options	Number of options	Number of options
Outstanding at the beginning of the period / year	300,008	506,782	-	-	-
Granted during the period / year	-	-	614,220	-	-
Forfeited during the period / year	20,136	206,774	107,438	-	-
Exercised during the period / year	-	-	-	-	-
Expired during the period/ year	-	-	-	-	-
Outstanding at the end of the period / year	279,872	300,008	506,782	-	-
Exercisable at the end of the period / year	279,872	300,008	506,782	-	-
Weighted average fair value of options granted on the date of grant	-	-	118.96	-	-
Exercise price of options outstanding	118.96	118.96	118.96	-	-
Weighted average remaining contractual life (in years)	3	4	5	-	-

The details of activity under Plan III have been summarized below:

	Dec, 14	2014	2013	2012	2011
	Number of options	Number of options	Number of options	Number of options	Number of options
Outstanding at the beginning of the period / year	189,835	-	-	-	-
Granted during the period/ year	-	189,835	-	-	-
Forfeited during the period / year	-	-	-	-	-
Exercised during the period / year	-	-	-	-	-
Expired during the period / year	-	-	-	-	-
Outstanding at the end of the period / year	189,835	189,835	-	-	-
Exercisable at the end of the period / year	189,835	189,835	-	-	-
Weighted average fair value of options granted on the date of grant	-	45.21	-	-	-
Exercise price of options outstanding	118.96	118.96	-	-	-
Weighted average remaining contractual life (in years)	5	6	-	-	-

B. Impact on the reported net profit and earnings per share by applying the fair value based method

As per the guidance note on “Accounting for Employees Share Based Payments” issued by the Institute of Chartered Accountants of India, the Proforma disclosures of the impact of the fair value method of accounting of employee stock compensation accounting in the financial statements on the reported net profit and earnings per share would be as follows :

	Rs in million					
	Dec, 14	2014	2013	2012	2011	2010*
Profit / (Loss) as per restated consolidated summary statements	147.63	(24.05)	231.29	46.76	57.33	-
Add: ESOP cost using Intrinsic value method	-	-	-	-	-	-
Less: ESOP cost using fair value method	(3.49)	(4.18)	(5.63)	-	(4.60)	-
Proforma profit	144.14	(28.23)	225.66	46.76	52.73	-
Basic earnings per share						
- As Reported (Refer Annexure XXVI)	3.51	(0.57)	5.50	1.11	1.48	-
- Performa	3.43	(0.67)	5.37	1.11	1.36	-
Diluted earnings per share						
- As Reported (Refer Annexure XXVI)	3.51	(0.57)	5.20	1.05	1.35	-
- Performa	3.43	(0.67)	5.07	1.05	1.25	-

*not applicable as no ESOP were granted during the year.

C. Fair value of options granted during the year

The weighted average fair value of stock options under ESOP Plan I granted during the previous year ended March 31, 2011 was Rs. 11. The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

	Dec, 2014	2014	2013	2012	2011	2010
Weighted average share price	*	*	*	*	141	*
Exercise Price	*	*	*	*	141	*
Expected Volatility	*	*	*	*	0%	*
Life of the options granted in years	*	*	*	*	1	
Risk-free interest rate	*	*	*	*	8%	*
Dividend yield (%)	*	*	*	*	0%	*

* Not applicable since no ESOP's were granted during the year.

The expected volatility was determined based on historical volatility data; historical volatility includes early years of the Company's life.

The weighted average fair value of stock options under ESOP Plan II granted during the previous year ended March 31, 2013 was Rs. 18. The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

	Dec, 2014	2014	2013	2012	2011	2010
Weighted average share price	*	*	118.96	*	*	*
Exercise Price	*	*	118.96	*	*	*
Expected Volatility	*	*	0%	*	*	*
Life of the options granted in years	*	*	2	*	*	*
Risk-free interest rate	*	*	8%	*	*	*
Dividend yield (%)	*	*	0%	*	*	*

*: Not applicable since no ESOP's were granted during the year.

The expected volatility was determined based on historical volatility data; historical volatility includes early years of the Company's life.

The weighted average fair value of stock options under ESOP Plan III granted during the previous year ended March 31, 2014 was Rs. 45.21. The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

	Dec, 2014	2014	2013	2012	2011	2010
Weighted average share price	*	118.96	*	*	*	*
Exercise Price	*	118.96	*	*	*	*
Expected Volatility	*	0%	*	*	*	*
Life of the options granted in years	*	2	*	*	*	*
Risk-free interest rate	*	8%	*	*	*	*
Dividend yield (%)	*	0%	*	*	*	*

*: Not applicable since no ESOP's were granted during the year.

The expected volatility was determined based on historical volatility data; historical volatility includes early years of the Company's life.

8. Leases

The Group's significant leasing arrangements are in respect of operating lease taken for office premises. The lease contacts period ranges from 3 to 9 years.

Total rental expenses charged to the statement of profit and loss account and minimum lease payments for non-cancelable periods till the expiry date are as follows:

Rs in million						
Particulars	Dec, 14	2014	2013	2012	2011	2010
Lease payment for the year	53.64	77.14	59.10	58.67	29.16	15.23
<u>Minimum Lease payments:</u>						
Not later than one year	5.46	10.40	8.08	10.55	13.71	1.94
Later than one year and not later than five years	-	5.26	1.12	9.56	29.89	2.21
Later than five years	-	-	-	-	-	-

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9. Restated consolidated statement of Related Party Transactions

Particulars	For the period ended	For the year ended				
	Dec'20 14	March'20 14	March'20 13	March'20 12	March'20 11	March'20 10
1.Enterprises owned substantial interest in voting power of the Group						
Aleta Private Limited	Yes	Yes	Yes	Yes	Yes	NA

2.Jointly controlled entity						
M & S Telecom Co. Ltd.	Yes	Yes	Yes	Yes	Yes	NA
Telecom Wimax Limited	NA	NA	NA	Yes	NA	NA
Matrix Cellular International Ltd.	Yes	Yes	Yes	Yes	Yes	Yes

3.Key management personnel						
Gagan deep Singh Dugal, Managing director	NA	Yes	Yes	Yes	Yes	Yes
Urvashi Kaur, Managing director	Yes	NA	NA	NA	NA	NA
Raja Mohamad Bin Maiden (Director in Matrix Cellular Pte Ltd., Singapore)	Yes	Yes	Yes	Yes	Yes	Yes
Aswin Phlaphongphanich (Director in M & S Telecom Ltd., Thailand)	Yes	Yes	Yes	Yes	NA	NA

4.Relatives of key management personnel and relationship						
Gagan Deep Singh Dugal, Spouse of Urvashi Kaur	Yes	NA	NA	NA	NA	NA
Urvashi Kaur, Spouse of Gagan Deep Singh Dugal	NA	Yes	Yes	Yes	Yes	Yes
Maj. Gen. Manjit Singh Dugal,(Father of Managing Director)	NA	Yes	Yes	Yes	Yes	Yes
Maj. Gen. Manjit Singh Dugal,(Father in law of Managing Director)	Yes	NA	NA	NA	NA	NA
Mamta Sharma (sister of Gagan Deep Singh Dugal)	NA	NA	NA	Yes	NA	NA
Chetan Sharma (brother-in-law of Gagan Deep Singh Dugal)	NA	NA	NA	Yes	NA	NA

5. Enterprises owned or significantly influenced by key management personnel or their relatives						
Luxalon Building Private Limited	Yes	Yes	Yes	Yes	Yes	Yes
YBO Solutions(India) Private Limited	NA	NA	NA	NA	Yes	Yes
Liberty India DMC Private Limited	Yes	Yes	Yes	Yes	NA	NA
Matrix Back Office Services Private Limited	NA	NA	NA	NA	Yes	Yes
Tamarinde Holidays Pvt. Ltd.	NA	NA	Yes	NA	Yes	Yes
SMG Sports Management Pvt. Ltd.	NA	NA	Yes	NA	NA	NA
Matrix Cellular Services Pvt. Ltd.	Yes	Yes	Yes	Yes	Yes	Yes

Restated consolidated statement of Related Party Transactions (contd.)
Rs in million

Particulars	Nine Months ended Dec 31, 2014	Year Ended March 31, 2014	Year Ended March 31, 2013	Year Ended March 31, 2012	Year Ended March 31, 2011	Year Ended March 31, 2010
A) Matrix Cellular (International) Services Limited						
1. Jointly controlled entity						
a) Sale of Services						
M & S Telecom Co. Ltd.	6.04	13.46	11.96	7.28	0.51	-
b) Purchases of Airtime						
Matrix Cellular International Ltd.	3.14	11.82	56.68	38.25	29.35	18.00
c) Investments made during the year						
Matrix Cellular International Ltd.	-	-	-	-	0.73	-
M & S Telecom Co. Ltd.	-	16.59	6.91	2.15	2.25	-
Telecom Wimax Limited	-	-	-	30.91	-	-
2. Key Management Personnel						
a) Remuneration						
Gagandeep Singh Dugal	-	33.60	33.60	33.60	40.61	30.01
Urvashi Kaur	2.70	-	-	-	-	-
b) Dividend Paid						
Gagandeep Singh Dugal	-	103.04	-	54.17	-	-
c) Expenses incurred by the group on behalf of Related Parties						
Gagandeep Singh Dugal	-	5.67	11.15	14.11	63.84	9.97
d) Issue of shares						
Gagandeep Singh Dugal	-	-	-	216.57	150.00	-
e) Proposed Dividend						
Gagandeep Singh Dugal	-	-	103.04	54.17	-	-
f) Loans given during the year						
Gagandeep Singh Dugal	-	-	7.08	-	145.73	30.09
g) Recovery of loans given during the year						
Gagandeep Singh Dugal	-	7.08	-	45.06	198.46	42.72
h) Expenses incurred by Related Parties on behalf of the group						
Gagandeep Singh Dugal	-	0.30	-	0.02	-	-

Restated consolidated statement of Related Party Transactions (contd.)
Rs in million

Particulars	Nine Months ended Dec 31, 2014	Year Ended March 31, 2014	Year Ended March 31, 2013	Year Ended March 31, 2012	Year Ended March 31, 2011	Year Ended March 31, 2010
i) Guarantee Given on behalf of the group						
Gagandeep Singh Dugal	-	20.00	173.00	-	67.00	-
3. Relatives of Key Management Personnel						
a) Remuneration						
Maj. Gen. Manjit Singh Dugal	0.45	0.25	-	-	-	-
b) Dividend Paid						
Maj. Gen. Manjit Singh Dugal	-	0.10	-	0.05	-	-
Urvashi Kaur	-	13.57	-	7.15	-	-
c) Loans given during the year						
Urvashi Kaur	-	-	-	-	4.51	9.89
d) Recovery of loans given during the year						
Urvashi Kaur	-	-	-	-	16.19	5.97
e) Guarantee Given on behalf of group by related parties						
Maj. Gen. Manjit Singh Dugal	-	20.00	240.00	-	-	-
f) Expenses incurred by the group on behalf of Related Parties						
Maj. Gen. Manjit Singh Dugal	-	0.04	-	-	-	-
g) Expenses incurred by Related Parties on behalf of the group						
Gagandeep Singh Dugal	0.01	-	-	-	-	-
h) Issue of shares						
Maj. Gen. Manjit Singh Dugal	-	-	-	0.19	-	-
Urvashi Kaur	-	-	-	28.50	-	-
i) Proposed Dividend						
Maj. Gen. Manjit Singh Dugal	-	-	0.10	-	-	-
Urvashi Kaur	-	-	13.57	-	-	-
4. Enterprises owned substantial interest in voting power of the Group						
a) Dividend Paid						
Aleta Private Limited	-	73.30	-	38.63	-	-

Restated consolidated statement of Related Party Transactions (contd.)
Rs in million

Particulars	Nine Months ended Dec 31, 2014	Year Ended March 31, 2014	Year Ended March 31, 2013	Year Ended March 31, 2012	Year Ended March 31, 2011	Year Ended March 31, 2010
b) Issue of shares						
Aleta Private Limited	-	-	-	154.05	150.00	-
c) Proposed Dividend						
Aleta Private Limited	-	-	73.30	38.63	-	-
5. Enterprises owned or significantly influenced by key management personnel or their relatives						
a) Sale of Services						
Liberty India DMC Private Limited	- 0.01	0.17	0.09	-	-	-
b) Purchase of Services						
Liberty India DMC Private Limited	-	0.01	0.03	2.40	-	-
Luxalon Building Private Limited	0.01	1.30	0.87	0.81	-	-
Tamarinde Holidays Pvt. Ltd.	-	-	1.60	-	-	-
SMG Sports Management Company Pvt. Ltd	-	-	11.24	-	-	-
c) Loans given during the year						
Matrix Cellular Services Pvt. Ltd.	0.26	0.76	-	-	202.66	274.26
Luxalon Building Private Limited	-	-	-	-	0.43	0.64
Matrix Back Office Services Private Limited	-	-	-	-	-	1.84
d) Recovery of loans given during the year						
Matrix Cellular Services Pvt. Ltd.	0.15	70.00	1.54	-	180.47	178.13
YBO Solutions(India) Private Limited	-	-	-	-	0.27	-
Luxalon Building Private Limited	-	-	-	-	1.45	0.10
Matrix Back Office Services Private Limited	-	-	-	-	7.12	-
e) Expenses incurred by the group on behalf of Related Parties						
Luxalon Building Private Limited	-	0.17	0.00	0.16	0.25	-
Matrix Cellular Services Pvt. Ltd.	-	-	0.44	0.68	9.36	18.76
Matrix Back Office Services Private Limited	-	-	-	-	0.77	0.57
YBO Solutions(India) Private Limited	-	-	-	-	0.02	0.03
f) Purchase of fixed assets						
Matrix Cellular Services Pvt. Ltd.	-	-	6.61	0.04	4.08	-
g) Loans Taken during the year						
Luxalon Building Private Limited	-	-	-	0.05	-	-

Restated consolidated statement of Related Party Transactions (contd.)

Rs in million

Particulars	Nine Months ended Dec 31, 2014	Year Ended March 31, 2014	Year Ended March 31, 2013	Year Ended March 31, 2012	Year Ended March 31, 2011	Year Ended March 31, 2010
h) Commission Income						
Matrix Cellular Services Pvt. Ltd.	-	-	-	3.15	1.45	-
i) Expenses incurred by Related Parties on behalf of the group						
Matrix Cellular Services Pvt. Ltd.	-	-	-	8.24	41.16	41.23
Luxalon Building Private Limited	-	-	-	0.20	0.22	-
j) Purchase of trademarks						
Matrix Cellular Services Pvt. Ltd.	-	-	-	-	25.75	-
k) Guarantee Given on behalf of group						
Matrix Cellular Services Pvt. Ltd.	-	-	-	-	67.00	-
l) Interest Income						
Matrix Cellular Services Pvt. Ltd.	-	-	-	-	3.20	-
m) Write (off) / back of amounts due						
Matrix Back Office Services Private Limited	-	-	-	-	0.01	-
Tamarinde Holidays Pvt. Ltd.	-	-	-	-	0.01	-
n) Interest Income						
Matrix Cellular Services Pvt. Ltd.	7.72	-	-	-	-	-
B) Matrix Forex Services Private Limited						
a) Sale of Services (Net)						
Gagandeep Singh Dugal	-	0.62	2.38	0.90	-	-
Maj. Gen. Manjit Singh Dugal	-	0.18	1.41	0.78	-	-
Urvashi Kaur	-	0.31	0.35	0.21	-	-
Mamta Sharma	-	-	-	0.40	-	-
Chetan Sharma	-	-	-	0.40	-	-
C) Preciflex Insulation Pvt. Ltd.						
a) Expenses incurred by related parties on behalf of group (Net)						
Gagandeep Singh Dugal	-	0.00	0.02	-	-	-
D) Matrix Cellular Pte. Ltd.						
a) Director Sitting Fees						
Raja Mohamad Bin Maiden	0.86	0.49	0.26	0.82	0.52	0.64
E) Matrix Cellular International Ltd.						

Restated consolidated statement of Related Party Transactions (contd.)

Rs in million

Particulars	Nine Months ended Dec 31, 2014	Year Ended March 31, 2014	Year Ended March 31, 2013	Year Ended March 31, 2012	Year Ended March 31, 2011	Year Ended March 31, 2010
a)Investment in Shares						
M & S Telecom Co. Ltd.	-	0.38	0.15	0.01	0.04	-
F) M & S Telecom Co Ltd.						
a)Short term loan taken from directors						
Aswin Phlaphongphanich	-	5.18	3.61	0.91	-	-
b)Repayment of short term loan taken from directors						
Aswin Phlaphongphanich	-	6.62	2.21	-	-	-
c)Short term loan given to directors						
Aswin Phlaphongphanich	-	6.32	-	-	-	-
d)Receipts against short term loan given to directors						
Aswin Phlaphongphanich	7.38	-	-	-	-	-
G) Matrix Cellular International Services UK Limited						
a)Loans taken from Directors during the year (Net)						
Gagandeep Singh Dugal	-	-	3.49	0.98	0.08	-
b)Repayments made to Directors during the year (Net)						
Gagandeep Singh Dugal	3.87	0.17	-	-	-	-
f) Loans given during the year						
Gagandeep Singh Dugal	-	-	-	-	2.54	-
Balance outstanding as at the year end:						
A) Matrix Cellular (International) Services Limited						
1. Joint Ventures						
a) Trade receivable						
M & S Telecom Co. Ltd.	10.50	4.46	10.95	7.23	0.52	-
b) Trade payables Creditors (including accrued expenses)						
Matrix Cellular International Ltd.	3.24	1.30	4.79	7.37	4.74	5.40
c) Security deposit						
Matrix Cellular International Ltd.	2.25	2.17	2.18	1.90	1.52	1.68

Restated consolidated statement of Related Party Transactions (contd.)

Rs in million

Particulars	Nine Months ended Dec 31, 2014	Year Ended March 31, 2014	Year Ended March 31, 2013	Year Ended March 31, 2012	Year Ended March 31, 2011	Year Ended March 31, 2010
2. Key Management Personnel						
a) Loans and Advances						
Gagandeep Singh Dugal	-	-	7.08	-	45.06	8.07
b) Guarantee Given on behalf of group						
Gagandeep Singh Dugal	260.00	260.00	240.00	67.00	67.00	-
c) Trade payables Creditors (including accrued expenses)						
Gagandeep Singh Dugal	0.01	0.02	-	5.60	-	-
3. Relatives of Key Management Personnel						
a) Trade payables Creditors (including accrued expenses)						
Maj. Gen. Manjit Singh Dugal	-	0.01	-	-	-	-
b) Guarantee Given on behalf of Company by related parties						
Maj. Gen. Manjit Singh Dugal	260.00	260.00	240.00	-	-	-
c) Loans Given						
Urvashi Kaur	-	-	-	-	-	11.68
4. Enterprises owned or significantly influenced by key management personnel or their relatives						
a) Trade receivable						
Liberty India DMC Private Limited	0.03	0.05	-	-	-	-
b) Trade payables Creditors (including accrued expenses)						
Luxalon Building Private Limited	-	0.96	0.00	0.49	0.11	-
Liberty India DMC Private Limited	0.07	0.07	0.07	0.07	-	-
Matrix Cellular Services Pvt. Ltd.	-	-	-	-	1.31	-
c) Loans and advances/Other current assets						
Matrix Cellular Services Pvt. Ltd.	176.37	168.54	237.78	240.06	220.03	258.73
Luxalon Building Private Limited	-	-	-	-	-	0.88
Tamarinde Holidays Pvt. Ltd.	-	-	-	-	-	0.01
Matrix Back Office Services Private Limited	-	-	-	-	-	6.36
YBO Solutions(India) Private Limited	-	-	-	-	-	0.24

Restated consolidated statement of Related Party Transactions (contd.)

Rs in million

Particulars	Nine Months ended Dec 31, 2014	Year Ended March 31, 2014	Year Ended March 31, 2013	Year Ended March 31, 2012	Year Ended March 31, 2011	Year Ended March 31, 2010
d) Provisions for doubtful loans						
Matrix Cellular Services Pvt. Ltd.	66.13	66.13	66.13	66.13	-	-
e) Guarantee Given on behalf of Company						
Matrix Cellular Services Pvt. Ltd.	-	-	67.00	67.00	67.00	-
f) Interest income accrued but not due						
Matrix Cellular Services Pvt. Ltd.	-	-	-	-	3.20	-
B) Matrix Forex Services Private Limited						
a) Trade payables Creditors						
Gagandeep Singh Dugal	-	0.18	-	-	-	-
C) Matrix Cellular International Ltd.						
a) Investment in Shares						
M & S Telecom Co. Ltd.	0.58	0.58	0.21	0.05	0.04	-
b) Payable against investment in shares						
M & S Telecom Co. Ltd.	-	-	-	-	0.04	-
Amount Receivable against investment						
Kanit Bua Pom	0.98	0.94	0.94	0.86	0.70	1.39
D) Preciflex Insulation Pvt. Ltd.						
a) Amounts payable against expenses incurred by related parties on behalf of company						
Gagandeep Singh Dugal	0.02	0.02	0.02	-	-	-
E) Matrix Cellular International Services UK Limited						
a) Loans and advances						
Your Back Office Ltd.	8.83	8.89	7.38	7.41	6.49	6.06
b) Provision for Loans & Advances						
Your Back Office Ltd.	8.83	8.89	7.38	7.41	6.49	6.06
c) Amounts due to Directors						
Gagandeep Singh Dugal	0.51	0.90	1.66	-	-	-
d) Amounts due from Directors						
Gagandeep Singh Dugal	-	-	-	1.85	2.46	-

Restated consolidated statement of Related Party Transactions (contd.)

Rs in million

Particulars	Nine Months ended Dec 31, 2014	Year Ended March 31, 2014	Year Ended March 31, 2013	Year Ended March 31, 2012	Year Ended March 31, 2011	Year Ended March 31, 2010
F) M & S Telecom Co Ltd.						
a) Payable to Directors						
Aswin Phlaphongphanich	1.92	5.46	2.30	0.91	-	-

10. Capital and other commitments

Rs in million

	31 Dec, 14	2014	2013	2012	2011	2010
Contracts remaining to be executed (Net of Advances)	1.06	2.94	9.85	2.43	1.51	-

11. Contingent Liabilities

Rs in million

	31 Dec, 14	2014	2013	2012	2011	2010
Claims against the Company not acknowledged as debts*	12.44	7.94	9.23	4.56	5.59	2.74
Guarantees given by the Company	55.25	49.75	39.25	53.57	33.55	23.58
Income tax in respect of Assessment Year 2008-09 in respect of which the company has gone on appeal.	-	-	-	10.14	10.14	-
Demand on account of non-deposit of TDS in respect of Assessment Year 2011-12 in respect of which the Company has gone on appeal	-	2.94	2.94	-	-	-
Demand on account of non-deposit of TDS in respect of Assessment Year 2010-11 in respect of which the Company has gone on appeal	-	-	1.87	1.87	-	-
Delhi Value added tax in respect of Assessment Year 2006-10 in respect of which the Company has gone on appeal	-	-	-	4.98	4.98	-
The Company in each of the year has received a no objection certificate (NOC) from Department of Telecom ('DOT'). As per the terms of the NOC, the Company is obligated to comply with certain conditions pertaining to activation / deactivation of sim cards, absence which, it is liable to pay penalties. The Company is confident of being compliant of the conditions stipulated in the NOC.						

* The claims against the Company comprises of cases lodged against the Company by the Consumers and pending at various forums.

12. Segment information

A. Information about primary business segment

The Group has disclosed business segment as primary segment. Segment has been identified taking into account the nature of products, the differing risk and returns, the organization structure and internal reporting system. The group's operations predominantly relate to providing country specific SIM cards and data solutions services (including sale of handsets) and sale of forex cards.

The Group is entitled to purchase handsets at special price from the service providers pursuant to its contract with them for purchase of SIM cards and data solutions. The group reviews the risks and return from sale of handsets and providing SIM cards and data solutions together and accordingly, are disclosed under business segment.

“Sale of Services” segment primarily comprises of providing country specific SIM cards and data solutions.

“Sale of Forex cards” segment primarily comprises of selling foreign currency and cards.

B. Information about Geographical Segment – Secondary

The Company has operations serving customers within India as well as located in other countries. The information relating to the geographical segments in respect of customers being served and assets within India, which is the only reportable segment, the remaining portion being attributable to others, is presented below:

Business Segments

Particulars	Nine months period ended 31 Dec, 2014	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2011
REVENUE					
External Sales					
Sale of services	2,124.87	2,414.72	2,653.29	2,183.02	1,693.31
Sale of forex card	12.90	13.13	11.95	6.04	-
Others	-	-	-	-	-
Sub Total (A)	2,137.77	2,427.85	2,665.24	2,189.06	1,693.31
Internal sales	0.01	0.01	0.04	0.04	-
Elimination	(0.01)	(0.01)	(0.04)	(0.04)	-
Sub Total (B)	-	-	-	-	-
Total (A+B)	2,137.77	2,427.85	2,665.24	2,189.06	1,693.31
Segment Result					
Sale of services	267.00	52.42	429.68	175.98	118.86
Sale of forex card : Profit / (Loss)	0.49	(34.72)	(43.33)	(53.20)	(0.12)
Total	267.48	17.70	386.35	122.78	118.75
Interest expenses	(10.15)	(21.58)	(13.53)	(16.08)	(34.12)
Interest Income	12.28	8.27	8.95	11.52	6.58
Prior period income/(expense)	-	-	-	-	-
Minority interest	1.23	(0.39)	(2.54)	0.00	-
Exceptional Item	(30.91)	-	-	-	-
Profit before tax	239.94	4.00	379.23	118.21	91.21
Income Tax expenses	(92.29)	(28.05)	(147.95)	(71.44)	(33.88)
Net profit /(Loss) after tax	147.65	(24.06)	231.28	46.77	57.33

Particulars	Nine months period ended 31 Dec, 2014	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2011
Assets					
Segment Assets					
Sale of services	1,069.33	871.56	1,018.96	878.99	864.23
Sale of forex card	44.85	54.76	45.45	31.73	5.55
Unallocated assets	164.62	134.19	193.20	78.82	45.20
Total	1,278.81	1,060.51	1,257.61	989.55	914.98

Liabilities					
Segment Liabilities					
Sale of services	556.70	559.58	686.94	440.32	354.22
Sale of forex card	31.43	41.12	27.52	20.06	0.17
Unallocated liabilities	103.60	14.95	76.41	71.57	34.32
Total	691.73	615.66	790.88	531.95	388.71

Particulars	Nine months period ended 31 Dec, 2014	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2011
Other Segment Information					
Capital Expenditure					
Sale of services	36.94	131.57	180.38	106.74	26.47
Sale of forex card	0.08	0.21	0.90	0.03	-
Total	37.02	131.78	181.28	106.77	26.47

Depreciation					
Sale of services	75.29	92.16	73.34	59.36	30.63
Sale of forex card	0.04	0.01	0.01	0.00	-
Total	75.33	92.17	73.35	59.36	30.63

Amortization					
Sale of services	18.92	16.19	6.67	3.40	3.22
Sale of forex card	0.38	0.35	0.13	-	-
Total	19.30	16.54	6.80	3.40	3.22

Particulars	Nine months period ended 31 Dec, 2014	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2011
Impairment losses					
Sale of services	30.91	-	-	-	-
Sale of forex card	-	-	-	-	-
Total	30.91	-	-	-	-

Other non-cash expenses					
Sale of services	70.99	92.12	142.39	147.44	150.68
Sale of forex card	0.71	0.04	(0.16)	-	-
Total	71.70	92.16	142.23	147.44	150.68

Geographical Segments

Particulars	Nine months period ended 31 Dec, 2014	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2011
REVENUE					
India	1,595.69	1,992.61	2,305.65	1,956.10	1,501.03
Others	542.08	435.24	359.59	232.96	192.28
Total	2,137.77	2,427.85	2,665.24	2,189.06	1,693.31
Other Segment Information					
Segment Assets					
India	1,184.40	1,001.90	1,210.87	950.32	892.02
Others	94.41	58.61	46.75	39.23	22.96
Total	1,278.81	1,060.51	1,257.61	989.55	914.98

13. Particulars of Unhedged foreign Currency Exposure as at the Balance Sheet date

(in Million)

Total Unhedged Foreign Currency													
Particulars	Currency	Dec, 14		March, 14		March, 13		March, 12		March, 11		March, 10	
		Foreign Currency	Amount	Foreign Currency	Amount	Foreign Currency	Amount	Foreign Currency	Amount	Foreign Currency	Amount	Foreign Currency	Amount
Accounts Receivable													
	GBP	0.05	5.41	0.08	7.83	0.12	10.21	0.08	6.26	0.06	4.81	0.12	7.88
	JPY	0.39	0.22	-	-	-	-	1.02	0.64	0.88	0.49	0.83	0.40
	SGD	0.12	5.86	0.11	5.57	0.05	2.42	0.14	5.85	-	-	-	-
	USD	1.04	67.59	0.17	10.74	0.35	19.85	0.22	11.69	0.30	14.21	0.04	1.72
	AED	-	-	-	-	-	-	-	-	-	-	0.00	0.02
	AUD	-	-	-	-	-	-	-	-	-	-	0.00	0.02
	SAR	0.21	3.76	-	-	-	-	-	-	-	-	-	-
Total			79.08		24.14		32.48		24.45		19.51		10.04
Trade Payable													
	AED	0.17	3.14	0.37	6.36	0.48	7.47	0.72	10.21	0.53	6.83	-	-
	AUD	0.00	0.08	0.00	0.15	0.01	0.81	-	-	0.03	1.48	0.06	2.58
	BHD	0.00	0.22	0.03	4.75	0.00	0.21	-	-	-	-	-	-
	BRL	0.04	0.91	0.03	0.92	0.05	1.33	0.03	0.72	-	-	-	-
	EUR	0.40	31.75	0.17	14.34	0.14	10.19	0.21	14.29	0.25	16.17	0.20	11.97
	GBP	-	-	-	-	-	-	0.03	2.85	-	-	-	-
	HKD	0.87	7.41	0.87	7.04	0.70	5.13	0.81	5.46	0.37	2.21	0.06	0.32
	JPY	0.06	0.03	0.06	0.04	0.30	0.18	1.24	0.79	2.94	1.67	2.10	1.02
	LKR	0.78	0.38	1.13	0.56	0.69	0.31	5.57	2.27	0.84	0.36	-	-
	MUR	0.22	0.42	0.04	0.08	0.05	0.09	0.04	0.08	0.08	0.13	-	-
	MYR	0.04	0.83	0.09	1.65	0.08	1.53	0.17	2.96	0.14	2.19	0.25	3.44
	SAR	-	-	0.34	5.64	-	-	-	-	-	-	-	-
	SGD	0.30	14.83	0.17	8.44	0.03	1.42	0.08	3.32	0.31	11.60	0.00	0.09
	THB	3.94	7.92	1.52	2.95	3.49	6.78	4.35	7.37	3.08	4.74	4.25	5.89
	USD	2.29	149.54	-	-	0.59	33.28	1.52	79.07	0.56	25.86	0.66	29.71
	ZAR	-	-	0.01	0.06	0.39	2.42	0.02	0.14	1.32	9.11	0.08	0.49
	KRW	2.92	0.17	-	-	-	-	-	-	-	-	-	-
	IDR	-	-	-	-	-	-	80.33	0.46	-	-	-	-
	CNY	-	-	-	-	-	-	-	-	-	-	0.07	0.49
	CHF	0.15	9.89	0.05	3.39	0.01	0.70	0.13	7.22	0.03	1.24	0.29	12.19
Total			227.53		56.37		71.85		137.19		83.59		68.20

Particulars of Unhedged foreign Currency Exposure as at the Balance Sheet date (contd.)

(in Million)

Total Unhedged Foreign Currency													
Particulars	Currency	Dec, 14		March, 14		March, 13		March, 12		March, 11		March, 10	
		Foreign Currency	Amount	Foreign Currency	Amount	Foreign Currency	Amount	Foreign Currency	Amount	Foreign Currency	Amount	Foreign Currency	Amount
Loans & Advances													
	AED	0.26	4.59	-	-	2.00	30.98	2.00	28.36	-	-	-	-
	GBP	0.06	6.38	0.13	13.53	0.19	16.27	-	-	0.01	0.67	-	-
	IDR	2.20	0.01	-	-	-	-	-	-	-	-	-	-
	JPY	0.17	0.09	-	-	-	-	-	-	-	-	-	-
	MYR	0.04	0.77	-	-	-	-	-	-	-	-	-	-
	THB	0.84	1.68	0.84	1.62	-	-	-	-	-	-	-	-
	ZAR	0.02	0.10	0.01	0.03	-	-	-	-	-	-	-	-
	KES	-	-	-	-	0.00	0.00	-	-	-	-	-	-
	USD	-	-	-	-	-	-	0.01	0.45	0.00	0.18	0.01	0.46
Total			13.63		15.17		47.25		28.81		0.85		0.46

Security Deposit

	THB	4.22	8.49	4.22	8.16	2.72	5.29	1.12	1.90	1.12	1.72	1.12	1.55
	SGD	0.02	1.00	0.02	0.10	0.02	0.91	0.02	0.83	0.02	0.72	-	-
	JPY	1.52	0.84	1.52	0.93	1.52	0.92	1.52	0.96	1.52	0.87	1.52	0.74
	USD	0.02	1.30	0.02	1.24	0.02	1.12	0.02	1.04	0.00	0.21	0.01	0.23
	GBP	0.03	2.72	0.03	2.76	0.03	2.27	-	-	-	-	-	-
	EURO	0.01	0.46	0.01	0.49	0.01	0.42	-	-	-	-	-	-
Total			14.82		13.69		10.93		4.73		3.52		2.52

Derivative outstanding as at balance sheet date are as under :

Particulars	Currency	Dec, 14		March, 14		March, 13		March, 12		March, 11		March, 10	
		Foreign Currency	Amount	Foreign Currency	Amount	Foreign Currency	Amount	Foreign Currency	Amount	Foreign Currency	Amount	Foreign Currency	Amount
	USD	0.04	4.47	0.20	20.48	-	-	-	-	-	-	-	-
	GBP	1.80	117.51	0.08	4.67	-	-	-	-	-	-	-	-
Total			121.97		25.15								

14. Details of dues to Micro, Small and Medium Enterprise

	31 Dec, 14	2014	2013	2012	2011	2010
the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year	Nil	Nil	Nil	Nil	Nil	Nil
the amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	Nil	Nil	Nil	Nil	Nil	Nil
the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	Nil	Nil	Nil	Nil	Nil	Nil
the amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil	Nil	Nil	Nil	Nil
the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006	Nil	Nil	Nil	Nil	Nil	Nil

Amount due to entities covered under Micro, Small and Medium Enterprise as defined in the Micro, Small and Medium Enterprise Development Act, 2006, have been identified on the basis of information available with the Company.

15. The Group, subsequent to the nine months period ended December 31, 2014, in its board meeting held on January 30, 2015 declared interim dividend amounting to Rs. 3.45 per equity share.
16. During the year ended March 31 2012, Matrix Cellular (International) Services Limited had acquired 50% shares of Telecom Wimax Limited (a joint venture in HongKong with Dee Telecom Holdings HK Limited) for a purchase consideration of Rs. 30.91 million (US\$ 0.66 million). Telecom Wimax Limited acquired 75% holding in Global Termination Corporation by paying US\$ 1.08 million to the existing shareholders of Global Termination Corporation on August 18, 2011. As on the date of acquisition, Global Termination Corporation had net asset of US\$ 58. The investment resulted in Goodwill of Rs. 49.28 million in books of Telcom Wimax Limited. The share of Matrix Cellular (International) Services Limited being Rs. 24.64 million. In accordance with the accounting policies stated in Note 4.7, the Group conducts an annual impairment assessment for goodwill and, in addition, whenever events or circumstances indicate that impairment may have occurred. The impairment test of goodwill involves comparing the recoverable amount of each CGU with its carrying value, including goodwill, and recognition of an impairment loss if the carrying value exceeds the recoverable amount.

The management, based on such assessment, has impaired Rs. 24.64 million goodwill in Telecom Wimax Limited during the nine months period ended December 31, 2014 and recognized provision for receivable of Rs. 6.27 million towards the net assets consolidated in these financial statements. Accordingly, the total provision of Rs. 30.91 million has been disclosed as exceptional item.
17. As at period end, the Group has advance recoverable of Rs. 168.65 million from Matrix Cellular Services Private Limited (MCS). The amount was initially secured by way of shares of the Company placed in an escrow account, whereby, in the event MCS fails to pay the outstanding amount to the Company on or prior to October 22, 2014, the investor (Aleta Private

Limited) shall have the right (though not the obligation) to require the existing shareholder to sell / transfer the escrow shares to the investor at a price of Rs. 102.31 per share.

In the event the investor is unable to purchase the entire escrow shares or the investor decides not to purchase the escrow shares for any reason whatsoever, then the investor shall have the right to require the existing shareholder to transfer the escrow shares to a third party buyer as determined either by the; (a) Investor; or (b) existing shareholders and as acceptable to the investor.

The Group had in financial year March 31, 2012 created a provision of Rs. 66.13 million towards loan considered doubtful of recovery. The Company in financial year ended March 31, 2014 had received Rs. 70 million and from MCS.

The Group, subsequent to balance sheet date has received Rs. 110.22 million towards repayment of loan and interest (on amount net of provision) for the period April 1, 2014 to December 31, 2014. Also the shares held under Escrow have been released. The interest amount till March 31, 2014 has been waived off by the board of directors of the Company.

18. The Group has invested Rs. 27.9 million in M&S Telecom (a joint venture in Thailand with a joint venture in Thailand with Swasdeeshop Co. Limited). As at December 31, 2014, the joint venture entity has minimal business activities and the Group is in process of re-structuring the operations of the joint venture. Though the operation of the joint venture entity is expected to decrease during the re-structuring phase, the boards of directors of the Company are confident of making the operation of joint venture entity EBIDTA positive as per initial plan by mid of 2016. Accordingly, the board is of the view that no provision is required to be made in carrying value of net assets to the extent consolidated in these financial statements.

19. Details of commodities purchased and sold are as under :

Quantity Purchased

Commodity	Dec, 14	2014	2013	2012	2011		2010
					Quantity	Value (in million)	
Copper (Kg.)	-	-	-	-	185,000	70.83	-
Crude Oil (barrels)	-	-	-	-	14,000	54.53	-
Gold (Kg.)	-	-	-	-	8,000	162.57	-
Silver (Kg.)	-	-	-	-	1,350	58.83	-
Steel (kg.)	-	-	-	-	100	2.48	-
Zinc	-	-	-	-	100,000	10.01	-

Quantity Sold

Commodity	Dec, 14	2014	2013	2012	2011		2010
					Quantity	Value (in million)	
Copper (Kg.)	-	-	-	-	185,000	71.98	-
Crude Oil (barrels)	-	-	-	-	14,000	55.43	-
Gold (Kg.)	-	-	-	-	8,000	163.60	-
Silver (Kg.)	-	-	-	-	1,350	59.33	-
Steel (kg.)	-	-	-	-	100	2.44	-
Zinc	-	-	-	-	100,000	9.91	-

For S R Batliboi & Associates LLP
Firm Registration No. 101049W
Chartered Accountants

For and on behalf of the Board of Directors of
Matrix Cellular (International) Services Limited
CIN No.U64202DL2005PLC142628

per Vineet Kedia
Partner
 Membership No. 212230

Gagan Deep Singh Dugal Maj. Gen. Manjit Singh Dugal
 Director Director
 DIN No.00513181 DIN No.01402011

Place: Gurgaon

Place: New Delhi

Place: New Delhi

Date: April 29, 2015

Date: April 29, 2015

Date: April 29, 2015

Gaurav Khanna
Chief Financial Officer

Nitasha Sinha
Company Secretary
Membership No. 27439

Place: New Delhi
Date: April 29, 2015

Place: New Delhi
Date: April 29, 2015

Matrix Cellular (International) Services Limited [Formerly Matrix Cellular (International) Services Private Limited]

Annexure V-A - Restated Consolidated Statement of Equity Share Capital

Particulars	Dec 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
Authorised shares						
Equity shares of Rs./ Re.	10.00	10.00	10.00	10.00	1.00	1.00
Total Authorised Equity shares (No.)	43,000,000	43,000,000	43,000,000	43,000,000	30,000,000	25,000,000
Total Authorised Equity shares (Rs. in Million)	430.00	430.00	430.00	430.00	30.00	25.00
Issued, subscribed and fully paid-up shares						
Equity Shares (No.)	42,029,200	42,029,200	42,029,200	42,029,200	20,986,718	19,187,562
Total issued, subscribed and fully paid-up share capital (Rs. in Million)	420.29	420.29	420.29	420.29	20.99	19.19

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period/year

	Dec 31, 2014	31 March, 2014	31 March, 2013	31 March, 2012	31 March, 2011	31 March, 2010
Outstanding at the beginning of the period/year	42,029,200	42,029,200	42,029,200	20,986,718	19,187,562	16,700,000
Consolidation of shares [Refer note (d) below]	-	-	-	18,888,046	-	-
	42,029,200	42,029,200	42,029,200	2,098,672	19,187,562	16,700,000
Conversion of Debenture into equity shares [refer note {c (i)} below]	-	-	-	-	1,066,098	2,487,562
Equity share issued [refer note {c (ii)} below]	-	-	-	-	733,058	-
Bonus shares issued [refer note (e) below]	-	-	-	39,927,740	-	-
Warrant conversion [Refer note (b)] under annexure V-B below]	-	-	-	2,788	-	-
Outstanding at the end of the period/year	42,029,200	42,029,200	42,029,200	42,029,200	20,986,718	19,187,562

(b) Terms/ rights attached to equity shares

- (i) The Company has only one class of equity shares. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees.
- (ii) During the financial year ended March 31, 2012, amount of per share interim dividend recognized as distributions to equity shareholders was Rs. 2.38.
- (iii) During the financial year ended March 31, 2013, amount of per share interim dividend recognized as distributions to equity shareholders was Rs. 4.52.
- (iv) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Shares issued during the year ended March 31, 2010 and March 31, 2011

- (i) The Company on January 25, 2008 had entered into a Debenture Subscription and Shareholder Agreement ('DSSA') with Bennet Coleman and Company Limited ("BCCL"). As per the DSSA, BCCL invested Rs. 500 million in the fully convertible debentures (50 million debentures of Rs. 10 each) of the Company. On October 28, 2009, the agreement was amended and debentures amounting to Rs. 350 million were converted into equity shares of the Company at conversion price of Rs 140.70. Consequently, the Company issued 2,487,562 equity shares to BCCL resulting in increase in equity share capital by Rs. 2.49 million and securities premium by Rs. 347.51 million. On the same date BCCL sold debentures amounting to Rs.150 million to promoters of the Company under a separate agreement. During financial year ended March 31, 2011, debentures sold to promoters were converted into 1,066,098 equity shares at conversion rate of Rs 140.70 resulting in increase in equity share capital by Rs. 1.07 million and securities premium account by Rs. 148.93 million. BCCL, pursuant to a Share Purchase Agreement ('SPA') had during the financial year ended March 31, 2011 sold its equity shares acquired on conversion of debentures to Aleta Private Limited ('Investor').
- (ii) The Company had during the financial year ended March 31, 2011, entered into a Subscription cum Share Purchase Agreement ('SSPA') with Aleta Private Limited ('investor'), director ('promoter') and relatives of the director on February 2, 2011. As per the SSPA, the investor had subscribed to 733,058 equity shares of the Company and purchased 4,887,052 equity shares from the promoter of the Company at Rs. 204.62 per equity share, respectively. Pursuant to the transaction, equity share capital of the Company had increased by Rs. 0.73 Mn and securities premium account by Rs. 149.27 Mn.

(d) Consolidation of equity shares

The Company in its extraordinary general meeting held on April 6, 2011 has consolidated its 20,986,718 equity shares of face value of Re.1 each into 2,098,672 equity shares of face value of Rs.10 each.

(e) The Company during financial year March 31, 2012 allotted 39,927,740 equity shares of Rs 10 each as fully paid bonus shares by capitalisation of security premium. The Company in 5 years prior to March 31, 2012 has not allotted any bonus share.

(f) The figures disclosed as above are based on the restated consolidated summary statement of assets and liabilities of the Company.

(g) The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profit and losses and cash flow appearing in annexure IVA, IVB & IVC.

Matrix Cellular (International) Services Limited [Formerly Matrix Cellular (International) Services Private Limited]

Annexure V-B - Restated Consolidated Statement of Share Warrants

Particulars	(Rs. in Million)					
	Dec 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
Share warrants	-	-	-	-	-	-
Total	-	-	-	-	-	-

(a) Reconciliation of the warrants outstanding at the beginning and at the end of the reporting period/year

	Dec 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
Outstanding at the beginning of the period/year	-	1	1	2	-	-
Issued during the period/year	-	-	-	-	2	-
Converted during the period/year	-	-	-	1	-	-
Cancelled during the period/year	-	1	-	-	-	-
Outstanding at the end of the period/year	-	-	1	1	2	-

(b) Terms of conversion of warrants

Warrant A:

The warrant entitled its holders to subscribe to 1,221,763 equity shares of Re 1 each of the Company on or before December 31, 2013 (Warrant A conversion date) upon: (a) the filing of the draft red herring prospectus or such time at a price per equity share which gives the investor an internal rate of return (IRR), as defined in the Shareholders Agreement, of 25% on the average investment price; or (b) the sale by the Investor of 1/3rd (one third) of its equity share holding in the Company to a third party at a price per equity share which gives the investor an IRR of 25% on the average investment price; or (c) a new issuance by the Company of 20% or more of the equity share capital at a price per equity share which gives the investor an IRR of 25% on the average investment price provided that where such new issuance is less than 20% but greater than 10%, the investor will have the right at its sole discretion to sell upto 5% of its equity shares over and above such new issuance (Milestone "A"). In the event that the investor does not achieve Milestone A on or before the Warrant A conversion date, Warrant A shall lapse and existing shareholders shall not be entitled to any equity shares in lieu of Warrant A. There shall be no partial conversion of Warrant A. After the consolidation of shares (refer note (c) under annexure V-A, the warrant were to be converted into proportionately reduced number of equity shares of Rs. 10 each.)

During financial year ended March 31, 2014, the Company did not achieve any of the conditions attached to Warrant A. Accordingly Warrant A lapsed and was cancelled in the Board Meeting held on February 17, 2014.

Warrant B:

The warrant entitled its holders to subscribe to 516,311 equity shares of Re 1 each of the Company on or before June 30, 2011 (Warrant B conversion date). The Warrant B were to be converted into 516,311 equity shares on or before warrant B conversion date, if the Company recovers its outstanding receivable of approximately Rs. 120 million. Further, in the event that the Company does not recover the receivables on or before the Warrant B conversion date, the warrant shall lapse and the existing shareholders shall not be entitled to any equity shares in lieu of warrant B. The warrant holder shall be entitled to partial conversion of warrant in proportion to the amount collected against the outstanding receivable.

The Company had collected Rs. 6,479,201 during the previous year ended 31 March 2012 against outstanding receivables of Rs. 120 million approximately. Accordingly, Warrant B were converted into 2,788 equity shares of Rs.10 each

(c) The figures disclosed as above are based on the restated consolidated summary statement of assets and liabilities of the Company.

(d) The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profit and losses and cash flow appearing in annexure IVA, IVB & IVC.

Matrix Cellular (International) Services Limited [Formerly Matrix Cellular (International) Services Private Limited]
Annexure V-C - Restated Consolidated Statement of Reserves and Surplus

	(Rs. in Million)					
Particulars	Dec 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
Securities premium account						
Balance as per the last financial statements	228.99	228.99	228.99	628.27	347.51	-
Add: premium on issue of equity shares	-	-	-	-	298.20	347.51
Less :share issue expenses	-	-	-	-	(17.44)	-
Less :amounts utilized toward issue of fully paid bonus shares	-	-	-	(399.28)	-	-
Closing Balance	228.99	228.99	228.99	228.99	628.27	347.51
Capital Reserve account						
Balance as per the last financial statements	30.58	30.58	30.58	30.58	30.58	30.58
Closing Balance	30.58	30.58	30.58	30.58	30.58	30.58
General Reserve account						
Balance as per the last financial statements	45.78	45.78	14.64	-	-	-
Add: amount transferred from surplus balance in the statement of profit and loss	-	-	31.14	14.64	-	-
Closing Balance	45.78	45.78	45.78	14.64	-	-
Surplus / (deficit) in the statement of profit and loss						
Balance as per last financial statements	(283.80)	(259.75)	(237.61)	(153.51)	(210.84)	(243.05)
Depreciation adjustment (Refer note 3.2 in annexure IVC, net of deferred tax)	(4.57)	-	-	-	-	-
Profit for the year	147.63	(24.05)	231.29	46.76	57.33	32.21
Less: Appropriations						
Interim Dividend paid	-	-	(190.00)	(100.00)	-	-
Tax on Interim Dividend paid	-	-	(32.29)	(16.22)	-	-
Transfer to general reserve	-	-	(31.14)	(14.64)	-	-
Net Surplus/ (deficit) in the statement of profit and loss	(140.74)	(283.80)	(259.75)	(237.61)	(153.51)	(210.84)
Foreign Currency Translation Reserve						
Balance as per last financial statements	1.81	0.03	0.70	(0.06)	-	-
Translation for current year	0.35	1.78	(0.67)	0.76	(0.06)	-
Closing Balance	2.16	1.81	0.03	0.70	(0.06)	-
Total reserve and surplus	166.77	23.36	45.63	37.30	505.28	167.25

Notes:

- 1) The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Company.
- 2) The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IVA, IVB and IVC.
- 3) During the financial year ended March 31, 2010, the Company had converted debentures amounting to Rs 350 Mn into 2,487,562 equity shares of Re 1 each fully paid up at a premium of Rs. 139.70 per equity share.
- 4) During the financial year ended March 31, 2011, the Company had converted debentures amounting to Rs 150 Mn into 1,066,098 equity shares of Re. 1 each at a premium of Rs. 139.70 per share. Further, the Company had issued 733,058 equity shares at a premium of Rs. 203.62 per share.

- 5) The Company during financial year ended March 31, 2012 allotted 39,927,740 equity shares of Rs. 10 each fully paid up as bonus shares by capitalisation of securities premium.
- 6) During the year ended March 31, 2012, the amount of per share interim dividend recognized as distributions to equity shareholders was Rs. 2.38
- 7) During the year ended March 31, 2013, the amount of per share interim dividend recognized as distributions to equity shareholders was Rs. 4.52
- 8) Opening deficit of Rs 243.05 Mn in statement of profit and loss includes loss of Rs. 51.34 Mn on account of restatement.

Matrix Cellular (International) Services Limited [Formerly Matrix Cellular (International) Services Private Limited]

Annexure VI - Restated Consolidated Statement of Long-Term Borrowings

	(Rs. in Million)					
Non-current portion	Dec 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
Term Loans						
from banks						
Secured	-	-	-	-	-	20.55
Unsecured	-	-	-	-	-	0.75
from financial institution						
Secured	-	-	-	-	39.68	44.07
Unsecured	-	-	-	-	0.12	3.62
Car Loan						
from bank						
Secured	-	-	-	-	-	0.04
from financial institution						
Secured	3.86	5.12	10.75	3.17	17.15	2.52
	3.86	5.12	10.75	3.17	56.95	71.55
The above amount includes						
Secured borrowings	3.86	5.12	10.75	3.17	56.83	67.18
Un-secured borrowings	-	-	-	-	0.12	4.37
Net Amount	3.86	5.12	10.75	3.17	56.94	71.54

	(Rs. in Million)					
Current maturities of long-term borrowings	Dec 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
Debentures (Unsecured)	-	-	-	-	-	150.00
(Non Redeemable, Fully Convertible 15,000,000 Debentures issued @ Rs 10 each, fully paid up)						
Term Loans						
from banks						
Secured	-	-	-	-	20.55	32.02
Unsecured	-	-	-	-	0.75	2.87
from financial institution						
Secured	-	-	-	0.31	4.40	42.52
Unsecured	-	-	-	0.12	9.79	14.34
Car Loan						
from bank						
Secured	-	-	-	-	0.04	0.22
from financial institution						
Secured	4.10	12.46	13.40	13.89	16.05	1.46
	4.10	12.46	13.40	14.32	51.58	243.43

Restated Consolidated Statement of Long-Term Borrowings

	(Rs. in Million)					
Current maturities of long-term borrowings	Dec 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
The above amount includes						
Secured borrowings	4.10	12.46	13.40	14.20	41.04	76.22
Un-secured borrowings	-	-	-	0.12	10.53	167.21
Amount disclosed under the head "other current liabilities" (Refer Annexure VIII)	(4.10)	(12.46)	(13.40)	(14.32)	(51.58)	(243.43)
Net Amount	-	-	-	-	-	-

Matrix Cellular (International) Services Limited [Formerly Matrix Cellular (International) Services Private Limited]
Annexure VI - Restated Consolidated Statement of Long-Term Borrowings (Continued)

Key terms and break down of the loans are as follows:

Particulars	Non-current portion						Current portion					
	Dec 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010	Dec 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
Term Loans												
from Bank												
Secured												
Barclays Term Loan Account	-	-	-	-	-	-	-	-	-	-	-	8.37
HDFC Bank Term Loan	-	-	-	-	-	19.52	-	-	-	-	19.52	19.55
ICICI Bank Ltd	-	-	-	-	-	1.03	-	-	-	-	1.03	4.10
Sub Total (A)	-	-	-	-	-	20.55	-	-	-	-	20.55	32.02
Unsecured												
ABN AMRO	-	-	-	-	-	-	-	-	-	-	-	0.85
Barclays Bank Loan	-	-	-	-	-	0.11	-	-	-	-	0.11	1.17
Standard Chartered	-	-	-	-	-	0.64	-	-	-	-	0.64	0.85
Sub Total (B)	-	-	-	-	-	0.75	-	-	-	-	0.75	2.87
from Financial Institution												
Secured												
S.E. investment	-	-	-	-	-	2.78	-	-	-	-	2.78	13.70
Unitel Credit (P) Ltd	-	-	-	-	-	-	-	-	-	-	-	2.14
Religare Finvest	-	-	-	-	39.68	41.29	-	-	-	0.31	1.62	26.68
Sub Total (C)	-	-	-	-	39.68	44.07	-	-	-	0.31	4.40	42.52
Unsecured												
Bajaj Finance Limited	-	-	-	-	0.12	1.31	-	-	-	0.12	1.20	2.12
Cholamandalam Investment and Finance Co. Ltd.	-	-	-	-	-	0.07	-	-	-	-	0.07	0.78
Indiabulls	-	-	-	-	-	-	-	-	-	-	-	0.55
ING Vyasya	-	-	-	-	-	-	-	-	-	-	-	0.27
Intec Capital Limited	-	-	-	-	-	2.19	-	-	-	-	8.47	7.76
Magma Fincorp	-	-	-	-	-	-	-	-	-	-	-	0.85
Reliance Capital	-	-	-	-	-	0.05	-	-	-	-	0.05	0.59

Restated Consolidated Statement of Long-Term Borrowings (Continued)

Key terms and break down of the loans are as follows:

Particulars	Non-current portion						Current portion					
	Dec 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010	Dec 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
Unitel Credit (P) Ltd	-	-	-	-	-	-	-	-	-	-	-	1.42
Sub Total (D)	-	-	-	-	0.12	3.62	-	-	-	0.12	9.79	14.34
Car Loans												
Bank (Secured)												
ICICI Bank Ltd	-	-	-	-	-	0.04	-	-	-	-	0.04	0.22
Sub Total (E)	-	-	-	-	-	0.04	-	-	-	-	0.04	0.22
from Financial Institution (Secured)												
Kotak Mahindra Prime	3.86	5.12	10.75	3.17	17.15	2.52	4.10	12.46	13.40	13.89	16.05	1.46
Sub Total (F)	3.86	5.12	10.75	3.17	17.15	2.52	4.10	12.46	13.40	13.89	16.05	1.46
Debentures (Unsecured) (G)	-	-	-	-	-	-	-	-	-	-	-	150.00
Grand Total (A+B+C+D+E+F+G)	3.86	5.12	10.75	3.17	56.95	71.55	4.10	12.46	13.40	14.32	51.58	243.43

Notes:

- 1) The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Company.
- 2) The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IVA, IVB and IVC.
- 3) There are no long term borrowing taken from Directors/ promoters/ Promoter Group/ Relatives of Promoters/ Relatives of Directors/ Associate Companies.
- 4) List of persons/entities classified as "Promoters" and "Promoter Group Companies" has been determined by the management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.
- 5) **Term Loan from Banks-Secured**
 - (i) Term loan from Barclays taken during the financial year 2010–11 of Rs.32,528,508 and carries interest at rate of 13.00% per annum. The loan is repayable in 34 monthly instalments of Rs.1,087,858 each. The loan is secured by hypothecation on by way of first ranking pari passu charge on all the movable properties of the Company, present and future in favour of Barclays Bank Plc.
 - (ii) Term loan from HDFC Bank taken during the financial year 2009–10 of Rs.40,000,000 and carries interest at rate of 12.00% per annum (floating). The loan is repayable in 24 monthly instalments of Rs.1,882,939 each. The loan is secured by exclusive charge on all the credit receivables of the Company, both present and future.
 - (iii) Term loan from ICICI Bank taken during the financial year 2008–09 of Rs.8,600,000 and carries interest at rate of 17.00% per annum. The loan is repayable in 30 monthly instalments of Rs.354,000 each. The loan is secured by hypothecation of fixed assets (server, computer and printer).
- 6) **Term Loan from Banks-Unsecured**

Unsecured term loans from bank were taken in financial year 2008-09 and carries interest ranging from 18% to 20.28% per annum. The loans were repayable in 36 monthly instalments.
- 7) **Term Loan from Financial institution – Secured**
 - (i) Term loan from S.E. Investments Limited of Rs. 10,000,000 taken during the financial year 2009–10 and carries interest at rate of 10.75% per annum. The loan is repayable in 18 monthly instalments of Rs.645,150 each. The loan is secured by charge on all movable and intangible assets of the Company, corporate guarantee of another group company and personal guarantee of directors.
 - (ii) Term loan from Unitel Credit (P) Ltd of Rs. 5,200,000 taken during the financial year 2009–10 and carries interest at rate of 9% per annum. The loan is repayable in 24 monthly instalments of Rs.256,750 each. The loan is secured by hypothecation of fixed assets (server, computer and printer) of the Company and personal guarantee of directors and corporate guarantee of a group company.
 - (iii) Term loan from Religare finvest taken during the financial year 2009–10 and carries interest at rate of 15.40% per annum (floating). The loan is repayable in 138 monthly instalments of Rs.706,240 each. The loan is secured by hypothecation of immovable property of another group company.
- 8) **Term Loan from Financial institution – Unsecured**
 - (i) Term loan from Bajaj Finance Limited of Rs. 2,355,000 taken during the financial year 2010–11 and carries interest at rate of 19% per annum. The loan is repayable in 24 monthly instalments of Rs.118,712 each.
 - (ii) Term loan from Cholamandalam Investment and Finance Co. Ltd. of Rs. 2,000,000 was taken during the financial year 2008–09 and carries interest at rate of 17.67 % per annum. The loan is repayable in 36 monthly instalments of Rs. 72,320 each.
 - (iii) Term loan from Indiabulls of Rs. 2,000,000 taken during the financial year 2007–08 and carries interest at rate of 10.65 % per annum. The loan is repayable in 36 monthly instalments of Rs. 73,314 each.
 - (iv) Term loan from ING Vysya Bank of Rs. 1,000,000 taken during the financial year 2008–09 and carries interest at rate of 17 % per annum. The loan is repayable in 24 monthly instalments of Rs. 55,714 each.
 - (v) Term loan from Intec Capital Limited of Rs. 17,000,000 is taken during the financial year 2009–10 and carries interest at rate of 8.75% per annum. The loan is repayable in 24 monthly instalments of Rs.832,292 each. The loan is secured by corporate guarantee of a group company and personal guarantee of directors.
 - (vi) Term loan from Magma Fincorp of Rs. 2,000,000 taken during the financial year 2008–09 and carries interest at rate of 11.65 % per annum. The loan is repayable in 24 monthly instalments of Rs. 102,771 each.
 - (vii) Term loan from Reliance Capital Limited of Rs. 1,500,000 taken during the financial year 2008–09 and carries interest at rate of 19.00% per annum. The loan is repayable in 36 monthly instalments of Rs.54,990 each.
 - (viii) Term loan from Unitel Credit (P) Ltd of Rs. 7,500,000 taken during the financial year 2008–09 and carries interest at rate of 9% per annum. The loan is repayable in 24 monthly instalments of Rs.368,750 each.

9) Car Loan from Bank-Secured

Car loan from ICICI Bank Limited of Rs. 573,931 was taken during the financial year 2007-08 and carries interest at rate of 14.33% per annum. The loan is repayable in 34 monthly instalments of Rs.20,640 each. The loan is secured by hypothecation of vehicle.

10) Car Loan from Financial institution – Secured

Car loans from Kotak Mahindra Prime Ltd. taken during the year 2009-10, 2010-11, 2012-13 and 2013-14 and are repayable between 24 to 60 months. These loans carry interest ranging from 9.606% to 12.029% per annum. The loans are secured by hypothecation of respective vehicles.

11) Debenture Conversion into equity shares

Refer note ('c) under annexure V-A for conversion of debenture into equity share.

Debenture Conversion Term

The debentures are convertible into the equity share as a multiple of EPS. For the purpose of first tranche conversion during the FY 2008-09, the conversion price was required to be equivalent to 30 times of EPS for the FY 2008-09. And the same was 16 times of EPS of the FY 2009-10 for the second tranche conversion.

The pre-money equity valuation of the Company for the purpose of conversion of BCCL FCD's in to BCCL Equity Shares and/or BCCL FCPP Shares was required to be less than Rs. 450 crores.

BCCL's Post-Money equity shareholding in the Company was required to remain less than 9.9% of the total expanded equity share capital. Otherwise, BCCL FCP Preference Shares were required to be issued on the following terms:

- (i) Fixed cumulative preference dividend at the rate of 1% plus the participatory variable dividend equal to the dividend declared on the equity shares of the Company reduced by 1%.
- (ii) Each of BCCL FCP Preference Shares shall be convertible into one equity share of the Company at any time at the discretion of the holder of such share.

In the event Promoters sell more than 5% of the Shares held by them prior to conversion of either First Tranche or Second Tranche of BCCL FCD's, the conversion shall take place at the price per Share at which the Promoters have effected such sale and the Conversion Price for the purposes of the Agreement shall be such price per share less 18% (Eighteen percent) annual discount calculated on a simple interest basis for the period for which BCCL FCD's are held by BCCL. If the Promoters sell their shares in two or more lots, then conversion shall be effected at the lowest such price per Share This Article shall not be applicable for sale of Shares inter se Promoters, The computation and execution of the actual conversion shall be certified by an Independent Chartered Accountant mutually appointed by both the parties.

In the event the Company makes any fresh offering either before First Tranche or Second Tranche of BCCL FCDs, the conversion shall take place at the price per Share at which such fresh offering was effected and the Conversion Price for the purposes of the Agreement shall be such price per Share less 18% (Eighteen per cent) annual discount calculated on a simple interest basis for the period for which BCCL FCD's are held by BCCL. If such fresh offering of Shares is made in two or more lots, then conversion shall be effected at the lowest of such price per Share. The computation and execution of the actual conversion shall be certified by an Independent Auditor mutually appointed by both the parties.

Conversion of BCCL FCD's in to BCCL Equity shares and/or BCCL FCP Preference shares shall be completed within 30 days of-

- a) Receipt of Audited Financial Statements for the periods ending March 31, 2009 & March 31, 2010 respectively in terms of Clause 5.1 (b) (1) of the agreement
- b) Receipt of written information from the company on fresh offering or sale of stake by promoters as mentioned in Clause 2.2 (v) & Clause 2.2 (vi) of the agreement

In the event, Profit after Tax (PAT) for FYE March 31, 2011 is less than Rs. 34 crores; then the Promoters/Company shall sell/issue additional shares to BCCL at par, such that the weighted average price of BCCL Shares shall be equal to PAT 2011* 13.25 times (PAT multiple) or Rs 450 crores as mentioned in Clause 2.2(iii) above; whichever is lower. EPS 2011 shall be defined as Profit after Tax based on Audited accounts for FY 2011 divided by Weighted average number of shares outstanding as on March 31, 2011 calculated in accordance with Accounting Standard 20 prescribed by Institute of Chartered Accountants of India Profit after tax shall exclude all non-recurring income and expenditure and other extra ordinary income and expenditure determined and computed in accordance with Indian GAAP However it is clarified that the advertisement expenditure may be treated as a deferred revenue expenditure in accordance with the Indian GAAP and Accounting Standards as provided by "The Institute of Chartered Accountants of India".

Matrix Cellular (International) Services Limited [Formerly Matrix Cellular (International) Services Private Limited]
Annexure VII - Restated Consolidated Statement of Provisions

(Rs. in Million)						
Long-term	Dec 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
Provision for gratuity (refer note 6 in annexure IV-C)	2.26	3.30	0.53	3.37	2.54	3.91
Provision for leave benefits	-	-	-	-	-	-
Total	2.26	3.30	0.53	3.37	2.54	3.91

(Rs. in Million)						
Short-term	Dec 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
Provision for gratuity (refer note 6 in annexure IV-C)	7.80	8.09	6.89	5.35	4.64	0.24
Provision for leave benefits	5.16	6.14	5.56	5.02	3.35	1.31
	12.96	14.23	12.45	10.37	7.99	1.55
Provision for income tax (net of advance tax)	103.53	14.83	76.31	71.01	33.21	6.61
Proposed equity dividend	-	-	190.00	-	-	-
Provision for tax on proposed dividend	-	-	32.29	-	-	-
	103.53	14.83	298.60	71.01	33.21	6.61
Total	116.49	29.06	311.05	81.38	41.20	8.16

Notes:

- 1) The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Company.
- 2) The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IVA, IVB and IVC.

Matrix Cellular (International) Services Limited [Formerly Matrix Cellular (International) Services Private Limited]
Annexure VIII - Restated Consolidated Statement of Short Term Borrowings

(Amount in Rs. Mn)						
Particulars	Dec 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
Cash credit from banks (secured)	-	158.39	86.02	-	-	123.88
Bank Overdraft (unsecured)	-	-	2.07	4.07	12.75	3.33
From Director	0.90	0.90	2.78	0.50	0.01	1.27
From Associates	-	-	0.08	0.70	-	-
	0.90	159.29	90.95	5.27	12.76	128.48

Notes:

- 1) The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Company.
- 2) The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IVA, IVB and IVC.
- 3) Cash Credit facility taken from HDFC bank is secured against credit card receivables, first and exclusive charge on current assets and moveable fixed assets of the Company, both present and future, first charge by way of equitable mortgage of immovable property, personal guarantee of promoter directors. The cash credit is repayable on demand and carries interest rate as bank's base rate plus 290 pts. During the FY 2009-10, the same facility was secured by first pari passu charge on assets, moveable fixed assets of the Company both present and future and against corporate and personal guarantee of directors.
- 4) List of persons/entities classified as "Promoters" and "Promoter Group Companies" has been determined by the management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.
- 5) For details of transactions with related parties, refer note 9 in annexure IV-C

Matrix Cellular (International) Services Limited [Formerly Matrix Cellular (International) Services Private Limited]
Annexure IX - Restated Consolidated Statement of Trade Payable and Other Current Liabilities

	(Rs. in Million)					
Particulars	Dec 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
Trade payables (refer note 14 in annexure IV-C for detail of due to micro and small enterprise)	487.52	335.32	276.90	316.67	166.85	145.06
Other liabilities						
Current maturities of long-term borrowings (Refer Annexure VI)	4.10	12.46	13.40	14.32	51.58	243.43
Book overdraft	0.54	-	-	-	-	3.81
Interest accrued but not due	0.07	0.12	0.11	0.56	1.11	1.69
Interest free security deposit from customers	62.73	59.20	76.15	62.17	45.29	37.43
Unpaid Dividend	-	-	-	38.63	-	-
Others						
Service tax payable	5.26	0.24	2.38	0.17	0.89	-
TDS Payable	6.87	9.56	7.62	5.07	8.41	10.29
Other Statutory dues	1.14	1.99	1.03	1.18	1.13	3.86
	80.71	83.57	100.69	122.10	108.41	300.51
Total	568.23	418.89	377.59	438.77	275.26	445.57

Notes:

- 1) The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Company.
- 2) The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IVA, IVB and IVC.
- 3) List of persons/entities classified as "Promoters" and "Promoter Group Companies" has been determined by the management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.
- 4) For details of transactions with related parties, refer note 9 in annexure IV-C

Matrix Cellular (International) Services Limited [Formerly Matrix Cellular (International) Services Private Limited]
Annexure X - Restated Consolidated Statement of Tangible Fixed Assets

(Rs. in Million)

Particulars	Leasehold improvements	Building	Plant and Machinery	Computers	Office equipments	Furniture and Fittings	Vehicles	Total
Gross block								
As at April 01, 2009	-	4.08	13.55	20.52	10.82	7.34	1.81	58.12
Additions	-	-	5.50	2.83	0.47	0.24	2.53	11.57
As at March 31, 2010	-	4.08	19.05	23.35	11.29	7.58	4.34	69.69
As at April 01, 2010	-	4.08	19.05	23.35	11.29	7.58	4.34	69.69
Additions	3.25	-	18.59	9.95	3.75	2.58	40.38	78.50
As at March 31, 2011	3.25	4.08	37.64	33.30	15.04	10.16	44.72	148.19
As at April 01, 2011	3.25	4.08	37.64	33.30	15.04	10.16	44.72	148.19
Additions	13.07	-	38.85	30.41	7.49	2.76	1.16	93.74
Translation exchange difference	-	-	-	-	0.01	-	-	0.01
Deletions / adjustments	-	-	5.98	0.97	1.74	2.52	1.15	12.36
As at March 31, 2012	16.32	4.08	70.51	62.74	20.80	10.40	44.73	229.58
As at April 01, 2012	16.32	4.08	70.51	62.74	20.80	10.40	44.73	229.58
Additions	34.21	-	31.95	10.90	28.96	20.37	26.37	152.76
Translation exchange difference	-	-	-	-	0.02	-	-	0.02
Deletions / adjustments	-	-	1.75	1.03	2.41	0.06	6.12	11.37
As at March 31, 2013	50.53	4.08	100.71	72.61	47.37	30.71	64.98	370.99
As at April 01, 2013	50.53	4.08	100.71	72.61	47.37	30.71	64.98	370.99
Additions	8.78	-	41.32	10.57	16.86	28.23	8.85	114.61
Translation exchange difference	-	-	-	0.01	0.07	-	-	0.08
Deletions / adjustments	0.46	1.54	29.48	4.41	0.36	4.20	13.12	53.57
As at March 31, 2014	58.85	2.54	112.55	78.78	63.94	54.74	60.71	432.11
As at April 01, 2014	58.85	2.54	112.55	78.78	63.94	54.74	60.71	432.11
Additions	-	-	23.09	3.17	0.92	0.47	-	27.65
Deletions / adjustments	-	-	7.58	2.66	-	0.70	15.38	26.32
As at December 31, 2014	58.85	2.54	128.06	79.29	64.86	54.51	45.33	433.44
Depreciation								
As at April 1, 2009	-	0.38	13.54	10.98	2.32	2.03	0.83	30.08
For the year	-	0.18	5.50	4.00	1.23	0.97	0.18	12.06
Deletions / adjustments	-	-	-	-	-	-	-	-
As at March 31, 2010	-	0.56	19.04	14.98	3.55	3.00	1.01	42.14
As at April 01, 2010	-	0.56	19.04	14.98	3.55	3.00	1.01	42.14
For the year	0.10	0.18	18.44	3.99	1.53	1.51	4.88	30.63
As at March 31, 2011	0.10	0.74	37.48	18.97	5.08	4.51	5.89	72.77
As at April 01, 2011	0.10	0.74	37.48	18.97	5.08	4.51	5.89	72.77
For the year	1.39	0.17	32.95	10.41	2.14	2.29	10.01	59.36
Deletions / adjustments	-	-	5.83	0.81	0.83	1.65	0.85	9.97
As at March 31, 2012	1.49	0.91	64.60	28.57	6.39	5.15	15.05	122.16
As at April 01, 2012	1.49	0.91	64.60	28.57	6.39	5.15	15.05	122.16
For the year	3.40	0.16	37.64	14.99	3.07	5.84	8.25	73.35
Deletions / adjustments	-	-	1.75	0.34	0.77	0.01	2.92	5.79
As at March 31, 2013	4.89	1.07	100.49	43.22	8.69	10.98	20.38	189.72
As at April 01, 2013	4.89	1.07	100.49	43.22	8.69	10.98	20.38	189.72
For the year	10.70	0.11	39.40	14.10	7.16	8.77	11.94	92.18

Restated Consolidated Statement of Tangible Fixed Assets (Continued)

(Rs. in Million)

Particulars	Leasehold Improvement	Building	Plant and Machinery	Computers	Office equipments	Furniture and Fittings	Vehicles	Total
Translation exchange difference	-	-	-	-	0.01	-	-	0.01
Deletions / adjustments	0.03	0.41	29.48	3.02	0.15	1.40	7.08	41.57
As at March 31, 2014	15.56	0.77	110.41	54.30	15.71	18.35	25.24	240.34
As at April 01, 2014	15.56	0.77	110.41	54.30	15.71	18.35	25.24	240.34
For the year	6.36	0.07	22.50	12.54	18.55	7.16	8.16	75.34
Adjusted with General Reserve (Refer note 4.2 of Annexure IV-C)	-	-	-	3.07	3.04	-	-	6.11
Deletions / adjustments	-	-	5.50	2.20	-	0.70	10.39	18.79
As at December 31, 2014	21.92	0.84	127.41	67.71	37.30	24.81	23.01	303.00
Net block								
As at March 31, 2010	-	3.52	0.01	8.37	7.74	4.58	3.33	27.55
As at March 31, 2011	3.15	3.34	0.16	14.33	9.96	5.65	38.83	75.42
As at March 31, 2012	14.83	3.17	5.91	34.17	14.41	5.25	29.68	107.42
As at March 31, 2013	45.64	3.01	0.22	29.39	38.68	19.73	44.60	181.27
As at March 31, 2014	43.29	1.77	2.14	24.48	48.23	36.39	35.47	191.77
As at December 31, 2014	36.93	1.70	0.65	11.58	27.56	29.70	22.32	130.44

Notes:

- 1) The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Company.
- 2) The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IVA, IVB and IVC.
- 3) Vehicles include cars amounting to Rs. 26.37 Mn (WDV Rs. 14.29 Mn), Rs. 26.37 Mn (WDV Rs. 18.82 Mn), Rs. 26.37 Mn (WDV: Rs. 25.40 Mn), Rs. 27.79 Mn (WDV Rs. 18.52), Rs. 27.79Mn (WDV Rs. 24.99 Mn) for year ended December 31, 2014, March 31, 2014, March 31, 2013, March31, 2012 and March 31, 2011 respectively used by directors.

Matrix Cellular (International) Services Limited [Formerly Matrix Cellular (International) Services Private Limited]

Annexure XI - Restated Consolidated Statement of Intangible Fixed Assets

(Rs. in Million)		
Particulars	Software	Total
Gross block		
As at April 01, 2009	19.39	19.39
Additions	1.76	1.76
Deductions	-	-
As at March 31, 2010	21.15	21.15
As at April 01, 2010	21.15	21.15
Additions	1.24	1.24
Deductions	-	-
As at March 31, 2011	22.39	22.39
As at April 01, 2011	22.39	22.39
Additions	7.97	7.97
Translation exchange difference	0.01	0.01
Deductions	-	-
As at March 31, 2012	30.37	30.37
As at April 01, 2012	30.37	30.37
Additions	12.71	12.71
Translation exchange difference	0.02	0.02
Deductions	-	-
As at March 31, 2013	43.10	43.10
As at April 01, 2013	43.10	43.10
Additions	33.49	33.49
Translation exchange difference	0.19	0.19
Deductions	-	-
As at March 31, 2014	76.78	76.78
As at April 01, 2014	76.78	76.78
Additions	8.71	8.71
Translation exchange difference	(0.06)	(0.06)
Deductions	-	-
As at December 31, 2014	85.43	85.43
Amortisation		
As at April 01, 2009	8.87	8.87
Additions	4.46	4.46
Deductions	-	-
As at March 31, 2010	13.33	13.33
As at April 01, 2010	13.33	13.33
Additions	3.22	3.22
Deductions	-	-
As at March 31, 2011	16.55	16.55
As at April 01, 2011	16.55	16.55
Additions	3.40	3.40
Translation exchange difference	-	-
Deductions	-	-
As at March 31, 2012	19.95	19.95

Restated Consolidated Statement of Intangible Fixed Assets (Continued) (Rs. in Million)		
Particulars	Software	Total
As at April 01, 2012	19.95	19.95
Additions	6.80	6.80
Translation exchange difference	-	-
Deductions	-	-
As at March 31, 2013	26.75	26.75
As at April 01, 2013	26.75	26.75
For the year	16.54	16.54
Translation exchange difference	0.09	0.09
Deletions / adjustments	-	-
As at March 31, 2014	43.38	43.38
As at April 01, 2014	43.38	43.38
For the year	19.30	19.30
Translation exchange difference	(0.05)	(0.05)
Adjusted with General Reserve (Refer note 4.2 of Annexure IV-C)	0.82	0.82
Deletions / adjustments	-	-
As at December 31, 2014	63.45	63.45
Net block		
As at March 31, 2010	7.82	7.82
As at March 31, 2011	5.84	5.84
As at March 31, 2012	10.42	10.42
As at March 31, 2013	16.35	16.35
As at March 31, 2014	33.40	33.40
As at December 31, 2014	21.98	21.98

Notes:

- 1) The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Company.
- 2) The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IVA, IVB and IVC.

Matrix Cellular (International) Services Limited [Formerly Matrix Cellular (International) Services Private Limited]
Annexure XII - Restated Consolidated Statement of Goodwill

	(Rs. in Million)					
Particulars	Dec 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
Opening balance	30.09	30.09	30.09	5.45	5.45	5.45
Add: On acquisition during the period/year	-	-	-	24.64	-	-
Less: Provision for impairment	(24.64)	-	-	-	-	-
	5.45	30.09	30.09	30.09	5.45	5.45

Notes:

- 1) The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Company.
- 2) The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IVA, IVB and IVC.

Matrix Cellular (International) Services Limited [Formerly Matrix Cellular (International) Services Private Limited]
Annexure XIII - Restated Consolidated Statement of Non Current Investments

	(Rs. in Million, other than figure in bracket)					
Particulars	Dec 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
Trade investments, unquoted equity investment (valued at cost unless stated otherwise)						
(a) in Joint ventures						
Equity shares of THB 100 each fully paid up in Matrix Cellular International Ltd.	0.29	0.29	0.10	0.03	0.02	-
	(3,242)	(3,242)	(1,240)	(360)	(300)	
	0.29	0.29	0.10	0.03	0.02	-
Non-trade investments, unquoted equity investment (valued at cost unless stated otherwise)						
(a) Deposit with financial institution						
Fixed deposit kept as Margin Money	-	-	-	-	-	3.50
	-	-	-	-	-	3.50
	0.29	0.29	0.10	0.03	0.02	3.50

Notes:

- 1) The figures mentioned in the bracket represent absolute number of shares.
- 2) The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Company.
- 3) The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IVA, IVB and IVC.

Matrix Cellular (International) Services Limited [Formerly Matrix Cellular (International) Services Private Limited]
Annexure XIV - Restated Consolidated Statement of Deferred Tax Asset (Net)

	(Rs. in Million)					
Particulars	Dec 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	-	-	-	-	-	2.83
Gross deferred tax liability	-	-	-	-	-	2.83
Deferred tax asset						
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	12.67	6.92	8.42	4.75	3.19	1.81
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	44.77	25.53	16.43	9.25	6.51	-
Provision for doubtful debts and advances	59.61	64.07	62.71	46.74	17.60	-
Carry forward of losses and depreciation	-	-	-	-	-	31.23
Effect of lease accounting	1.66	1.77	1.07	0.77	0.35	-
Gross deferred tax asset	118.71	98.29	88.63	61.51	27.65	33.04
Net deferred tax asset	118.71	98.29	88.63	61.51	27.65	30.21

Notes:

- 1) The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Company.
- 2) The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IVA, IVB and IVC.

Annexure XV - Restated Consolidated Statement of Loans and Advances

(Rs. in Million)

	(Rs. in Million)					
Non-current	Dec 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
Capital advances						
Unsecured, considered good	1.14	0.51	9.07	1.48	0.72	54.00
Doubtful	1.64	1.63	0.60	-	-	-
	2.78	2.14	9.67	1.48	0.72	54.00
Provision for doubtful advances	(1.64)	(1.63)	(0.60)	-	-	-
	1.14	0.51	9.07	1.48	0.72	54.00
Security deposit						
Unsecured, considered good	36.29	43.29	40.86	56.23	17.21	8.28
Loans and advances to related parties (refer note 9 in annexure IV-C)						
Unsecured, considered good	1.87	1.92	1.86	1.33	0.35	-
Advances recoverable in cash or kind						
Unsecured considered good	-	-	-	-	6.49	-
Other loans and advances						
Advance income-tax (net of provision for taxation)	34.90	33.32	21.25	15.98	12.78	2.77
Total	74.20	79.04	73.04	75.02	37.55	65.05

(Rs. in Million)

Current	Dec 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
Security deposit						
Unsecured, considered good	10.69	3.14	1.16	4.98	6.59	1.47
Doubtful	0.85	0.85	0.85	0.85	-	-
	11.54	3.99	2.01	5.83	6.59	1.47
Provision for doubtful security deposit	(0.85)	(0.85)	(0.85)	(0.85)	-	-
	10.69	3.14	1.16	4.98	6.59	1.47
Loans and advances to related parties (refer note 9 in annexure IV-C)						
Unsecured, considered good	101.58	105.08	202.63	175.77	216.01	271.77
Doubtful	74.96	75.02	73.51	73.54	6.49	6.06
	176.54	180.10	276.14	249.31	222.50	277.83
Provision for doubtful loans and advances	(74.96)	(75.02)	(73.51)	(73.54)	(6.49)	(6.06)
	101.58	105.08	202.63	175.77	216.01	271.77
Advances recoverable in cash or kind						
Unsecured considered good	32.93	12.34	9.38	19.94	42.69	132.65
Doubtful	1.90	1.88	1.35	0.94	0.74	-
	34.83	14.22	10.73	20.88	43.43	132.65
Provision for doubtful advances	(1.90)	(1.88)	(1.35)	(0.94)	(0.74)	-
	32.93	12.34	9.38	19.94	42.69	132.65

Restated Consolidated Statement of Loans and Advances (Continued)

	(Rs. in Million)					
Current	Dec 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
Other loans and advances						
Prepaid expenses	3.57	8.60	6.34	4.91	5.10	9.52
VAT receivable	3.22	0.32	0.64	0.79	0.48	0.22
Service tax receivable	25.69	27.82	20.21	5.40	-	-
Advance to employees	3.35	7.05	12.74	3.30	46.14	30.91
Tax deducted at source	0.73	0.70	0.55	3.14	2.24	1.58
Doubtful	25.79	18.82	4.82	-	-	-
	62.35	63.31	45.30	17.54	53.96	42.23
Provision for doubtful loans and advances	(25.79)	(18.82)	(4.82)	-	-	-
	36.56	44.49	40.48	17.54	53.96	42.23
Total	181.76	165.05	253.65	218.23	319.25	448.12

Notes:

- 1) The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Company.
- 2) The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IVA, IVB and IVC.
- 3) List of persons/entities classified as "Promoters" and "Promoter Group Companies" has been determined by the management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.
- 4) For details of transactions with related parties, refer note 9 in annexure IV-C

**Matrix Cellular (International) Services Limited [Formerly Matrix Cellular (International) Services Private Limited]
Annexure XVI - Restated Consolidated Statement of Other Assets**

	(Rs. in Million)					
Non-current	Dec 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
Unsecured, considered good unless stated otherwise						
Non-current bank balances	6.95	6.39	5.95	5.41	2.03	-
Total	6.95	6.39	5.95	5.41	2.03	-

	(Rs. in Million)					
Current	Dec 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
Interest accrued on fixed deposits	3.23	2.54	2.90	0.96	4.77	0.23
Accrued Income	-	0.42	-	1.93	1.13	-
Interest accrued on advances	7.77	0.04	0.42	0.37	0.01	-
Commission Receivable	-	-	0.90	0.20	-	-
Unbilled revenue	55.01	47.61	85.36	76.92	50.81	34.50
Total	66.01	50.61	89.58	80.38	56.72	34.73

Notes:

- 1) The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Company.
- 2) The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IVA, IVB and IVC.
- 3) List of persons/entities classified as "Promoters" and "Promoter Group Companies" has been determined by the management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.
- 4) For details of transactions with related parties, refer note 9 in annexure IV-C

Matrix Cellular (International) Services Limited [Formerly Matrix Cellular (International) Services Private Limited]
Annexure XVII - Restated Consolidated Statement of Current Investments

(Rs. in Million)						
Particulars	Dec 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
Current investments, unquoted, valued at lower of cost or fair value						
Deposit with financial institution						
Fixed deposit kept as Margin Money	-	-	-	-	3.78	11.03
Intec Capital	-	-	-	-	6.42	-
Kotak bond (Short term) growth (31st March 2013: 1,868,644 units at Rs 21.40)	-	-	40.00	-	-	-
SBI short term debt fund - Regular growth (31st March 2013: 3,063,162 units at Rs. 13.06)	-	-	40.00	-	-	-
	-	-	80.00	-	10.20	11.03

Notes:

- 1) The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Company.
- 2) The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IVA, IVB and IVC.
- 3) These investments are in the name of the Company.

Matrix Cellular (International) Services Limited [Formerly Matrix Cellular (International) Services Private Limited]
Annexure XVIII - Restated Consolidated Statement of Trade Receivable

(Rs. in Million)						
Particulars	Dec 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
Unsecured, considered good unless stated otherwise						
Outstanding for a period exceeding six months from the date they are due for payment						
Unsecured, considered good	59.24	20.63	14.36	14.16	5.16	84.83
Doubtful	61.75	96.99	92.41	70.56	41.80	16.54
	120.99	117.62	106.77	84.72	46.96	101.37
Provision for doubtful receivables	(61.75)	(96.99)	(92.41)	(70.56)	(41.80)	(16.54)
	59.24	20.63	14.36	14.16	5.16	84.83
Other receivables						
Unsecured, considered good	374.46	296.84	289.48	199.50	157.53	100.27
Doubtful	46.96	26.43	38.44	25.78	28.14	-
	421.42	323.27	327.92	225.28	185.67	100.27
Provision for doubtful receivables	(46.96)	(26.43)	(38.44)	(25.78)	(28.14)	-
	374.46	296.84	289.48	199.50	157.53	100.27
	433.70	317.47	303.84	213.66	162.69	185.10

Notes:

- 1) The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Company.
- 2) The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IVA, IVB and IVC.
- 3) List of persons/entities classified as "Promoters" and "Promoter Group Companies" has been determined by the management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.
- 4) For details of transactions with related parties, refer note 9 in annexure IV-C

Matrix Cellular (International) Services Limited [Formerly Matrix Cellular (International) Services Private Limited]
Annexure XIX - Restated Consolidated Statement of Cash and Bank Balances

	(Rs. in Million)					
Particulars	Dec 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
Cash and cash equivalents						
<i>Balances with banks:</i>						
– On current accounts	26.56	17.67	35.40	28.05	26.75	9.73
– On cash credit accounts	31.45	-	-	54.02	21.53	-
– On Dividend account	-	-	-	38.63	-	-
– Deposits with original maturity of less than three months	-	-	-	-	150.00	0.10
Cheques/ drafts on hand	-	-	-	2.35	-	-
Remittance-in-transit	-	-	-	-	3.99	-
Cash on hand	4.02	7.24	4.62	4.64	1.27	8.64
	62.03	24.91	40.02	127.69	203.54	18.47
Other bank balances						
– Deposits with original maturity of more than 3 months but less than 12 months	161.57	45.11	72.92	46.00	8.09	7.07
	161.57	45.11	72.92	46.00	8.09	7.07
Total	223.60	70.02	112.94	173.69	211.63	25.54

Notes:

- 1) The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Company.
- 2) The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IVA, IVB and IVC.
- 3) Cash Credit facility taken from HDFC bank is secured against credit card receivables, first and exclusive charge on current assets and moveable fixed assets of the Company, both present and future, first charge by way of equitable mortgage of immovable property, personal guarantee of promoter directors. The cash credit is repayable on demand and carries interest rate as bank's base rate plus 290 pts. During the financial year ended March 31, 2010, the same facility was secured by first pari passu charge on assets, movable fixed assets of the Company both present and future and against corporate and personal guarantee of directors.

Matrix Cellular (International) Services Limited [Formerly Matrix Cellular (International) Services Private Limited]
Annexure XX - Restated Consolidated Statement of Revenue from Operations

	(Rs. in Million)					
Particulars	Dec 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
Sale of services	1,884.56	2,294.23	2,637.16	2,166.83	1,684.25	1,059.48
Margin on Sale of cards/currency [refer note (3) of annexure XXII]	9.46	9.13	9.00	4.66	-	-
Sale of products						
-Traded goods	238.25	118.94	4.38	2.65	-	-
Other operating revenue	-	-	-	-	-	-
- Recoveries for late payment & set up fee	2.06	1.54	11.75	13.54	9.07	1.24
- Commission on Card & Service charges	3.43	4.00	2.95	1.38	-	-
	2,137.76	2,427.84	2,665.24	2,189.06	1,693.32	1,060.72

Detail of services rendered						
	(Rs. in Million)					
Particulars	Dec 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
Sale of Airtime	1,884.56	2,294.23	2,637.16	2,166.83	1,684.25	1,059.48
	1,884.56	2,294.23	2,637.16	2,166.83	1,684.25	1,059.48

Detail of product sold						
	(Rs. in Million)					
Particulars	Dec 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
Prepaid Sim cards	1.14	4.75	4.38	2.65	-	-
Handsets	237.11	114.20	-	-	-	-
Total	238.25	118.95	4.38	2.65	-	-

Notes:

- 1) The figures disclosed above are based on the restated consolidated summary statement of profit and losses of the Company.
- 2) The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IVA, IVB and IVC.
- 3) List of persons/entities classified as "Promoters" and "Promoter Group Companies" has been determined by the management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.
- 4) For details of transactions with related parties, refer note 9 in annexure IV-C

Matrix Cellular (International) Services Limited [Formerly Matrix Cellular (International) Services Private Limited]
Annexure XXI - Restated Consolidated Statement of Other Income

							(Rs. in Million)	
Particulars	Dec 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010	Nature: Recurring/ Non Recurring	Related/N ot related to Business Activity
Interest income on:								
Bank deposits	4.56	3.67	8.95	11.52	3.39	1.30	Non-recurring	Non-related
Others	7.72	-	-	-	3.20	0.03	Non-recurring	Non-related
Amounts written back	5.07	15.17	0.25	1.77	7.01	-	Non-recurring	Non-related
Net gain on sale of current investment	-	4.60	0.36	-	3.43	0.18	Non-recurring	Non-related
Net gain on sale/ discard of fixed asset	5.54	6.41	5.16	16.39	13.58	6.54	Non-recurring	Related
Exchange difference (net)	-	-	2.26	1.31	-	1.68	Non-recurring	Related
Miscellaneous income	12.82	8.47	5.06	3.81	2.14	1.73	Recurring	Related
	35.71	38.32	22.04	34.80	32.75	11.46		

Notes:

- 1) The figures disclosed above are based on the restated consolidated summary statement of profit and losses of the Company.
- 2) The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IVA, IVB and IVC.
- 3) The classification of other income as recurring/not-recurring, related/not-related to business activity is based on the current operations and business activity of the Group as determined by the management.
- 4) Other income as % of net profit before tax , as re-stated

Particulars	Dec 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
Other income	35.71	38.32	22.04	34.80	32.75	11.46
Profit before tax and exceptional item, as re-stated	269.60	4.39	381.77	118.20	91.21	51.09
%age of other income to net profit before tax, as re-stated	13%	873%	6%	29%	36%	22%

- 5) List of persons/entities classified as "Promoters" and "Promoter Group Companies" has been determined by the management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.
- 6) For details of transactions with related parties, refer note 9 in annexure IV

Matrix Cellular (International) Services Limited [Formerly Matrix Cellular (International) Services Private Limited]
Annexure XXII - Restated Consolidated Statement of (Increase)/Decrease in Inventories of Traded Goods

	(Rs. in Million)					
Particular	Dec 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
Inventories at the end of the year						
Traded Goods	1.13	1.99	3.71	1.11	-	-
Inventories at the beginning of the year						
Traded Goods	1.99	3.71	1.11	-	-	-
Decrease/(Increase) in inventories of traded goods	0.86	1.72	(2.60)	(1.11)	-	-
Details of purchase of traded goods						
Prepaid Sim cards	-	0.53	4.89	2.31	-	-
Handsets	189.99	98.39	-	-	-	-
	189.99	98.92	4.89	2.31	-	-

Notes:

- 1) The figures disclosed above are based on the restated consolidated summary statement of profit and losses of the Company.
- 2) The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IVA, IVB and IVC.
- 3) The above trading inventory does not include (Increase)/Decrease in inventory of forex currency as detailed below:-

	Dec 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
Inventories at the end of the year	11.44	12.99	6.55	8.28	-	-
Inventories at the beginning of the year	13.00	6.56	8.29	-	-	-
Decrease/(Increase) in inventories	1.56	(6.43)	1.74	(8.28)	-	-

Matrix Cellular (International) Services Limited [Formerly Matrix Cellular (International) Services Private Limited]
Annexure XXIII - Restated Consolidated Statement of Employee benefit expenses

	(Rs. in Million)					
Particular	Dec 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
Salaries, wages and bonus	333.04	493.83	485.12	381.10	266.18	168.35
Contribution to provident and other funds	5.73	10.74	11.69	12.98	7.22	5.24
Gratuity expense	6.98	4.28	5.09	3.62	3.02	1.82
Staff welfare expenses	11.97	12.72	11.26	6.27	7.52	1.61
Recruitment, training and relocation expenses	3.05	10.24	12.18	10.02	2.71	4.89
	360.77	531.81	525.34	413.99	286.65	181.91

Notes:

- 1) The figures disclosed above are based on the restated consolidated summary statement of profit and losses of the Company.
- 2) The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IVA, IVB and IVC.
- 3) List of persons/entities classified as "Promoters" and "Promoter Group Companies" has been determined by the management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.
- 4) For details of transactions with related parties, refer note 9 in annexure IV-C

Matrix Cellular (International) Services Limited [Formerly Matrix Cellular (International) Services Private Limited]
Annexure XXIV - Restated Consolidated Statement of Other Expenses

	(Rs. in Million)					
Particulars	Dec 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
Power and fuel	14.86	17.26	15.06	11.70	7.80	4.42
Postage and courier	6.41	7.86	8.39	12.21	11.36	5.26
Rent	53.64	77.14	59.10	58.67	29.16	15.23
Rates and taxes	0.71	1.84	2.09	3.50	0.71	1.73
Insurance	1.95	4.66	3.34	2.66	0.66	0.75
Repairs and maintenance-Others	43.46	58.65	37.89	32.48	18.55	14.27
Advertising and sales promotion	89.11	242.68	261.20	275.84	184.85	107.53
Commission	41.22	52.81	62.59	47.64	27.54	5.04
Travelling and conveyance	40.50	84.71	79.07	63.05	42.89	25.56
Communication costs	19.50	27.65	29.50	26.00	20.53	13.30
Printing and stationery	6.79	18.67	18.94	18.74	10.75	6.45
Legal and professional fees	40.13	47.63	31.27	26.96	20.28	10.13
Trademark fee	-	-	-	-	25.75	-
Payment to auditor	2.64	2.50	2.53	2.57	1.34	0.34
Credit card collection charges	19.66	25.99	29.65	26.18	19.10	12.21
Exchange difference (net)	10.40	28.99	-	-	7.62	-
Provision for doubtful debts	53.10	75.08	110.72	76.12	52.24	-
Provision for doubtful advances	7.72	15.56	5.83	67.18	0.74	-
Amounts written off	1.02	0.06	1.08	0.83	4.33	-
Bad debts written off [net of amount recovered]	0.97	9.91	17.78	10.30	87.78	28.40
Conference and meeting expenses	-	0.08	3.50	3.86	1.04	0.06
Security expenses	4.29	6.67	5.14	5.64	1.92	1.63
Office expenses	3.10	6.84	6.96	6.26	2.78	1.00
Miscellaneous expenses	8.77	12.83	13.47	9.50	2.83	1.19
Total	469.95	826.07	805.10	787.89	582.55	254.50

Notes :

- 1) The figures disclosed above are based on the restated consolidated summary statement of profit and losses of the Company.
- 2) The above statement should be read with the notes to restated consolidated summary statement of assets and liabilities, profit and losses and cash flows as appearing in Annexure IVA, IVB & IVC.

Matrix Cellular (International) Services Limited [Formerly Matrix Cellular (International) Services Private Limited]
Annexure XXV - Restated Consolidated Statement of Finance Costs

						(Rs. in Million)
Particulars	Dec 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
Interest						
- on term loans	-	0.01	0.46	3.48	13.04	4.34
- on banks	5.61	18.69	5.83	2.17	15.39	31.61
- on car loans	1.22	2.61	1.56	2.81	1.81	0.47
- on late deposit of taxes	3.32	0.27	5.68	7.62	3.88	0.06
Finance charges	0.36	1.57	0.21	1.90	4.91	7.46
Bank charges	1.54	1.62	2.46	2.92	1.88	2.25
Total	12.05	24.77	16.20	20.90	40.91	46.19

Notes :

- 1) The figures disclosed above are based on the restated consolidated summary statement of profit and losses of the Company.
- 2) The above statement should be read with the notes to restated consolidated summary statement of assets and liabilities, profit and losses and cash flows as appearing in Annexure IVA, IVB & IVC.

Matrix Cellular (International) Services Limited [Formerly Matrix Cellular (International) Services Private Limited]
Annexure XXVI - Restated Consolidated statement of Ratios

(Rs. in Million)

Particulars		Dec 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
Net restated profit for calculation of basic and dilutive EPS	A	147.63	(24.05)	231.29	46.76	57.33	32.21
		Number of shares	Number of shares	Number of shares	Number of shares	Number of shares	Number of shares
Shares outstanding as at beginning of the period/year		42,029,200	42,029,200	42,029,200	20,986,718	19,187,562	16,700,000
Effect of consolidation of equity shares [refer note (4) below]		=	=	=	(18,888,046)	(17,476,324)	(15,980,726)
Net equity shares after consolidation		42,029,200	42,029,200	42,029,200	2,098,672	1,711,238	719,274
Effect of bonus shares [refer note (4) below]		-	-	-	39,927,740	36,894,464	33,737,086
Effect of warrant conversion		-	-	-	176	-	-
Effect of fresh issue of equity shares		-	-	-	-	230,576	1,056,362
Weighted average number of equity shares of Rs.10 (previous year at Rs.10) in calculating basic EPS	B	42,029,200	42,029,200	42,029,200	42,026,587	38,836,277	35,512,722
Effect of dilution:							
Conversion of share warrants		-	-	2,443,526	2,443,526	3,476,148	-
Weighted average number of equity shares of Rs.10 in calculating diluted EPS	C	42,029,200	42,029,200	44,472,726	44,470,113	42,312,425	35,512,722
Basic earnings per share (Rs)	A/B	3.51	(0.57)	5.50	1.11	1.48	0.91
Diluted earnings per share (Rs)	A/C	3.51	(0.57)	5.20	1.05	1.35	0.91
Net worth at the end of the period/year (excluding preference share capital and cumulative preference dividend)	D	587.06	443.65	465.92	457.59	526.27	186.44
Total no. of equity shares outstanding at the end of the period/year (Refer note (a) of Annexure VA)	E	42,029,200	42,029,200	42,029,200	42,029,200	20,986,718	19,187,562

Return on Net Worth (%) (Refer Note 1(c) below)	A / D * 100	25.15	(5.42)	49.64	10.22	10.89	17.28
Net asset value per equity share (Rs.) (Refer Note 1(d) below)	D / E	13.97	10.56	11.09	10.89	25.08	9.72

1) The ratios have been computed as below :

a) Basic Earning per share (Rs.)	<u>Net restated profit after tax attributable to equity shareholders</u> Weighted average number of equity shares outstanding during the period/year
b) Diluted Earning per share (Rs.)	<u>Net restated profit after tax</u> Weighted average number of diluted equity shares outstanding during the period/year
c) Return on net worth (%)	<u>Net restated profit after tax attributable to equity shareholders</u> Net worth at the end of the period/year
d) Net asset value per share (Rs.)	<u>Net worth at the end of the period/year</u> Total number of equity shares outstanding at the end of period/year

- 2) Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the period/year adjusted by the number of equity shares issued during the period/year multiplied by the time weighting factor. The time weighing factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the period/year.
- 3) Earnings per share calculations are in accordance with Accounting Standard 20 - Earnings per share, notified under the Companies (Accounting Standards) Rules 2006, as amended. As per AS 20, in case of bonus shares & Consolidation of share, the number of shares outstanding before the event is adjusted for the proportionate change in the number of equity shares outstanding as if the event has occurred at the beginning of the earliest period reported. The Company during the year ended March 31, 2012, issued bonus shares in the ratio of 19 shares for every one share held, to the existing shareholders by way of capitalization of securities premium account. Further, the Company during the year ended March 31, 2012 consolidated 10 equity share of Re. 1 each into one equity share of Rs. 10 each. Weighted average number of equity shares outstanding during all the previous years is after considering the effect of bonus and consolidation of equity share.(refer note (d) & (e) to annexure V-A)
- 4) Effect of consolidation and bonus share is calculated on outstanding share at the beginning and fresh equity share issued during the period/year

- 5) There are potential equity shares as on March 31, 2011, March 31, 2012, March 31, 2013, March 31, 2014 and December 31, 2014 in the form of stock options granted to employees . As these are anti-dilutive, the diluted earnings per share is same as basic earnings per share.
- 6) Net worth for ratios mentioned in note 1 (c) and 1 (d) is = Equity Share Capital + Reserves and Surplus (Including securities premium, general reserve and surplus in statement of profit and loss) - Share issue expenses (to the extent not written off or adjusted.)
- 7) The figures disclosed above are based on the consolidated restated summary statement of the Company.
- 8) Ratios for the nine months period ended December 31, 2014 are not annualised.
- 9) The above statement should be read with the notes to restated consolidated summary statement of assets and liabilities, profit and losses and cash flows as appearing in Annexure IVA, IVB & IVC.

Matrix Cellular (International) Services Limited [Formerly Matrix Cellular (International) Services Private Limited]
Annexure XXVII - Restated Consolidated Statement of Dividend

Particular	Dec 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
Issued, subscribed and fully paid-up equity shares						
Equity Shares (No.)	42,029,200	42,029,200	42,029,200	42,029,200	20,986,718	19,187,562
Equity shares of Rs./Re.	10	10	10	10	1	1
Rate of Dividend (%)	-	-	45.21%	23.79%	-	-
Dividend Amount (Rs. in Million)	-	-	190.00	100.00	-	-
Tax on dividend (Rs. in Million)	-	-	32.29	16.22	-	-

Notes :

- 1) The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Company.
- 2) The above statement should be read with the notes to restated consolidated summary statement of assets and liabilities, profit and losses and cash flows as appearing in Annexure IVA, IVB & IVC.

Matrix Cellular (International) Services Limited [Formerly Matrix Cellular (International) Services Private Limited]
Annexure XXVIII - Capitalisation Statement

(Rs. in Million)

Particulars		Pre IPO as at Dec 31, 2014	As adjusted for IPO (Refer note 2 below)
Long Term Borrowings			
Current Maturities		4.10	4.10
Non current maturities		3.86	3.86
Total of Long term borrowings	A	7.96	7.96
Short Term Borrowings	B	0.90	
Total Debt	C = A + B	8.86	7.96
Shareholder's Funds			
Share Capital		420.29	420.29
Reserves and Surplus, as restated			
Securities Premium		228.99	228.99
Capital Reserve account		30.58	30.58
General Reserve account		45.78	45.78
Net Surplus/ (deficit) in the statement of profit and loss		(140.74)	(140.74)
Foreign Currency Translation Reserve		2.16	2.16
Total Shareholder's Funds	D	587.06	587.06
Debt / Equity	C/D	0.015	0.014
Long Term Debt / Equity	A/B	0.014	0.014

Notes :

- 1) The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Company.
- 2) The Company is proposing to have an initial public offering through offer for sale. Hence there will be no change in the shareholder's funds post issue.

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 in conjunction with the sections "Summary Financial Information", and "Financial Statements" on pages 53 and 199, respectively. This discussion contains forward-looking statements and involves numerous risks and uncertainties, including, but not limited to, those described in the section "Risk Factors" on page 16. Actual results could differ materially from those contained in any forward-looking statements and for further details regarding forward-looking statements, kindly refer to the section "Forward-Looking Statements" on page 15. Unless otherwise stated, the financial information of our Company used in this section has been derived from the restated consolidated summary statements.

Our fiscal year ends on March 31. Accordingly, unless otherwise stated, all references to a particular fiscal year are to the twelve-month period ended March 31 of such year.

Overview

We are the largest country specific SIM card provider offering voice, data and SMS services under our brand name "Matrix" to travellers outbound from India, with a majority market share. (Source: Frost & Sullivan Report) We offer convenience to our customers by providing the SIM card and setup prior to departure from India, while endeavouring to deliver cost savings (as compared with international roaming rates from origin country telecom service providers) and providing variety and flexibility in our service plans. Our Indian customers include corporate customers and their employees; and individuals travelling for leisure or business purposes. In addition, we offer foreign exchange services and facilitate access to overseas travel insurance. We also sell voice, data and SMS services to third parties, or resellers, which resell these services to their customers. A Group Entity, Matrix Inc., has entered into an agreement with a telecom services provider that entitles our Group Entity to purchase handsets at discounted rates, in addition to bulk voice, data and SMS services. We have entered into an arrangement with our Group Entity which enables us to directly purchase such handsets and voice, data and SMS services, which we subsequently sell. As a measure of our customer base in India (excluding resellers), we activated new connections to provide voice, data and SMS services based on 453,160, 452,411, 499,273 and 426,494 agreements with customers, or through customer acquisition forms or CAFs, in Fiscal 2012, 2013 and 2014 and the nine months ended December 31, 2014 respectively.

In Fiscal 2012, 2013 and 2014 and the nine months ended December 31, 2014, our customers, including resellers, consumed an aggregate of 70.96 million, 81.05 million, 68.81 million and 58.77 million voice minutes, respectively; an aggregate of 11.00 million MB, 25.63 million MB, 41.24 million MB and 124.57 million MB of data services, respectively; and SMS services aggregating to 5.33 million, 5.36 million, 4.72 million and 3.27 million SMSs, respectively. We generated total revenue of ₹1,072.18 million, ₹1,726.07 million, ₹2,223.86 million, ₹2,687.28 million and ₹2,466.16 million and recorded a net profit/(loss) after tax (and minority interest) of ₹32.21 million, ₹57.33 million, ₹46.76 million, ₹231.29 million and ₹(24.05) million in Fiscal 2010, 2011, 2012, 2013 and 2014, respectively. Our total revenue and net profit after tax (and minority interest) for the nine months ended December 31, 2014 were ₹2,173.47 million and ₹147.63 million respectively. Revenue from sale of airtime constituted 99.88%, 99.46%, 98.98%, 98.95%, 94.50% and 88.16%, respectively, revenue from the sale of handsets constituted 0.00%, 0.00%, 0.00%, 0.00%, 4.70% and 11.09%, respectively, and the remaining revenue from operations, which comprises of margin on sale of cards/currency, sale of prepaid SIM cards, recoveries for late payment and set up fee and commission on card and service charges, constituted 0.12%, 0.54%, 1.02%, 1.05%, 0.80% and 0.75%, respectively, of our revenue from operations, in Fiscal 2010, 2011, 2012, 2013 and 2014, and the nine months ended December 31, 2014, respectively.

Our telecom services offerings include services used with country-specific and global SIM cards on a postpaid and prepaid basis. As of December 31, 2014, we offered postpaid services in respect of 32 destination countries. As of December 31, 2014, we offered prepaid services in respect of 8 destination countries and a Europe bundle which covers 26 destination countries. Our prepaid SIM cards may be recharged online through our website www.matrix.in (in respect of certain destination countries) or at any of our branch offices in India. We also offer services based on a global postpaid SIM card with connectivity in more than 150 countries and a global prepaid SIM card with connectivity in more than 100 countries.

We sell our services through a multi-channel distribution network, which includes our direct sales team comprised of our employees, direct sales agents with whom we contract on a sales commission basis and our airport counters at major international airports in India, including New Delhi, Mumbai, Hyderabad, Kolkata and Kochi. We also sell our services at the Bengaluru airport and recently started selling our services at the Mangalore airport. We also intend to open a counter at the Amritsar airport. Our direct sales team operates from our branch offices located in 13 cities in India and our sales employees also work with direct sales agents to reach our customers. At our airport counters, we target customers immediately prior to their travel abroad. We also reach out to customers of other travel-related service providers based on interest indicated in our services. We have relationships and arrangements with companies such as Bridgestone, India Win Sports (Mumbai Indians), Mylan Labs, Aurobindo Pharma, Emcure and Geometric under which we offer our services to their employees travelling abroad. We also offer our services on our website, www.matrix.in, where a customer can sign up for services and pay online, and choose place of delivery of the SIM card at the airport prior to departure, at one of our branch offices or at the office or residence of the customer. We have entered into agreements and arrangements with various travel sector providers such as Jet Privilege and banks including HDFC Bank, pursuant to which their customers can benefit from discounts on our services or earn air-miles or other benefits when using our services.

We enter into agreements with local telecom service providers in destination countries visited by our customers to purchase bulk voice minutes, data and SMS services, as well as SIM cards typically branded by such providers with which such services are to be used. As of December 31, 2014, we (and in one case, a Group Entity) had agreements and relationships with 41 telecom service providers, including SingTel Mobile Singapore Pte. Ltd. in Singapore, China Motion Telecom (H.K.) Limited in Hong Kong and EE Limited in the United Kingdom. Our relationships with the aforementioned providers tend to be of longstanding duration.

As of December 31, 2014, we offered foreign exchange services in 12 currencies through our prepaid Matrix Forex Card (enabled by ICICI Bank and VISA) and also in currency notes, through Matrix Forex Services Private Limited, our subsidiary. In addition, we facilitate access to overseas travel insurance provided through AGA Assistance (India) Private Limited. We also share leads with AGA Services (India) Private Limited, which provides travel related assistance, in relation to interested travellers and we earn revenue for such leads generated by us.

Our Promoters, Major General Manjit Singh Dugal and Gagan Deep Singh Dugal, have approximately 20 years of experience in the field of telecommunications. They initiated the business of providing telecommunication and allied services (such as purchase and rent of mobile communication systems) in 1995, through a partnership firm, Matrix Rent-A-Tel. In 1999, our Group Entity, MCS, was incorporated for the purposes of sale, purchase, renting of mobile phones and to carry on the business of cellular telecom services. In 2000, our Promoters transferred the business of Matrix Rent-A-Tel to our Group Company, MCS through a business transfer agreement dated January 1, 2000. MCS commenced offering domestic cellular mobile services and voice and SMS services for local use in the destination country under the brand “Matrix”. We commenced our operations in 2005 and our brand “Matrix” was transferred from MCS to our Company through a deed of assignment in 2011. Certain of our senior managerial personnel have been employed with Matrix Rent-A-Tel and MCS prior to the commencement of their employment with our Company. For instance, our Chief Executive Officer, Anish Khanna was previously employed with Matrix Rent-A-Tel and our Chief Financial Officer, Gaurav Kumar Khanna was previously employed with MCS from 2001 until 2010 prior to commencing employment with our Company.

We commenced offering telecom services with country-specific SIM cards in 2005. We introduced data services in 2008. We have implemented sales force automation and developed a proprietary enterprise resource planning software system to process data on costs and usage in multiple currencies and networks for our customers.

As of December 31, 2014, we had 1,024 employees in India, across our corporate office, branch offices located in 13 cities in India and five airport counters.

We believe the strength of our brand, quality and variety of services, dedication to cost-effectiveness, superior customer service and relationships with our telecom service providers and other partners have helped us emerge as a preferred choice for outbound Indian travellers seeking international mobile connectivity. We also believe that the overall Indian travel industry will experience continued growth and increased spending on leisure and business travel, and that we are well-positioned to benefit and deliver services to our customers.

Certain Emphasis of Matters and Qualifications Noted by Auditors

In connection with the audit of our standalone financial statements, certain qualifications and emphasis of matters have been included in the auditor's reports for each of fiscal 2014, 2013, 2012, 2011 and 2010. These comprised the following:

Qualifications:

For fiscal 2014:

- a) the internal control system for sale of goods needed to be strengthened further; and
- b) there was a slight delay in few cases in depositing undisputed statutory dues.

The deficiency set out in (a) has been remedied by our Company during the nine months ended December 31, 2014 by further strengthening our internal control system for the sale of traded goods. In the current period, we have formalised agreements with our customers for purchase of handsets clearly specifying the terms and conditions related to the transaction. Prior to finalising the customer, we invite quotations from various prospective customers.

The deficiency set out in (b) has been remedied by our Company during the nine months ended December 31, 2014 by payment of all such dues and implementing internal controls to check the status of the statutory payments and ensure that statutory payments are made on or before the due date.

For fiscal 2013:

- a) the rate of interest and other terms and conditions of loans given by our Company to a company in which directors of our Company were interested, was prima facie prejudicial to the interest of our Company as no interest had been recovered; and
- b) there was a slight delay in few cases in depositing undisputed statutory dues.

The deficiency set out in (a) has been remedied by our Company by recovering the amount of loan along with the interest due from the company in which the directors of the Company were interested in March 2015. The interest amount until March 31, 2014 has been waived by the board of directors.

The deficiency set out in (b) has been remedied by our Company by payment of all such dues and implementing internal controls to check the status of the statutory payments and ensure that statutory payments are made on or before the due date.

For fiscal 2012:

- a) our Company had not yet obtained post-facto approval of its Authorized Dealer for setting-off certain amounts to certain foreign vendors against amounts receivable from them.
- b) the rate of interest and other terms and conditions of loans given by our Company to a firm in which directors of our Company were interested, was prima facie prejudicial to the interest of our Company as these loans had been granted at nil rate of interest; and
- c) there had been a slight delay in few cases in depositing undisputed statutory dues.

With respect to (a), the Company has received approval from its authorised dealer bank on December 3, 2012 for setting-off certain amounts to certain foreign vendors against amounts receivable from them.

The deficiency set out in (b) has been remedied by our Company by recovering the amount of loan along with the interest due from the company in which the directors of the Company were interested in March 2015. The interest amount until March 31, 2014 has been waived by the board of directors.

The deficiency set out in (c) has been remedied by our Company by payment of all such dues and implementing internal controls to check the status of the statutory payments and ensure that statutory payments are made on or before the due date.

For fiscal 2011:

- a) our Company had applied for and not yet obtained post-facto approval of the RBI for setting-off certain amounts to certain foreign vendors against amounts receivable from them. Pending the final outcome of the matter, no adjustment had been carried out in the financial statements;
- b) fixed assets had not been physically verified by the management during the year;
- c) in respect of one transaction pertaining to purchase of trademarks amounting to ₹25.75 million, because of the unique and specialized nature of the item involved and absence of any comparable prices, the auditors were unable to ascertain whether the transactions were made at prevailing market prices at the relevant time;
- d) the scope and coverage of our Company's internal audit system was required to be enlarged to be commensurate with the size and nature of its business;
- e) there had been a slight delay in a few cases of depositing undisputed statutory dues; and
- f) funds were misappropriated by an employee during the year.

In relation to (a), the Company has received approval from its authorised dealer bank on December 3, 2012 for setting-off certain amounts to certain foreign vendors against amounts receivable from them.

The deficiencies set out in (b), (d) and (f) have been remedied by our Company during fiscal 2012 by further strengthening our internal control system. In addition, the Company had also appointed an independent firm for conducting the internal audit of various processes.

With respect to (c), the transaction for purchase of trademarks was in accordance with the terms specified in the deed of assignment dated February 14, 2011 entered into between our Company and MCS. The amount specified therein had been mutually agreed between the parties to the deed.

The deficiency set out in (e) has been remedied by our Company by payment of all such dues and implementing internal controls to check the status of the statutory payments and ensure that statutory payments are made on or before the due date.

For fiscal 2010:

Certain withholding taxes and fringe benefit tax for fiscal 2009 were outstanding for a period of more than six months as of the date of the balance sheet.

This deficiency has been remedied by our Company by payment of all such dues and implementing internal controls to check the status of the statutory payments and ensure that statutory payments are made on or before the due date.

The auditors of our Subsidiary, Matrix UK, have qualified their opinion on the financial statements of the Subsidiary for fiscal 2009 onwards on account of overdue debtors amounting to GBP 0.33 million. Of this amount, GBP 0.24 million related to invoices which continue to remain unpaid. The remaining balance of GBP 0.09 million is due from a company which does not appear to have the means to repay this. In the opinion of the auditor of Matrix UK, there is sufficient doubt as to the recoverability of these debts and that full provision for GBP 0.33 million should be made.

Further, the effect of provision of above amount would be to turn a significant asset position into that of a deficit of assets on Matrix UK's balance sheet. While the directors continue to believe that the debtors noted above are recoverable in full, Matrix UK has been so far been unable to demonstrate this. The auditor of Matrix UK believes that this situation indicates the existence of a material uncertainty which may cast significant doubt on Matrix UK's ability to continue as a going concern and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business.

Adjustments have been made to the statement of consolidated financial statements, as restated by recording provision for amount qualified and adjusting the same with opening reserve. Further, the effect of revaluation of amount provided in Indian rupee and corresponding provision for same has been considered in respective years. The management of Matrix UK is making efforts for recovery from overdue debtors and is confident of recovering such dues.

In the meantime, our management has committed to provide full financial and operational support to Matrix UK to enable it to operate and settle its liabilities and obligations as they become due. Accordingly, no other adjustments are required to be made in carrying value of net assets.

Emphasis of Matters:

For Fiscal 2014:

Our Company was not in compliance with requirements under Section 297 of the Companies Act, 1956 in relation to certain purchases of services from and sales to private limited companies in which a director is interested in the current year and prior years, for which approval had not been obtained from the Government of India.

In this regard, the Company has filed an application dated December 10, 2014 with the Registrar of Companies for compounding of offences for the violation of Section 297 of the Companies Act, 1956. We are awaiting the date of hearing in relation to such application.

For Fiscal 2013:

Our Company was not in compliance with requirements under Section 297 of the Companies Act, 1956 in relation to certain purchases of services from and sales to private limited companies in which a director is interested in the current year and prior years, for which approval had not been obtained from the Government of India.

In this regard, the Company has filed an application dated December 10, 2014 with Registrar of Companies for compounding of offences for the violation of Section 297 of the Companies Act, 1956. We are awaiting the date of hearing in relation to such application.

For Fiscal 2012

Our Company was not in compliance with requirements under Section 297 of the Companies Act, 1956 in relation to certain purchases of services from and sales to private limited companies in which a director is interested in the current year and prior years, for which approval had not been obtained from the Government of India.

In this regard, the Company has filed an application dated December 10, 2014 with the Registrar of Companies for compounding of offences for the violation of Section 297 of the Companies Act, 1956 . We are awaiting the date of hearing in relation to such application.

For Fiscal 2011

Our Company was not in compliance with requirements under Section 297 of the Companies Act, 1956 in relation to certain purchases of services from and sales to a private limited company in which a director is interested, for which approval had not been obtained from the Government of India.

In this regard, the Company has filed an application dated December 10, 2014 with the Registrar of Companies for compounding of offences for the violation of Section 297 of the Companies Act, 1956. We are awaiting the date of hearing in relation to such application.

For further details in relation to the emphasis of matters and qualifications stated by our Auditor, see the section “Financial Statements” on page 199.

Factors Affecting Our Results of Operations

Our business and results of operations are affected by a number of important factors, including:

Growth in Customer Base and Distribution Network. Our business is dependent on our ability to grow our customer base for voice, data and SMS services, which we measure in terms of new connections to provide voice, data and SMS services based on agreements with customers, or CAFs. Our customers include individuals, corporate customers and resellers. We had 453,160, 452,411, 499,273 and 426,494 new CAFs in fiscal 2012, 2013 and 2014 and the nine months ended December 31, 2014 respectively. Our ability to grow our customer base depends on awareness about our offerings in our markets and our ability to market our offerings to customers who have used our services previously, as well as new customers, which in turn depends on the effectiveness of our multi-channel distribution network, including the number and widespread presence of salespeople and airport counters, and our ability to widen and effectively utilise the network over time. We rely on our distribution network to provide potential customers with visibility into our services at the right time, generally immediately prior to travel. As of December 31, 2014, we had 333 employees comprising our direct sales team in our branch offices located in 13 cities in India and we had agreements and relationships with over 250 direct sales agents in more than 35 cities in India. In addition, we had counters at five international airports in India, (i.e., New Delhi, Mumbai, Hyderabad, Kochi and Kolkata). We also sell our services at the Bengaluru airport and recently started selling our services at the Mangalore airport. We also intend to open a counter at the Amritsar airport. We seek to be empanelled with corporate customers so as to be well-positioned when their employees require telecom services prior to international travel, and our results depend on our success in remaining empanelled with such customers and gaining new empanelments. In addition, we have focused on increasing the number of countries and regions covered by our services. We also incur advertising and marketing expenses in order to reach a wider audience. We may also increase such expenses, as well as personnel and other expenses, as a result of our expansion to reach customers in newer areas within India and to offer services in newer countries and regions, including startup costs pertaining to new telecom service providers or regions, and such expenses may not be offset by increased revenue arising from such initiatives, particularly in initial periods. Our results are also influenced by the type of customers acquired in a particular fiscal period and our commercial arrangements with them, as well as our success in encouraging voice and SMS customers to also use our data services, which we measure as data penetration, or the percentage of CAFs under which our customers (excluding resellers) have been billed for postpaid data services, which in fiscal 2012, 2013 and 2014 and the nine months ended December 31, 2014 was 16%, 17%, 20% and 33%, respectively.

Pricing Trends in the International Roaming Market. Our business involves purchasing voice, data and SMS services from telecom service providers and selling such services to our customers. We price our services to be competitive with local telecom services at the destination country; further, a key reason for our customers to choose our services is the cost savings compared with international roaming rates applicable to their existing services for voice, data and SMS. Any decreases in international roaming rates may make our services less attractive and decrease our revenue potential as we need to respond to such decreases with decreases in our prices. Such rates have periodically trended downward over the past few years. Furthermore, prices for services in our market have been decreasing annually as a result of initiatives to increase customer base and driven by competition, including by providers of lower quality services, such as “callback” voice services. For example, pricing for data services has been decreasing at a higher rate than for voice services, including we believe as a result of initiatives by providers to increase data consumption and attract more first-time users of data services. Generally, our charges are based on service plans offering a fixed amount of voice and SMS services or data services (or a combination of both), and a “pay-per-use” rate applicable for services used beyond such limits. As our costs paid to local telecom service providers depend on actual use of services by our customers, our revenues are influenced by the extent of usage of services by customers within the fixed amount of services available under our service plans.

Competition and Technological Changes. We face intensive competition from providers like us, local services in the destination country, international roaming-based services and various emerging technological alternatives that satisfy traveller needs. As entry barriers are low in our market, we face ongoing competition and therefore need to respond quickly to changes by our competitors. For example, in 2011, a local competitor in the United Kingdom substantially decreased prices for calls to India on local SIM card-based voice services. In order to respond

effectively, we also decreased our pricing and consequently suffered a loss in revenue from this market, which we endeavoured to offset with changes in the variety of our service plans offered. Our ability to price our services depends partly on the extent of competition in the relevant particular country or region in which we offer our services.

We also experience various other technology-based changes to services in our market, including increasing prevalence of WiFi data services in destination countries. The effects of these trends on pricing and other aspects in our market is presently unclear, and we may be compelled to further decrease our prices, change our services mix and offer newer products and services.

Usage Patterns. Our results of operations are also influenced by the patterns of consumption of our services. While our services and revenues have historically been in respect of voice and SMS services, usage of our data services, which we introduced in 2008, has been increasing at a higher rate. Further, as customers depend more on data services for purposes previously served by voice, such as local search in the destination country, voice revenue has been replaced by data revenue to an extent. Additionally data usage trends in other countries could be higher than in India, where data is a more recent offering.

Evolving Customer Needs and Newer Offerings. Our financial results will continue to depend on our ability to evolve and develop relevant services to our customers. Prior to the introduction of data services in Fiscal 2008, we predominantly offered voice and SMS services. Growth in revenue from and usage of our data services has generally outpaced our voice and SMS services since then, in line with global trends. As travellers rely on data services to meet more needs including app-based use, video calling, location services, social networking and e-mail, we expect increases in demand for such services to continue. We also introduced prepaid services in fiscal 2011, under which we sign-up prepaid customers in India for telecom service providers in other countries. Prepaid services tend to be popular among travellers who prefer lower value services and also wish to avoid payment of security deposit and other formalities associated with a postpaid connection. As of December 31, 2014, we offered prepaid services in respect of 8 destination countries and a Europe bundle covering 26 destination countries, and plan to increase the number of destinations where such services are offered. We also seek to increase revenue by addressing other emerging customer needs, such as using the same SIM card for numbers in multiple countries or regions (introduced recently as our “Multi-IMSI” service). We will also seek to cater to other ancillary travel requirements such as our foreign exchange and facilitating access to overseas travel insurance businesses for our customers to enable them to have a one-stop solution for their overseas travel requirements. We have made and would be required to make changes in our offerings to enable such initiatives and have incurred, and expect to incur, costs to introduce and market such services.

Trends and Changes in the Indian Economy and Travel Sector. Our financial results are affected by trends and changes in the Indian economy and travel sector. These include growth in the Indian economy and the middle class population in India, as well as increased outbound international tourism from India, including as a result of increasing disposable income, growth in IT sector and outsourcing, increasing industrial activity and cheaper airfares. Key factors influencing the demand for local telecom services in the destination country by outbound international travellers include the increase in Indian mobile phone users, smartphone penetration, macroeconomic factors, app-based increasing use of data and demand for connectivity on the move. Some of the events that could negatively affect the travel industry, and in turn our business, include increase in international air fares, global and domestic volatility in oil prices, the economic condition and growth outlook in the domestic and global economy, reduced disposable incomes of Indian business and leisure travellers, travel-related strikes or labour unrest, any incidents of terrorism, whether actual or threatened, political instability or reports of conflict in certain geographical areas, natural disasters, perceived risks relating to travel to specific sectors or on specific airlines such as Malaysian Airline system in the recent past, and reports of health-related risks, such as the outbreaks of Ebola, SARS, Influenza A (H1N1 virus), avian influenza or any epidemic or pandemic. Further, the travel sector is dependent on the currency movements of various foreign currencies vis-à-vis the Indian rupee. Any negative currency movement can adversely affect demand for international travel and, consequently, demand for our services as well.

Seasonality. We experience seasonal fluctuations in the demand for our services. We tend to experience higher revenues in the first and second quarters of each fiscal year, which coincide with the summer holiday travel season.

Cost-Effective Sourcing. We seek to be a key source of subscribers from India for local telecom service providers in destination countries with which we have agreements and relationships (generally on a non-exclusive basis) to

purchase bulk services on a postpaid basis. We believe we are well-positioned to negotiate more favourable terms with our telecom service providers on account of our market leadership position, our longstanding relationships with them and our customer base. While the prices we pay for such purchases are agreed periodically and depend, in certain circumstances, on minimum purchase commitments by us, we also endeavour to revise pricing for such purchases with such telecom service providers based on market changes if needed. While purchases under our agreements with telecom service providers are generally based on actual usage by our customers, under our contract with one local telecom service provider, we operate a “pooled” account under which we are charged for services purchased by us in bulk, and not based on actual use of such services by our customers.

A Group Entity, Matrix Inc., has entered into an agreement with a telecom services provider that entitles our Group Entity to purchase handsets at discounted rates, in addition to bulk voice, data and SMS services. We have entered into an arrangement with our Group Entity which enables us to directly purchase such handsets and voice, data and SMS services, which we subsequently sell. In fiscal 2012, 2013 and 2014 and the nine months ended December 31, 2014, our revenue from sale of handsets as a percentage of revenue from operations was 0.00%, 0.00%, 4.70% and 11.09%, respectively. We may not exercise the option to purchase such handsets in future if the pricing is not attractive or we are unable to resell such handsets to resellers profitably. Moreover, there can be no assurance that such an option will continue to be offered in future by such telecom service provider or any other telecom service providers, and we may be restricted under the terms of our contracts with our local telecom service providers from reselling such handsets.

Exchange Rates. We earn revenues primarily denominated in Indian rupees and incur a significant portion of our expenses, viz. network operating cost, in foreign currencies. We typically charge our customers in India the Indian rupee equivalent of the cost of our service plan in foreign currency of the destination country or region. In fiscal 2014, we suffered a loss of ₹17.86 million on a standalone basis as exchange difference (net) on account of downward movement of the Indian rupee against foreign currencies and translation effects. We have also started entering into derivative contracts to protect against exposure in foreign exchange currency movements between the date of invoicing by our telecom service providers and the date of payment.

Our Critical Accounting Policies

Certain of our accounting policies require the application of judgment by our management in selecting appropriate assumptions for calculating financial estimates, which inherently contain some degree of uncertainty. Our management bases its estimates on historical experience and various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the reported carrying values of assets and liabilities and the reported amounts of revenues and expenses that may not be readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

We believe the following are the critical accounting policies and related judgments and estimates used in the preparation of our financial statements. For more information on each of these policies, see the section “Financial Statements” on page 199.

Changes in accounting policy

Until March 31, 2010, handsets and SIM cards were accounted for and classified as inventories. From April 1, 2010, the Company has re-evaluated the accounting and accordingly believes it is more appropriate to account for SIM cards and handsets as fixed assets (under plant and machinery) rather than as inventory. We believe that such change will result in more appropriate presentation of handsets and SIM cards.

In the financial statements for fiscal 2011, this change in treatment of handsets and SIM cards has been identified as change in accounting policy. Accordingly, brought forward cost of handsets and SIM cards amounting to ₹19.05 million has been reclassified under fixed assets as plant and machinery. In accordance with our depreciation policy, the reclassified fixed assets have been fully depreciated resulting into depreciation charge of ₹5.50 million for fiscal 2010 and ₹13.55 million against net deficit in the statement of profit and loss as at April 1, 2009.

Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

Change in Accounting Estimate

Pursuant to "the Act" being effective from April 1, 2014, the Company has revised the depreciation rates tangible and intangible fixed assets as per the useful life specified in Part 'C' of Schedule II of the Act. As a result of this change, the depreciation charge for the nine months period ended December 31, 2014 is higher by ₹33.7 million. In respect of assets whose useful life is already exhausted as on April 1, 2014, depreciation of ₹4.57 million (net of deferred tax impact of ₹2.35 Million) has been adjusted in surplus in statement of profit and loss in accordance with the requirement of Schedule II of the Act.

Tangible Fixed Assets

- a) Fixed Assets are stated at cost less accumulated depreciation, amortization and impairment loss, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.
- b) Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure are charged to the statement of profit and loss for the period during which such expenses are incurred.
- c) Gains or losses arising from de-recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Depreciation on tangible fixed assets

Fixed assets are depreciated on pro-rata basis from the date on which the asset is ready to use, using written down value method ('WDV'), at higher of rates as per the useful lives of the assets estimated by the management, or at the rates as per useful life prescribed under Schedule II of the Companies Act, 2013 (from April 1, 2014) and at rates prescribed under schedule XIV of the Companies Act, 1956 (from April 1, 2009 to March 31, 2014).

The Company has used the following rates to provide depreciation on its fixed assets.

	Rates as per management's estimate of useful lives from April 1, 2014 [WDV]*	Rates as per management's estimate of useful life for the period from April 1, 2009 to March 31, 2014[WDV]
Building	Not applicable	5%
Vehicles	8 years	25.89%
Office equipment	5 years	13.91%
Plant & Machinery	1 year	13.91%
Furniture & Fixtures	10 years	18.10%
Computers - End User Devices	3 years	40%
Computers - Server & Network	3 years	40%

**Represents total revised useful life, WDV rates applied basis balance useful life of assets as at April 1, 2014.*

- a) All assets individually costing up to ₹5,000 are fully depreciated in the year of purchase.
- b) Plant & Machinery comprising of mobile phones and SIM Cards are depreciated over a period of twelve months from the date of purchase.
- c) Leasehold Improvements are amortized on a straight line basis over the primary lease period or estimated useful life whichever is lower.
- d) In the books of Matrix Cellular Pte. Ltd., depreciation on fixed assets are calculated on Straight Line method so as to write off the cost of fixed assets over their estimated useful lives at the following rates :

Computer – One Year
Furniture & Fixture – One Year

- e) In the books of M&S Telecom Co. Ltd., depreciation on fixed assets are calculated on a straight line method over the estimated useful life of 5-10 years.
- f) Gains or losses arising from de-recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the period / year in which the expenditure is incurred.

Intangible items are amortized at the rate from 35% -40% on written down value basis. The Group uses a rebuttable presumption that the useful life of an intangible asset will not exceed three years from the date when the asset is available for use.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Impairment of tangible and intangible Assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal / external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital. After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

Goodwill on consolidation

Goodwill on consolidation is not amortised and is tested for impairment on an annual basis. Such evaluation determines impairment in value if any, taking into account the ability to recover the carrying amount of goodwill from discounted cash flows. The group also considers projected future operating results, trends and other circumstances in making such evaluations.

In addition to the annual impairment test, the Group will perform an impairment test if an event occurs or circumstances change that would more likely than not reduce the fair value or the reporting unit below its carrying amount.

Lease

Where the Company is lessee:

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss account on a straight-line basis over the lease term.

Investment

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. Current investments are carried in the financial statements 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 the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

Inventories

Inventories of traded goods are valued at lower of cost and net realizable value. Cost is determined on weighted average basis.

Net realizable value is the estimated selling price in the ordinary course of business and estimated costs necessary to make the sale.

Revenue Recognition

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. The following specific recognition criteria must also be met before revenue is recognized:

Service revenue

Service revenue from provision of airtime services is recognized on accrual basis over the period of consumption of services.

Revenue from set up fees is recognised when services have been rendered.

Sale of goods

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods.

Late payment fee and recovery for lost items

Late payment fees are accrued for time proportion basis when realisability is certain.

Interest Income

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable. Interest income is included under the head “other income” in the statement of profit and loss.

Revenue from sale of forex cards

Revenue from sale of forex cards comprises of margin on foreign exchange transaction in the normal course of business as authorized dealers. The income arising from the buying and selling of foreign currencies (net of brokerages paid) is included on the basis of margin achieved, since the inclusion on the basis of their gross value would not be meaningful and potentially misleading for use as an indicator of the level of the group’s business.

Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

Foreign Currency Translation

a) Initial Recognition:

Transactions denominated in foreign currencies are recorded at the exchange rates prevailing at the time of the transaction.

b) Conversion:

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

c) Exchange Differences:

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

d) Translation of foreign subsidiaries / joint ventures

Translations of foreign subsidiaries are done in accordance with AS – 11 (Revised) “The Effects of Changes in Foreign Exchange Rates”.

In the case of subsidiaries, the operations of which are considered as integral, the Balance Sheet items have been translated at the closing rate except share capital and fixed assets, which have been translated at the transaction date. The income and expenditure items have been translated at the average rate for the period. Exchange gain / loss are recognized in the statement of profit and loss.

In case of foreign subsidiaries, the operation of which are considered as non-integral, all assets and liabilities are converted at the closing rate at the end of the period and items of income and expenditure items have been translated at the average rate. Any goodwill / Capital reserve arising on acquisition of a non – integral foreign operation is translated at the closing rate. Exchange gain / loss arising on conversion are recognized under Foreign Currency Translation Reserve.

Retirement and other Employee Benefits

- i) Retirement benefit in the form of provident fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund. The Group recognizes contribution payable to the provident fund scheme as expenditure, when an employee renders the related service.
- ii) The Group 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 Group. The Group provides for the Gratuity Plan based on actuarial valuations as per the Projected Unit Credit Method. The Group makes annual contributions to insurance company for the Gratuity Plan in respect of employees. Actuarial gains and losses are recognized in full in the period in which they occur in the statement of profit and loss.
- iii) Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Group presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

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 and tax laws prevailing in the respective tax jurisdictions where the Company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences 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 realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each reporting date, the company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset 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 realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The company writes-down the carrying amount of 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 realized. 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

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to

be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as “MAT Credit Entitlement.” The Company reviews the “MAT credit entitlement” asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

Employee Stock Compensation Cost

Measurement and disclosure of the employee share-based payment plans is done in accordance with the Guidance Note on Accounting for Employee Share-based Payments, issued by the Institute of Chartered Accountants of India. The Company measures compensation cost relating to employee stock options using the intrinsic value method. Compensation expense is amortised over the vesting period of the option on a straight line basis.

Segment Reporting Policies

Identification of segments:

The Group’s operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

Allocation of common costs:

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items:

Unallocated items include general corporate income and expense items, which are not allocated to any business segment. Assets and liabilities that cannot be allocated between the segments are shown as a part of unallocated corporate assets and liabilities, respectively.

Segment Policies

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

Provisions

A provision is recognised when the Group has a present obligation as a result of past event; 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 estimate required to settle the

obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the financial statements.

Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

Measurement of EBITDA

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The company measures EBITDA on the basis of profit/(loss) from continuing operations. In its measurement, the Company does not include depreciation and amortization expense, finance costs, tax expense and exceptional item and includes other income.

Our Income

Revenue from Operations

- *Sale of services*: Sale of services includes revenue from sale of voice, data and SMS services to individual and corporate customers, as well as resellers. We earn revenue from postpaid customers based on monthly bill cycles agreed under the relevant service plan. The revenue also includes revenue generated from sale of prepaid SIM cards (other than prepaid SIM cards that we purchase from our local telecom service providers in order to offer prepaid services to our customers).
- *Margin on sale of cards/currency*: Our margin on sale of cards/currency includes the difference between the sale and purchase values of foreign exchange sold or purchased by Matrix Forex, our Subsidiary. We provide foreign exchange through our prepaid Matrix Forex Card and sell and purchase foreign currency notes.
- *Sale of products (traded goods)*: Sale of traded goods includes revenue from sale of handsets and prepaid SIM cards which we purchase from our local telecom service providers in order to offer prepaid services to our customers. A Group Entity, Matrix Inc., has entered into an agreement with a telecom services provider that entitles our Group Entity to purchase handsets at discounted rates, in addition to bulk voice, data and SMS services. We have entered into an arrangement with our Group Entity which enables us to directly purchase such handsets and voice, data and SMS services, which we subsequently sell. Revenue from sale of prepaid SIM cards to our customers is generally for services offered in Malaysia and Thailand.
- *Other operating revenue*:
 - (i) *Recoveries for late payment and set up fee*: We charge late fees if our customers fail to make payments within the due date prescribed on our invoices. We also charge resellers a one-time setup fee in order to add them to our systems and activate services.
 - (ii) *Commission on card and service charges*: We offer foreign exchange services to our customers on our Matrix Forex Card (provided to us by ICICI Bank), and we receive commissions from ICICI Bank based on foreign currency loaded by our customers on such cards. We also levy a service

charge for facilitating sale and delivery of foreign exchange services to our customers.

Other Income

The key components of our other income are interest income from bank deposits and others, amounts written back, net gain on sale of current investment, net gain on sale/discard of fixed asset, exchange difference (net) and miscellaneous income, which includes revenue from facilitation of access to overseas travel insurance.

Our Expenses

Our expenses primarily consist of the following:

- *Network operating cost*
 - (i) *Purchases airtime:* We purchase bulk voice minutes, data and SMS services from local telecom service providers in destination countries, as well as SIM cards branded by such providers with which such services are to be used. We are charged by the telecom service provider based on actual use by our customer, and we pay the provider typically after receiving revenue from the customer based on the applicable billing cycle. In certain cases, we make minimum purchase commitments and under our contract with one local telecom service provider, we operate a “pooled” account under which we are charged for services purchased by us in bulk, and not based on actual use of such services by our customers.
 - (ii) *Other charges:* Other charges include expense incurred on set up fees charged by the telecom service provider and purchase of accessories.
- *Purchase of traded goods:* We purchase prepaid SIM cards from our telecom service providers, generally to offer prepaid services in Malaysia and Thailand. A Group Entity, Matrix Inc., has entered into an agreement with a telecom services provider that entitles our Group Entity to purchase handsets at discounted rates, in addition to bulk voice, data and SMS services. We have entered into an arrangement with our Group Entity which enables us to directly purchase such handsets and voice, data and SMS services, which we subsequently sell. We exercise this option in instances where the handsets are available at attractive rates and there is demand from resellers for such handsets.
- *(Increase)/ Decrease in inventories of traded goods:* This includes change in inventory of prepaid SIM cards.
- *Employee benefits expenses:* Our employee benefit expenses include salaries, wages and bonus, contributions to provident fund and other funds, gratuity expense, staff welfare expenses and recruitment, training and relocation expenses.
- *Other expenses:* Our other expenses include, among others, rent, power and fuel charges, insurance, rates and taxes, repairs and maintenance, advertising and sales promotion, commission, travelling and conveyance, communication costs, printing and stationery, legal and professional fees, credit card discounting, bad debts written off, office expenses, auditor fees, provisioning for doubtful debts and doubtful advances and other miscellaneous expenses.
- *Depreciation and amortization expenses:* Depreciation expense consists primarily of depreciation expenses recorded on various fixed assets primarily plant and machinery, computer and office equipment. Amortization expense consists primarily of amortization recorded on intangible assets including software.
- *Finance cost:* This includes (i) interest on term loans, cash credit facility, car loans and late deposit of taxes, (ii) finance charges, and (iii) bank charges;
- *Tax expenses*

- (i) *Current tax*: This includes income tax on taxable profits.
- (ii) *Deferred tax (credit) / charge*: This includes charge/ (credit) on account of timing differences.

Our Results of Operations

The table below provides our restated consolidated summary results of operations for the fiscal 2012, 2013 and 2014 and the nine months ended December 31, 2014 and each item as a percentage of our total revenue for the periods indicated.

Particulars	Nine months ended		For the year ended					
	Dec 31, 2014	Percentage of total revenue (%)	March 31, 2014	Percentage of total revenue (%)	March 31, 2013	Percentage of total revenue (%)	March 31, 2012	Percentage of total revenue (%)
Income								
Revenue from operations	2,137.76	98.36	2,427.84	98.45	2,665.24	99.18	2,189.06	98.44
Other income	35.71	1.64	38.32	1.55	22.04	0.82	34.80	1.56
Total revenue (I)	2,173.47	100.00	2,466.16	100.00	2,687.28	100.00	2,223.86	100.00
Expenses								
Network operating cost	775.61	35.69	869.76	35.27	876.43	32.61	818.92	36.82
Purchase of traded goods	189.99	8.74	98.92	4.01	4.89	0.18	2.31	0.10
(Increase)/ Decrease in inventories of traded goods	0.86	0.04	1.72	0.07	(2.60)	(0.10)	(1.11)	(0.05)
Employee benefits expense	360.77	16.60	531.81	21.56	525.34	19.55	413.99	18.62
Other expenses	469.95	21.62	826.07	33.50	805.10	29.96	787.89	35.43
Total (II)	1,797.18	82.69	2,328.28	94.41	2,209.16	82.21	2,022.00	90.92
Earnings before interest, tax, depreciation, amortisation and exceptional item (EBITDA) (I)-(II)	376.29	17.31	137.88	5.59	478.12	17.79	201.86	9.08
Depreciation expense	75.34	3.47	92.18	3.74	73.35	2.73	59.36	2.67
Amortisation expense	19.30	0.89	16.54	0.67	6.80	0.25	3.40	0.15
Finance costs	12.05	0.55	24.77	1.00	16.20	0.60	20.90	0.94
Restated profit before tax and exceptional item	269.60	12.40	4.39	0.18	381.77	14.21	118.20	5.32

Particulars	Nine months ended		For the year ended					
	Dec 31, 2014	Percentage of total revenue (%)	March 31, 2014	Percentage of total revenue (%)	March 31, 2013	Percentage of total revenue (%)	March 31, 2012	Percentage of total revenue (%)
Exceptional Item	30.91	1.42	-		-		-	
Tax expenses								
Current tax	110.37	5.08	37.62	1.53	175.07	6.51	105.29	4.73
Deferred tax (credit) / charge	(18.08)	(0.83)	(9.57)	(0.39)	(27.12)	(1.01)	(33.85)	(1.52)
Total tax expense	92.29	4.25	28.05	1.14	147.95	5.51	71.44	3.21
Restated Profit after tax for the period/year	146.40	6.74	(23.66)	(0.96)	233.82	8.70	46.76	2.10
Minority Interest	(1.23)	(0.06)	0.39	0.02	2.53	0.09	-	-
Net Profit after tax, Minority interest	147.63	6.79	(24.05)	(0.98)	231.29	8.61	46.76	2.10

Nine months ended December 31, 2014

Total revenue. We had total revenue of ₹2,173.47 million in the nine months ended December 31, 2014.

- *Revenue from operations:* Our revenue from operations in the nine months ended December 31, 2014, was ₹2,137.76 million which amounted to 98.36% of our total revenues. 86.71% of our revenue from operations was derived from our sale of services, including voice, data and SMS services.
- *Other income.* Our other income was ₹35.71 million for the nine months ended December 31, 2014, primarily attributable to miscellaneous income as well as interest on bank deposits and others.

Total expenses. Our total expenses were ₹1,797.18 million in the nine months ended December 31, 2014, comprising network operating cost, purchase of traded goods, change in inventories of traded goods, employee benefits and other expenses in line with the growth of our business. As a percentage of our total revenue, our expenses were 82.69% in the nine months ended December 31, 2014.

- *Network operating cost:* Our network operating cost, which is the largest component of our total expenses, totalled ₹775.61 million in the nine months ended December 31, 2014.
- *Purchase of traded goods:* Purchase of traded goods totalled ₹189.99 million in the nine months ended December 31, 2014, which was primarily attributable to purchases of handsets at discounted rates, which were subsequently resold to resellers.
- *(Increase)/ Decrease in inventories of traded goods:* Decrease in inventories of traded goods totalled ₹0.86 million in the nine months ended December 31, 2014, which was primarily attributable to decrease in our stock of prepaid SIM cards as a result of sale of prepaid SIM cards made out of opening stock and no fresh purchases during the period.
- *Employee benefits expenses:* Our employee benefits expenses totalled ₹360.77 million in the nine months

ended December 31, 2014, comprising primarily salaries and welfare expenses paid to our employees, whose headcount as of December 31, 2014 was 1,024.

- *Other expenses:* Our other expenses totalled ₹469.95 million in the nine months ended December 31, 2014, which was attributable partly to advertising and sales promotion, rent and provision for doubtful debts.

EBITDA. As a consequence of the above factors, our EBITDA was ₹376.29 million in the nine months ended December 31, 2014.

- *Depreciation:* Our depreciation was ₹75.34 million in the nine months ended December 31, 2014, primarily due to purchase of SIM cards and handsets as well as depreciation on computers and office equipment .
- *Amortisation expense:* Our amortisation expense was ₹19.30 million in the nine months ended December 31, 2014 attributable to depreciation on software.
- *Finance costs:* Our finance costs in the nine months ended December 31, 2014 was ₹12.05 million, primarily attributable to interest on cash credit facility and short payment of advance tax instalments.

Restated profit before tax and exceptional items. As a result of the factors outlined above, our restated profit before tax and exceptional items was ₹269.60 million in the nine months ended December 31, 2014. As a percentage of total revenue, our profit before tax and exceptional items was 12.40% in the nine months ended December 31, 2014.

Exceptional items: Our exceptional items in the nine months ended December 31, 2014 was ₹30.91 million, which was primarily due to impairment of goodwill recognized and net assets in one of the joint venture entity along-with its subsidiary, Telecom Wimax Limited in Hong Kong.

- *Tax Expenses*
 - (i) *Current tax:* We recorded a current tax of ₹110.37 million in the nine months ended December 31, 2014, which was principally due to taxable profit.
 - (ii) *Deferred tax (credit) / charge:* We recorded a deferred tax credit of ₹18.08 million in the nine months ended December 31, 2014, which was principally due to adjustment for timing difference.

Minority interest. Our minority interest for the nine months ended December 31, 2014 was ₹(1.23) million, which was primarily due to loss suffered by one of our Joint Ventures along with its subsidiary.

Net profit after tax and minority interest. As a result of the factors outlined above, our restated profit after tax and minority interest in the nine months ended December 31, 2014 was ₹147.63 million.

Fiscal 2014 Compared to Fiscal 2013

Total revenue. We had total revenue of ₹2,466.16 million in fiscal 2014, a decrease of 8.23% over our total revenue of ₹2,687.28 million in fiscal 2013. The decrease in revenue from operations was primarily due to a 8.91% decrease in our revenue from operations.

- *Revenue from operations:* Our revenue from operations decreased 8.91% from ₹2,665.24 million in fiscal 2013 to ₹2,427.84 million in fiscal 2014. This decrease was primarily due to a 13.00% decrease in our revenue from sale of services from ₹2,637.16 million in fiscal 2013 to ₹2,294.23 million in fiscal 2014, which was primarily due to a decline in revenue from and consumption of our voice services (currently the largest component of our revenue from sale of services), which was partially offset by an increase in consumption of our data services; however, prices for data services trended downward as an initiative to increase demand and because of market conditions, which effectively resulted in a decrease in revenue from data services as well. Revenue from SMS services also decreased due to a decline in consumption in favour of data use. We believe such changes in consumption reflect market trends. We also believe that

the downward movement of the Indian rupee against global currencies in fiscal 2014 had an adverse effect on international travel outbound from India, which in turn decreased demand for our services. The decrease in revenue from sale of services was partially offset by an increase in our revenue from sale of traded goods due to resale of handsets purchased from one of our telecom service providers at discounted rates to resellers.

- *Other income.* Our other income increased 73.87%, from ₹22.04 million in fiscal 2013 to ₹38.32 million in fiscal 2014. The increase was primarily due to amounts written back of ₹15.17 million in fiscal 2014 compared to ₹0.25 million in fiscal 2013 and an increase in net gain on sale of current investment due to liquidation of short term investment bonds purchased in fiscal 2013.

Total expenses. Our total expenses were ₹2,328.28 million in fiscal 2014, a 5.39% increase over our total expenses of ₹2,209.16 million in fiscal 2013. This increase in total expenses was primarily due to an increase in our purchase of traded goods and to a lesser extent increases in employee benefits expenses and other expenses in line with the growth of our business, which was partially offset by decreases in network operating cost. As a percentage of our total revenue, our expenses increased from 82.21% in fiscal 2013 to 94.41% in fiscal 2014.

- *Network operating cost:* Our network operating cost totalled ₹869.76 million in fiscal 2014, a 0.76% decrease from our network operating cost of ₹876.43 million in fiscal 2013, which was principally attributable to a decline in consumption of voice and SMS services by our customers, which was partially offset by an increase in consumption of data services, albeit at decreasing prices during the year.
- *Purchase of traded goods:* Purchase of traded goods totalled ₹98.92 million in fiscal 2014, an increase over purchase of traded goods of ₹4.89 million in fiscal 2013, which was attributable to commencement of purchases of handsets at discounted rates, which were subsequently resold to resellers.
- *(Increase)/Decrease in inventories of traded goods:* Decrease in inventories of traded goods totalled ₹1.72 million in fiscal 2014, as compared to ₹(2.60) million in fiscal 2013. The change in inventory was primarily attributable to a decline in our stock of prepaid SIM cards as a result of sale of prepaid SIM cards made out of opening stock and nominal purchases during the period.
- *Employee benefits expenses:* Our employee benefits expenses totalled ₹531.81 million in fiscal 2014, a 1.23% increase over our employee benefits expenses of ₹525.34 million in fiscal 2013, which was principally attributable to an increase in salaries of our employees due to year-on-year increments, which was partially offset by a decrease in headcount of employees due to management's decision to optimize cost.
- *Other expenses:* Our other expenses totalled ₹826.07 million in fiscal 2014, a 2.60% increase over other expenses of ₹805.10 million in fiscal 2013. The increase in other expenses can be attributed primarily to an increase in expenses for rent and repairs and maintenance arising from increased rent paid for our Delhi international airport counter, setting up our corporate office and opening new offices in various locations in line with the growth of our business and expansion strategy.

EBITDA. As a consequence of the above factors, our EBITDA decreased 71.16% from ₹478.12 million in fiscal 2013 to ₹137.88 million in fiscal 2014.

- *Depreciation:* Our depreciation increased from ₹73.35 million in fiscal 2013 to ₹92.18 million in fiscal 2014, an increase of 25.67% primarily due to addition of fixed assets during the year.
- *Amortisation expense:* Our amortisation expense increased from ₹6.80 million in fiscal 2013 to ₹16.54 million in fiscal 2014 primarily due to -purchase of new customer relationship management software for customer care.
- *Finance costs:* Our finance costs increased from ₹16.20 million in fiscal 2013 to ₹24.77 million in fiscal

2014, an increase of 52.90% primarily due to interest on cash credit facility.

Restated profit before tax and exceptional items. As a result of the factors outlined above, our restated profit before tax and exceptional items decreased 98.85% from ₹381.77 million in fiscal 2013 to ₹4.39 million in fiscal 2014. As a percentage of total revenue, our restated profit before tax and exceptional items decreased from 14.21% in fiscal 2013 to 0.18% in fiscal 2014.

Exceptional items: We had no exceptional items in fiscal 2013 and fiscal 2014.

Tax Expenses:

- *Current tax:* We recorded a current tax of ₹37.62 million for fiscal 2014 as compared to ₹175.07 million for fiscal 2013, a decrease of 78.51%. This was principally due to a decrease in taxable profit.
- *Deferred tax (credit) / charge:* We recorded a deferred tax credit of ₹9.57 million in fiscal 2014 as compared to deferred tax credit of ₹27.12 million in fiscal 2013. This was principally due to a decrease in our tax liability.

Minority interest. Minority interest decreased from ₹2.53 million in fiscal 2013 to ₹0.39 million in fiscal 2014 primarily due to decrease in the profits of consolidated Telecom Wimax Limited.

Net profit after tax and minority interest. As a result of the factors outlined above, our restated profit after tax and minority interest decreased from a profit of ₹231.29 million in fiscal 2013 to a loss of ₹24.05 million in fiscal 2014.

Fiscal 2013 Compared to Fiscal 2012

Total revenue. We had total revenue of ₹2,687.28 million in fiscal 2013, an increase of 20.84% over our total revenue of ₹2,223.86 million in fiscal 2012. The increase in revenue from operations was primarily due to a 21.75% increase in our revenue from operations.

- *Revenue from operations:* Our revenue from operations increased 21.75% from ₹2,189.06 million in fiscal 2012 to ₹2,665.24 million in fiscal 2013. This increase was primarily due to a 21.71% increase in our revenue from sale of services from ₹2,166.83 million in fiscal 2012 to ₹2,637.16 million in fiscal 2013, which was primarily due to an increase in consumption of our voice and SMS services, as well as a higher increase in consumption of our data services. We believe such changes in consumption are in line with market trends.
- *Other income.* Our other income decreased 36.67%, from ₹34.80 million in fiscal 2012 to ₹22.04 million in fiscal 2013. This was primarily due to a decrease in amounts written back and decrease in net gain on sale/discard of fixed asset.

Total expenses. Our total expenses were ₹2,209.16 million in fiscal 2013, a 9.26% increase over our total expenses of ₹2,022.00 million in fiscal 2012. This increase in total expenses was primarily due to an increase in employee benefits expense and to a lesser extent increases in network operating cost and other expenses in line with the growth of our business. As a percentage of our total revenue, our expenses decreased from 90.92% in fiscal 2012 to 82.21% in fiscal 2013.

- *Network operating cost:* Our network operating cost totalled ₹876.43 million in fiscal 2013, a 7.02% increase over our network operating cost of ₹818.92 million in fiscal 2012, which was principally attributable to an increase in our sale of services to customers.
- *Purchase of traded goods:* Purchase of traded goods totalled ₹4.89 million in fiscal 2013, a 111.69% increase over purchase of traded goods of ₹2.31 million in fiscal 2012, which was attributable to an increase in our purchase of prepaid SIM cards from new telecom service provider.
- *(Increase) in inventories of traded goods:* (Increase) in inventories of traded goods totalled ₹(2.60) million

in fiscal 2013 compared to increase in inventories of traded goods of ₹(1.11) million in fiscal 2012. The change was primarily attributable to an increase in our stock of prepaid SIM cards as a result of growth in our prepaid services business.

- *Employee benefits expenses:* Our employee benefits expenses totalled ₹525.34 million in fiscal 2013, a 26.90% increase over our employee benefits expenses of ₹413.99 million in fiscal 2012, which was principally attributable to an increase in salaries of our employees due to year-on-year increments and an increase in headcount.
- *Other expenses:* Our other expenses totalled ₹805.10 million in fiscal 2013, a 2.18% increase over other expenses of ₹787.89 million in fiscal 2012. The increase in other expenses can be attributed primarily to increases in, among other expenses, provision for doubtful debts, travelling and conveyance expenses and commission expenses in line with the growth of our business, which was partially offset by a decrease in provision for doubtful advances due to one time provision created for advance given to our Group Entity, MCS, in which our directors are interested.

EBITDA. As a consequence of the above factors, our EBITDA increased 136.86% from ₹201.86 million in fiscal 2012 to ₹478.12 million in fiscal 2013.

- *Depreciation:* Our depreciation increased from ₹59.36 million in fiscal 2012 to ₹73.35 million in fiscal 2013, an increase of 23.57% primarily due to addition of fixed assets during the year.
- *Amortisation expense:* Our amortisation expense increased 100.00% from ₹3.40 million in fiscal 2012 to ₹6.80 million in fiscal 2013 primarily due to purchase of new software.
- *Finance costs:* Our finance costs decreased from 22.49% (₹20.90 million in fiscal 2012 to ₹16.20 million) in fiscal 2013 primarily due to decrease in interest on a term loan.

Restated profit before tax and exceptional items. As a result of the factors outlined above, our restated profit before tax and exceptional items increased 222.99% from ₹118.20 million in fiscal 2012 to ₹381.77 million in fiscal 2013. As a percentage of total revenue, our restated profit before tax and exceptional items increased from 5.32% in fiscal 2012 to 14.21% in fiscal 2013.

Exceptional items: We had no exceptional items in fiscal 2012 and fiscal 2013.

Tax Expenses

- *Current tax:* We recorded a current tax of ₹175.07 million for fiscal 2013 as compared to ₹105.29 million for fiscal 2012, an increase of 66.27%. This was principally due to increase in taxable profits.
- *Deferred tax (credit) / charge:* We recorded a deferred tax credit of ₹27.12 million in fiscal 2013 as compared to deferred tax credit of ₹33.85 million in fiscal 2012. This was principally due to adjustment for timing differences.

Minority interest. Minority interest increased to ₹2.53 million in fiscal 2013 primarily due to profit earned in consolidated Telecom Wimax Limited.

Net profit after tax and minority interest. As a result of the factors outlined above, our restated profit after tax and minority interest increased 394.63% from ₹46.76 million in fiscal 2012 to ₹231.29 million in fiscal 2013.

Liquidity and Capital Resources

We finance our operations with cash from operations. Historically, our sources of liquidity have principally been internal accruals, proceeds from the sale of our Equity Shares, warrants to purchase Equity Shares and fully convertible debentures, bank overdrafts and working capital facilities and cash flows from operations. We expect

that in the future our cash from operations and cash reserves, as well as our debt capacity, will be sufficient to finance our operations as well as our growth and expansion for at least the next twelve months. We may, however, require additional cash resources due to changing business conditions or other future developments, including any investments or acquisitions we may decide to pursue. Our working capital needs are primarily to finance our trade receivables. Our capital requirements include purchase of handsets, SIM cards, tablets and laptops, servers and office equipment.

As of December 31, 2014, our primary sources of liquidity were ₹60.23 million of cash and bank balances which are available on demand. As of December 31, 2014, there are no bank overdrafts.

Our trade receivables primarily comprise of outstanding from individuals and corporate customers, and resellers. Our trade receivables increased from ₹317.47 million as of March 31, 2014 to ₹433.70 million as of December 31, 2014, primarily as a result of increase in average sales.

Our other current assets primarily consist of provision for unbilled revenue accrued at the end of each fiscal year.

We also have a secured working capital facility from HDFC Bank for cash credit and working capital facility of up to ₹150 million and a bank guarantee facility of ₹50 million. The cash credit is secured by an assignment of our credit card receivables and charges over our current assets and moveable fixed assets, and personal guarantees of certain of our Promoters. As of December 31, 2014, interest is payable on the cash credit facility at 11.50% per annum, which will be linked to the HDFC Bank base rate plus 150 bps payable monthly and on the working capital facility at 11.25% payable monthly. For a description of terms of our indebtedness, see the section “Financial Indebtedness” on page 392.

The following table sets forth our consolidated summary statement of cash flows for the periods indicated:

(₹million)

Particulars	For the nine months ended December 31, 2014	For the fiscal		
		2014	2013	2012
Net cash generated from/(used in) operating activities	342.89	166.60	102.52	280.74
Net cash generated from/(used in) investing activities	(131.13)	0.40	(270.40)	(125.84)
Net cash generated from/(used in) financing activities	(174.64)	(182.11)	80.21	(230.75)
Net increase/(decrease) in cash and cash equivalents	37.12	(15.11)	(87.67)	(75.85)

Net Cash From/(Used In) Operating Activities

Net cash generated from operating activities was ₹342.89 million for the nine months ended December 31, 2014. While our net restated profit before taxation was ₹269.60 million for the nine months ended December 31, 2014, we had an operating profit before working capital changes of ₹437.89 million primarily as a result of non-cash items such as provisions for doubtful debts and doubtful advances, provision for gratuity and provision for leave encashment, depreciation and unrealised foreign exchange loss as offset by amounts written back. Our working capital adjustments to our net cash from operations for the nine months ended December 31, 2014, primarily included an increase in trade payables of ₹152.51 million as offset by increase in trade receivables of ₹191.62 million.

Net cash generated from operating activities was ₹166.60 million for the fiscal 2014. While our net profit before taxation was ₹4.39 million for the fiscal 2014, we had an operating profit before working capital changes of ₹203.67 million primarily as a result of non-cash items such as provisions for doubtful debts and doubtful advances,

provision for gratuity and provision for leave encashment, depreciation and unrealised foreign exchange loss as offset by amounts written back. Our working capital adjustments to our net cash from operations for the fiscal 2014, primarily included an increase in trade payables of ₹56.37 million and a decrease in short term loans and advances of ₹76.34 million as offset partially by increase in trade receivables of ₹50.59 million.

Net cash generated from operating activities was ₹102.52 million for the fiscal 2013. While our net profit before taxation was ₹381.77 million for the fiscal 2013, we had an operating profit before working capital changes of ₹604.40 million primarily as a result of non-cash items such as provisions for doubtful debts and doubtful advances, provision for gratuity and provision for leave encashment, depreciation and unrealised foreign exchange loss as offset by amounts written back. Our working capital adjustments to our net cash from operations for the fiscal 2013, primarily included an increase in trade receivables of ₹230.40 million and decrease in trade payables of ₹40.52 million and increase in short term loans and advances of ₹37.51 million.

Net cash generated from operating activities was ₹280.74 million for the fiscal 2012. While our net profit before taxation was ₹118.20 million for the fiscal 2012, we had an operating profit before working capital changes of ₹328.40 million primarily as a result of non-cash items such as provisions for doubtful debts and doubtful advances, provision for gratuity and provision for leave encashment, depreciation and unrealised foreign exchange loss as offset by amounts written back. Our working capital adjustments to our net cash from operations for the fiscal 2012, primarily included an increase in trade receivables of ₹161.92 million and an increase in trade payables of ₹148.12 million.

Net Cash From/(Used In) Investing Activities

Net cash used in investing activities was ₹131.13 million for the nine months ended December 31, 2014, primarily consisting of fixed deposits created during the period of ₹116.46 million, purchase of fixed assets of ₹39.00 million partially offset by sale of fixed assets of ₹13.08 million from and interest received of ₹11.25 million.

Net cash generated from investing activities was ₹0.40 million for the fiscal 2014, primarily consisting of purchase of fixed assets of ₹133.87 million, partially offset by sale of short term investments of ₹84.42 million, sale of fixed assets of ₹18.41 million and maturity of fixed deposits during the period of ₹27.81 million.

Net cash used in investing activities was ₹270.40 million for the fiscal 2013, primarily consisting of purchase of fixed assets of ₹180.72 million, purchase of short term investments of ₹79.72 million and investment in fixed deposits of ₹26.92 million partially offset by sale of fixed assets of ₹10.75 million and interest received of ₹6.21 million.

Net cash used in investing activities was ₹125.84 million for the fiscal 2012, primarily consisting of purchase of fixed assets of ₹130.92 million and investment in fixed deposits of ₹37.91 million partially offset by sale of fixed assets of ₹18.79 million, sale of short term investments of ₹10.20 million and interest received of ₹14.00 million.

Net Cash From/(Used In) Financing Activities

Net cash used in financing activities was ₹174.64 million for the nine months ended December 30, 2014, primarily consisting of repayment of short term borrowings of ₹158.31 million, repayment of long term borrowings of ₹9.61 million and interest expenses of ₹10.20 million.

Net cash used in financing activities was ₹182.11 million for the fiscal 2014, primarily consisting of payment of interim dividend of ₹190.00 million, taxes on interim dividend of ₹32.29 million, interest expenses of ₹21.56 million, repayment of long term borrowings of ₹13.40 million partially offset by proceeds from short term borrowings of ₹71.77 million and proceeds from long term borrowings of ₹6.82 million.

Net cash generated from financing activities was ₹80.21 million for the fiscal 2013, primarily consisting of proceeds from short term borrowings of ₹87.54 million and proceeds from long term borrowings of ₹22.89 million, partially offset by repayment of long term borrowings of ₹16.23 million and interest expenses of ₹13.99 million.

Net cash used in financing activities was ₹230.75 million for the fiscal 2012, primarily consisting of payment of interim dividend of ₹100.00 million, taxes on interim dividend of ₹16.22 million, and repayment of long term

borrowings of ₹91.04 million.

Capital Expenditures

Our capital expenditures are mainly related to the purchase of handsets, SIM cards, tablets and laptops, servers and office equipment. The primary source of financing for our capital expenditure has been cash generated from operating activities.

The table below provides details of our net cash outflow on capital expenditures for fiscal 2012, 2013 and 2014 and the nine months ended December 31, 2014:

(in ₹ million)

Particulars	For the nine months ended December 31, 2014	For the fiscal		
		2014	2013	2012
Purchase of Fixed Assets	39.00	133.87	180.72	130.92

Capital and other commitments

As of December 31, 2014, the contracts remaining to be executed (net of advances) was ₹1.06 million.

Contingent Liabilities

As of December 31, 2014, we had the following contingent liabilities that had not been provided for:

Particulars	As of December 31, 2014 (in ₹ million)
Claims against the Company not acknowledged as debts	12.44
Guarantees given by the Company	55.25

For further details on our contingent liabilities and capital commitments, see the section “Financial Statements” in accordance with the provisions of Accounting Standard - 29 – Provisions, Contingent Liabilities and Contingent Assets on page 199.

Our contingent liabilities may become actual liabilities. In the event that any of our contingent liabilities become non-contingent, our business, financial condition and results of operations may be adversely affected. Furthermore, there can be no assurance that we will not incur similar or increased levels of contingent liabilities in the current fiscal year or in the future.

Related Party Transactions

We have in the past engaged, and in the future may engage, in transactions with related parties, including with our affiliates. Such transactions could be for, among other things, purchase and sale of services and fixed assets and key managerial remuneration. For further information relating to our related party transactions, see the section “Related Party Transactions” on page 197.

Interest Service Coverage Ratio

The interest service coverage ratio, which we define as earnings before interest and tax (EBIT) divided by interest expense (comprising interest on term loan, interest to banks, interest on car loan and interest on late deposit of taxes) in fiscal 2012, 2013, 2014 and the nine months ended December 31, 2014, was 8.4, 29.2, 1.2 and 27.6, respectively. EBIT has been calculated by subtracting depreciation expenses and amortisation expenses from EBITDA.

Off-Balance Sheet Transactions

We do not have any off-balance sheet arrangements, derivative instruments, swap transactions or relationships with affiliates or other unconsolidated entities or financial partnerships that would have been established for the purpose of facilitating off-balance sheet arrangements

Market Risks

Interest Rate Risk

Our exposure to interest rate risk arises principally from interest on our indebtedness. As of December 31, 2014, we had ₹7.96 million of long-term borrowings and current maturities of long-term borrowings from financial institutions. Interest on our indebtedness is linked to the bank's base rate and we are subject to market risk from changes in interest rates. We have not entered into any interest rate swaps to hedge interest rate risk.

Exchange Rate Risk

We earn revenues primarily denominated in Indian rupees and incur a significant portion of our expenses, viz. network operating cost, in foreign currencies. We have also started entering into derivative contracts to protect against exposure to exchange rate risk between the date of invoicing by our telecom service providers and the date of payment. In certain cases where we bill our customers a fixed amount in Indian rupees, such as for bundled service plans, we are exposed to exchange rate risk on such amounts payable by our customers to us as we incur the cost to provide such services in foreign currencies.

Inflation

In recent years, India has experienced relatively high rates of inflation. While we believe inflation has not had any material impact on our business and results of operations, inflation generally impacts the overall economy and business environment and hence could affect us.

Seasonality

We tend to experience higher revenues in the first and second quarters of each fiscal year, which coincide with the summer holiday travel season.

Unusual or Infrequent Events or Transactions

Except as described in this Draft Red Herring Prospectus, there have been no events or transactions to our knowledge which may be described as "unusual" or "infrequent".

Known Trends or Uncertainties

Except as described in the sections "Risk Factors" and this "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 16 and 365, respectively, 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.

Future Relationships between Costs and Income

Except as described in the sections "Risk Factors" and this "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 16 and 365, respectively, to our knowledge there are no known factors that will have a material adverse impact on our operations or finances.

New Product, Service or Business Segments

Except as described in the section "Our Business – Our Strategy" and this "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 144 and 365, respectively, there are no new product, service or business segments in which we operate.

Competitive Conditions

Our industry is characterized by intensive competition and we expect competitive conditions to intensify further as new entrants emerge and as existing competitors seek to emulate our business model and offer similar products and services. For further details, please refer to the sections “Risk Factors” and “Our Business” on pages 16 and 141, respectively.

Significant dependence on a single or few customers

Our industry is characterised with revenues predominantly from individual customers and resellers. We do not have any significant dependence on individual customers. Our top five foreign resellers contributed an aggregate of 18.52% of our revenue from operations during the nine months ended December 31, 2014.

Significant Developments after December 31, 2014 that may affect our future results of operations

To our knowledge, except as disclosed below and otherwise disclosed in this Draft Red Herring Prospectus, there is no subsequent development after the date of our financial statements contained in this Draft Red Herring Prospectus which materially affects, or is likely to affect, our operations or profitability, or the value of our assets, or our ability to pay our material liabilities within the next twelve months.

Subsequent to the nine months ended December 31, 2014:

- The Company at its board meeting held on January 30, 2015 declared interim dividend amounting to ₹3.45 per Equity Share.
- As at end of the nine month period ended December 31, 2014, the Group has advance recoverable of ₹168.65 million from MCS. The amount was initially secured by way of shares of the Company placed in an escrow account, whereby, in the event MCS fails to pay the outstanding amount to the Company on or prior to October 22, 2014, Aleta shall have the right (though not the obligation) to require the existing shareholder to sell/transfer the escrow shares to Aleta at a price of ₹102.31 per share. In the event Aleta is unable to purchase the entire escrow shares or the investor decides not to purchase the escrow shares for any reason whatsoever, then Aleta shall have the right to require the existing shareholder to transfer the escrow shares to a third party buyer as determined either by (a) Aleta; or (b) the existing shareholders, and as acceptable to Aleta.

The Group had in fiscal 2012 created a provision of ₹66.13 million towards loan considered doubtful of recovery. The Company in fiscal 2014 had received ₹70.00 million from MCS. The Group, subsequent to balance sheet date has received ₹110.22 million towards repayment of loan and interest (on amount net of provision) for the nine months ended December 31, 2014. Also the shares held under escrow have been released. The interest amount until March 31, 2014 has been waived by the Board.

- The Group has invested 27.9 million in M&S Telecom Limited. As at December 31, 2014, the Joint Venture has minimal business activities and the Group is in process of re-structuring the operations of the Joint Venture.

FINANCIAL INDEBTEDNESS

Set forth below is a brief summary of our Company's outstanding borrowings as of May 31, 2015, together with a brief description of certain significant terms of such financing agreements, in respect of our Company and the Subsidiaries.

Details of Secured Borrowings/Facilities of our Company

S. No.	Name of the Lender	Nature and Purpose of Facility	Amount sanctioned	Amount outstanding as of May 31, 2015	Interest Rate	Tenor/ Repayment Schedule	Security
1.	Kotak Mahindra Prime Limited ("KMPL")	Loan to finance the purchase of a car by the Company pursuant to the loan agreement dated July 27, 2013 and sanction letter dated August 8, 2013	₹1.48 million	₹0.63 million	Fixed rate of 10.84% per annum	36 equal monthly instalments from August 10, 2013 i.e., on or before July 10, 2016.	The facility is secured by the purchased car and post-dated cheques.
2.	KMPL	Loan to finance the purchase of a car by the Company pursuant to the loan agreement dated April 30, 2015 and sanction letter dated May 21, 2015	₹2.92 million	₹2.92 million	Fixed rate of 11.94% per annum	24 equal monthly instalments from June 1, 2015 i.e., on or before May 1, 2017	The facility is secured by the purchased car and post-dated cheques.
3.	HDFC Bank Limited	Facilities for working capital requirements of the Company. Sanction Letter dated December 12, 2014				The validity of the facilities is 12 months and is renewable annually.	The facility is secured by: <ul style="list-style-type: none"> • Escrow of 100% credit card receivables • First and exclusive charge on current assets of the Company, both present and future • First and exclusive
		Working capital facility and cash credit facility	₹150.00 million	Nil	Cash credit facility – 11.50% per annum, which will be linked to the HDFC Bank	Working capital facility – Maximum 180 days	

S. No.	Name of the Lender	Nature and Purpose of Facility	Amount sanctioned	Amount outstanding as of May 31, 2015	Interest Rate	Tenor/ Repayment Schedule	Security
					base rate plus 150 bps payable monthly Working Capital Facility – fixed rate of 11.25% per annum	Cash credit – on demand	charge on moveable fixed assets of the Company, both present and future • Fixed deposit of Rs. 30 million • Personal guarantee of Gagan Deep Singh Dugal and Major General Manjit Singh Dugal
		Bank Guarantee*	₹50.00 million The Bank Guarantee and the cash credit facility are interchangeable for an amount of ₹20.00 million, subject to a maximum Bank Guarantee limit of ₹70.00 million	₹26.50 million, US\$ 0.16 million, € 0.07 million, AED 0.50 million and HK\$ 0.30 million		Maximum of 18 months including claim period	

* Our Company has provided bank guarantees in relation to its agreements entered into with telecom service providers for purchase of voice, data and SMS services and in relation to its counters at certain airports in India. For details, see the section “Financial Statements” on page 199.

The Company has also entered into a hire-purchase agreement dated June 12, 2013 with Kotak Mahindra Prime Limited pursuant to which KMPL has agreed to lease to the Company certain vehicles for the use of the Company’s employees on the terms and conditions as may be agreed to between KMPL and the Company from time to time. As of May 31, 2015, there are 5 outstanding loans arising from such hire-purchase agreement amounting to ₹3.43 million.

The financing arrangements entered into by our Company include various restrictive conditions and covenants restricting certain corporate actions. During the currency of these financing arrangements, our Company is either required to take the prior approval of the lender before undertaking certain actions or notify the lender subsequently. For instance, our Company is required to obtain the prior written consent of certain lenders for, *inter alia*, the following:

- To effect any change in the Company’s shareholding structure;

- To diversify into any non-core areas of business *i.e.*, any business other than the current business of the Company;
- To undertake guarantee obligations on behalf of any other person or company;
- To invest in or lend funds to its Group Companies or Subsidiaries;
- To advance unsecured loans or corporate guarantees or comfort letters to the Company's associates or Group Companies;
- To withdraw any monies brought in or proposed to be brought in by principal Shareholders, Directors, depositors or friends or relatives of the Directors;
- To make any changes in the Company's management;
- To sell, assign, mortgage or otherwise dispose off any of the fixed assets of the Company;
- To raise any additional borrowings or create charge on the Company's properties or assets in favour of any other lender; and
- To issue any dividend in excess of the Company's PAT in any given year.

In addition, upon the occurrence of certain events or otherwise, certain lenders to our Company, *inter alia*, have the right to:

- require the Company to pay, as liquidated damages or loss, an amount equal to all the unpaid monthly installments that would have been payable by the Company in the full term of the loan together with interest in accordance with the agreement;
- return the product purchased by the Company with the aid of the loan to the lender, in the same condition as was delivered to the Company;
- review/revoke the sanction of the loan and in case the loan has already been disbursed, to withhold disbursement of the balance loan amount and to recall the loan already advanced in certain circumstances; and
- impose penal/ default interest.

The financing arrangements entered into by our Company also have cross-default provisions with respect to other facilities availed of by our Company. Further, certain financing arrangements of our Company also entitle the lenders to cancel the undrawn amount of the facility in certain circumstances, including downgrading of the credit rating of our Company by a credit rating agency or adverse remark, qualified opinion or its equivalent by the auditors of our Company.

There has not been any re-scheduling, prepayment or defaults by our Company in respect of any loan availed by our Company until the date of filing of this Draft Red Herring Prospectus.

Details of Unsecured Borrowings of our Company

Our Company did not have any unsecured borrowings as of May 31, 2015.

Details of Financing Arrangements entered into by our Company after May 31, 2015

Nil.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated below, there is no (i) litigation against our Company, the Directors, the Subsidiaries or the Joint Ventures or any other person whose outcome could have a material adverse effect on our Company; (ii) litigation against the Directors involving violation of statutory regulations or alleging criminal offence; (iii) criminal/civil prosecution against the Directors in respect of tax liabilities; (iv) pending proceeding initiated for economic offences against our Company, the Subsidiaries, the Directors or the Joint Ventures; (v) adverse finding in respect of our Company, the Subsidiaries and the Joint Ventures as regards compliance with the securities laws; (vi) past cases in which penalty was imposed by the relevant authorities on our Company, the Subsidiaries, the Joint Ventures and the Directors; (vii) outstanding litigation or default relating to matters likely to affect the operations and finances of our Company, the Subsidiaries and the Joint Ventures, including disputed tax liabilities and prosecution under any enactment in respect of Schedule V to the Companies Act, 2013; (viii) outstanding litigation, default, non-payment of statutory dues, proceeding initiated for economic offences or civil offences (including any past case, if found guilty), any disciplinary action taken by the SEBI or any recognised stock exchange against our Company, the Subsidiaries, the Joint Ventures and the Directors; and (ix) small scale undertaking or any other creditor to whom our Company owes a sum exceeding ₹100,000 which is outstanding for more than 30 days. Further, except as stated below, (a) there are no inquiries, inspections or investigations, initiated or conducted against our Company or the Subsidiaries or the Joint Ventures, under the Companies Act, 2013 or the Companies Act, 1956, in the last five years; (b) no prosecutions have been filed (whether pending or not), fines imposed or compounding of offences for our Company or the Subsidiaries or the Joint Ventures, in the last five years immediately preceding the year of this Draft Red Herring Prospectus; and (c) no material frauds have been committed against our Company in the last five years.

Litigation/Proceedings involving our Company

S. No.	Reference No.	Date	Plaintiffs/ Petitioners/ Complainants/ Applicants/ Appellants	Defendants/ Respondents/ Opponents	Forum	Amount under Consideration	Brief Description of the Case	Status
<i>Civil Proceedings</i>								
1.	WP (C) No. 9401/2014	January 19, 2014	Matrix Cellular (International) Services Private Limited	Union of India; Department of Consumer Affairs; Advertising Standards Council of India; and Consumer	High Court of Delhi	-	The Consumer Complaints Council, Advertising Standards Council of India pursuant to its order dated November 25, 2014 upheld a complaint against a television commercial of our Company. Our Company filed a writ petition before the High Court of Delhi	The matter is currently pending.

S. No.	Reference No.	Date	Plaintiffs/ Petitioners/ Complainants/ Applicants/ Appellants	Defendants/ Respondents/ Opponents	Forum	Amount under Consideration	Brief Description of the Case	Status
				Complaints Council			<p>praying for directions quashing the order dated November 25, 2014 passed by the Consumer Complaints Council, Advertising Standards Council of India.</p> <p>Our Company also filed a stay application in relation to the impugned order and the High Court of Delhi passed an order dated December 24, 2014 that no coercive steps are to be taken against our Company pursuant to the impugned order dated November 25, 2011.</p>	
2.	O.S. No. 839 of 2013	October 9, 2013	Matrix Cellular (International) Services Private Limited; and Matrix Forex Services Private Limited	Rajesh Badiani (“ RB ”)	Court of Chief Judge, City Civil Court, Hyderabad	₹1,583,716 together with an interest of 18% per annum	In fiscal year 2014, an employee of our Company, RB misappropriated certain funds. Our Company and Matrix Forex filed a suit for recovery of money misappropriated by RB from our Company for his personal use, including towards purchase of his vehicle.	The matter is currently pending.
3.	Civil Suit No. 117/2011	September 27, 2010	Matrix Cellular (International) Services Private Limited	Indosoft Computer International Private Limited (“ Indosoft ”)	Court of Additional District Judge, East Delhi District, Karkardooma Courts	₹366,000 together with an interest of 18% per annum from the date of filing until realization	<p>Pursuant to a lease agreement dated June 7, 2006 entered into with the Indosoft, our Company deposited an interest free security deposit of ₹366,000 refundable at the time of termination of the lease agreement.</p> <p>Since Indosoft failed to get a no-objection certificate from the</p>	The matter is currently pending.

S. No.	Reference No.	Date	Plaintiffs/ Petitioners/ Complainants/ Applicants/ Appellants	Defendants/ Respondents/ Opponents	Forum	Amount under Consideration	Brief Description of the Case	Status
							<p>concerned department, as required by our Company for purposes of registration under the shops and commercial establishments act, our Company requested for a refund of the security deposit and verbally agreed to vacate the premises. However, Indosoft initially prevented our Company from vacating the premises and pursuant to vacating such premises by our Company, Indosoft failed to provide such refund of our security deposit paid by our Company. Our Company has, therefore, filed a suit for recovery of the security deposit together with an interest of 18% per annum from the date of filing until realization and costs.</p> <p>Thereafter, Indosoft filed a written statement on November 30, 2010, to which our Company filed its reply on June 2, 2011.</p>	
4.	Civil Suit No.8/2012	January 9, 2012	Matrix Cellular (International) Services Private Limited	Midival Punditz ("MP")	Court of Civil Judge, Saket	₹200,000 together with an interest of 18% per annum	Pursuant to an assignment agreement dated July 24, 2010 entered into by our Company with MP in relation to a sound recording to be produced by MP for our Company and a master copy of which was to be	The matter is currently pending.

S. No.	Reference No.	Date	Plaintiffs/ Petitioners/ Complainants/ Applicants/ Appellants	Defendants/ Respondents/ Opponents	Forum	Amount under Consideration	Brief Description of the Case	Status
							delivered to our Company for its use not later than August 20, 2010, our Company paid ₹200,000 at the time of signing the agreement. Time was the essence of the contract and since the sound recording was not delivered within the stipulated time, our Company has prayed for a refund of the amount paid with interest and costs of suit.	
5.	Summary Suit No. 804/2010	October 14, 2010	Matrix Cellular (International) Services Private Limited	(i) ACI Infocom Limited (“ AIL ”); and (ii) Alok Gupta (“ AG ”)	High Court of Bombay	₹200,000 together with an interest of 18% per annum from the date of filing until realization	AIL, through AG, had approached our Company for sale of one of AIL’s divisions. AIL and our Company entered into a memorandum of understanding pursuant to which our Company paid an initial instalment of ₹200,000. Our Company subsequently decided against the purchase and asked AIL to return the money but has not received the money until date. Our Company has, therefore, prayed for a refund of the money paid with interest and costs of suit.	The matter is currently pending.
6.	CS/348/2014	November 1, 2014	Matrix Cellular (International) Services Private Limited	State Bank of India, Okhla branch (“ SBI ”)	Court of Senior Civil Judge, Saket Court Complex, New Delhi	₹151,830 together with an interest of 18% per annum from the date of filing until realization	Our Company deposited with SBI the requisite challan and a cheque towards employee provident fund (EPF) contribution for the month of December 2011, which was misplaced by SBI and never presented to the Company’s bankers, HDFC Bank.	The matter is currently pending.

S. No.	Reference No.	Date	Plaintiffs/ Petitioners/ Complainants/ Applicants/ Appellants	Defendants/ Respondents/ Opponents	Forum	Amount under Consideration	Brief Description of the Case	Status
							Consequently, the amount remained unpaid and resulted in a default of payment by the Company thereby, causing loss to the Company. Our Company has therefore prayed for refund of the loss.	
7.	Title Suit No. 9 of 2015	April 5, 2015	Matrix Cellular (International) Services Private Limited	Matrix Cellular (International) Services Limited, Dhaka, Bangladesh (“ Matrix Bangladesh ”); and Intraco Limited, Dhaka, Bangladesh (“ Intraco ”)	Court of District Judge, Dhaka, Bangladesh	-	Our Company issued a notice dated November 19, 2013 to Intraco for copyright infringement and for termination of the agreement between Intraco and our Company dated July 8, 2011 followed by notices dated January 24, 2014, February 10, 2014 and February 22, 2014. Intraco replied to our notice on December 26, 2013 stating that there has been no violation of the agreement dated July 8, 2011 by Intraco and as such, the termination of the agreement was unreasonable. Thereafter, our Company issued a cease and desist notice dated March 19, 2014 to Intraco in respect of infringement of our intellectual property and Intraco replied to such notice on May 10, 2014 denying any such alleged infringement. Further, our Company issued a legal notice dated June 3, 2014 requiring Intraco to, <i>inter alia</i> , stop using	The matter is currently pending.

S. No.	Reference No.	Date	Plaintiffs/ Petitioners/ Complainants/ Applicants/ Appellants	Defendants/ Respondents/ Opponents	Forum	Amount under Consideration	Brief Description of the Case	Status
							<p>our trademark and Company name, clear all outstanding dues, disclose all sale proceeds following termination of the agreement until date and to compensate our Company for such unauthorised and illegal use of our Company's trademark by Intraco. Intraco Limited replied to our legal notice on July 1, 2014 denying use of the brand name, trademark and logo of our Company since termination of the agreement dated July 8, 2011.</p> <p>Thereafter, our Company filed a suit against Intraco and its subsidiary, Matrix Bangladesh for permanent injunction infringement and passing off, an order for temporary injunction restraining the defendants until the disposal of the suit, damages and compensation.</p>	
<i>Criminal Proceedings</i>								
1.	Complaint Case No. 519 of 2013	December 9, 2013	Matrix Cellular (International) Services Private Limited	Rajesh Badiani	Court of Additional Chief Metropolitan Magistrate, South Delhi District, Saket Court	₹963,777 together with interest	Our Company filed a complaint under section 138 of the Negotiable Instrument Act, 1881 against RB in relation to dishonour of a cheque of ₹963,777 issued by RB towards discharge of his liability and continuing failure to make such	The matter is currently pending.

S. No.	Reference No.	Date	Plaintiffs/ Petitioners/ Complainants/ Applicants/ Appellants	Defendants/ Respondents/ Opponents	Forum	Amount under Consideration	Brief Description of the Case	Status
							payment. Our Company has therefore, requested for, <i>inter alia</i> , payments of all outstanding amount and litigation expenses.	
<i>Consumer Cases</i>								
1.	Appeal in complaint number 704/2010	September 28, 2013	Matrix Cellular (International) Services Private Limited	Gursharan Dhanjal (“GD”)	State Consumer Disputes Redressal Commission, New Delhi	₹25,000	GD filed a complaint number 704/2010 before the District Consumer Disputes Redressal Forum, Delhi against our Company and the District Consumer Disputes Redressal Forum in the order dated August 23, 2013 directed our Company to pay ₹25,000 to GD. Thereafter, our Company has filed an appeal under section 15 of the CPA against the final order of the District Consumer Disputes Redressal Forum dated August 23, 2013.	This matter is currently pending.
2.	Appeal number 607/2010	February 10, 2010	Satish Sejpal (“SS”)	Matrix Cellular (International) Services Private Limited	Gujarat State Consumer Disputes Redressal Commission, Ahmedabad		Pursuant to a complaint number 171/2009 filed by SS at Ahmedabad City Consumer Disputes Redressal Forum in relation to excessive billing, deficiency in service and charging of the credit card account, the Hon’ble Ahmedabad City Additional Consumer Dispute Redressal Forum at Ahmedabad passed a judgment dated November 9, 2009 dismissing the complaint with no	This matter is currently pending.

S. No.	Reference No.	Date	Plaintiffs/ Petitioners/ Complainants/ Applicants/ Appellants	Defendants/ Respondents/ Opponents	Forum	Amount under Consideration	Brief Description of the Case	Status
							order as to costs. SS has, therefore, filed an appeal under section 15 of the CPA praying for setting aside of the order dated November 9, 2009 together with an application for condonation of delay.	
3.	Appeal number 380 of 2013	April 2, 2013	Development Environergy Services Limited (“ DESL ”)	Matrix Cellular (International) Services Private Limited	State Consumer Disputes Redressal Commission, New Delhi		DESL filed a complaint number 422/2011 before the District Consumer Disputes Redressal Forum, Delhi against our Company in relation to excessive billing and the District Consumer Disputes Redressal Forum in the order dated November 25, 2011 dismissed the complaint. Thereafter, DESL has filed an appeal under section 15 of the CPA against the final order of the District Consumer Disputes Redressal Forum dated November 25, 2011.	This matter is currently pending.
4.	Consumer Case Number 96/2010	February 13, 2010	Ashok Kumar Goel (“ AKG ”)	Matrix Cellular (International) Services Private Limited	District Consumer Dispute Redressal Forum, New Delhi	₹8,138.88 together with an interest of 18% per annum from August 2009 until realization and ₹75,000	AKG issued a legal notice on September 29, 2009 and subsequently filed a complaint dated February 13, 2010 under section 12 of the CPA in relation to issuance of an incorrect bill and debit of AKG’s credit card by the Company. AKG has requested compensation on account of, <i>inter alia</i> , unauthorized and excessive	This matter is currently pending.

S. No.	Reference No.	Date	Plaintiffs/ Petitioners/ Complainants/ Applicants/ Appellants	Defendants/ Respondents/ Opponents	Forum	Amount under Consideration	Brief Description of the Case	Status
							billing by the Company.	
5.	Complaint Number 432 of 2012	August 30, 2012	Nishant Raj Goel (“NRG”)	Matrix Cellular (International) Services Private Limited	District Consumer Dispute Redressal Forum, New Delhi	₹61,425.63	NRG filed a complaint in relation to incorrect billing and unauthorized charging of his credit card and has requested compensation and refund of the amount charged on his credit card.	This matter is currently pending.
6.	Complaint Number 499 of 2013	September 27, 2013	Ajay Kaul and Vishal Sonthalia (together, “AK and VS”)	Matrix Cellular (International) Services Private Limited	District Consumer Dispute Redressal Forum, New Delhi	₹50,000 together with an interest of 18% per annum and ₹103,000	AK and VS filed a complaint under section 2(1)(b)(i) of the CPA in relation to deficiency of services and unfair trade practices by the Company. AK and VS have requested for, <i>inter alia</i> , compensation on account of the Company’s failure to deactivate AK and VS’s SIM card and cancellation of bill.	This matter is currently pending.
7.	Complaint Number 546 of 2013	November 12, 2013	Manoj Kumar Dang (“MKD”)	Matrix Cellular (International) Services Private Limited	District Consumer Dispute Redressal Forum, New Delhi	₹300,000	MKD filed a complaint in relation to excessive billing by the Company and has requested damages towards poor services and mental agony.	This matter is currently pending.
8.	Complaint Number 55 of 2014	February 10, 2014	Gautam Banerji (“GB”)	Matrix Cellular (International) Services Private Limited	District Consumer Dispute Redressal Forum, New Delhi	₹113,150.93	GB filed a complaint in relation to inflated billing by the Company and has requested a refund of the amount under consideration as he was allegedly coerced to deposit such sum	This matter is currently pending.
9.	Complaint Number 619 of 2014	November 27, 2014	Vedika Gandhi (“VG”)	Matrix Cellular (International) Services	District Consumer Disputes Redressal	₹140,000	VG issued a legal notice on October 30, 2014 and subsequently filed a complaint dated November 27, 2014 under	This matter is currently pending.

S. No.	Reference No.	Date	Plaintiffs/ Petitioners/ Complainants/ Applicants/ Appellants	Defendants/ Respondents/ Opponents	Forum	Amount under Consideration	Brief Description of the Case	Status
				Private Limited	Forum, Chandigarh		Section 12 of the CPA in relation to deactivation of the mobile connection provided, and issuance of an incorrect bill, by the Company to VG. VG has requested for, <i>inter alia</i> , compensation on account of deficiency in services, cancellation of bill amount and litigation expenses.	
10.	Complaint Number 95 of 2013	September 26, 2013	Arjun Tarang Jain (“ATJ”)	Matrix Cellular (International) Services Private Limited	District Consumer Disputes Redressal Forum, South Mumbai	₹133,921.89	ATJ filed a complaint under Section 12 of the CPA in relation to excessive billing and deficiency of services. ATJ has requested for, <i>inter alia</i> , refund of the amount charged on his credit card, compensation for mental agony and costs of filing the complaint.	This matter is currently pending.
11.	OP (Q) 180 of 2012	June 12, 2012	Arumugam Sankaran Chettiyar (“ASC”)	Matrix Cellular (International) Services Private Limited; the Manager, HDFC Bank Credit Cards, Chennai; and the Manager, HDFC Bank Branch Office, Kollam	District Consumer Disputes Redressal Forum, Kollam	₹286,601.46	ASC filed a complaint under Sections 11 and 12 of the CPA in relation to incorrect billing and deficiency of services and has alleged collusion between the respondents in remitting the amounts under the disputed bill. ASC has requested for, <i>inter alia</i> , refund from the Company of the amount charged together with compensation for mental agony and business loss and costs of the complaint from the respondents.	This matter is currently pending.
12.	Complaint	2014	Sandeep Jain	Matrix	District	₹5,032.47 with	SJ filed a complaint under	This matter is

S. No.	Reference No.	Date	Plaintiffs/ Petitioners/ Complainants/ Applicants/ Appellants	Defendants/ Respondents/ Opponents	Forum	Amount under Consideration	Brief Description of the Case	Status
	Number 1329 of 2014		("SJ")	Cellular (International) Services Private Limited	Consumer Dispute Redressal Forum, Jaipur	interest and ₹616,000	Section 12 of the CPA in relation to faulty services and has requested for, <i>inter alia</i> , compensation, refund of the amount charged with interest and legal expenses.	currently pending.
13.	Complaint Number 221 of 2011	September 9, 2011	Rajendra Pratap Singh ("RPS")	Matrix Cellular (International) Services Private Limited	District Consumer Disputes Redressal Forum, Varanasi	₹20,000 together with an interest of 18% per annum and ₹80,000	RPS filed a complaint in relation to incorrect billing and has requested for, <i>inter alia</i> , compensation, cancellation of the bill amount and refund of the security deposit and legal expenses.	This matter is currently pending.
14.	Complaint Case Number 47 of 2013	April 15, 2013	K. Sunita Rani ("KSR")	Matrix Cellular (International) Services Private Limited	District Consumer Disputes Redressal Forum, Jeypore	₹50,000	KSR filed a complaint under Section 12 of the CPA in relation to deficiency in service and unfair trade practice alleging incorrect billing. KSR has requested for, <i>inter alia</i> , compensation and revision of the bill amount to ₹2,482.11 (instead of ₹46,165.77).	This matter is currently pending.
15.	Complaint Case Number 412 of 2010	September 1, 2010	Nimisha (Agarwal) Pathare ("NAP")	Matrix Cellular (International) Services Private Limited	District Consumer Disputes Redressal Forum, Pune	₹16,218.33 together with interest and ₹75,000	NAP filed a complaint in relation to excessive billing, deficiency in service and unfair trade practice alleging unauthorized charging of his credit card contrary to directives issued by the Reserve bank of India. NAP has requested for, <i>inter alia</i> , compensation, refund of the amount charged and an order directing our Company to stop collecting and using the credit card information of	This matter is currently pending.

S. No.	Reference No.	Date	Plaintiffs/ Petitioners/ Complainants/ Applicants/ Appellants	Defendants/ Respondents/ Opponents	Forum	Amount under Consideration	Brief Description of the Case	Status
							customers.	
16.	Complaint Case Number 596 of 2013	December 12, 2013	Jose Thomas (“JT”)	KL Johars Company; DC Johar and Sons Private Limited; and Matrix Cellular (International) Services Private Limited	District Consumer Disputes Redressal Forum, Kozhikode	₹450,000	JT filed a complaint under Section 12 of the CPA in relation to negligence, deficiency in service and unfair trade practice arising out of non-functioning of the SIM cards and has requested for, <i>inter alia</i> , compensation and costs of proceedings.	This matter is currently pending.
17.	Complaint Number 987 of 2013	2013	Ravi Singh Chaddha (“RSC”)	Matrix Cellular (International) Services Private Limited	District Consumer Dispute Redressal Forum, Jaipur	₹97,000 together with an interest of 12% per annum	RSC filed a complaint under Section 12 of the CPA in relation to issuance of a faulty and incorrect bill and has requested for, <i>inter alia</i> , compensation and legal expenses.	This matter is currently pending.
18.	Complaint Number 12/442	2012	Anagha Sharad Nigavekar (“ASM”)	Matrix Cellular (International) Services Private Limited	District Consumer Dispute Redressal Forum, Mumbai	₹17,643.90 together with an interest of 1.5% per month and ₹105,000	ASM filed a complaint under Section 12 of the CPA in relation to excessive billing and charging of the credit card account in excess of the deposit and has requested for, <i>inter alia</i> , compensation, refund of the charged amount, costs and expenses.	This matter is currently pending.
19.	Complaint Case Number 9 of 2013	December 18, 2012	Madu Desikan (“MD”)	Matrix Cellular (International) Services Private Limited	District Consumer Dispute Redressal Forum, South Chennai	₹205,900	MD filed a complaint under Section 12 of the CPA in relation to improper billing and deficiency in service and has requested for, <i>inter alia</i> , compensation and refund of the charged amount.	This matter is currently pending.
20.	Complaint	October	R Narayanan	Matrix	District	₹10,000	RN filed a complaint under	This matter is

S. No.	Reference No.	Date	Plaintiffs/ Petitioners/ Complainants/ Applicants/ Appellants	Defendants/ Respondents/ Opponents	Forum	Amount under Consideration	Brief Description of the Case	Status
	Case Number 422 of 2014	27, 2014	("RN")	Cellular (International) Services Private Limited	Consumer Dispute Redressal Forum, South Chennai		Section 12 of the CPA in relation to unfair trade practice and deficiency in service arising out of alleged excessive billing. RN has requested for, <i>inter alia</i> , costs of litigation proceedings.	currently pending.
21.	Complaint Number 169/14	June 24, 2014	Khurshid Ur Khan ("KUK")	Matrix Cellular (International) Services Private Limited	District Consumer Dispute Redressal Forum, Lucknow	₹21,000	KUK filed a complaint under Section 12(1) of the CPA in relation to excessive billing and alleging that the Company had violated guidelines issued by the Telecom Regulatory Authority of India by not informing KUK upon consumption of 80% of the deposit amount and has requested for, <i>inter alia</i> , compensation and legal expenses.	Pursuant to a settlement deed dated April 17, 2015, KUK has agreed to withdraw the complaint and our Company has agreed to waive the impugned bill.
22.	Complaint Case Number 37 of 2013	May 9, 2013	Palanisamy Shanmugam ("PS")	Matrix Cellular (International) Services Private Limited	District Consumer Dispute Redressal Forum, Chengalpattu	₹943.91 together with an interest of 12% per annum from July 23, 2012 and ₹10,000	PS filed a complaint under Section 12 of the CPA in relation to deficiency in service and unfair trade practices arising out of contradictory demands through five inconsistent bills. PS has requested for, <i>inter alia</i> , compensation, damages and costs of litigation proceedings.	This matter is currently pending.
23.	Complaint Case Number 486 of 2013	June 6, 2013	Manvinder Pal Singh ("MPS")	Matrix Cellular (International) Services Private Limited	District Consumer Dispute Redressal Forum, Lucknow	₹100,000	MPS filed a complaint under Section 12 of the CPA in relation to deficiency in service and fabricated and excessive billing. MPS has requested for, <i>inter alia</i> , compensation, legal expenses and an order directing the respondents not to compel payment of the	This matter is currently pending.

S. No.	Reference No.	Date	Plaintiffs/ Petitioners/ Complainants/ Applicants/ Appellants	Defendants/ Respondents/ Opponents	Forum	Amount under Consideration	Brief Description of the Case	Status
							impugned bill.	
24.	Complaint Number 241 of 2014	January 17, 2014	Babulal (“BL”)	Matrix Cellular (International) Services Private Limited	District Consumer Dispute Redressal Forum, Jaipur	₹326,842.33	BL filed a complaint under Section 12 of the CPA in relation to unfair trade practices and charging his credit card in an illegal manner. BL has requested for, <i>inter alia</i> , refund of the amount charged, compensation and legal expenses.	This matter is currently pending.
25.	Complaint Number 121/14	March 3, 2014	Chandra Prakash Singh (“CPS”)	Matrix Cellular (International) Services Private Limited	District Consumer Dispute Redressal Forum, Jaipur	₹1,066,179.56 together with interest	CPS filed a complaint under Section 12 of the CPA in relation to incorrect billing and charging his credit card without his consent. CPS has requested for, <i>inter alia</i> , refund of the amount charged, compensation and legal expenses.	This matter is currently pending.
26.	Complaint Number 1706/13	October 12, 2013	Krishna Kumar Sharma (“KKS”)	Matrix Cellular (International) Services Private Limited	District Consumer Dispute Redressal Forum, Jaipur	₹1,76,000	KKS filed a complaint under Section 12 of the CPA in relation to faulty services, negligence and incorrect billing. KKS has requested for, <i>inter alia</i> , cancellation of the impugned bills, compensation and legal expenses.	This matter is currently pending.
27.	Complaint Number 1708 of 2012	October 8, 2012	Ravindra Kumar Agrawal (“RKA”)	Matrix Cellular (International) Services Private Limited	District Consumer Dispute Redressal Forum, Jaipur	₹2,500 with an interest of 18% per annum and ₹140,000	RKA filed a complaint under Section 12 of the CPA in relation to deficiency in service arising out of non-working of the SIM cards. RKA has requested for, <i>inter alia</i> , refund of the amount paid by RKA, compensation and legal expenses.	This matter is currently pending.
28.	Complaint	May, 2012	Surekha Jain	Matrix	District	₹50,000	SRJ filed a complaint under	This matter is

S. No.	Reference No.	Date	Plaintiffs/ Petitioners/ Complainants/ Applicants/ Appellants	Defendants/ Respondents/ Opponents	Forum	Amount under Consideration	Brief Description of the Case	Status
	Number 580 of 2012		("SRJ")	Cellular (International) Services Private Limited; and State Bank Credit Card Customer Correspondence Unit	Consumer Dispute Redressal Forum, Indore		Section 12 of the CPA in relation to erroneous billing and charging of the credit card account without consent. SRJ has requested for, <i>inter alia</i> , refund of the amount and compensation.	currently pending.
29.	Case Number 397/14	October 14, 2014	Kalyani Seth ("KS")	Matrix Cellular (International) Services Private Limited	District Consumer Dispute Redressal Forum, New Delhi	₹30,000	KS filed a complaint in relation to erroneous billing and unfair trade practices and has requested for, <i>inter alia</i> , rectification of the impugned bill, compensation and litigation costs.	This matter is currently pending.
30.	Case Number 36/15	January 23, 2015	Anil Kaushik; and Devyani Ashra (together, "AKDA")	Matrix Cellular (International) Services Private Limited; Gagan Deep Singh Dugal; Captain Rakesh Walia; Manjit Singh Dugal; Nitasha Sinha; and IndusInd Bank	District Consumer Dispute Redressal Forum, New Delhi	₹130,630 together with an interest of 24% per annum from date of default until payment and ₹200,000	AKDA filed a complaint in relation to illegal and arbitrary charge on the credit card for no services rendered and charging of the credit card account without consent and without raising any bill. AKDA has requested for, <i>inter alia</i> , refund of the charged amounts and compensation.	This matter is currently pending.
31.	Case Number 407/14	August 24, 2014	Rajat Dilwali ("RD")	Matrix Cellular (International) Services	District Consumer Dispute Redressal	₹121,000	RD filed a complaint under Section 12 of the CPA in relation to inflated and excessive billing not in accordance with the agreed	This matter is currently pending.

S. No.	Reference No.	Date	Plaintiffs/ Petitioners/ Complainants/ Applicants/ Appellants	Defendants/ Respondents/ Opponents	Forum	Amount under Consideration	Brief Description of the Case	Status
				Private Limited	Forum, New Delhi		rates and for charging his credit card account without informing him. RD has requested for, <i>inter alia</i> , rectification of the impugned bill, compensation and costs of litigation.	
32.	Complaint Number 1087 of 2014	2014	Anshul Mittal (“AM”)	Matrix Cellular (International) Services Private Limited	District Consumer Dispute Redressal Forum, Indore	₹300,000	AM filed a complaint under Section 12 of the CPA in relation to unfair and excessive billing and deficiency in service and has requested for, <i>inter alia</i> , withdrawal of the impugned bill and issuance of the correct bill, compensation and costs.	This matter is currently pending.
33.	Consumer Case Number 624 of 2014	October 21, 2014	A. A. Siddiqui (“AS”)	Matrix Cellular (International) Services Private Limited	District Consumer Dispute Redressal Forum, Mohali	₹61,000	AS filed a complaint under Section 12 of the CPA in relation to deficiency in service arising out of non-working of the SIM cards and arbitrary billing and has requested for, <i>inter alia</i> , damages and litigation expenses.	This matter is currently pending.
34.	CC No. 468/2014	November 1, 2014	Balakrishnan Elangovan (“BE”)	Matrix Cellular (International) Services Private Limited	District Consumer Dispute Redressal Forum, South Chennai	₹200,000	BE filed a complaint under Section 12 of the CPA in relation to excessive billing, deficiency in service and unfair trade practices and has requested for, <i>inter alia</i> , compensations and costs of proceedings.	This matter is currently pending.
35.	Complaint No. 240/14	2014	Yash Kalra (“YK”)	Matrix Cellular (International) Services Private Limited	District Consumer Dispute Redressal Forum, Jaipur	₹121,524	YK filed a complaint under Section 12 of the CPA in relation to unfair trade practices arising out of charging the account without consent and has requested for, <i>inter alia</i> , refund,	This matter is currently pending.

S. No.	Reference No.	Date	Plaintiffs/ Petitioners/ Complainants/ Applicants/ Appellants	Defendants/ Respondents/ Opponents	Forum	Amount under Consideration	Brief Description of the Case	Status
							compensation and litigation expenses.	
36.	Complaint Number 319 of 2012	2012	Professor A.K. Gosain (“ AKG ”)	Matrix Cellular (International) Services Private Limited	District Consumer Disputes Redressal Forum, New Delhi	₹500,000 together with an interest of 24% per annum until date of payment	AKG filed a complaint under Section 2 of the CPA for recovery of damages against our Company in relation to erroneous billing and non-working of the SIM cards. AKG has requested for, <i>inter alia</i> , cancellation of the impugned bill, compensation and legal expenses.	This matter is currently pending.
37.	Session Case no. 71/12	February 10, 2012	Dinesh Kumar Sabharwal (“ DKS ”)	Matrix Cellular (International) Services Private Limited	District Consumer Disputes Redressal Forum, New Delhi	₹65,000	DKS filed a complaint under the CPA alleging that the number of the SIM card actually provided to him was different from the number issued to him, as a result of which, he suffered loss of business. DKS has requested for, <i>inter alia</i> , grant of compensation and costs.	This matter is currently pending.
38.	Consumer Complaint No. 122 of 2012	March 6, 2012	Aditya Saraf (“ AS ”)	Matrix Cellular (International) Services Private Limited	District Consumer Disputes Redressal Forum, New Delhi	₹225,000	AS filed a complaint under section 12 of the CPA in relation to deficiency in service arising out of non-working of SIM cards and excessive billing. AS has requested for, <i>inter alia</i> , grant of compensation on account of harassment and damage, refund of the excess amount billed and for litigation expenses.	This matter is currently pending.
39.	Complaint Number 273 of 2009	March 13, 2009	Gunjan Soni and Mayank Soni (together, “ GS and MS ”)	Matrix Cellular (International) Services	District Consumer Disputes Redressal	₹300,000	GS and MS filed a complaint under section 13 of the CPA in relation to deficiency in service and unfair trade practices arising	This matter is currently pending.

S. No.	Reference No.	Date	Plaintiffs/ Petitioners/ Complainants/ Applicants/ Appellants	Defendants/ Respondents/ Opponents	Forum	Amount under Consideration	Brief Description of the Case	Status
				Private Limited; Standard Chartered Bank; and American Express Banking Corporation	Forum, New Delhi		out of charging the credit card account and has requested for, <i>inter alia</i> , an order restraining our Company from adopting unfair trade practice and quashing the impugned bill, compensation towards mental agony and for costs.	
40.	Complaint Number 551/2009	July 10, 2009	Anita Mehra (“AM”)	Matrix Cellular (International) Services Private Limited	District Consumer Disputes Redressal Forum, New Delhi	₹100,000	AM filed a complaint for mental torture and harassment caused due to excessive billing and non-implementation of the chosen plan and for charging of her credit card account without her consent. AM has requested for, <i>inter alia</i> , compensation and an order to revise the bills.	This matter is currently pending.
41.	Complaint Number 222/2014	January 23, 2014	Neeru Nagpal (“NN”)	Matrix Cellular (International) Services Private Limited	District Consumer Disputes Redressal Forum, Delhi	₹463,500 together with an interest of 18% per annum from date of filing until actual payment	NN filed a complaint under section 12 of the CPA in relation to deficiency in service and unfair trade practice arising out of disconnection and non-restoration of the line despite repeated requests. NN has requested for, <i>inter alia</i> , compensation, refund of security deposit and litigation expenses.	This matter is currently pending.
42.	Complaint Number 459/2012	November 25, 2012	Sanchit Bhupedrasingh Rajpal (“SBR”)	Matrix Cellular (International) Services Private Limited	District Consumer Redressal Forum, Aurangabad	₹35,000 together with an interest of 18% per annum until realization and	SBR filed a complaint under section 12 of the CPA in relation to deficiency in service and charging of the credit facility and has requested for, <i>inter alia</i> , refund of the amount charged and	This matter is currently pending.

S. No.	Reference No.	Date	Plaintiffs/ Petitioners/ Complainants/ Applicants/ Appellants	Defendants/ Respondents/ Opponents	Forum	Amount under Consideration	Brief Description of the Case	Status
						₹25,000	compensation.	
43.	Consumer Complaint number 76/2014	July 21, 2014	Jose Antonio Botelho (“JAB”)	Matrix Cellular (International) Services Private Limited	District Consumer Disputes Redressal Forum, Goa	₹5439.63 together with an interest of 18% per annum until payment and ₹205,439.63	JAB filed a complaint under section 12 of the CPA alleging that his credit card was illegally debited for failure to return the instrument although he had returned such instrument by courier and has requested for, <i>inter alia</i> , refund of such debited amount and compensation.	This matter is currently pending.
44.	Complaint Number 65/2012	March 26, 2012	Tarang Jain (“TJ”)	Matrix Cellular (International) Services Private Limited	District Consumer Disputes Redressal Forum, South Mumbai	₹454,638.52 with an interest of 18% per annum until payment and ₹65,000	TJ filed a complaint under section 12 of the CPA in relation to breach of trust and deficiency in service arising out of charging the account without raising any bill and has requested for, <i>inter alia</i> , compensation towards mental agony and costs.	This matter is currently pending.
45.	Complaint number 485/2012	December 17, 2012	Dr. Uday Ashok Gadgil (“UAG”)	Matrix Cellular (International) Services Private Limited	District Consumer Redressal Forum, Thane	₹535,000	UAG filed a complaint under sections 11 and 12 of the CPA in relation to false billing and has requested for, <i>inter alia</i> , rectification of bill amount, compensation for losses, mental agony and torture and costs.	This matter is currently pending.
46.	Complaint number 571/2014	October 21, 2014	Dr. B.K. Maheshwari (“BKM”)	Matrix Cellular (International) Services Private Limited; and SBI Cards Correspondence Department	District Consumer Forum, Haridvar, Uttarakhand	₹140,000	BKM filed a complaint in relation to excessive billing and has requested for, <i>inter alia</i> , a refund, compensation towards mental agony and harassment and litigation costs.	This matter is currently pending.

S. No.	Reference No.	Date	Plaintiffs/ Petitioners/ Complainants/ Applicants/ Appellants	Defendants/ Respondents/ Opponents	Forum	Amount under Consideration	Brief Description of the Case	Status
47.	CC No. 40/2013	February 13, 2013	Sushil Somani ("SS")	Matrix Cellular (International) Services Private Limited	District Consumer Forum, Vishakhapatnam	₹85,000	SS filed a complaint under Section 12 of the CPA in relation to deficiency in service arising out of non-working of the data card facility and has requested for, <i>inter alia</i> , cancellation of the bill, compensation and costs of litigation.	This matter is currently pending.
48.	Complaint Number 323 of 2014	August 14, 2014	Amar Jain ("AJ")	Matrix Cellular (International) Services Private Limited	District Consumer Dispute Redressal Forum, New Delhi	₹100,000	AJ filed a complaint under Section 12(A) of the CPA in relation to deficiency in service and excessive billing and has requested for, <i>inter alia</i> , revision of bill, compensation and costs.	This matter is currently pending.
49.	Complaint number 414/2014	June 18, 2014	Mainak Dasgupta ("MD")	Matrix Cellular (International) Services Private Limited	District Consumer Disputes Redressal Forum, Kolkata	₹11,000	MD filed a complaint under Section 12 of the CPA in relation to deficiency in service arising out of inefficient and poor services and excessive billing and has requested for, <i>inter alia</i> , refund of charged amount, compensation towards mental agony and costs of the petition.	This matter is currently pending.
50.	Complaint number 329/2014	2014	Bhaskar Basu ("BB")	Matrix Cellular (International) Services Private Limited	District Consumer Dispute Redressal Forum, New Delhi	₹26,077 together with an interest of 6% per month and ₹120,000	BB filed a complaint under Section 12 of the CPA in relation to deficiency in service and unfair trade practices and has requested for, <i>inter alia</i> , refund of charged amount, compensation and litigation expenses.	This matter is currently pending.
51.	Complaint number 1418/2013	2013	Prem Prakash Gupta ("PPG")	Matrix Cellular (International) Services	District Consumer Forum, Jaipur	₹923,000	PPG filed a complaint under Section 12 of the CPA in relation to deficiency in service and unfair trade practices arising out of non-	This matter is currently pending.

S. No.	Reference No.	Date	Plaintiffs/ Petitioners/ Complainants/ Applicants/ Appellants	Defendants/ Respondents/ Opponents	Forum	Amount under Consideration	Brief Description of the Case	Status
				Private Limited			working of the SIM card and has requested for, <i>inter alia</i> , refund of security deposit, compensation and litigation expenses.	
52.	C.C. No. 130 of 2015	February 27, 2015	Rajeev Kumar Raizada (“ RKR ”)	Matrix Cellular (International) Services Private Limited	District Consumer Disputes Redressal Forum, South Chennai	₹215,000	RKR filed a complaint under Section 12 of the CPA in relation to deficiency in service, unfair trade practices and has requested for, <i>inter alia</i> , compensation towards mental agony, hardship and deficiency in service and costs.	This matter is currently pending.
53.	Consumer Complaint No. 215 of 2015	April 6, 2015	Rajiv Goel (“ RG ”)	Matrix Cellular (International) Services Private Limited	District Consumer Disputes Redressal Forum, Chandigarh	₹62,619.06	RG filed a complaint under Section 12 of the CPA in relation to deficiency in service arising out of non-availability of data services and has requested for, <i>inter alia</i> , damages towards mental agony, harassment and deficiency in service, refund of the billed amount and litigation expenses.	This matter is currently pending.
54.	Complaint number 1564/2013	2013	Hitesh Dhanuka (“ HD ”)	Matrix Cellular (International) Services Private Limited	District Consumer Disputes Redressal Forum, Jaipur	₹512,128 together with annual interest of 24% from date of filing complaint until payment	HD filed a complaint under section 12 of the CPA in relation to unfair trade practice arising out of non-refund of the amount debited from the credit card account and has requested for, <i>inter alia</i> , compensation for mental agony, time and financial loss and legal expenses.	This matter is currently pending.
55.	CC/16/2015	January 8, 2015	Pallavi Mathur (“ PM ”)	Matrix Cellular (International)	District Consumer Disputes	₹11,000 together with an interest of	PM filed a complaint under Section 12 of the CPA in relation to deficiency in service, excessive	This matter is currently pending.

S. No.	Reference No.	Date	Plaintiffs/ Petitioners/ Complainants/ Applicants/ Appellants	Defendants/ Respondents/ Opponents	Forum	Amount under Consideration	Brief Description of the Case	Status
				Services Private Limited	Redressal Forum, Chandigarh	12% from date of payment until refund and ₹150,000	billing and has requested for, <i>inter alia</i> , compensation towards harassment and deficiency in service, refund of excess bill amount and costs of litigation.	
56.	C.C. No. 128 of 2015	April 12, 2015	Bina Birla (“BB”)	Matrix Cellular (International) Services Private Limited	District Consumer Disputes Redressal Forum, Khurda at Bhubaneswar	₹220,000	BB filed a complaint under Section 12 of the CPA requesting for compensation towards harassment and mental agony, together with costs.	This matter is currently pending.
57.	C.C. No. 741 of 2014	December 8, 2014	Md Jaher (“MJ”)	Matrix Cellular (International) Services Private Limited	District Consumer Disputes Redressal Forum, Kolkata	₹85,000	MJ filed a complaint in relation to unfair trade practices and has requested for, <i>inter alia</i> , compensation, revision of the bill and litigation costs.	This matter is currently pending.
58.	Case No. 26/15	2015	P.C. Jain (“PJ”)	Matrix Cellular (International) Services Private Limited	District Consumer Dispute Redressal Forum, New Delhi	₹65,000	PJ filed a complaint under Section 12 of the CPA in relation to excessive billing and unfair trade practices and has requested for, <i>inter alia</i> , compensation towards harassment and deficiency in service, revision of the billed amount and legal expenses.	This matter is currently pending.
59.	Complaint No.CC/506/2014	December 19, 2014	Bina Mayur Sampat (“BMS”)	Matrix Cellular (International) Services Private Limited	Consumer Disputes Redressal Forum, Mumbai Suburban District	₹6,638	BMS filed a complaint in relation to excessive billing, false representation and mental harassment and has requested for, <i>inter alia</i> , damages, refund of the balance security deposit and costs of the complaint.	This matter is currently pending.
60.	Complaint	November	Haresh Prabhu	Matrix	Consumer	₹50,000	HPJ filed a complaint in relation	This matter is

S. No.	Reference No.	Date	Plaintiffs/ Petitioners/ Complainants/ Applicants/ Appellants	Defendants/ Respondents/ Opponents	Forum	Amount under Consideration	Brief Description of the Case	Status
	No.CC/466/2014	29, 2014	Jethani (“HPJ”)	Cellular (International) Services Private Limited	Disputes Redressal Forum, Mumbai Suburban District		to excessive billing, false representation and mental harassment and has requested for, <i>inter alia</i> , refund of the amount charged from the credit card account and compensation towards harassment and financial expenses incurred.	currently pending.
61.	Complaint No.CC/427/2014	2014	Rajendra Ruia (“RR”)	Matrix Cellular (International) Services Private Limited; and American Express Banking Corporation	Consumer Disputes Redressal Forum, Mumbai Suburban District	₹209,102	RR filed a complaint in relation to deficiency in service arising out of failure to honour the committed plan and has requested for, <i>inter alia</i> , waiver of the impugned bill, compensation for mental agony and legal expenses.	This matter is currently pending.
62.	Complaint No 662/2015	2015	Rajesh Goyal (“RG”)	Matrix Cellular (International) Services Private Limited	District Consumer Dispute Redressal Forum, Jaipur	₹215,000	RG filed a complaint under section 12 of the CPA in relation to excessive billing and unfair trade practice resulting in financial loss and mental agony and has requested for, <i>inter alia</i> , cancellation of the impugned bill, compensation and expenses.	This matter is currently pending.
63.	CC/163/2015	2015	Minara Begum (“MB”)	Matrix Cellular (International) Services Private Limited; and Andhra Bank	Consumer Disputes Redressal Forum, Kolkata	₹1,049,425.76 together with annual interest of 12% and ₹10,000	MB has filed a complaint in relation to unfair trade practice arising out of illegally debiting MB’s credit card account without her consent and has requested for, <i>inter alia</i> , refund of such amounts, compensation and litigation costs.	This matter is currently pending.

S. No.	Reference No.	Date	Plaintiffs/ Petitioners/ Complainants/ Applicants/ Appellants	Defendants/ Respondents/ Opponents	Forum	Amount under Consideration	Brief Description of the Case	Status
64.	CC/521/2011	November 26, 2012	Anjali Kale ("AK")	Matrix Cellular (International) Services Private Limited; and Mr. Chandra Shekhar	District Consumer Disputes Redressal Forum, Bandra	₹65,000 together with interest until realization	AK filed a complaint under section 12 of the CPA in relation to deficiency of services arising out of non-working of the mobile handset provided by the Company and has requested for compensation toward mental agony and financial loss.	This matter is currently pending.
65.	Complaint number 194 of 2011	2011	Mushfiq Hasan ("MH")	Matrix Cellular (International) Services Private Limited	Consumer Disputes Redressal Forum, South Mumbai District at Parel	₹54,879.48	MH filed a complaint under section 12 of the CPA in relation to excessive billing and adopting unfair trade practice to gain profit by providing wrong information to customers and has requested for, <i>inter alia</i> , refund of the charged amount, cancellation of the bills raised, compensation on account of mental harassment and costs of proceedings.	This matter is currently pending.
66.	CC/467/2014	December 8, 2014	Satyavan Vitthal Govalkar ("SVG")	Matrix Cellular (International) Services Private Limited	Consumer Disputes Redressal Forum, Mumbai Suburban District	₹10,000	SVG filed a complaint in relation to excessive billing and cheating by the Company and has requested for, <i>inter alia</i> , the Company to be placed in blacklist and an enquiry to be conducted and compensation towards mental and physical agony.	This matter is currently pending.
67.	CC/465/2014	December 8, 2014	Vijay Vakte ("VV")	Matrix Cellular (International) Services Private Limited	Consumer Disputes Redressal Forum, Mumbai Suburban District	₹15,000	VV filed a complaint in relation to excessive billing and cheating by the Company and has requested for, <i>inter alia</i> , the Company to be placed in blacklist and an enquiry to be conducted and compensation towards mental	This matter is currently pending.

S. No.	Reference No.	Date	Plaintiffs/ Petitioners/ Complainants/ Applicants/ Appellants	Defendants/ Respondents/ Opponents	Forum	Amount under Consideration	Brief Description of the Case	Status
							and physical agony.	

In addition, our Company has received summons in respect of six (6) consumer cases, for which a copy of the complaint is not available with us. These matters are pending before the District Consumer Dispute Redressal Forum in Delhi, Mumbai, Bangalore and Jaipur.

Recovery Cases

The Company is a party to the following recovery cases which have been instituted by us against our customers in relation to recovery of outstanding amounts payable by such customers in consideration for services provided by us:

- (i) 329 cases in New Delhi for an aggregate amount under consideration of approximately ₹13.73 million;
- (ii) 331 cases in Chennai, Tamil Nadu for an aggregate amount under consideration of approximately ₹12.29 million;
- (iii) 79 cases in Pune, Maharashtra for an aggregate amount under consideration of approximately ₹2.01 million;
- (iv) 49 cases in Ahmedabad, Gujarat for an aggregate amount under consideration of approximately ₹2.19 million;
- (v) 38 cases in Bangalore, Karnataka for an aggregate amount under consideration of approximately ₹3.63 million;
- (vi) 137 cases in Hyderabad, Andhra Pradesh for an aggregate amount under consideration of approximately ₹4.15 million;
- (vii) 46 cases in Kolkata, West Bengal for an aggregate amount under consideration of approximately ₹2.14 million; and
- (viii) 39 cases in Mumbai, Maharashtra for an aggregate amount under consideration of approximately ₹1.93 million.

Tax Proceedings

Income Tax Proceedings

1. The Deputy Commissioner of Income Tax, New Delhi issued a notice dated September 1, 2014 to our Company in respect of the assessment year 2013-2014 requesting additional information in relation to the return filed by our Company on November 30, 2013. Our Company has not received any further communication from any relevant authority.
2. The Assistant Commissioner of Income Tax, New Delhi issued a notice dated August 7, 2013 to our Company in respect of the assessment year 2012-2013 requesting additional information in relation to the return filed by our Company on November 30, 2012. Our Company pursuant to a reply dated October 7, 2013 submitted the relevant documents. Further, the office of the Deputy Commissioner of Income Tax, New Delhi issued notices dated July 21, 2014 and October 13, 2014 requesting certain additional information. Thereafter, the Transfer Pricing Officer, office of the Additional Director of Income Tax, New Delhi issued a notice dated November 10, 2014 requesting information in relation to the computation of arm's length price in respect of the international transactions entered into by our Company during the fiscal year 2011-2012. Our Company, through their counsel, filed a reply dated December 10, 2014 submitting the requested information. The Transfer Pricing Officer, office of the Additional Director of Income Tax, New Delhi issued a further notice dated

April 21, 2014 requesting certain additional information and our Company filed their reply on May 1, 2015 submitting the required information. Our Company has, since the filing of its reply dated May 1, 2015, not received any further communication from any relevant authority.

3. The Assistant Commissioner, Income Tax Department, Centralized Processing Center has issued an intimation to our Company in respect of a tax demand of ₹37,211,400 payable by our Company in respect of the assessment year 2011-2012. Our Company filed a rectification application dated August 7, 2012. However, such application could not be processed as an order in respect of an existing rectification request for the assessment year 2011-2012 was pending. Our Company has not received any further communication from any relevant authority.
4. The Income Tax Officer, New Delhi issued an order dated March 19, 2013 in respect of the assessment year 2011-2012 imposing a demand of ₹2,943,511 payable by our Company on account of defaults in deposit of Tax deducted at Source (“TDS”). Our Company has filed an appeal dated April 22, 2013 with the Commissioner of Income Tax (Appeals) against the order dated March 19, 2013. Thereafter, our Company has filed a letter dated April 2, 2014 with the Commissioner of Income Tax (Appeals), New Delhi for fixing an early date of hearing of the appeal. Our Company has, since the filing of its letter dated April 2, 2014, not received any further communication from any relevant authority.
5. The Deputy Commissioner of Income Tax, New Delhi passed an assessment order dated February 13, 2015 in respect of assessment year 2010-2011 disallowing a sum of ₹3,655,636 and a fresh demand notice dated February 13, 2015 was issued in respect of a tax demand of ₹290,860 payable by our Company. The Deputy Commissioner of Income Tax, New Delhi further issued a show cause notice dated February 13, 2015 to our Company requiring us to justify why an order imposing penalty should not be made in respect of the inaccurate particulars of income furnished for assessment year 2010-2011. Our Company filed a rectification application dated March 16, 2015 for rectification of the order dated February 13, 2015 submitting that the disallowance amount should be ₹1,820,826 instead of ₹3,655,636. Our Company has, since the filing of its rectification application dated March 16, 2015, not received any further communication from any relevant authority.
6. The Deputy Commissioner of Income Tax, New Delhi passed an assessment order dated February 20, 2014 in respect of assessment year 2009-2010 assessing our Company at a loss of ₹20,446,373 instead of ₹156,773,021. The Deputy Commissioner of Income Tax, New Delhi further issued show cause notices dated February 20, 2014 and August 7, 2014 to our Company requiring us to justify why an order imposing penalty should not be made in respect of the inaccurate particulars of income furnished for assessment year 2009-2010. Our Company filed an appeal to the Income Tax Appellate Authority dated April 24, 2014 against the order of the Dispute Resolution Panel dated December 26, 2013. Our Company has, since the filing of its appeal dated April 24, 2014, not received any further communication from any relevant authority.
7. The Deputy Commissioner of Income Tax, New Delhi passed an assessment order dated December 14, 2010 in respect of assessment year 2008-2009. Our Company filed an appeal to the Commissioner of Income Tax (Appeals), New Delhi against the order dated December 14, 2010. Pursuant to an order of the Commissioner of Income Tax (Appeals), New Delhi dated September 30, 2013, certain disallowances in the assessment order dated December 14, 2010 were deleted and the appeal was partly allowed. The Deputy Commissioner of Income Tax, New Delhi filed an appeal to the Income Tax Appellate Authority dated November 29, 2013 against the order dated September 30, 2013. Further, the Deputy Commissioner of Income Tax, New Delhi has issued show cause notices dated May 30, 2011, October 17, 2014 and November 20, 2014 to our Company requiring us to justify why an order imposing penalty should not be made in respect of the inaccurate particulars of income furnished for assessment year 2008-2009. Our Company has not received any further communication from any relevant authority.
8. The Deputy Commissioner of Income Tax, New Delhi passed an assessment order dated October 27, 2009 in respect of assessment year 2007-2008 and a demand notice was issued in respect of a demand of ₹118,988 payable by our Company. Our Company recomputed its income and made a payment of

₹21,850 as tax payable and filed a rectification application dated November 24, 2009 for rectification of the income tax calculated in the assessment proceedings. Further, the Deputy Commissioner of Income Tax, New Delhi has issued a show cause notice dated April 9, 2010 to our Company requiring us to justify why an order imposing penalty should not be made in respect of the inaccurate particulars of income furnished for assessment year 2007-2008. Our Company filed a reply dated April 19, 2010 and since then, has not received any further communication from any relevant authority.

Service Tax Proceedings

1. The Additional Commissioner (Audit), Office of the Commissioner of Service Tax, New Delhi issued a letter dated February 20, 2014 to the Company informing them of an audit to be conducted for the years 2008-2009 to 2012-2013. Our Company has pursuant to letters dated May 5, 2014, June 2, 2014 and June 16, 2014 provide the requested information. Our Company has, since the filing of its reply dated June 16, 2014, not received any further communication from any relevant authority.

Value Added Tax Proceedings

1. The Value Added Tax Officer, Department of Trade and Taxes, Government of NCT of Delhi issued notices of default assessment of tax and interest and notices of assessment of penalty dated September 23, 2010 to our Company in respect of liability to pay tax aggregating ₹4,976,175 on cost of lost handsets and sim cards as they comprised taxable sales for the fiscal years 2006-2007 to 2009-2010. Our Company filed objection petitions before the Additional Commissioner of VAT, New Delhi on September 24, 2010 submitting that tax deficiency was wrongly created and no penalty was leviable. The Additional Commissioner, Department of Trade and Taxes, Government of NCT of Delhi passed an order dated March 8, 2011 that our Company is liable to pay VAT for the charges received against the handsets and directed the Value Added Tax Officer to recalculate the tax, interest and penalty liability in respect of the periods 2006-2007, 2007-2008 and 2009-2010. Our Company filed an appeal before the Delhi Valued Added Tax Appellate Tribunal dated May 9, 2011 and prayed that the order dated March 8, 2011 is liable to be quashed. Further, pursuant to the order of the Spl. Commissioner – I, Department of Trade and Taxes, Government of NCT of Delhi directing our Company to pay taxes and penalty aggregating ₹82,240 in respect of the handsets lost and not returned by the customers for the period 2008-2009, our Company filed a review application. The Spl. Commissioner – I, Department of Trade and Taxes, Government of NCT of Delhi passed a review order dated October 8, 2013 directing the assessing officer to pass fresh orders after giving our Company opportunity to present our case. The matter is currently pending.

Notices received by our Company

1. The Labour Commissioner, Labour Department, Government of NCT of Delhi issued a show cause notice no. CLA/PE/04/DLC(s)/2013/12254 dated June 24, 2014 for non-compliance of the provisions of the Contract Labour (Regulation and Abolition) Act, 1970 in relation to non-publication of certain information of our contractual employees on our website. Our Company has pursuant to their replies dated July 8, 2014 and August 7, 2014 provided the required information and uploaded such information on their website. Our Company has, since the filing of its reply dated August 7, 2014, not received any further communication from any relevant authority.
2. The Office of the Deputy Labour Commissioner (South), New Delhi issued a notice for appearance through letter no. ID50/ALC/CA-II/14/14064 dated June 20, 2014 that Ivan Joseph had filed a complaint against our Company under the Industrial Disputes Act, 1947 (the “IDA”) alleging termination of his services without appropriate notice and requesting the Labour Commissioner to direct the Company to provide unemployment allowance and reappoint him. Our Company filed a reply on August 28, 2014 contending that Ivan Joseph was not a “workman” within the meaning of IDA as alleged and that he had

improperly resigned citing personal reasons. Our Company has, since the filing of its reply dated August 28, 2014, not received any further communication from any relevant authority.

Notices sent by our Company

1. Our Company has also issued nine (9) cease and desist notices to various parties in relation to, *inter alia*, infringement of its copyright, passing off of goods and infringement of its trademark “Matrix”.
2. Further, our Company issues notices to its customers and employees, from time to time, in relation to recovery of outstanding amounts payable by such customers/employees to our Company.

Notices from statutory or regulatory authorities

Except as disclosed in this section “Outstanding Litigation and Material Developments”, no notices have been received by our Company from statutory or regulatory authorities.

Inquiries, inspections or investigations under the Companies Act, 2013 or the Companies Act, 1956

Except as disclosed below, there are no outstanding inquiries, inspections or investigations under the Companies Act, 2013 or the Companies Act, 1956 in respect of our Company:

1. Our Company, Gagan Deep Singh Dugal, Major General Manjit Singh Dugal and our Company Secretary have filed a compounding application dated December 10, 2014 before the RoC for compounding of offences under section 297 of the Companies Act, 1956, in relation to transactions entered into by our Company with companies in which certain of our directors or their relatives are interested without the prior approval of the Central Government, in the fiscal years 2008, 2010, 2011, 2012, 2013 and 2014.

Past penalties; prosecution filed, fines imposed or compounding of offences

Companies Act

1. Our Company, Gagan Deep Singh Dugal and Major General Manjit Singh Dugal filed an application before the RoC for compounding of offences under section 297 of the Companies Act, 1956 in relation to transactions entered into by our Company with MCS, our Group Entity, without the prior approval of the Central Government, from April 1, 2007 until March 31, 2009. The Chairman, Company Law Board, New Delhi bench pursuant to a compounding order dated May 27, 2011 directed for the offence to be compounded on payment of compounding fee of ₹ 2,000 each by our Company and each officer in default. Such compounding fee has been paid by way of demand draft by each of our Company, Gagan Deep Singh Dugal and Major General Manjit Singh Dugal.
2. Our Company filed two petitions under section 141 of the Companies Act, 1956 for condonation of delay and extension of time for filing the particulars of satisfaction of charges for amounts of ₹20 million and ₹10 million respectively, in favour of Karnataka Bank Limited. The Company Law Board, New Delhi bench pursuant to orders dated August 11, 2009 and April 6, 2011 condoned these delays and directed our Company to pay costs in the amount of ₹1,500 and ₹2,100, respectively. Our Company has paid such amounts.

3. Our Company filed eleven applications, each dated June 29, 2013, before the Regional Director, Northern Region, Ministry of Corporate Affairs, Noida in respect of condonation of delay and extension of time for filing the particulars of charge modification for amounts of ₹2.39 million, ₹1.62 million, ₹1.52 million, ₹1.22 million, ₹1.22 million, ₹3.98 million, ₹1.04 million, ₹1.89 million, ₹0.81 million, ₹10 million and ₹0.91 million respectively, in favour of Kotak Mahindra Prime Limited, Mumbai. The Regional Director, Northern Region, Ministry of Corporate Affairs, Noida pursuant to orders dated September 13, 2013, September 19, 2013 and September 30, 2013 condoned these delays and directed our Company to pay costs in the amount of ₹0.01 million in each of the applications, which aggregated to ₹0.11 million. Our Company has paid such amounts.

RBI

1. Our Company filed three applications, each dated March 18, 2011 with the RBI for compounding of contravention of the provisions of the FEMA and the regulations thereunder in relation to delayed submissions of certain annual performance reports in respect of their subsidiaries, Matrix Singapore, Matrix UK and Matrix Dubai and delayed submission of share certificate for their investment in Matrix Dubai made on August 20, 2008. The Deputy General Manager, Foreign Exchange Department, RBI, Mumbai pursuant to compounding orders dated August 10, 2011, August 12, 2011 and August 12, 2011 directed for the offences to be compounded on payment of approximately ₹0.02 million, in each of the applications, by our Company which aggregated to ₹0.07 million. Our Company has paid such amounts on September 27, 2011.
2. Our Company filed an application dated August 4, 2012 with the RBI for compounding of contravention of the provisions of the FEMA and the regulations thereunder in relation to delayed submission of form FC-GPR beyond the prescribed period after allotment of shares to Aleta on May 4, 2011 in respect of the bonus issue. The Chief General Manager, Foreign Exchange Department, RBI, Mumbai pursuant to a compounding order dated February 21, 2013 directed for the offences to be compounded on payment of ₹ 0.03 million by our Company. Our Company has paid such amounts on March 21, 2013.

Others

1. Pursuant to an inspection of our office by the Insurance Inspector, Employees' State Insurance Corporation ("ESIC") held during March 23, 2009 until March 24, 2009, our Company was found liable to pay ₹71,360 towards ESIC contributions for the period 2007 to 2009. Our Company has paid such amounts on April 8, 2009.
2. Our Company has paid ₹1,698 to the ESIC as penalty for delayed submission of monthly challans for the period March 2011 to June 2013.
3. Our Company has paid a compounding fee aggregating ₹300 on May 22, 2014 to the Assistant Inspector of Labour, Tambaram.
4. Our Company paid ₹102,100 to the Additional Commissioner of Income Tax, New Delhi as penalty in respect of fiscal years 2006-2007 to 2008-2009 on account of defaults in deposit of TDS.

Disciplinary action taken by the SEBI or any stock exchange

No disciplinary action has been taken by the SEBI or any stock exchange against our Company.

Small scale undertaking or any other creditor to whom our Company owes a sum greater than ₹100,000 which is outstanding for more than 30 days

There are no amounts owed to small scale undertakings exceeding ₹100,000, which is outstanding for more than 30 days.

Material frauds committed against our Company in last five years

Except as disclosed below, there have been no material frauds committed against our Company in the last five years:

1. In fiscal 2011, an employee of our Company in Mumbai, Ashish Arora, had taken security deposits from certain customers and had not deposited the same with the Company, thereby misappropriating funds amounting to ₹395,000. Such amount was recovered from the employee and adjusted against outstanding of customers.
2. In fiscal year 2014, an employee of our Company, Rajesh Badiani misappropriated certain funds. His employment was terminated and legal proceedings were initiated against him. For further details, see the section “Outstanding Litigation and Material Developments – Litigation/Proceedings involving our Company – Civil Proceedings – no. 2. O.S. No. 839 of 2013” on page 396 and Outstanding Litigation and Material Developments – Litigation/Proceedings involving our Company – Criminal Proceedings – no. 1. Complaint Case No. 519 of 2013” on page 400.

Litigation/Proceedings involving the Subsidiaries

Except as disclosed below and in the section “Outstanding Litigation and Material Developments-Litigation/Proceedings involving our Company – Civil Proceedings” on page 395, there are no litigation/proceedings involving the Subsidiaries.

3. Matrix Forex has filed four recovery suits against its customers for recovery of outstanding amounts payable towards purchase of foreign exchange aggregating ₹654,903 to the extent ascertainable, together with interest. Such suits are pending before the sub-court at Tambaram, the Civil Judge at Rohini Court Complex, Delhi and the Metropolitan Magistrate Court in Karkardooma Courts, Delhi.
4. M/s Vihaan Networks Limited (“VNL”) had purchased foreign exchange from Matrix Forex aggregating ₹1,399,351, out of which ₹985,422 remained outstanding. As VNL was unable to pay their debts, Matrix Forex has filed a winding-up petition before the High Court of Delhi for the winding-up of VNL and has prayed for, inter alia, directions for VNL to be wound up and costs of the petition.

Notices from statutory or regulatory authorities

There are no notices from statutory or regulatory authorities in relation to the Subsidiaries.

Inquiries, inspections or investigations under the Companies Act, 2013 or the Companies Act, 1956

There are no inquiries, inspections or investigations under the Companies Act, 2013 or the Companies Act, 1956 in respect of the Subsidiaries.

Past penalties; prosecution filed, fines imposed or compounding of offences

There are no past penalties imposed on, prosecutions filed against, fines imposed on or compounding of offences by the Subsidiaries.

Disciplinary action taken by the SEBI or any stock exchange

No disciplinary action has been taken by the SEBI or any stock exchange against the Subsidiaries.

Litigation/Proceedings involving the Joint Ventures

Except as disclosed below, there are no litigation/proceedings involving the Joint Ventures:

1. RSM Recruitment (Thailand) Limited (“RSM”) filed a complaint in Consumer Protection Case in B.E. 2555, Case No: Case Black no. 970/2555, Case Red no. 1187/2556 against M & S Telecom Company Limited (“M&S”) in relation to payment of commission for their hiring services pursuant to which M&S hired a sales director who resigned within three months of joining. RSM has claimed an aggregate of THB 382,779.66 for recruiting the sales director. M&S has requested for a reduction in the commission to be paid and has accordingly, filed a petition with the Supreme Court on October 1, 2014. This matter is currently pending.

Litigation/Proceedings involving the Directors

Except as disclosed below and in the section “Outstanding Litigation and Material Developments-Litigation/Proceedings involving our Company – Consumer Cases” on page 401, there are no litigation/proceedings involving the directors:

1. A Writ Petition being W.P (C) 2994/2013 was filed on behalf of Major General Manjit Singh Dugal in the year 2013 before the Hon'ble Delhi High Court seeking issuance of directions to the concerned Government authorities to take effective steps to repair Mandi – Mehrauli road and drainage / sewerage system of the said road as the same was not fit for public use. The Hon'ble High Court of Delhi was pleased to direct the concerned Authorities to file a status report with regard to the grievance of the Petitioner. The status report filed on 30th May 2013 admitted that the road was in a dilapidated state. Accordingly the Hon'ble High Court directed the concerned authorities to repair the Mandi road as well as the drainage system and prepare a report with regard to compliance of the said direction. Thereafter, in the year 2015, as despite the orders of the Hon'ble Court the road and drainage had not been repaired, a Contempt Petition being CONT. CAS (C) 122/2015 was filed on behalf of Maj. Gen M S Dugal initiating contempt proceedings against the concerned officer, PWD and others. The Hon'ble Delhi High Court (contempt jurisdiction) was pleased to issue notice to the concerned officer, PWD and direct the concerned authorities / contemnors to take action towards the repair work of the drain, sewage and road at Mandi – Mehrauli road and file a status report. The matter is currently pending.
2. A demand note was raised by Assessing officer, Income Tax Department on October 22, 2010 and January 11, 2011 under section 143(1) and 143(1a) for assessment year 2008-09 and 2009-10 for ₹172,753 and ₹201,210 respectively to Major General Manjit Singh Dugal. There was no further correspondence sent by the tax authorities and it is still pending.
3. The Deputy Commissioner of Income Tax, New Delhi issued a notice under section 143(2) of the Income Tax Act, 1961 dated September 2, 2014 to Jayanta Kumar Basu in respect of the assessment year 2013-2014 for initiating assessment proceedings. Jayanta Kumar Basu, through his Chartered Accountant, submitted initial reply vide letter dated September 12, 2014. The matter is presently adjourned sine die. There has been no further communication on the said matter.

Past penalties imposed on the Directors

Nil

Litigation involving our Promoters and the Group Entities

Except as stated below or elsewhere in this section there is no (i) outstanding litigation in which our Promoters are involved; (ii) outstanding litigation against our Promoters and the Group Entities whose outcome could have a material adverse effect on the consolidated results of operations or financial condition of such entity or our Company; (iii) default to financial institutions or banks by our Promoters and the Group Entities; (iv) non-payment of statutory dues and dues towards instrument holders such as debt instrument holders, fixed deposits and arrears on cumulative preference shares, by our Promoters and the Group Entities; (v) proceeding initiated against our Promoters and the Group Entities for economic offences or civil offences (including the past cases, if found guilty), any disciplinary action taken by the SEBI or any recognized stock exchange against our Promoters and the Group Entities; (vi) outstanding litigation or default in respect of Group Entities with which our Promoters was associated in the past but is no longer associated; (vii) default or litigation relating to over dues, labour problems, lock-outs or strikes against our Promoters and the Group Entities; (viii) litigation against our Promoters involving violation of statutory regulations or alleging criminal offence; (ix) adverse finding in respect of the persons/entities connected with our Company, Promoters or Group Entities in respect of compliance with the securities laws; and (x) past case in which penalties were imposed by the relevant authorities on our Promoters and the Group Entities. Further, except as stated below, in the last five years preceding the date of this Draft Red Herring Prospectus, there has been no litigation or legal action pending or taken by any ministry or department of the government or any statutory body against our Promoters.

Litigation/Proceedings involving our Promoters

Except as stated in “Outstanding Litigation and Material Developments – Litigation/Proceedings involving the Directors”, our Promoters are not involved in any litigation or proceedings.

Notices from statutory or regulatory authorities

Gagan Deep Singh Dugal

Gagan Deep Singh Dugal has not received any notices from statutory or regulatory authorities.

Major General Manjit Singh Dugal

Except as stated in “Outstanding Litigation and Material Developments – Litigation/Proceedings involving the Directors”, Major General Manjit Singh Dugal has not received any notices from statutory or regulatory authorities.

Urvashi Kaur

Urvashi Kaur has not received any notices from statutory or regulatory authorities.

Past penalties imposed on our Promoters

Gagan Deep Singh Dugal

Nil

Major General Manjit Singh Dugal

Nil

Urvashi Kaur

Nil

Disciplinary action taken by the SEBI or any stock exchange against the Promoters

Gagan Deep Singh Dugal

No disciplinary action has been taken by the SEBI or any stock exchange against Gagan Deep Singh Dugal.

Major General Manjit Singh Dugal

No disciplinary action has been taken by the SEBI or any stock exchange against Major General Manjit Singh Dugal.

Urvashi Kaur

No disciplinary action has been taken by the SEBI or any stock exchange against Urvashi Kaur.

Litigation/Proceedings involving the Group Entities

Cases involving the Group Entities

1. An agreement for a period of minimum 10 years came to be signed on July 10, 2003 between Hutchison (as Vodafone then was) and MCS to avail services from MCS. On October 14, 2011, MCS received a notice (through electronic mail) intimating that the agreement dated July 10, 2003 had been terminated. Vodafone took several steps that MCS was aggrieved by. Thereafter, MCS approached the Delhi High Court and orders were passed directing the parties to restore their positions to the pre- termination stage. Arbitration was initiated. Non compliance by Vodafone compelled MCS to initiate contempt proceedings. While, the High Court held that there was no contempt made out, the Hon'ble Supreme Court directed that the findings of the High Court would not prejudice the arbitrator. Hon'ble Mr. Justice (Retd.) Mukul Mudgal is the sole arbitrator. Vodafone has filed a claim against MCS for ₹55,964,509 plus interest at 18% per annum. MCS has filed a counter claim of ₹1,562,400,000 plus interest at 18% per annum against Vodafone. The matter is at the stage of cross examination of witnesses of MCS. This matter is currently pending.

2. Gaurav Srivastava filed a labour case No.68/2009, against MCS on October 14, 2009 before the Deputy Labour Commissioner, Allahabad claiming compensation of ₹484,000 arising out of unemployment pursuant to termination of his services. An ex parte order was passed against MCS on February 27, 2014 due to non appearance. MCS has filed an appeal against the order dated February 27, 2014 before the office of Presiding Officer, Industrial Tribunal (1)-Allahabad. This matter is currently pending.
3. Matrix Inc. vs. AT&T Corp. (“AT&T”), Superior Court of New Jersey, Law Division, Somerset County, Case No. L-499-14. Matrix Inc. had entered into a modified re-seller agreement with AT&T whereby AT&T would provide certain international long distance services to Matrix Inc.’s customers. AT&T recommended its OneNet platform to Matrix Inc. for these services. From inception of the program, AT&T’s services suffered from errors, billing issues, and deficient Call Detail Records, which prevented Matrix Inc. from billing its customers, resulting in significant losses to Matrix Inc. Matrix Inc. has sued AT&T for damages in excess of USD 1.3 million. AT&T moved a motion to dismiss the Matrix Inc.’s complaint, which was denied by the court. This matter is currently pending and the parties are proceeding with written and testimonial discovery.

Tax Cases involving the Group Entities

Nil

Outstanding Cases against entities with which our Promoters were associated in the past but are no longer associated

There are no outstanding cases against entities with which our Promoters were associated in the past but are no longer associated.

Past penalties imposed on the Group Entities

Nil

Disciplinary action taken by the SEBI or any stock exchange against the Group Entities

No disciplinary action has been taken by the SEBI or any stock exchange against the Group Entities.

Defaults in relation to borrowings from financial institutions/ banks

No defaults have been called by any financial institution or bank in relation to borrowings from such financial institution or bank. For details of our financing arrangements, see the section “Financial Indebtedness” on page 392.

Details of default and non-payment of statutory dues

Except as stated below and in the section “Outstanding Litigation and Material Developments – Tax Proceedings”, there have been no instances of default or non-payment of statutory dues by our Company.

According to the records available on the TDS Reconciliation Analysis and Correction Enabling System (TRACES), the following amounts are outstanding against the account of the Company:

- (i) For Fiscal 2010: ₹651,480;
- (ii) For Fiscal 2011: ₹559,980;
- (iii) For Fiscal 2012: ₹129,940;
- (iv) For Fiscal 2013: ₹60;
- (v) For Fiscal 2014: ₹262,420; and
- (vi) For nine months ended December 31, 2014: ₹20.

In addition, according to the records available on the TRACES, an amount of ₹40 is outstanding against the account of Matrix Forex.

Material developments since December 31, 2014

Other than as disclosed in the section “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on page 365, in the opinion of the Board, there has not arisen, since the date of the last restated summary statements included in this Draft Red Herring Prospectus, any circumstance that materially and adversely affects or is likely to affect the trading or profitability of our Company taken as a whole or the value of its consolidated assets or its ability to pay its liabilities over the next 12 months.

GOVERNMENT AND OTHER APPROVALS

On the basis of the list of material approvals provided below, our Company can undertake the Offer and our current business activities and other than as stated below, no further approvals from any governmental or regulatory authority or any other entity are required to undertake the Offer or continue our business activities. Unless otherwise stated, these approvals are valid as of the date of this Draft Red Herring Prospectus.

I. APPROVALS IN RELATION TO THE OFFER

Corporate Approvals

1. The Board has, pursuant to resolutions passed at its meeting held on May 6, 2015 authorised the Offer and the IPO Committee has, pursuant to resolutions passed at its meeting held on May 21, 2015, taken on record the offer of 15,172,540 Equity Shares being offered for sale by the Selling Shareholders.
2. Further, the IPO Committee has approved this Draft Red Herring Prospectus pursuant to its resolutions dated May 21, 2015 and June 21, 2015.
3. Gagan Deep Singh Dugal has authorised the sale of 2,263,838 Equity Shares in the Offer pursuant to a consent letter dated May 5, 2015.
4. Major General Manjit Singh Dugal has authorised the sale of 1,986 Equity Shares in the Offer pursuant to a consent letter dated May 5, 2015.
5. Urvashi Kaur has authorised the sale of 297,956 Equity Shares in the Offer pursuant to a consent letter dated May 5, 2015.
6. Aleta has authorised the sale of 12,359,106 Equity Shares in the Offer pursuant to a resolution of its board of directors dated April 17, 2015.
7. AAJV has authorised the sale of 249,654 Equity Shares in the Offer pursuant to a resolution of its board of trustees dated April 20, 2015.

Approvals from Stock Exchanges

1. In-principle approval dated [●] from the BSE.
2. In-principle approval dated [●] from the NSE.

II. APPROVALS IN RELATION TO OUR BUSINESS

A. Material approvals obtained by our Company

1. Certificate of incorporation dated November 17, 2005 issued to our Company by the RoC.
2. Fresh certificate of incorporation dated April 21, 2015 issued to our Company by the RoC consequent to conversion from a private limited company to a public limited company and the resultant change in the name.
3. No-objection certificate bearing No. 808-37/2008-CS (Pt-I) dated August 8, 2014 issued by the DoT, renewing the term for a period of three years with effect from June 22, 2014, for sale/rent of international roaming SIM cards/global calling cards in India, subject to certain terms and conditions, including the following:
 - The cards offered to Indian customers will be for use only outside India.

- Proper verification of users of the cards will be carried out before selling/renting such cards, including a copy of the passport with valid visa.
 - Details of global cards, including address of the person to whom such cards are sold, are required to be provided to specified designated security agencies on a monthly basis.
 - Clearances from agencies such as RBI and customs, if any, to be obtained by the Company.
4. Registration No. R22113659 dated January 17, 2011 issued by the Telecom Regulatory Authority of India for registration as a telemarketer for telemarketing activity at 16 locations. This registration is valid for five years from the date of registration, i.e. until January 16, 2016.
 5. Registration No. DLI/D/11159/1212 dated December 13, 2012 for setting up a domestic OSP (other service provider) center at the Company's registered office address. This registration is valid until December 12, 2032.
 6. We have obtained registrations under applicable shops and establishments laws in the relevant states in India where we operate including, but not limited to, the following:

S. No.	State	Issuing Authority	Registration Number	Date of Issue/ Renewal	Expiry Date
1.	Gujarat	Deputy Municipal Commissioner, Shops and Establishment Department, Ahmedabad Municipal Corporation	PII/JOD/32/0000 154 (JODHPUR)	July 30, 2012	2016
2.	Tamil Nadu	Inspector, Tamil Nadu Industrial Establishment	629/2012	December 28, 2012	No renewal required
3.	Pune, Maharashtra	Inspector, Bombay Shops and Establishments Act, 1948	Yervada/II/2840 9	October 4, 2013	December 15, 2017
4.	Rajasthan	Supervisor, Rajasthan Shops and Commercial Institutions	S.H.-407R-8Page-64/2013	January 14, 2013	December 31, 2015
5.	West Bengal	The Registering Authority, Shops & Establishments, Government of West Bengal	Kol/S.S./P-II/47664	November 18, 2013	November 17, 2016
6.	Mumbai, Maharashtra	Office of the Inspector under the Maharashtra Shops and Establishments Act, 1948	760210376/ Commercial II	January 6, 2015	December 31, 2015
7.	Chandigarh, Punjab	Inspector, Shops and Commercial Establishment, Chandigarh Circle	CH/8/2013-14/291	March 31, 2014	March 31, 2016
8.	Telangana	Labour Department, Government of Telangana	ACL/VKB/ 2233/2013	January 20, 2015	December 31, 2015
9.	Karnataka	Senior Labour Inspector – Circle 9, Bangalore	9/110/CE/ 0013/2013	April 10, 2013	December 31, 2017
10.	Bangalore, Karnataka	Government of Karnataka – Department of Labour	1697/2012	February 18, 2012	December 31, 2016
11.	Uttar Pradesh	Inspector of Uttar Pradesh Shops and Commercial Establishments. Noida	35/15423	November 13, 2013	March 31, 2018
12.	Delhi	Department of Labour, Government of NCT of Delhi	2012051275	December 28, 2012	December 27, 2033
13.	Delhi	Department of Labour, Government of NCT of Delhi	2013033324	October 24, 2013	October 23, 2034
14.	Ludhiana,	Inspector, Punjab Shops	LDH/5/9007	March 13, 2015	March 31, 2016

S. No.	State	Issuing Authority	Registration Number	Date of Issue/ Renewal	Expiry Date
	Punjab	and Establishments Act			
15.	Jalandhar, Punjab	Inspector, Punjab Shops and Establishments Act	JL- I/2/3/2015/497	March 16, 2015	March 31, 2016

7. We have obtained registrations under tax laws, including, but not limited to, the Income Tax act, 1961, the Finance Act, 1994, the Delhi Value Added Tax Act, 1994, the Gujarat State Tax and Profession Trade and Calling Employment Act, 1976 and the Kolkata Municipal Corporation Act, 1980.

Our Permanent Account Number is AAECM5169M and our Tax Deduction Account Number is DELM13338D.

8. We have obtained registrations under applicable labour laws including, but not limited to:
- Contract Labour (Regulation and Abolition) Act, 1970, as a principal employer, covering our establishments at the registered office of the Company (Certificate of Registration No. CLA/PE/04/DLC(3)/2013 dated January 17, 2013); and
 - Employees' Provident Fund and Miscellaneous Provisions Act, 1952 (Registration No. PFRC/98 Coord/DL/934752/Coverage/214 dated May 16, 2007).
9. We have obtained the following registrations under the Employees' State Insurance Act, 1948:

S.No.	Location	Issuing Authority	Registration Number	Date of Issue
1.	Ahmedabad	Gujarat Regional Office, ESI Corporation, Ahmedabad	37-11-10-100502-1001 (AHD)	July 24, 2008
2.	Chennai	Regional Office, ESI Corporation, Chennai	51-11-100502-001-1001	2009
3.	Jaipur	Regional Office, ESI Corporation, Jaipur	15-10-100502-001-1010	December 23, 2009
4.	Kolkata	West Bengal Region, ESI Corporation, Kolkata	11-10-100502(Kol)	November 7, 2008
5.	Mumbai	Maharashtra Region, ESI Corporation, Mumbai	11-10-100502-1001(Mum)	August 10, 2007
6.	Pune	Sub-regional Office, ESI Corporation, Pune	33-11-10-100502-1001(BWD)	July 31, 2007
7.	Bangalore	Karnataka Regional Office, ESI Corporation, Bangalore	11-10-100502-1001(BNG)	June 9, 2008
8.	Chandigarh	Regional Office, ESI Corporation, Chandigarh	17/11/10/100502/1001/824/CHD	September 13, 2007
9.	Hyderabad	Andhra Pradesh Regional Office, ESI Corporation, Hyderabad	52-(11-10-100502-1001)0152-HYD	July 24, 2008
10.	New Delhi	Regional Office, ESI Corporation, New Delhi	D/11-10-100502-1001	April 24, 2007
11.	Ludhiana	Regional Office, ESI Corporation, Ludhiana	11-10-100502-1001/Pb/SRD-Ldh/4	November 14, 2008
12.	Jalandhar	Regional Office, ESI	12/11-10-100502-1001-1012-	March 2, 2009

		Corporation, Chandigarh	Jalandhar	
13.	Mohali	Regional Office, ESI Corporation, Mohali	12201005020011001	February 29, 2012
14.	Allahabad	Regional Office, ESI Corporation, Kanpur	11-10-100502-101/UP- 4320/Allahabad	June 9, 2008
15.	Indore	Regional Office, ESI Corporation, Indore	18 11 100502 001 1001/Indore	July 28, 2010

10. We have obtained an Importer-Exporter Code No. 0506015904 dated June 5, 2006. This code is subject to the condition that in case of any change in the name/address or constitution of the holder of the importer-exporter code, the import-exporter code holder will cease to be eligible to import or export against the importer-exporter code after the expiry of 90 days from the date of such a change unless in the meantime, the consequential changes are effected in the importer-exporter code by the concerned licensing authority.

B. Material licenses and approvals for which applications have been made by our Company

A certificate of incorporation dated April 21, 2015 has been issued to our Company by the RoC consequent to conversion from a private limited company to a public limited company and the resultant change in the name. Pursuant to such conversion, the Company is in the process of filing applications with the relevant authorities to notify such authorities of the change in status of the Company.

C. Material approvals obtained by the Subsidiaries

1. Matrix Cellular Dubai FZE

- (i) Matrix Dubai has obtained a commercial license no. 06433 for general trading dated June 15, 2014 issued by the Sharjah Airport International Free Zone Authority, Government of Sharjah. This license is valid until June 15, 2015.

2. Matrix Cellular International Services Corporation

- (i) Certificate of incorporation dated August 22, 2013 issued to Matrix US by the Division of Corporations, Secretary of State, State of Delaware.

3. Matrix Cellular International Services UK Ltd

- (i) Certificate of incorporation dated June 8, 1999 issued to Matrix UK by Registrar of Companies, England and Wales.
- (ii) Certificate of incorporation on change of name dated November 9, 2007 issued to Matrix UK by Registrar of Companies, England and Wales.
- (iii) Certificate of incorporation on change of name dated December 6, 2007 issued to Matrix UK by Registrar of Companies, England and Wales.

4. Matrix Cellular Pte Ltd

- (i) Matrix Singapore has obtained a services-based operator (individual) licence dated December 29, 2011 issued by the Info-communications Development Authority of Singapore to provide telecommunication services. This license is valid for a period of five years from the date of issue, i.e. until December 28, 2016.

5. Matrix Forex Services Private Limited








- (i) Certificate of incorporation dated July 15, 2010 issued to Matrix Forex by the RoC.
- (ii) Matrix Forex has obtained a license to operate as a Full Fledged Money Changer, bearing no. FE.DEL.FFMC/U062/2011 dated July 9, 2014. This license is valid until June 30, 2015.



6. Preciflex Insulations Private Limited

- (i) Certificate of incorporation dated August 31, 1998 issued to Preciflex by the RoC.








III. INTELLECTUAL PROPERTY


A. Registrations obtained by our Company, the Subsidiaries and the Joint Ventures









S. No.	Name	Registration Number	Class	Date of Expiry	Issuing Authority
1.		A-106680/2013	Artistic Work	-	Deputy Registrar of Copyrights, Copyright Office, Government of India
2.	Matrix Sales Application – User Interface	L-58991/2014	Literary/Dramatic Work	-	Deputy Registrar of Copyrights, Copyright Office, Government of India
3.		TMA858,097	-	August 2028	Registrar of Trademarks, Canadian Intellectual Property Office
4.		010107035	-	-	Office for Harmonization in the Internal Market
5.		T1109688B	36	July 19, 2021	Registrar of Trademarks, Singapore
6.		2011/16643	36	July 7, 2021	Registrar of Trademarks, Republic of South Africa
7.		4,392,833	36	-	United States Patent and Trademark Office
8.		5461315	36	-	Commissioner, Japan Patent Office

S. No.	Name	Registration Number	Class	Date of Expiry	Issuing Authority
9.		197935	38	September 15, 2023	Trademarks Department, Ministry of Economy, United Arab Emirates
10.		143402285	38	September 12, 2022	Trademarks Department, Ministry of Commerce and Industry, Kingdom of Saudi Arabia

B. Applications made by our Company, the Subsidiaries and the Joint Ventures

S. No.	Name	Reference Number	Date of Application	Class	Filed with	Status
1.	Matrix	01320817	November 17, 2004	38	Office of the Registrar of Trade Marks	Opposed
2.	MATRIX	01320818	November 17, 2004	9		Opposed
3.		1521538	January 3, 2007	1		Pending
4.		1521541	January 3, 2007	4		Pending
5.		1521548	January 3, 2007	12		Pending
6.		1521549	January 3, 2007	13		Opposed
7.		1521558	January 3, 2007	22		Opposed
8.		1521560	January 3, 2007	24		Pending
9.		1521562	January 3, 2007	26		Opposed

S. No.	Name	Reference Number	Date of Application	Class	Filed with	Status
10.		1521566	January 3, 2007	30		Opposed
11.		1521569	January 3, 2007	33		Opposed
12.		1521570	January 3, 2007	34		Opposed
13.		1521571	January 3, 2007	35		Opposed
14.		1521575	January 3, 2007	40		Opposed
15.		01735099	September 22, 2008	38		Opposed
16.		01737001	September 25, 2008	38		Opposed
17.		01737002	September 25, 2008	38		Opposed
18.		01832706	June 25, 2009	38		Opposed
19.		01976489	June 8, 2010	38		Objected
20.		2054292	November 16, 2010	38		Objected
21.		2054293	November 16, 2010	38		Opposed
22.	MATRIX (Word Mark)	2072744	December 22, 2010	38		Objected
23.		2117621	March 18, 2011	36		Objected

S. No.	Name	Reference Number	Date of Application	Class	Filed with	Status
24.		2117688	March 18, 2011	36		Objected
25.		2117689	March 18, 2011	36		Objected
26.		2400103	September 21, 2012	38		Pending
27.		IN/TM/3-Z1	April 17, 2014	38	Department of Patents, Designs and Trade Marks, The Trade Marks Registry Wing, Bangladesh	Pending
28.		2015056387	April 27, 2015	36	Intellectual Property Corporation of Malaysia	Pending
29.		813077	July 14, 2011	Service Mark in class 36	Department of Intellectual Property, Thailand	Pending
30.		057977	June 9, 2015	36	Department of Industries, Kathmandu, Nepal	Pending
31.		057976	June 9, 2015	38	Department of Industries, Kathmandu, Nepal	Pending

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

The Board has, pursuant to resolutions passed at its meeting held on May 6, 2015 authorised the Offer and the IPO Committee has, pursuant to resolutions passed at its meeting held on May 21, 2015, taken on record the offer of 15,172,540 Equity Shares being offered for sale by the Selling Shareholders.

The IPO Committee has approved this Draft Red Herring Prospectus pursuant to its resolutions dated May 21, 2015 and June 21, 2015.

Each of Gagan Deep Singh Dugal, Major General Manjit Singh Dugal and Urvashi Kaur have authorized their respective portions of the Offer pursuant to their consent letters each dated May 5, 2015, respectively, Aleta has authorized its portion of the Offer pursuant to a resolution dated April 17, 2015 and AAJV has authorized its portion of the Offer pursuant to a resolution dated April 20, 2015.

Each of the Selling Shareholders have confirmed that: (i) it has held the Equity Shares proposed to be offered and sold in the Offer in accordance with and for the period specified in Regulation 26(6) of the SEBI Regulations; and (ii) the Equity Shares proposed to be offered and sold by it in the Offer will be transferred to the Allottees free from any liens, charges, or encumbrances, or transfer restriction of any kind (including but not limited to, pre-emptive rights).

Our Company has received in-principle approvals from the BSE and the NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively.

Prohibition by the SEBI or Other Governmental Authorities

Our Company, our Subsidiaries, our Promoters, our Directors, the members of the Promoter Group, the Group Entities, the persons in control of our Company and the Selling Shareholders have not been debarred from accessing or operating in the capital markets under any order or direction passed by the SEBI or any other regulatory or governmental authority.

The companies with which our Promoters, our Directors or persons in control of our Company are or were associated as promoter, directors or persons in control have not been debarred from accessing the capital markets under any order or direction passed by the SEBI or any other regulatory or governmental authority.

None of our Directors is in any manner associated with the securities market and there has been no action taken by the SEBI against our Directors or any entity in which Directors are involved as promoters or directors.

Prohibition by the RBI

None of our Company, our Subsidiaries, our Directors, our Promoters, our Group Entities, relatives (as defined under the Companies Act, 2013) of our Promoters or the Selling Shareholders has been identified as a wilful defaulter by the RBI or any other regulatory or governmental authority, banks or financial institutions. There are no violations of securities laws committed by any of them in the past or pending against them.

Eligibility for the Offer

The Company is eligible for the Offer in accordance with the Regulation 26(2) of the SEBI Regulations, which states as follows:

- “(2) *An issuer not satisfying the condition stipulated in sub-regulation (1) may make an initial public offer if the issue is made through the book-building process and the issuer undertakes to allot, at least seventy*

five percent of the net offer to public, to qualified institutional buyers and to refund full subscription money if it fails to make the said minimum allotment to qualified institutional buyers.”

The Company is an unlisted company not complying with the conditions specified in Regulation 26(1) of the SEBI Regulations and is therefore required to meet the conditions detailed in Regulation 26(2) of the SEBI Regulations.

The Company is complying with Regulation 26(2) of the SEBI Regulations and at least 75% of the Offer is proposed to be Allotted to QIBs and in the event the Company fails to do so, the full application monies shall be refunded to the Bidders. Hence, the Company is eligible for the Offer under Regulation 26(2) of the SEBI Regulations.

The Company is complying with Regulation 43(2A) of the SEBI Regulations and Non-Institutional Bidders and Retail Individual Bidders will be allocated not more than 15% and 10% of the Offer, respectively.

Further, in accordance with Regulation 26(4) of the SEBI Regulations, our Company shall ensure that the number of prospective Allottees to whom the Equity Shares will be Allotted will not be less than 1,000, failing which the entire application monies will be refunded forthwith.

Disclaimer Clause of the SEBI

AS REQUIRED, A COPY OF THE DRAFT RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO THE SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO THE SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY THE SEBI. THE SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS, IIFL HOLDINGS LIMITED AND RELIGARE CAPITAL MARKETS LIMITED, HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SECURITIES AND EXCHANGE BOARD OF INDIA (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 AN INVESTMENT IN THE PROPOSED OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY AND THE SELLING SHAREHOLDERS ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY AND THE SELLING SHAREHOLDERS DISCHARGE THEIR RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGERS HAVE FURNISHED TO THE SEBI, A DUE DILIGENCE CERTIFICATE DATED JUNE 22, 2015 WHICH READS AS FOLLOWS:

WE, THE BOOK RUNNING LEAD MANAGERS TO THE ABOVE MENTIONED FORTHCOMING OFFER, STATE AND CONFIRM AS FOLLOWS:

- 1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION SUCH AS COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE DRAFT RED HERRING PROSPECTUS DATED JUNE 22, 2015 (THE “DRHP”) PERTAINING TO THE OFFER;**
- 2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE OFFER,**

PRICE JUSTIFICATION AND CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY AND THE SELLING SHAREHOLDERS, WE CONFIRM THAT:

- (A) THE DRHP FILED WITH THE SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE OFFER;**
 - (B) ALL THE LEGAL REQUIREMENTS RELATING TO THE OFFER AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE SEBI, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**
 - (C) THE DISCLOSURES MADE IN THE DRHP ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO INVESTMENT IN THE PROPOSED OFFER AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, TO THE EXTENT NOT REPLACED BY THE COMPANIES ACT, 2013, THE COMPANIES ACT, 2013, TO THE EXTENT IN FORCE AND THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 (THE “SEBI REGULATIONS”), EACH, AS AMENDED, AND OTHER APPLICABLE LEGAL REQUIREMENTS;**
- 3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRHP ARE REGISTERED WITH THE SEBI AND UNTIL DATE SUCH REGISTRATION IS VALID – NOTED FOR COMPLIANCE;**
 - 4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS – NOTED FOR COMPLIANCE;**
 - 5. WE CERTIFY THAT WRITTEN CONSENTS FROM THE PROMOTERS HAVE 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 WILL NOT BE DISPOSED/SOLD/TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING OF THE DRHP WITH THE SEBI, UNTIL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRHP;**
 - 6. WE CERTIFY THAT REGULATION 33 OF THE SEBI REGULATIONS, 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 DRHP - COMPLIED WITH AND NOTED FOR COMPLIANCE;**
 - 7. WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSES (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SEBI REGULATIONS 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 OFFER. WE UNDERTAKE THAT AUDITORS’ CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE SEBI. 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 COMPANY, ALONG WITH THE PROCEEDS OF THE OFFER – NOT APPLICABLE;**
 - 8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT OFFER FALL WITHIN THE ‘MAIN OBJECTS’**

LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE COMPANY, AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECTS CLAUSE OF ITS MEMORANDUM OF ASSOCIATION – COMPLIED WITH TO THE EXTENT APPLICABLE;

- 9. WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE OFFER ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE OFFER, THE COMPANY AND THE SELLING SHAREHOLDERS SPECIFICALLY CONTAINS THIS CONDITION – NOTED FOR COMPLIANCE;**
- 10. WE CERTIFY THAT DISCLOSURE HAS BEEN MADE IN THE DRHP THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE – NOT APPLICABLE. UNDER SECTION 29 OF THE COMPANIES ACT, 2013, EQUITY SHARES IN THE OFFER WILL BE ALLOTTED PURSUANT TO THE OFFER IN DEMATERIALISED FORM ONLY;**
- 11. WE CERTIFY THAT ALL APPLICABLE DISCLOSURES MANDATED IN THE SEBI REGULATIONS HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION;**
- 12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRHP:**
 - (a) AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME, THERE WILL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY; AND**
 - (b) AN UNDERTAKING FROM THE COMPANY THAT IT WILL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE SEBI FROM TIME TO TIME;**
- 13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SEBI REGULATIONS WHILE MAKING THE OFFER – NOTED FOR COMPLIANCE;**
- 14. 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 COMPANY, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS' EXPERIENCE, ETC.;**
- 15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SEBI REGULATIONS, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRHP WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY;**
- 16. WE ENCLOSE A STATEMENT ON PRICE INFORMATION OF PAST ISSUES HANDLED BY THE BOOK RUNNING LEAD MANAGERS (WHO ARE RESPONSIBLE FOR PRICING THE OFFER), AS PER THE FORMAT SPECIFIED BY THE SEBI THROUGH CIRCULAR;**

17. WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS - COMPLIED WITH TO THE EXTENT OF THE RELATED PARTY TRANSACTIONS OF THE COMPANY CERTIFIED BY ANEESH KHANNA & CO., CHARTERED ACCOUNTANTS (FIRM REGISTRATION NUMBER 025143N) PURSUANT TO ITS CERTIFICATE DATED JUNE 19, 2015.

The filing of this Draft Red Herring Prospectus does not, however, absolve any person who has authorised the issue of this Draft Red Herring Prospectus from any liabilities under Section 34 or Section 36 of Companies Act, 2013 or from the requirement of obtaining such statutory and/or other clearances as may be required for the purpose of the Offer. The SEBI further reserves the right to take up at any point of time, with the BRLMs, any irregularities or lapses in this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus.

All legal requirements pertaining to the Offer will be complied with at the time of filing of (i) the Red Herring Prospectus with the RoC in terms of Section 32 of the Companies Act, 2013; and (ii) the Prospectus with the RoC in terms of Sections 26, 32 and 33 of the Companies Act, 2013.

Price information of past issues handled by the BRLMs

1. Price information of past public issues handled by IIFL:

IIFL has not handled any initial public offerings of equity shares in the last three years.

Summary statement of price information of past public issues handled by IIFL:

IIFL has not handled any initial public offerings of equity shares in the last three years.

2. Price information of past public issues handled by Religare:

S. No.	Issue Name	Issue Size (₹ in million)	Issue Price (₹)	Listing Date	Opening Price on Listing Date (₹)	Closing Price on Listing Date (₹)	% Change in Price on Listing Date (Closing) vs. Issue Price	Benchmark Index on Listing Date (Closing)	Closing Price as on 10 th Calendar Day from Listing Day (₹)	Benchmark Index as on 10 th Calendar Day from Listing Day (Closing)	Closing Price as on 20 th Calendar Day from Listing Day (₹)	Benchmark Index as on 20 th Calendar Day from Listing Day (Closing)	Closing Price as on 30 th Calendar Day from Listing Day (₹)	Benchmark Index as on 30 th Calendar Day from Listing Day (Closing)
1.	Monte Carlo Fashions Limited	3,504	645	19-Dec-14	584	567.3	-12%	8225	526.55	8246.3	511.35	8234.6	476	8550.7

a. The S&P CNX NIFTY is considered as the Benchmark Index.

b. Price on NSE is considered for all of the above calculations.

c. In case 10th/20th/30th day is not a trading day, closing price on NSE of the next trading day has been considered

Summary statement of price information of past public issues handled by Religare:

Financial Year	Total no. of IPOs	Total Funds Raised (₹ in million)	No. of IPOs trading at Discount on Listing Date			No. of IPOs trading at Premium on Listing Date			No. of IPOs trading at Discount as on 30th Calendar Day from Listing Day			No. of IPOs trading at Premium as on 30th Calendar Day from Listing Day		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2015-16	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2014-15	1	3,504	-	-	1	-	-	-	-	1	-	-	-	-

Track record of past issues handled by BRLMs

For details regarding the track record of the BRLMs, as specified in Circular (CIR/MIRSD/1/2012) dated January 10, 2012 issued by the SEBI, see the websites of the BRLMs, as set forth in the table below:

S. No.	Name of BRLM	Website
1.	IIFL	http://www.iiflcap.com/
2.	Religare	http://www.religarecm.com/

Caution - Disclaimer from our Company, the Selling Shareholders and the BRLMs

Our Company, our Directors, the Selling Shareholders and the BRLMs accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website www.matrix.in, or the respective websites of the Subsidiaries or our Group Entities, would be doing so at his or her own risk.

Further, each Selling Shareholder accepts responsibility, on a several basis, that this Draft Red Herring Prospectus contains all information about them as the Selling Shareholders in the context of the Offer and each Selling Shareholder assumes responsibility for statements in relation to itself as a Selling Shareholder and the Equity Shares being offered by it in the Offer, as included in this Draft Red Herring Prospectus.

The BRLMs accept no responsibility, save to the limited extent as provided in the Offer Agreement and the Underwriting Agreement to be entered into among the Underwriters, our Company and the Selling Shareholders.

All information will be made available by our Company, the Selling Shareholders and the BRLMs 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 including at road show presentations, in research or sales reports, at bidding centres or elsewhere.

None of our Company, our Directors, the Selling Shareholders or any member of the Syndicate is liable for any failure in downloading the Bids due to faults in any software/hardware system or otherwise.

Investors who Bid in the Offer will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, the Underwriters and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares. Our Company, the Selling Shareholders, Underwriters 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.

The BRLMs and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, the Selling Shareholders and their respective group entities, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking (including as our company's customers) and investment banking transactions with our Company, the Selling Shareholders and their respective group entities, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

Disclaimer in respect of Jurisdiction

The Offer is being made in India to persons resident in India (including Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian Mutual Funds registered with the SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in shares, public financial institutions as specified under Section 2(72) of the Companies Act, 2013,

permitted insurance companies and pension funds, insurance funds set up and managed by the army and navy and insurance funds set up and managed by the Department of Posts, India) and to eligible non-residents, including FIIs, AIFs, Eligible NRIs, Eligible QFIs and FPIs. This Draft Red Herring Prospectus does not, however, constitute an invitation to subscribe to or purchase shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of the Offer will be subject to the jurisdiction of appropriate court(s) in New Delhi, India only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus had been filed with the SEBI for its observations. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor any sale hereunder will, under any circumstances, create any implication that there has been no change in the affairs of our Company, the Subsidiaries or the Selling Shareholders since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been and will not be registered under the U.S. Securities Act, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and applicable laws of the jurisdictions where such offers and sales occur.

Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law.

Disclaimer Clause of the BSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to the BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of this Draft Red Herring Prospectus, will be included in the Red Herring Prospectus prior to filing with the RoC.

Disclaimer Clause of the NSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to the NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of this Draft Red Herring Prospectus, will be included in the Red Herring Prospectus prior to filing with the RoC.

Filing

A copy of this Draft Red Herring Prospectus has been filed with the SEBI at 5th Floor, Bank of Baroda Building, 16, Sansad Marg, New Delhi - 110 001.

A copy of the Red Herring Prospectus, along with the documents required to be filed under Section 32 of the Companies Act, 2013 would be delivered for registration to the RoC and a copy of the Prospectus to be filed under Section 26 of the Companies Act, 2013 would be delivered for registration with the RoC at the office of the Registrar of Companies, National Capital Territory of Delhi and Haryana 4th Floor, IFCI Tower, 61, Nehru Place, New Delhi 110 019, India.

Listing

Applications have been made to the Stock Exchanges for permission to deal in and for an official quotation of the Equity Shares. [●] will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

If the permissions to deal in, and for an official quotation of, the Equity Shares are not granted by any of the Stock Exchanges mentioned above, our Company and the Selling Shareholders will forthwith repay all moneys received from the applicants in pursuance of the Red Herring Prospectus as required by applicable law. Our Company and the Selling Shareholders will ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges mentioned above are taken within 12 Working Days of the Bid/Offer Closing Date. Further, the Selling Shareholders confirm that they will provide assistance to our Company, the BRLMs, as may be reasonably required and necessary, for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed. If our Company does not allot Equity Shares pursuant to the Offer within 12 Working Days from the Bid/Offer Closing Date or within such timeline as prescribed by the SEBI, it will repay without interest all monies received from applicants, failing which interest will be due to be paid to the applicants at the rate of 15% per annum for the delayed period.

Consents

Consents in writing of: (a) the Selling Shareholders, our Directors, our Company Secretary and Compliance Officer, the Chief Financial Officer, the Legal Advisers for the Offer as to Indian Law, the Bankers to our Company and lenders to our Company (where such consent is required) and (b) the BRLMs, the Registrar to the Offer, the Syndicate Members and the Bankers to the Offer, if any, to act in their respective capacities, have been obtained/will be obtained prior to filing of the Red Herring Prospectus with the RoC and filed along with a copy of the Red Herring Prospectus with the RoC as required under the Companies Act, 2013.

Our Company has received written consent from the Auditor namely, S.R. Batliboi & Associates LLP, to include its name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Draft Red Herring Prospectus and as an “expert” as defined under Section 2(38) of the Companies Act, 2013 in respect of the reports of S.R. Batliboi & Associates LLP, each dated April 29, 2015, on the restated consolidated and unconsolidated summary statements and the statement of tax benefits dated May 22, 2015 included in this Draft Red Herring Prospectus and such consent has not been withdrawn as of the date of this Draft Red Herring Prospectus.

Experts to the Offer

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received written consent from the Auditor namely, S.R. Batliboi & Associates LLP, to include its name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Draft Red Herring Prospectus and as an “expert” as defined under Section 2(38) of the Companies Act, 2013 in respect of the reports of S.R. Batliboi & Associates LLP, each dated April 29, 2015, on the restated consolidated and unconsolidated summary statements and the statement of tax benefits dated May 22, 2015 included in this Draft Red Herring Prospectus and such consent has not been withdrawn as of the date of this Draft Red Herring Prospectus.

The term “expert” will not be construed to mean an “expert” as defined under the U.S. Securities Act.

Offer-Related Expenses

The details of the estimated Offer expenses are set forth below:

(₹ in million)

Activity	Estimated expenses*	As a percentage of the total estimated Offer expenses (%)	As a percentage of the total Offer size (%)
Fees payable to the BRLMs	●	●	●
Offer-related advertising and marketing expenses	●	●	●
Fees payable to the Registrar	●	●	●
Underwriting commission, fees payable to the Bankers to the Offer, brokerage and selling commission, as applicable**	●	●	●
Brokerage and selling commission payable to Registered Brokers**	●	●	●
Processing fees to SCSBs for ASBA Applications procured by the	●	●	●

Activity	Estimated expenses*	As a percentage of the total estimated Offer expenses (%)	As a percentage of the total Offer size (%)
members of the Syndicate or Registered Brokers and submitted with the SCSBs**			
Others (listing fees, legal fees, etc.)	[•]	[•]	[•]
Total estimated Offer expenses	[•]	[•]	[•]

*Will be incorporated at the time of filing of the Prospectus.

** Disclosure of commission and processing fees will be incorporated at the time of filing the Red Herring Prospectus.

Upon completion of the Offer, all expenses with respect to the Offer that are required to be borne by the Selling Shareholders will be shared among them, in proportion to the Equity Shares being offered by each of them in the Offer.

Fees Payable to the Syndicate

The total fees payable to the Syndicate (including underwriting commission and selling commission and reimbursement of their out-of-pocket expenses) will be in accordance with the Syndicate Agreement, a copy of which will be available for inspection at the Registered Office from 10.00 a.m. to 4.00 p.m. on Working Days from the date of filing of the Red Herring Prospectus until the Bid/Offer Closing Date.

Fees Payable to the Registrar to the Offer

The fees payable to the Registrar to the Offer for processing of applications, data entry, printing of Allotment Advice/CAN/refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as stated in the agreement dated May 23, 2015 among our Company, the Selling Shareholders and the Registrar to the Offer, a copy of which is available for inspection at the Registered Office.

The Registrar to the Offer will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided to the Registrar to the Offer to enable it to send refund orders or Allotment Advice by registered post/speed post.

Underwriting commission, brokerage and selling commission on Previous Issues

Since this is an initial public offering of our Company, no sum has been paid or is payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since inception of our Company.

Particulars regarding Public or Rights Issues by our Company during the last Five Years

Our Company has not made any public or rights issues during the five years preceding the date of this Draft Red Herring Prospectus.

Previous issues of Equity Shares otherwise than for cash

Except as disclosed in the section “Capital Structure” on page 77, our Company has not issued any Equity Shares for consideration otherwise than for cash.

Previous capital issue during the previous three years by our Company, listed Group Entities, Subsidiaries of our Company

None of our Company, the Subsidiaries, Joint Ventures or Group Entities has made any capital issues during the three years preceding the date of this Draft Red Herring Prospectus. None of the Subsidiaries, Joint Ventures or the Group Entities is listed on any stock exchange.

Performance vis-à-vis objects – Public/Rights Issue of our Company and/or listed Group Entities, Subsidiaries, associate companies of our Company

Our Company has not undertaken any previous public or rights issue. None of the Subsidiaries, the Joint Ventures and the Group Entities is listed on any stock exchange. Our Company does not have any associate companies.

Outstanding Debentures or Bonds or Preference Shares or other instruments

Except for the employee stock options granted under the ESOP 2010, ESOP 2012, ESOP 2014 and ESOP 2015, as disclosed in the section “Capital Structure” on page 77, our Company does not have any outstanding debentures or bonds or preference shares or other instruments as of the date of this Draft Red Herring Prospectus.

Partly Paid-Up Shares

Our Company does not have any partly paid-up Equity Shares as of the date of this Draft Red Herring Prospectus.

Stock Market Data of Equity Shares

This being an initial public offer of our Company, Equity Shares are not listed on any stock exchange.

Mechanism for Redressal of Investor Grievances

The agreement among the Registrar to the Offer, our Company and the Selling Shareholders provides for the retention of records with the Registrar to the Offer for a period of at least three years from the last date of despatch of the letters of Allotment, demat credit and refund orders to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

All grievances relating to the non-ASBA process may be addressed to the Registrar to the Offer, giving full details such as name of the sole or First Bidder, Bid cum Application Form number, Bidder’s DP ID, Client ID, PAN, address of the Bidder, number of Equity Shares applied for, amount paid on application, date of Bid cum Application Form and the name and address of the Syndicate Member or the Registered Broker where the Bid cum Application Form was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Offer with a copy to the relevant SCSB or the Syndicate Members at the Specified Locations or the Registered Broker with whom the Bid cum Application Form was submitted, giving full details such as name of the sole or First Bidder, Bid cum Application Form number, Bidder’s DP ID, Client ID, PAN, address of Bidder, number of Equity Shares applied for, ASBA Account number in which the amount equivalent to the Bid Amount was blocked, date of Bid cum Application Form and the name and address of the Designated Branch or the collection centre of the SCSB or the Syndicate Member at the Specified Locations or the Registered Broker at the Broker Centres where the Bid cum Application Form was submitted.

Further, with respect to the Bid cum Application Forms submitted with the Registered Brokers, the investor will also enclose the acknowledgment from the Registered Broker in addition to the documents/information mentioned hereinabove.

Disposal of Investor Grievances by our Company

Our Company estimates that the average time required by our Company or the Registrar to the Offer or the SCSB in case of ASBA Bidders, for the redressal of routine investor grievances will be 10 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has constituted a Stakeholders Relationship Committee comprising Chander Mohan Mehra, Jayanta Kumar Basu and Gaurav Sekhri as members. For details, see the section “Our Management” on page 173.

Our Company has also appointed Nitasha Sinha, Company Secretary of our Company, as the Compliance Officer for the Offer and she may be contacted in case of any pre-Offer or post-Offer related problems at the following address:

Nitasha Sinha

Company Secretary and Compliance Officer
Matrix Cellular (International) Services Limited
7 Khullar Farm, Mandi Road
Mehrauli
New Delhi 110 030
India
Tel: +91 11 2680 3198
Fax: +91 11 2680 0200
Email: nitasha.sinha@matrix.in

Changes in Statutory Auditors

Except as set out below, our Company has not changed its statutory auditors during the three years preceding the date of this Draft Red Herring Prospectus:

Name of auditors	Date of Appointment	Date of Resignation	Reasons for change
SRBC & Co. LLP	March 16, 2011	February 17, 2014	Expiry of term and did not seek re-appointment
S.R. Batliboi & Associates LLP	February 17, 2014	-	Appointment as auditors

From the financial year ended March 31, 2011 until the financial year ended March 31, 2013, our statutory auditors were S R B C & Co., Chartered Accountants.

Capitalisation of Reserves or Profits

Our Company has not capitalised its reserves or profits at any time during the last five years, except as stated in the section “Capital Structure”.

Revaluation of Assets

Our Company has not re-valued its assets in the last five years.

SECTION VII: OFFER INFORMATION

TERMS OF THE OFFER

The Equity Shares being offered pursuant to the Offer will be subject to the provisions of the Companies Act, the Memorandum and Articles of Association, the terms of the Red Herring Prospectus, the Prospectus, the abridged prospectus, the Bid cum Application Form, the Revision Form, the Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advice and other documents/ certificates that may be executed in respect of the Offer. The Equity Shares will also be subject to laws, guidelines, rules, notifications and regulations relating to the issue and sale of capital, and listing and trading of securities issued from time to time by the SEBI, the Government of India, Stock Exchanges, RoC, the RBI and/or other authorities, as in force on the date of the Offer and to the extent applicable, or such other conditions as may be prescribed by the SEBI, the RBI and/or any other regulatory authorities while granting its approval for the Offer.

Ranking of Equity Shares

The Equity Shares being issued and Allotted pursuant to the Offer will be subject to the provisions of the Companies Act, the Memorandum of Association and Articles of Association and will rank *pari passu* with the existing Equity Shares including rights in respect of dividend. The Allottees, upon Allotment of Equity Shares under the Offer, will be entitled to dividends and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, see the section “Main Provisions of Articles of Association” on page 512.

Mode of Payment of Dividend

Our Company will pay dividends, if declared, to the Shareholders in accordance with the provisions of the Companies Act and the Memorandum of Association and Articles of Association and provisions of the Listing Agreement. All dividends, if any, declared by our Company after the date of Allotment, will be payable to the Bidders who have been Allotted Equity Shares in the Offer for the entire year. For further details in relation to dividends, see the sections “Dividend Policy” and “Main Provisions of the Articles of Association” on pages 198 and 512, respectively.

Face Value and Offer Price

The face value of the Equity Shares is ₹10 each and the Offer Price at the lower end of the Price Band is ₹[●] per Equity Share and at the higher end of the Price Band is ₹[●] per Equity Share. The Anchor Investor Offer Price is ₹[●] per Equity Share.

The Price Band, any Retail Discount and the minimum Bid Lot for the Offer will be decided by our Company and the Selling Shareholders in consultation with the BRLMs on the basis of assessment of market demand for the Equity Shares offered by way of the Book Building Process, and will be advertised in [●] editions of English national newspaper [●] and [●] editions of Hindi national newspaper [●], each with wide circulation, at least five Working Days prior to the Bid/Offer Opening Date, with the relevant financial ratios calculated at the Floor Price and at the Cap Price and such advertisement will be made available to the Stock Exchanges for the purpose of uploading on their websites.

At any given point of time there will be only one denomination of the Equity Shares.

Compliance with the SEBI Regulations

Our Company will comply with all disclosure and accounting norms as specified by the SEBI from time to time.

Rights of the Equity Shareholders

Subject to applicable laws and the Articles of Association, the Shareholders will have the following rights:

- Right to receive dividends, if declared;

- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy or e-voting;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- Right of free transferability subject to applicable law, including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the terms of the Listing Agreement and the Memorandum of Association and Articles of Association.

For a detailed description of the main provisions of the Articles of Association relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/or consolidation/splitting, see the section “Main Provisions of Articles of Association” on page 512.

Market Lot and Trading Lot

In terms of Section 29 of the Companies Act, 2013, the Equity Shares will be Allotted only in dematerialised form. As per the SEBI Regulations, the trading of the Equity Shares will only be in dematerialised form. Since trading of the Equity Shares is in dematerialised form, the tradable lot is one Equity Share. In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar to the Offer:

- Agreement dated May 19, 2015 among NSDL, our Company and the Registrar to the Offer; and
- Agreement dated April 9, 2015 among CDSL, our Company and the Registrar to the Offer.

Allotment in the Offer will be only in electronic form in multiples of one Equity Share subject to a minimum Allotment of [•] Equity Shares.

Nomination Facility to Investor

In accordance with Section 72 of the Companies Act, 2013, the sole Bidder, or the first Bidder, along with other joint Bidders, may nominate in the prescribed manner any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, will vest. Where a nomination made in the prescribed manner purports to confer on any person the right to vest the Equity Shares, the nominee will, on the death of the holder of the Equity Shares, or as the case may be, on the death of the joint holders, become entitled to all the rights in the Equity Shares of the holder or, as the case may be, the joint holders, in relation to such Equity Shares to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner. Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during minority. A nomination may be cancelled, or varied by nominating any other person in place of the present nominee, by the holder of the Equity Shares who has made the nomination, by giving a notice of such cancellation or variation to our Company in the prescribed form available on request at the Registered Office of our Company or to the registrar and transfer agent of our Company.

Further, any person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013, will, on the production of such evidence as may be required by the Board, elect either:

- to register himself or herself as holder of Equity Shares; or
- to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, the Board

may thereafter withhold payment of all dividend, interests, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Offer will be made only in dematerialised form, there is no requirement to make a separate nomination with our Company. Nominations registered with respective depository participant of the applicant would prevail. If the Bidder wants to change the nomination, they are requested to inform their respective depository participant.

Minimum Subscription

The requirement for 90% minimum subscription in terms of Regulation 14 of the SEBI Regulations is not applicable to the Offer. However, in terms of Rule 19(2)(b)(i) of the SCRR, our Company is required to Allot Equity Shares constituting at least 25% of the post-Offer share capital of our Company. If such minimum Allotment is not made, the entire subscription amount will be refunded. If there is a delay beyond the prescribed time, our Company will pay interest prescribed under the Companies Act, 2013, the SEBI Regulations and applicable law.

Further, in accordance with Regulation 26(4) of the SEBI Regulations, our Company will ensure that the number of prospective Allottees to whom the Equity Shares will be Allotted will be not less than 1,000.

The Selling Shareholders will reimburse to our Company any expense incurred by our Company on behalf of the Selling Shareholders with regard to refunds, interest for delays, etc., for the Equity Shares being offered in the Offer in proportion to the Equity Shares contributed by the Selling Shareholders to the Offer.

Arrangements for Disposal of Odd Lots

Since the market lot for our Equity Shares is one, there are no arrangements for disposal of odd lots.

Restrictions on Transfer and Transmission of Equity Shares

Except for the lock-in of the pre-Offer Equity Shares, Promoters' minimum contribution and the Anchor Investor lock-in as detailed in the section "Capital Structure" on page 77, and except as provided in the Articles of Association, there are no restrictions on transfers of Equity Shares. Further, there are no restrictions on transmission of Equity Shares and on their consolidation or split, except as provided in the Articles of Association. For further details, see the section "Main Provisions of Articles of Association" on page 512.

Option to receive Equity Shares in dematerialised form

Allotment of Equity Shares will only be in dematerialised form. The Equity Shares will be traded on the dematerialised segment of the Stock Exchanges.

OFFER STRUCTURE

Public Offer of 15,172,540 Equity Shares for cash at a price of ₹[●] per Equity Share (including share premium of ₹[●] per Equity Share) aggregating up to ₹[●] million through an offer for sale of 15,172,540 Equity Shares by the Selling Shareholders. The Offer will constitute 36.10% of the fully-diluted post-Offer paid-up equity share capital of our Company.

The Offer is being made through the Book Building Process.

	QIBs ⁽¹⁾	Non-Institutional Investors	Retail Individual Investors
Number of Equity Shares available for Allotment/allocation ⁽²⁾	11,379,405 Equity Shares	Not more than 2,275,881 Equity Shares available for allocation or Offer less allocation to QIBs and Retail Individual Investors.	Not more than 1,517,254 Equity Shares available for allocation or Offer less allocation to QIBs and Non-Institutional Investors
Percentage of Offer Size available for Allotment/allocation	At least 75% of the Offer size will be available for allocation to QIBs However, 5% of the net QIB Category (excluding the Anchor Investor Portion) will be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining balance QIB Category	Not more than 15% of the Offer or the Offer less allocation of QIBs and Retail Individual Investors	Not more than 10% of the Offer or the Offer less allocation to QIBs and Non-Institutional Investors
Basis of Allotment/allocation if respective category is oversubscribed	Proportionate as follows (excluding the Anchor Investor Portion): (a) up to 227,588 Equity Shares will be available for allocation on a proportionate basis only to Mutual Funds; and (b) 4,324,174 Equity Shares will be allotted on a proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above. Up to 6,827,643 Equity Shares may be allocated on a discretionary basis to Anchor Investors.	Proportionate	In the event, the Bids received from Retail Individual Investors exceeds [●] Equity Shares, then the maximum number of Retail Individual Investors who can be Allotted the minimum Bid lot will be computed by dividing the total number of Equity Shares available for Allotment to Retail Individual Investors by the minimum Bid lot ("Maximum RII Allottees"). The Allotment to Retail Individual Investors will then be made in the following manner: <ul style="list-style-type: none"> In the event the number of Retail Individual Investors who have submitted valid Bids in the Offer is equal to or less than Maximum RII Allottees, (i) Retail Individual Investors will be Allotted the minimum Bid lot; and (ii) the balance Equity Shares, if any, remaining in the Retail Category will be Allotted on a proportionate basis to the Retail Individual Investors who have received Allotment as per (i) above for less than the Equity Shares Bid by them (i.e. who have Bid for more than the minimum Bid lot). In the event the number of Retail Individual Investors who have submitted valid

	QIBs⁽¹⁾	Non-Institutional Investors	Retail Individual Investors
			Bids in the Offer is more than Maximum RII Allottees, the Retail Individual Investors (in that category) who will then be Allotted minimum Bid lot will be determined on draw of lots basis.
Mode of Bidding	Through ASBA process only	Through ASBA process only	Through ASBA process or non-ASBA process
Minimum Bid	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount exceeds ₹200,000.	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount exceeds ₹200,000.	[●] Equity Shares
Maximum Bid	Such number of Equity Shares not exceeding the size of the Offer, subject to applicable limits.	Such number of Equity Shares not exceeding the size of the Offer, subject to applicable limits.	Such number of Equity Shares, whereby the Bid Amount does not exceed ₹200,000, net of Retail Discount.
Mode of Allotment	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.
Allotment Lot	[●] Equity Shares and in multiples of one Equity Share thereafter.	[●] Equity Shares and in multiples of one Equity Share thereafter.	[●] Equity Shares and in multiples of one Equity Share thereafter.
Trading Lot	One Equity Share	One Equity Share	One Equity Share
Who can Apply ⁽³⁾	Public financial institutions as specified in Section 2(72) of the Companies Act, 2013, scheduled commercial banks, Mutual Funds, FPIs other than Category III Foreign Portfolio Investors, VCFs, AIFs, FVCIs, multilateral and bilateral development financial institutions, state industrial development corporation, insurance company registered with IRDA, provident fund (subject to applicable law) with minimum corpus of ₹250 million, pension fund with minimum corpus of ₹250 million, in accordance with applicable law, National Investment Fund set up by resolution no. F. No. 2/3/2005-DD11 dated November 23, 2005 of the Government of India, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India.	Resident Indian individuals, Eligible NRIs, HUFs (in the name of Karta), companies, corporate bodies, scientific institutions societies and trusts, Category III Foreign Portfolio Investors.	Resident Indian individuals, Eligible NRIs and HUFs (in the name of Karta).
Terms of Payment ⁽⁴⁾	Full Bid Amount will be payable at the time of submission of the Bid cum Application Form (including for Anchor Investors). ⁽⁵⁾	Full Bid Amount will be payable at the time of submission of the Bid cum Application Form.	Full Bid Amount will be payable at the time of submission of the Bid cum Application Form.

⁽¹⁾ Our Company and the Selling Shareholders may, in consultation with the BRLMs, allocate up to 60% of the QIB Category to Anchor Investors on a discretionary basis in accordance with the SEBI Regulations. One-third of the Anchor Investor Portion will be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. For details, see the section "Offer Procedure" on page 457.

⁽²⁾ Subject to valid Bids being received at or above the Offer Price. The Offer is being made in accordance with Rule 19(2)(b)(i) of the SCRR and under the SEBI Regulations. The Offer will be made through the Book Building Process wherein 75% of the Offer will be allocated on

a proportionate basis to QIBs, provided that our Company and the Selling Shareholders may, in consultation with the BRLMs, allocate up to 60% of the QIB Category to Anchor Investors on a discretionary basis in accordance with the SEBI Regulations. Out of the QIB Category (excluding the Anchor Investor Portion), 5% will be available for allocation on a proportionate basis only to Mutual Funds. The remainder will be available for allocation on a proportionate basis to QIBs (other than Anchor Investors) including Mutual Funds, subject to valid Bids being received from them at or above the Offer Price. Further, not more than 15% of the Offer will be available for allocation on a proportionate basis to Non-Institutional Investors and not more than 10% of the Offer will be available for allocation to Retail Individual Investors in accordance with the SEBI Regulations, subject to valid Bids being received at or above the Offer Price.

- (3) In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such First Bidder would be required in the Bid cum Application Form and such First Bidder would be deemed to have signed on behalf of the joint holders.
- (4) In case of ASBA Bidders, the SCSB will be authorised to block such funds in the ASBA Account of the Bidder that are specified in the Bid cum Application Form.
- (5) Full Bid Amount will be payable by the Anchor Investors at the time of submission of the Bid cum Application Form. Any balance amount payable by the Anchor Investors, due to a difference between the Anchor Investor Offer Price and the Anchor Investor Allocation Price, will be payable by the Anchor Investors within two Working Days of the Bid/Offer Closing Date.

If at least 75% of the Offer cannot be Allotted to QIBs, the entire application money will be refunded. Subject to Allotment of at least 75% of the Offer to QIBs, under-subscription, if any, in any other category, would be met with spill-over from other categories at the discretion of the Company and the Selling Shareholders in consultation with the BRLMs and the Designated Stock Exchange.

Retail Discount

The Retail Discount, if any, will be offered to Retail Individual Investors at the time of making a Bid. Retail Individual Investors bidding at a price within the Price Band can make payment of the Bid Amount (less the Retail Discount) at the time of making a Bid. Retail Individual Investors bidding at the Cut-Off Price will be required to make payment at the Cap Price (less the Retail Discount) at the time of making a Bid. Retail Individual Investors must ensure that the Bid Amount (net of Retail Discount) does not exceed ₹200,000. See the section “Offer Procedure” on page 457.

Withdrawal of the Offer

Our Company and the Selling Shareholders, in consultation with the BRLMs, reserve the right not to proceed with the Offer for any reason at any time after the Bid/Offer Opening Date but before the Allotment of Equity Shares. In such an event our Company will issue a public notice in the newspapers in which the pre-Offer advertisements were published, within two days of the Bid/Offer Closing Date or such other time as may be prescribed by the SEBI, providing reasons for not proceeding with the Offer. The BRLMs, through the Registrar to the Offer, will notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one day of receipt of such notification. Our Company will also inform the Stock Exchanges on which the Equity Shares are proposed to be listed of such withdrawal.

If our Company and the Selling Shareholders, in consultation with the BRLMs, withdraw the Offer after the Bid/Offer Closing Date and thereafter determine that they will proceed with a fresh issue and/or offer for sale of Equity Shares, our Company will file a fresh draft red herring prospectus with the SEBI. Notwithstanding the foregoing, the Offer is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company will apply for after Allotment, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC.

Bid/Offer Programme

BID/OFFER OPENS ON	[●]*
BID/OFFER CLOSES ON	[●]**

* Our Company and the Selling Shareholders may consider participation by Anchor Investors. The Anchor Investor Bid/Offer Period will be one Working Day prior to the Bid/Offer Opening Date in accordance with the SEBI Regulations.

** Our Company and the Selling Shareholders may consider closing the Bid/Offer Period for QIBs one day prior to the Bid/Offer Closing Date in accordance with the SEBI Regulations.

An indicative timetable in respect of the Offer is set out below:

Event	Indicative Date
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about [●]
Initiation of refunds	On or about [●]
Credit of Equity Shares to demat accounts of Allottees	On or about [●]
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about [●]

The above timetable is indicative and does not constitute any obligation on our Company or the Selling Shareholders or the BRLMs. While our Company and the Selling Shareholders will ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within 12 Working Days of the Bid/Offer Closing Date, the timetable may change due to various factors, such as extension of the Bid/Offer Period, revision of the Price Band or any delay in receiving the final listing and trading approvals from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with applicable laws.

Except in relation to the Bids received from Anchor Investors, Bids and any revision in Bids will be accepted **only between 10.00 a.m. and 5.00 p.m.** (Indian Standard Time, “IST”) during the Bid/Offer Period (except on the Bid/Offer Closing Date) at the Bidding centres mentioned on the Bid cum Application Form or in case of ASBA Bidders, at the Designated Branches, or by the members of the Syndicate at the Specified Locations or by the Registered Brokers at the Broker Centres.

On the Bid/Offer Closing Date, the Bids and any revision in the Bids will be accepted only between 10.00 a.m. and 3.00 p.m. (IST) and will be uploaded until (i) 4.00 p.m. (IST) in case of Bids by QIBs and Non-Institutional Investors, and (ii) until 5.00 p. m. (IST) or such extended time as permitted by the Stock Exchanges in case of Bids by Retail Individual Investors, after taking into account the total number of applications received up to the closure of timings for acceptance of Bid cum Application Forms and reported by the BRLMs to the Stock Exchanges.

On the Bid/Offer Closing Date, extension of time may be granted by the Stock Exchanges only for uploading the Bids received by Retail Individual Investors after taking into account the total number of Bids received and as reported by the BRLMs to the Stock Exchanges.

It is clarified that the Bids not uploaded on the electronic bidding system would be rejected.

Due to limitation of time available for uploading the Bids on the Bid/Offer Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid/Offer Closing Date and, in any case, no later than 1.00 p.m. (IST) on the Bid/Offer Closing Date. All times mentioned in this Draft Red Herring Prospectus are Indian Standard Times. Bidders are cautioned that in the event a large number of Bids are received on the Bid/Offer Closing Date, as is typically experienced in public offerings, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Offer. Bids will be accepted only on Working Days. None of our Company, the Selling Shareholders or any member of the Syndicate is liable for any failure in uploading the Bids due to faults in any software/hardware system or otherwise.

Our Company and the Selling Shareholders, in consultation with the BRLMs, reserve the right to revise the Price Band during the Bid/Offer Period, provided that the Cap Price will be less than or equal to 120% of the Floor Price and the Floor Price will not be less than the face value of the Equity Shares. Any revision in Price Band will not exceed 20% on the either side, *i.e.*, the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly.

In case of revision of the Price Band, the Bid/Offer Period will be extended for at least three additional Working Days after revision of Price Band subject to the Bid/Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a press release and also by indicating the changes on the

websites of the BRLMs and the terminals of the other members of the Syndicate Members and by intimation to SCSBs and the Registered Brokers.

In case of any discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid cum Application Form, for a particular Bidder, the details as per the Bid file received from the Stock Exchanges may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Bid cum Application Form, for a particular ASBA Bidder, the Registrar to the Offer shall ask the relevant SCSB or the member of the Syndicate for rectified data.

OFFER PROCEDURE

All Bidders should review the General Information Document for Investing in Public Issues issued by the SEBI pursuant to the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 (the “General Information Document”) included below under the section “- Part B – General Information Document”, which highlights the key rules, processes and procedures applicable to public issues in accordance with the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI Regulations. The General Information Document has been updated to reflect amendments to the SEBI Regulations and the provisions of the Companies Act, 2013 and the SEBI FPI Regulations, to the extent applicable to a public offer. The General Information Document is also available on the websites of the Stock Exchanges and the BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer.

Our Company, the Selling Shareholders and the BRLMs do not accept any responsibility for the completeness and accuracy of the information stated in this section and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in the Red Herring Prospectus and the Prospectus.

Please note that QIBs (other than Anchor Investors) and Non-Institutional Investors can participate in the Issue only through the ASBA process. Retail Individual Investors can participate in the Issue through the ASBA process as well as the non ASBA process. ASBA Bidders should note that the ASBA process involves application procedures that are different from the procedure applicable to non-ASBA Bidders. However, there is a common Bid cum Application Form for ASBA Bidders (submitted to SCSBs or to the Syndicate at the Specified Cities or to the Registered Brokers at the Broker Centres) as well as for non-ASBA Bidders. Bidders applying through the ASBA process should carefully read the provisions applicable to such applications before making their application through the ASBA process. Please note that all Bidders are required to make payment of the full Bid Amount along with the Bid cum Application Form. In case of ASBA Bidders, an amount equivalent to the full Bid Amount will be blocked by the SCSBs.

ASBA Bidders may submit ASBA Bids to a Designated Branch (a list of such branches is available on the website of the SEBI (www.sebi.gov.in)) or to the Syndicate at the Specified Cities or to the Registered Brokers at the Broker Centres. Non-ASBA Bidders are required to submit Bids to the Syndicate, only on a Bid cum Application Form bearing the stamp of a member of the Syndicate or the Registered Broker. ASBA Bidders are advised not to submit Bid cum Application Forms to Escrow Collection Banks, unless such Escrow Collection Banks are also SCSBs.

All Bidders are required to pay the full Bid Amount or, in case of ASBA Bids, ensure that the ASBA Account has sufficient credit balance such that the full Bid Amount can be blocked by the SCSB at the time of submitting the Bid.

SEBI by its circular (CIR/CFD/DIL/1/2011) dated April 29, 2011 (the “2011 Circular”) has made it mandatory for QIBs (other than Anchor Investors) and Non Institutional Investors to make use of the facility of ASBA for making applications for public issues. Further, the 2011 Circular also provides a mechanism to enable the Syndicate and sub-Syndicate Members to procure Bid cum Application Forms submitted under the ASBA process from prospective Bidders. SEBI by its circular (CIR/CFD/14/2012) dated October 4, 2012 (the “2012 Circular”), has introduced an additional mechanism for prospective Bidders to submit Bid cum Application Forms (ASBA and non-ASBA applications) using the stock broker network of Stock Exchanges, who may not be Syndicate Members in the Issue. Further, SEBI by its circular (CIR/CFD/DIL/ 4 /2013) dated January 23, 2013 (the “2013 Circular”), in partial modification of the 2011 Circular, mandates that in order to facilitate Syndicate/ sub-syndicate/ non-syndicate members to accept Bid-cum-Application Forms from prospective ASBA Bidders in the locations, all the SCSBs having a branch in the location of Broker Centres, notified in terms of the 2012 Circular are required to name at least one branch before March 1, 2013, where Syndicate/sub-syndicate/ nonsyndicate members can submit such Bid-cum-Application Forms.

PART A

Book Building Procedure

The Offer is being made through the Book Building Process wherein at least 75% of the Offer will be allocated on a proportionate basis to QIBs, provided that our Company and the Selling Shareholders may allocate up to 60% of the QIB Category to Anchor Investors on a discretionary basis in accordance with the SEBI Regulations, of which one-third will be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. 5% of the QIB Category (excluding the Anchor Investor Portion) will be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the QIB Category will be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not more than 15% of the Offer will be available for allocation on a proportionate basis to Non-Institutional Investors and not more than 10% of the Offer will be available for allocation to Retail Individual Investors in accordance with the SEBI Regulations, subject to valid Bids being received at or above the Offer Price.

Under-subscription, if any, in any category, except in the QIB Category, would be allowed to be met with spill over from any other category or combination of categories, at the discretion of our Company and the Selling Shareholders in consultation with the BRLMs and the Designated Stock Exchange.

The Equity Shares, on Allotment, will be traded only in the dematerialised segment of the Stock Exchanges.

Bid cum Application Form

There is a common Bid cum Application Form for ASBA Bidders as well as for non-ASBA Bidders. Copies of the Bid cum Application Form and the abridged prospectus will be available at the offices of the BRLMs, the Syndicate Members, the Registered Brokers at the Broker Centres, the SCSBs and the Registered Office and Corporate Office of our Company. An electronic copy of the Bid cum Application Form will also be available on the websites of the NSE (www.nseindia.com), the BSE (www.bseindia.com) and the terminals of Registered Brokers, and the physical Bid cum Application Forms for Anchor Investors will be made available at the offices of the BRLMs at least one day prior to the Bid/Offer Opening Date.

QIBs (other than Anchor Investors) and Non-Institutional Investors will mandatorily participate in the Offer only through the ASBA process. Retail Individual Investors can participate in the Offer through the ASBA process as well as the non-ASBA process. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

ASBA Bidders must provide bank account details in the relevant space provided in the Bid cum Application Form and the Bid cum Application Form that does not contain such details are liable to be rejected. In relation to non-ASBA Bidders, the bank account details will be available from the depository account on the basis of the DP ID, Client ID and PAN provided by the non-ASBA Bidders in their Bid cum Application Form. Bidders are requested to note that refunds through the modes mentioned in this section shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.

Bidders will ensure that the Bids are made on Bid cum Application Forms bearing the stamp of a member of the Syndicate or the Registered Broker or the SCSBs, as the case may be, submitted at the Bidding centres only (except in case of electronic Bid cum Application Forms) and the Bid cum Application Forms not bearing such specified stamp are liable to be rejected.

The prescribed colour of the Bid cum Application Form for the various categories is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians and Eligible NRIs applying on a non-repatriation basis	White
Eligible NRIs, FPIs or FVCIs, registered Multilateral and Bilateral Development Financial Institutions applying on a repatriation basis	Blue

Anchor Investors**	White
* Excluding electronic Bid cum Application Form	
** Physical Bid cum Application Forms for Anchor Investors will be made available at the offices of the BRLMs.	

Who can Bid?

In addition to the categories of Bidders set forth under “– **General Information Document for Investing in Public Issues – Category of Investors Eligible to Participate in an Issue**”, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines, including:

- Category III Foreign Portfolio Investors, which are foreign corporates or foreign individuals only under the Non-Institutional Investors (NIIs) category; and
- Scientific and/or industrial research organisations authorised in India to invest in the Equity Shares.

Participation by associates and affiliates of the BRLMs and the Syndicate Members

The BRLMs and the Syndicate Members will not be allowed to purchase Equity Shares in the Offer in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLMs and the Syndicate Members may purchase the Equity Shares in the Offer, either in the QIB Category or in the Non-Institutional Category as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the BRLMs and Syndicate Members, will be treated equally for the purpose of allocation to be made on a proportionate basis.

The BRLMs and any persons related to the BRLMs, or the Promoters and the Promoter Group cannot apply in the Offer under the Anchor Investor Portion.

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid cum Application Form. Failing this, our Company and the Selling Shareholders reserve the right to reject any Bid without assigning any reason therefor. Bids made by asset management companies or custodians of Mutual Funds will specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid may be made in respect of each scheme of a Mutual Fund registered with the SEBI and such Bids in respect of more than one scheme of a Mutual Fund will not be treated as multiple Bids, provided that such Bids clearly indicate the scheme for which the Bid is submitted.

No Mutual Fund scheme will invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% will not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by Eligible NRIs

Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRIs intending to make payment through freely convertible foreign exchange and bidding on a repatriation basis could make payments through Indian Rupee drafts purchased abroad or cheques or bank drafts or by debits to their NRE Account or FCNR Account, maintained with banks authorised by the RBI to deal in foreign exchange. Eligible NRIs bidding on a repatriation basis are advised to use the Bid cum Application Form for Non-Residents (blue in colour), accompanied by a bank certificate confirming that the payment has been made by debiting the NRE Account or FCNR Account, as the case may be. Payment for Bids by non-resident Bidder bidding on a repatriation basis will not be accepted out of NRO Accounts.

Eligible NRIs Bidding on non-repatriation basis may make payments by inward remittance in foreign exchange through normal banking channels or by debits to NRE/FCNR Accounts as well as the NRO Account. Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for Residents (white in colour).

Bids by Eligible NRIs for a payment amount of up to ₹200,000 would be considered under the Retail Individual Investors category for the purposes of allocation and Bids for a payment amount of more than ₹200,000 would be considered under Non-Institutional Investors category for the purposes of allocation.

Bids by FPIs (including FIIs and QFIs)

On January 7, 2014, the SEBI notified the SEBI FPI Regulations pursuant to which the existing classes of portfolio investors namely, 'foreign institutional investors' and 'qualified foreign investors' will be subsumed under a new category namely, 'foreign portfolio investors' or 'FPIs'. On March 13, 2014, the RBI amended the FEMA Regulations and specified conditions and requirements with respect to investment by FPIs in Indian companies.

In terms of the SEBI FPI Regulations, any FII which holds a valid certificate of registration shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. An FII or sub-account may, subject to payment of conversion fees under the SEBI FPI Regulations, participate in the Offer, until the expiry of its registration with the SEBI as an FII or sub-account, or if it has obtained a certificate of registration as an FPI, whichever is earlier. An FII shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations. Further, a QFI which has not obtained a certificate of registration as an FPI could only continue to buy, sell or otherwise deal in securities until January 6, 2015. Accordingly, QFIs which have not registered as FPIs under the SEBI FPI Regulations shall not be eligible to participate in the Offer.

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 10% of the total issued capital of our Company. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up total issued Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up total issued Share capital of our Company. The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by the Board followed by a special resolution passed by the Shareholders. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III foreign portfolio investor and unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority.

Further, pursuant to a circular dated November 24, 2014 issued by the SEBI, FPIs are permitted to issue offshore derivative instruments only to subscribers that (i) meet the eligibility criteria set forth in Regulation 4 of the SEBI FPI Regulations; and (ii) do not have opaque structures, as defined under the SEBI FPI Regulations.

FPIs which wish to participate in the Offer are advised to use the Bid cum Application Form for Non-Residents (blue in colour). FPIs are required to Bid through the ASBA process to participate in the Offer.

Bids by SEBI-registered VCFs, AIFs and FVCIs

The SEBI VCF Regulations and the SEBI FVCI Regulations *inter alia*, prescribe the investment restrictions on VCFs and FVCIs registered with the SEBI. Further, the SEBI AIF Regulations prescribe *inter alia*, the investment restrictions on AIFs.

Accordingly, the holding by any individual VCF registered with the SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

The category I and II AIFs cannot invest more than 25% of the investible funds in one investee company. A category III AIF cannot invest more than 10% of the investible funds in one investee company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its investible funds by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations will continue to be regulated by the SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up and such funds will not launch any new scheme after the notification of the AIF Regulations.

All Non-Resident Bidders including Eligible NRIs, FIIs, QFIs and FVCIs should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only at the rate of exchange prevailing at the time of remittance and net of bank charges and / or commission. There is no reservation for Eligible NRIs, FIIs and FVCIs and all Bidders will be treated on the same basis with other categories for the purpose of allocation.

Bids by limited liability partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholders reserve the right to reject any Bid without assigning any reason therefor.

Bids by banking companies

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form, failing which our Company and the Selling Shareholders reserve the right to reject any Bid without assigning any reason therefor.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (the "**Banking Regulation Act**"), and the Master Circular – Para-banking Activities dated July 1, 2014 is 10% of the paid-up share capital of the investee company or 10% of the banks' own paid-up share capital and reserves, whichever is less. Further, the investment in a non-financial services company by a banking company together with its subsidiaries, associates, joint ventures, entities directly or indirectly controlled by the bank and mutual funds managed by asset management companies controlled by the banking company cannot exceed 20% of the investee company's paid-up share capital. A banking company may hold up to 30% of the paid-up share capital of the investee company with the prior approval of the RBI provided that the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act.

Bids by insurance companies

In case of Bids made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholders reserve the right to reject any Bid without assigning any reason therefor.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended, are broadly set forth below:

- (a) equity shares of a company: the lower of 10% of the investee company's outstanding equity shares (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of a general insurer or a reinsurer;
- (b) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- (c) the industry sector in which the investee company operates: not more than 15% of the respective fund of a life insurer or a general insurer or a reinsurer, or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under points (a), (b) and (c) above, as the case may be.

Bids by SCSBs

SCSBs participating in the Offer are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account will be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for ASBA applications.

Bids by provident funds/pension funds

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid cum Application Form. Failing this, our Company reserve the right to reject any Bid, without assigning any reason therefor.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, Mutual Funds, Eligible FPIs, insurance companies, insurance funds set up by the army, navy or air force of the Union of India, or those set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹250 million and pension funds with a minimum corpus of ₹250 million (in each case, subject to applicable law and in accordance with their respective constitutional documents), a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws, as applicable must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reasons thereof.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulation or as specified in the Red Herring Prospectus.

Do's:

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law rules, regulations, guidelines and approvals;
2. Ensure that you have Bid within the Price Band;

3. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;
4. Ensure that the details about the PAN, DP ID and Client ID are correct and the Bidder's depository account is active, as Allotment of the Equity Shares will be in the dematerialised form only;
5. Ensure that the Bids are submitted at the bidding centres only on forms bearing the stamp of the Syndicate Member or Registered Broker or SCSB (except in case of electronic forms).
6. In relation to the ASBA Bids, ensure that the Bid cum Application Form is submitted either at a Designated Branch of a SCSB where the ASBA Account is maintained or with a member of the Syndicate in the Specified Locations or with a Registered Broker at the Broker Centres, and not to the Escrow Collection Banks (assuming that such bank is not a SCSB) or to our Company or the Selling Shareholders or the Registrar to the Offer.
7. With respect to the ASBA Bids, ensure that the Bid cum Application Form is signed by the account holder in case the applicant is not the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;
8. QIBs (other than Anchor Investors) and the Non-Institutional Investors should submit their Bids through the ASBA process only;
9. With respect to Bids by SCSBs, ensure that you have a separate account in your own name with any other SCSB having clear demarcated funds for applying under the ASBA process and that such separate account (with any other SCSB) is used as the ASBA Account with respect to your Bid;
10. Ensure that you request for and receive a stamped acknowledgement of the Bid cum Application Form and a Transaction Registration Slip ("TRS") for all your Bid options;
11. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the Bid cum Application Form under the ASBA process to the respective member of the Syndicate (in the Specified Locations), the SCSBs or the Registered Broker (at the Broker Centres);
12. Ensure that you have funds equal to the Bid Amount in your bank account before submitting the Bid cum Application Form under non-ASBA process to the Syndicate or the Registered Brokers;
13. With respect to non-ASBA Bids, ensure that the full Bid Amount is paid for the Bids and with respect to ASBA Bids, ensure funds equivalent to the Bid Amount are blocked;
14. Instruct your respective banks to not release the funds blocked in the ASBA Account under the ASBA process for any other purpose;
15. Submit revised Bids to the same member of the Syndicate, SCSB or Registered Broker, as applicable, through whom the original Bid was placed and obtain a revised TRS;
16. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Bids by persons resident in the state of Sikkim, who, in terms of the SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the demographic details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the demographic details evidencing the same. All other applications in which PAN is not mentioned will be rejected;

17. Ensure that the Demographic Details (as defined below) are updated, true and correct in all respects;
18. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
19. Ensure that the signature of the First Bidder, in case of joint Bids, is included in the Bid cum Application Forms;
20. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;
21. Ensure that the category and sub-category is indicated;
22. Ensure that in case of Bids under power of attorney or by limited companies, corporate, trust etc., relevant documents are submitted;
23. Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
24. Ensure that the DP ID, the Client ID and the PAN mentioned in the Bid cum Application Form and entered into the electronic bidding of the Stock Exchanges by the Syndicate, the SCSBs or the Registered Brokers, as the case may be, match with the DP ID, Client ID and PAN available in the Depository database;
25. Bidders should note that in case the DP ID, Client ID and the PAN mentioned in their Bid cum Application Form and entered into the online IPO system of the Stock Exchanges by the Syndicate Members, the SCSBs or the Registered Brokers, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database, then such Bids are liable to be rejected. Where the Bid cum Application Form is submitted in joint names, ensure that the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Bid cum Application Form;
26. Ensure that you tick the correct investor category, as applicable, in the Bid cum Application Form to ensure proper upload of your Bid in the online IPO system of the Stock Exchanges;
27. In relation to the ASBA Bids, ensure that you use the Bid cum Application Form bearing the stamp of the Syndicate (in the Specified Locations) and/or relevant SCSB and/ or the Designated Branch and/ or the Registered Broker at the Broker Centres (except in case of electronic forms);
28. Ensure that the Bid cum Application Form is delivered within the time prescribed as per the Bid cum Application Form and the Red Herring Prospectus;
29. ASBA Bidders bidding through a member of the Syndicate should ensure that the Bid cum Application Form is submitted to a member of the Syndicate only in the Specified Locations and that the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has named at least one branch at that location for the Syndicate to deposit Bid cum Application Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>, updated from time to time). ASBA Bidders bidding through a Registered Broker should ensure that the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has named at least one branch at that location for the Registered Brokers to deposit Bid cum Application Forms;

30. Ensure that you have mentioned the correct ASBA Account number in the Bid cum Application Form;
31. Ensure that the entire Bid Amount is paid at the time of submission of the Bid or in relation to the ASBA Bids, ensure that you have correctly signed the authorization/undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form;
32. Ensure that you receive an acknowledgement from the Designated Branch of the SCSB or from the member of the Syndicate in the Specified Locations or from the Registered Broker at the Broker Centres, as the case may be, for the submission of your Bid cum Application Form; and
33. Bids on a repatriation basis will be in the names of individuals, or in the name of Eligible NRIs, FIIs, FPIs, QFIs, but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding NRIs) or their nominees. Bids by Eligible NRIs and QFIs for a Bid Amount of up to ₹200,000 would be considered under the Retail Category for the purposes of allocation and Bids for a Bid Amount of more than ₹200,000 would be considered under Non-Institutional Category for the purposes of allocation.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Don'ts:

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid/revise Bid Amount to less than the Floor Price or higher than the Cap Price;
3. Do not Bid on another Bid cum Application Form after you have submitted a Bid to the Syndicate, the SCSBs or the Registered Brokers, as applicable;
4. Do not pay the Bid Amount in cash, by money order or by postal order or by stockinvest;
5. If you are an ASBA Bidder, the payment of the Bid Amount in any mode other than blocked amounts in the bank account maintained with an SCSB will not be accepted under the ASBA process;
6. Do not send Bid cum Application Forms by post; instead submit the same to the Syndicate, the SCSBs or the Registered Brokers only;
7. Do not submit the Bid cum Application Forms to the Escrow Collection Bank(s) (assuming that such bank is not a SCSB), our Company, the Selling Shareholders or the Registrar to the Offer;
8. Do not Bid on a physical Bid cum Application Form that does not have the stamp of the Syndicate, the Registered Brokers or the SCSBs;
9. Anchor Investors should not Bid through the ASBA process;
10. Do not Bid at Cut-off Price (if you are bidding under the category of QIBs or the Non-Institutional Category);
11. Do not Bid for a Bid Amount exceeding ₹ 200,000 (if you are bidding under the Retail Category);
12. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Offer size and/ or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Red Herring Prospectus;
13. Do not submit the Bid cum Application Form if you are a Non-Resident, except for: (i) an FPI (investing

under the foreign portfolio investment scheme in accordance with Schedule 2A of the FEMA Regulations); (ii) an FII (investing under the portfolio investment scheme in accordance with Schedule 2 of the FEMA Regulations); (iii) an Eligible NRI investing on non-repatriation basis in accordance with Schedule 4 of the FEMA Regulations; or (iv) an Eligible QFI investing in accordance with Schedule 8 of the FEMA Regulations;

14. Do not submit the General Index Register number instead of the PAN;
15. In case you are a Bidder other than an ASBA Bidder, do not submit the Bid without payment of the entire Bid Amount. In case you are an ASBA Bidder, do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are blocked in the relevant ASBA Account;
16. In case you are an ASBA Bidder, do not instruct your respective banks to release the funds blocked in the ASBA Account for any other purpose;
17. Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Offer;
18. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;
19. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
20. If you are a QIB, do not submit your Bid after 3.00 p.m. on the Bid/ Offer Closing Date for QIBs;
21. If you are a Non-Institutional Investor or Retail Individual Investor, do not submit your Bid after 3.00 p.m. on the Bid/ Offer Closing Date;
22. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872, as amended (other than minors having valid depository accounts as per Demographic Details provided by the Depositories);
23. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Investor;
24. In case of ASBA Bidders, do not submit more than five Bid cum Application Forms per ASBA Account;
25. Do not submit ASBA Bids to a member of the Syndicate at a location other than the Specified Locations or to the brokers other than the Registered Brokers at a location other than the Broker Centres;
26. Do not submit ASBA Bids to a member of the Syndicate in the Specified Locations unless the SCSB where the ASBA Account is maintained, as specified in the Bid cum Application Form, has named at least one branch in the relevant Specified Location, for the Syndicate to deposit Bid cum Application Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>, updated from time to time); and
27. Do not submit ASBA Bids to a Registered Broker unless the SCSB where the ASBA Account is maintained, as specified in the Bid cum Application Form, has named at least one branch in that location for the Registered Broker to deposit the Bid cum Application Forms.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Payment Instructions

In terms of the RBI circular (DPSS.CO.CHD.No./133/04.07.05/2013-14) dated July 16, 2013, non-CTS 2010 standard compliant cheques are processed in three CTS centres thrice a week until April 30, 2014, thereafter twice a week until October 31, 2014 and once a week from November 1, 2014 onwards. In order to enable listing and trading of Equity Shares within 12 Working Days of the Bid/Offer Closing Date, investors are advised to use CTS cheques or use the ASBA facility to make payment. Investors are cautioned that Bid cum Application Forms accompanied by non-CTS cheques are liable to be rejected due to any delay in clearing beyond six Working Days from the Bid/Offer Closing Date.

Payment into Escrow Account for non-ASBA Bidders

The payment instruments for payment into the Escrow Account should be drawn in favour of:

- (a) In case of resident Retail Individual Investors: “[●]”
- (b) In case of Non-Resident Retail Individual Investors: “[●]”

For Anchor Investors, the payment instruments for payment into the Escrow Account should be drawn in favour of:

- (a) In case of resident Anchor Investors: “[●]”
- (b) In case of Non-Resident Anchor Investors: “[●]”

Pre-Offer Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company will, after registering the Red Herring Prospectus with the RoC, publish a pre-Offer advertisement, in the form prescribed by the SEBI Regulations, in [●] edition of [●] (English language) and [●] edition of [●] (Hindi language), each with wide circulation.

Signing of the Underwriting Agreement and the RoC Filing

- (a) Our Company, the Selling Shareholders and the BRLMs intend to enter into an Underwriting Agreement after the finalisation of the Offer Price.
- (b) After signing the Underwriting Agreement, our Company and the Selling Shareholders will update and file the updated Red Herring Prospectus with the RoC in accordance with the applicable law, which then would be termed as the ‘Prospectus’. The Prospectus will contain details of the Offer Price, the Anchor Investor Offer Price, Offer size, and underwriting arrangements and will be complete in all material respects.

IMPERSONATION

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013, which is reproduced below:

“Any person who:

- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or***
- (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or***
- (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,***

shall be liable for action under section 447.”

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term of not less than six months extending up to 10 years (provided that where the fraud involves public interest, such term will not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

Undertakings by our Company and the Selling Shareholders

Our Company undertakes that:

- if our Company or the Selling Shareholders do not proceed with the Offer after the Bid/Offer Closing Date, the reason thereof will be given as a public notice within two days of the Bid/Offer Closing Date. The public notice will be issued in the same newspapers where the pre-Offer advertisements were published. The Stock Exchanges on which the Equity Shares are proposed to be listed will also be informed promptly;
- if our Company or the Selling Shareholders withdraw the Offer after the Bid/Offer Closing Date, our Company will be required to file a fresh offer document with the RoC/ SEBI, in the event our Company or any Selling Shareholder subsequently decides to proceed with the Offer;
- the complaints received in respect of the Offer will be attended to by our Company expeditiously and satisfactorily;
- all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed will be taken within 12 Working Days of the Bid/Offer Closing Date;
- the Allotment letters will be issued or the application money will be refunded within 15 days from the Bid/Offer Closing Date or such lesser time as specified by the SEBI or else the application money will be refunded to the Bidders forthwith, failing which interest will be due to be paid to the Bidders at the rate of 15% per annum for the delayed period;
- the funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed will be made available to the Registrar to the Offer by our Company in proportion to the Equity Shares offered in the Offer;
- where refunds are made through electronic transfer of funds, a suitable communication will be sent to the applicant within 12 Working Days from the Bid/Offer Closing Date, giving details of the bank where refunds will be credited along with amount and expected date of electronic credit of refund;
- the certificates of the securities/ refund orders to Eligible NRIs will be despatched within specified time;
- except as disclosed in this Draft Red Herring Prospectus, no further issue of Equity Shares will be made until the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are refunded on account of non-listing, under-subscription etc.; and
- adequate arrangements will be made to collect all Bid cum Application Forms under the ASBA process and to consider them similar to non-ASBA Bids while finalising the Basis of Allotment.

Each Selling Shareholder represents, warrants and undertakes that:

- the Equity Shares being sold by it in the Offer have been held by it in accordance with and for the period specified in Regulation 26(6) of the SEBI Regulations and are in dematerialised form;
- it is the owner of, and has clear and marketable title to, the Equity Shares being sold in the Offer;

- it will comply with all terms and conditions of such approvals and all applicable laws and regulations, including without limitation, the Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Companies Act, the SEBI Regulations, the listing rules of and agreements with the Stock Exchanges, guidelines, instructions, rules, communications, circulars and regulations issued by the Government of India, the RoC, the SEBI, the RBI, the Stock Exchanges or by any other governmental or supervisory authority;
- the Equity Shares being sold by it in the Offer will be transferred to the Allottees free and clear of any liens, charges, or encumbrances, or transfer restriction of any kind (including but not limited to, pre-emptive rights);
- it has authorised the Compliance Officer and the Registrar to the Offer to redress complaints, if any, in relation to the Equity Shares held by it and being offered pursuant to the Offer, it will extend reasonable cooperation to our Company and the BRLMs in this regard;
- the funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed will be made available to the Registrar to the Offer by such Selling Shareholder in proportion to the Equity Shares offered by it in the Offer;
- it shall not enter into buyback arrangements directly or indirectly for purchase of the Equity Shares to be offered and sold in the Offer;
- it shall not make payment, direct or indirect, in the nature of discounts, commission, allowance or otherwise in the Offer to any persons who make an application in the Offer and/or who receive Equity Shares in the Offer;
- it will not have recourse to the proceeds of the Offer until final approval for trading of the Equity Shares from the Stock Exchanges where listing is sought has been received; and
- it will take all such steps as may be required to ensure that the Equity Shares being offered by it in the Offer are available for transfer in the Offer within the time period specified under applicable law.

Utilisation of Offer Proceeds

The Company and the Selling Shareholders, declare that:

- all monies received out of the Offer will be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013; and
- the Selling Shareholders will not have recourse to the proceeds of the Offer until the final listing and trading approvals from all the Stock Exchanges have been obtained.

PART B

General Information Document for Investing in Public Issues

This General Information Document highlights the key rules, processes and procedures applicable to public issues in accordance with the provisions of the Companies Act, 2013 (to the extent notified and in effect), the Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon the notification of the Companies Act, 2013), the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. Bidders/Applicants should not construe the contents of this General Information Document as legal advice and should consult their own legal counsel and other advisors in relation to the legal matters concerning the Offer. For taking an investment decision, the Bidders/Applicants should rely on their own examination of the Issuer and the Offer, and should carefully read the Red Herring Prospectus/Prospectus before investing in the Offer.

SECTION 1: PURPOSE OF THE GENERAL INFORMATION DOCUMENT (GID)

This document is applicable to the public issues undertaken through the Book-Building process as well as to the Fixed Price Issues. The purpose of the “General Information Document for Investing in Public Issues” is to provide general guidance to potential Bidders/Applicants in IPOs and FPOs, on the processes and procedures governing IPOs and FPOs, undertaken in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“**SEBI Regulations, 2009**”).

Bidders/Applicants should note that investment in equity and equity related securities involves risk and Bidder/Applicant should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. The specific terms relating to securities and/or for subscribing to securities in an Issue and the relevant information about the Issuer undertaking the Issue are set out in the Red Herring Prospectus (“**RHP**”)/ Prospectus filed by the Issuer with the Registrar of Companies (“**RoC**”). Bidders/Applicants should carefully read the entire RHP/Prospectus and the Bid cum Application Form/Application Form and the Abridged Prospectus of the Issuer in which they are proposing to invest through the Issue. In case of any difference in interpretation or conflict and/or overlap between the disclosure included in this document and the RHP/Prospectus, the disclosures in the RHP/Prospectus shall prevail. The RHP/Prospectus of the Issuer is available on the websites of stock exchanges, on the website(s) of the BRLM(s) to the Issue and on the website of Securities and Exchange Board of India (“**SEBI**”) at www.sebi.gov.in.

For the definitions of capitalized terms and abbreviations used herein Bidders/Applicants may refer to the section “Glossary and Abbreviations”.

SECTION 2: BRIEF INTRODUCTION TO IPOs/FPOs

2.1 INITIAL PUBLIC OFFER (IPO)

An IPO means an offer of specified securities by an unlisted Issuer to the public for subscription and may include an Offer for Sale of specified securities to the public by any existing holder of such securities in an unlisted Issuer.

For undertaking an IPO, an Issuer is *inter alia* required to comply with the eligibility requirements of in terms of either Regulation 26(1) or Regulation 26(2) of the SEBI Regulations, 2009. For details of compliance with the eligibility requirements by the Issuer Bidders/Applicants may refer to the RHP/Prospectus.

2.2 FURTHER PUBLIC OFFER (FPO)

An FPO means an offer of specified securities by a listed Issuer to the public for subscription and may include Offer for Sale of specified securities to the public by any existing holder of such securities in a listed Issuer.

For undertaking an FPO, the Issuer is *inter alia* required to comply with the eligibility requirements in terms of Regulation 26/27 of SEBI Regulations, 2009. For details of compliance with the eligibility requirements by the Issuer Bidders/Applicants may refer to the RHP/Prospectus.

2.3 OTHER ELIGIBILITY REQUIREMENTS

In addition to the eligibility requirements specified in paragraphs 2.1 and 2.2, an Issuer proposing to undertake an IPO or an FPO is required to comply with various other requirements as specified in the SEBI Regulations, 2009, the Companies Act, 2013 (to the extent notified and in effect), the Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon the notification of the Companies Act, 2013), the Securities Contracts (Regulation) Rules, 1957 (the “**SCRR**”), industry-specific regulations, if any, and other applicable laws for the time being in force.

For details in relation to the above Bidders/Applicants may refer to the RHP/Prospectus.

2.4 TYPES OF PUBLIC ISSUES – FIXED PRICE ISSUES AND BOOK BUILT ISSUES

In accordance with the provisions of the SEBI Regulations, 2009, an Issuer can either determine the Issue Price through the Book Building Process (“**Book Built Issue**”) or undertake a Fixed Price Issue (“**Fixed Price Issue**”). An Issuer may mention Floor Price or Price Band in the RHP (in case of a Book Built Issue) and a Price or Price Band in the Draft Prospectus (in case of a fixed price Issue) and determine the price at a later date before registering the Prospectus with the Registrar of Companies.

The cap on the Price Band should be less than or equal to 120% of the Floor Price. The Issuer shall announce the Price or the Floor Price or the Price Band through advertisement in all newspapers in which the pre-issue advertisement was given at least five Working Days before the Bid/Issue Opening Date, in case of an IPO and at least one Working Day before the Bid/Issue Opening Date, in case of an FPO.

The Floor Price or the Issue price cannot be lesser than the face value of the securities.

Bidders/Applicants should refer to the RHP/Prospectus or Issue advertisements to check whether the Issue is a Book Built Issue or a Fixed Price Issue.

2.5 ISSUE PERIOD

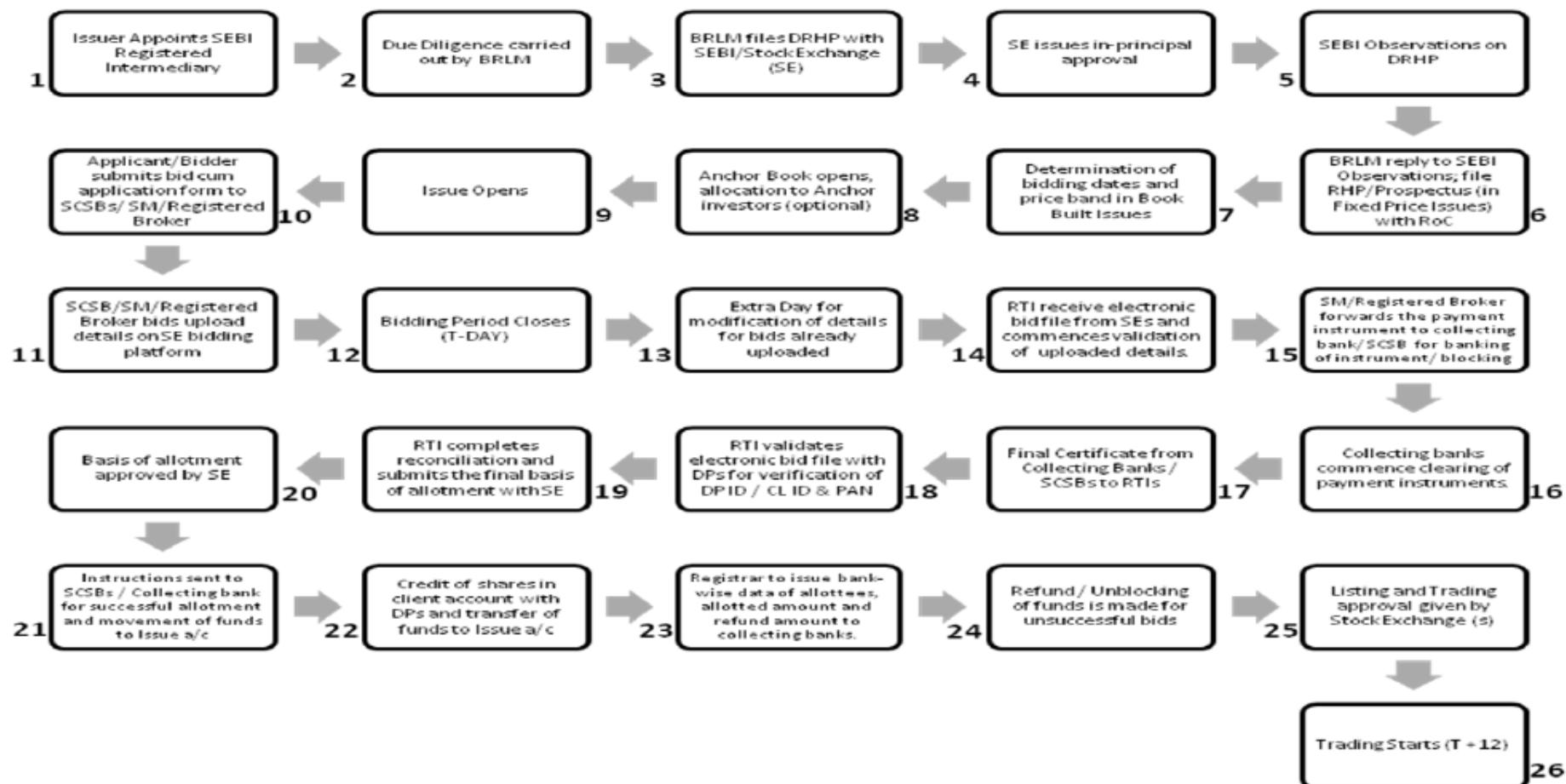
The Issue may be kept open for a minimum of three Working Days (for all category of Bidders/Applicants) and not more than 10 (ten) Working Days. Bidders/Applicants are advised to refer to the Bid cum Application Form and Abridged Prospectus or RHP/Prospectus for details of the Bid/Issue Period. Details of Bid/Issue Period are also available on the website of Stock Exchange(s).

In case of a Book Built Issue, the Issuer may close the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date if disclosures to that effect are made in the RHP. In case of revision of the Floor Price or Price Band in Book Built Issues the Bid/Issue Period may be extended by at least three Working Days, subject to the total Bid/Issue Period not exceeding 10 Working Days. For details of any revision of the Floor Price or Price Band, Bidders/Applicants may check the announcements made by the Issuer on the websites of the Stock Exchanges and the BRLM(s), and the advertisement in the newspaper(s) issued in this regard.

2.6 FLOWCHART OF TIMELINES

A flow chart of process flow in Fixed Price and Book Built Issues is as follows.
Bidders/Applicants may note that this is not applicable for Fast Track FPOs.:

- In case of Issue other than Book Build Issue (Fixed Price Issue) the process at the following of the below mentioned steps shall be read as:
 - (i) Step 7 : Determination of Issue Date and Price
 - (ii) Step 10: Applicant submits ASBA Application Form with Designated Branch of SCSB and Non-ASBA forms directly to collection Bank and not to Broker.
 - (iii) Step 11: SCSB uploads ASBA Application details in Stock Exchange Platform
 - (iv) Step 12: Issue period closes
 - (v) Step 15: Not Applicable



SECTION 3: CATEGORY OF INVESTORS ELIGIBLE TO PARTICIPATE IN AN ISSUE

Each Bidder/Applicant should check whether it is eligible to apply under applicable law. Furthermore, certain categories of Bidders/Applicants, such as NRIs, FPIs and FVCIs may not be allowed to Bid/Apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders/Applicants are requested to refer to the RHP/Prospectus for more details.

Subject to the above, an illustrative list of Bidders/Applicants is as follows:

- Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, in single or joint names (not more than three);
- Bids/Applications belonging to an account for the benefit of a minor (under guardianship);
- Hindu Undivided Families or HUFs, in the individual name of the *Karta*. The Bidder/Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: “Name of sole or first Bidder/Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*”. Bids/Applications by HUFs may be considered at par with Bids/Applications from individuals;
- Companies, corporate bodies and societies registered under applicable law in India and authorised to invest in equity shares;
- QIBs;
- NRIs on a repatriation basis or on a non-repatriation basis subject to applicable law;
- Indian Financial Institutions, regional rural banks, co-operative banks (subject to RBI regulations and the SEBI Regulations, 2009 and other laws, as applicable);
- FPIs other than Category III foreign portfolio investors, bidding under the QIBs category;
- FPIs which are Category III foreign portfolio investors, bidding under the Non Institutional Investors (NIIs) category;
- Trusts/societies registered under the Societies Registration Act, 1860, or under any other law relating to trusts/societies and who are authorised under their respective constitutions to hold and invest in equity shares;
- Limited liability partnerships registered under the Limited Liability Partnership Act, 2008; and
- Any other person eligible to Bid/Apply in the Issue, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws.

As per the existing regulations, OCBs are not allowed to participate in an Issue.

SECTION 4: APPLYING IN THE ISSUE

Book Built Issue: Bidders should only use the specified Bid cum Application Form either bearing the stamp of a member of the Syndicate or bearing a stamp of the Registered Broker or stamp of SCSBs as available or downloaded from the websites of the Stock Exchanges.

Bid cum Application Forms are available with the members of the Syndicate, Registered Brokers, Designated Branches of the SCSBs and at the registered office of the Issuer. Electronic Bid cum Application Forms will be

available on the websites of the Stock Exchanges at least one day prior to the Bid/Issue Opening Date. For further details regarding availability of Bid cum Application Forms, Bidders may refer to the RHP/Prospectus.

Fixed Price Issue: Applicants should only use the specified Application Form either bearing the stamp of Collection Bank(s) or SCSBs as available or downloaded from the websites of the Stock Exchanges. Application Forms are available with the Branches of Collection Banks or Designated Branches of the SCSBs and at the registered office of the Issuer. For further details regarding availability of Application Forms, Applicants may refer to the Prospectus.

Bidders/Applicants should ensure that they apply in the appropriate category. The prescribed color of the Bid cum Application Form for various categories of Bidders/Applicants is as follows:

Category	Color of the Bid cum Application Form
Resident Indian, Eligible NRIs applying on a non repatriation basis	White
NRIs, FVCIs, FPIs, on a repatriation basis	Blue
Anchor Investors (where applicable) & Bidders/Applicants bidding/applying in the reserved category	[As specified by the Issuer]

Securities issued in an IPO can only be in dematerialized form in compliance with Section 29 of the Companies Act, 2013. Bidders/Applicants will not have the option of getting the allotment of specified securities in physical form. However, they may get the specified securities rematerialised subsequent to allotment.

4.1 INSTRUCTIONS FOR FILING THE BID CUM APPLICATION FORM/ APPLICATION FORM

Bidders/Applicants may note that forms not filled completely or correctly as per instructions provided in this GID, the RHP and the Bid cum Application Form/Application Form are liable to be rejected.

Instructions to fill each field of the Bid cum Application Form can be found on the reverse side of the Bid cum Application Form. Specific instructions for filling various fields of the Resident Bid cum Application Form and Non-Resident Bid cum Application Form and samples are provided below.

The samples of the Bid cum Application Form for resident Bidders and the Bid cum Application Form for non-resident Bidders are reproduced below:

TEAR HERE

COMMON BID CUM APPLICATION FORM FOR ASBA / NON-ASBA		XYZ LIMITED - PUBLIC ISSUE - R		FOR RESIDENT INDIAN, QIB, ELIGIBLE NRI's APPLYING ON A NON-REPATRIATION BASIS	
Logo To, The Board of Directors XYZ Limited		BOOK BUILDING ISSUE <input type="checkbox"/> IN <input type="checkbox"/> OUT		Bid cum Application Form No. _____	
SYNDICATE MEMBER'S STAMP & CODE		BROKER'S/AGENT'S STAMP & CODE		1. NAME & CONTACT DETAILS OF Sole / First Applicant Mr. / Ms. _____ Address _____ Email _____ Tel. No (with STD code) / Mobile _____	
ESCROW/BANK/SCSB BRANCH STAMP & CODE		SUB-BROKER'S/SUB-AGENT'S STAMP & CODE			
BANK BRANCH SERIAL NO.		REGISTRAR'S / SCSB SERIAL NO.			
				2. PAN OF SOLE / FIRST APPLICANT _____	
3. BIDDER'S DEPOSITORY ACCOUNT DETAILS <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL					
For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID					
4. BID OPTIONS (Only Retail Individual Bidders can Bid at "Cut-off")					
Bid Options No. of Equity Shares Bid (In Figures) <small>(Bids must be in multiples of Bid Lot as advertised)</small>		Price per Equity Share (₹/ "Cut-off" <small>(Price in multiples of ₹ 1/- only) (In Figures)</small>			5. Category
		Bid Price Discount, if any Net Price *Cut-off* <small>(Please tick)</small>			<input type="checkbox"/> Retail Individual <input type="checkbox"/> Non-Institutional <input type="checkbox"/> QIB
Option 1					
(OR) Option 2					
(OR) Option 3					
7. PAYMENT DETAILS (Please tick (✓) any one of payment option A or B below)				PAYMENT OPTIONS <input type="checkbox"/> Full Payment <input type="checkbox"/> Part Payment	
Amount Paid (₹ in figures) _____ (₹ in words) _____					
<input type="checkbox"/> (A) CHEQUE/ DEMAND DRAFT (DD) Cheque/DD No. _____ Dated <u> D </u> / <u> M </u> / <u> Y </u> Drawn on (Bank Name & Branch) _____				<input type="checkbox"/> (B) ASBA Bank A/c No. _____ Bank Name & Branch _____	
I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED FORM 2A AND HEREBY AGREE AND CONFIRM THE 'BIDDERS UNDERTAKING' AS GIVEN OVER LEAF. I/We (on behalf of joint applicants, if any) hereby confirm that I/We have read the Instructions for Filing up the Bid Cum Application Form given overleaf.					
8A. SIGNATURE OF SOLE/ FIRST APPLICANT Date : _____, 2011		8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) <small>(AS PER BANK RECORDS) (For ASBA option ONLY)</small> I/We authorize the SCSB to do all acts as are necessary to make the Application in the issue. 1) _____ 2) _____ 3) _____		BROKER'S / SCSB BRANCH'S STAMP <small>(Acknowledging upload of Bid in Stock Exchange system)</small>	
TEAR HERE					
XYZ LIMITED		Acknowledgement Slip for Syndicate Member / SCSB		Bid cum Application Form No. _____	
DPID / CLUD		PAN			
Amount Paid (₹ in figures)		Bank & Branch		Stamp & Signature of Banker	
Cheque / DD/ASBA Bank A/c No.					
Received from Mr./Ms.					
Telephone / Mobile		Email			
TEAR HERE					
No. of Equity Shares		Option 1		Option 2	
Bid Price		Option 3		Stamp & Signature of Syndicate Member / SCSB	
Amount Paid (₹)					
Cheque / DD/ASBA Bank A/c No.					
Bank & Branch					
Name of Sole / First Applicant					
Acknowledgement Slip for Bidder Bid cum Application Form No. _____					

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COMMON BID CUM APPLICATION FORM FOR ASBA / NON-ASBA **XYZ LIMITED - PUBLIC ISSUE - NR** **FOR ELIGIBLE NRIs, FIIs, FVCI, ETC., APPLYING ON A REPATRIATION BASIS**

Logo To, **The Board of Directors** **BOOK BUILDING ISSUE** **Bid cum Application Form No.**
XYZ Limited **INE523L01018**

SYNDICATE MEMBER'S STAMP & CODE	BROKER'S/AGENT'S STAMP & CODE	1. NAME & CONTACT DETAILS of Sole / First Applicant Mr. / Ms. _____ Address _____ Tel. No (with STD code) / Mobile _____ Email _____
ESCROW BANK / SCSB BRANCH STAMP & CODE	SUB-BROKER'S/SUB-AGENT'S STAMP & CODE	
BANK BRANCH SERIAL NO.	REGISTRAR'S / SCSB SERIAL NO.	2. PAN OF SOLE / FIRST APPLICANT _____

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID	6. Investor Status <input type="checkbox"/> NRI Non-Resident Indian (Repatriation basis) <input type="checkbox"/> FII Foreign Institutional Investor <input type="checkbox"/> FVCI Foreign Venture Capital Investor <input type="checkbox"/> FIISA FII Sub Account Corporate / Individual <input type="checkbox"/> OTH Others (Please Specify)																												
4. BID OPTIONS (Only Retail Individual Bidders can Bid at "Cut-off") <table border="1"> <thead> <tr> <th rowspan="2">Bid Options</th> <th rowspan="2">No. of Equity Shares Bid (in Figures) (Bids must be in multiples of Bid Lot as advertised)</th> <th colspan="4">Price per Equity Share (₹) "Cut-off" (Price in multiples of ₹ 1/- only) (in Figures)</th> </tr> <tr> <th>Bid Price</th> <th>Discount, if any</th> <th>Net Price</th> <th>"Cut-off" (Please tick)</th> </tr> </thead> <tbody> <tr> <td>Option 1</td> <td>7 6 5 4 3 2 1</td> <td>4 3 2 1</td> <td>4 3 2 1</td> <td>4 3 2 1</td> <td><input type="checkbox"/></td> </tr> <tr> <td>(OR) Option 2</td> <td></td> <td></td> <td></td> <td></td> <td><input type="checkbox"/></td> </tr> <tr> <td>(OR) Option 3</td> <td></td> <td></td> <td></td> <td></td> <td><input type="checkbox"/></td> </tr> </tbody> </table>	Bid Options	No. of Equity Shares Bid (in Figures) (Bids must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹) "Cut-off" (Price in multiples of ₹ 1/- only) (in Figures)				Bid Price	Discount, if any	Net Price	"Cut-off" (Please tick)	Option 1	7 6 5 4 3 2 1	4 3 2 1	4 3 2 1	4 3 2 1	<input type="checkbox"/>	(OR) Option 2					<input type="checkbox"/>	(OR) Option 3					<input type="checkbox"/>	5. Category <input type="checkbox"/> Retail Individual <input type="checkbox"/> Non-Institutional <input type="checkbox"/> QIB
Bid Options			No. of Equity Shares Bid (in Figures) (Bids must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹) "Cut-off" (Price in multiples of ₹ 1/- only) (in Figures)																									
	Bid Price	Discount, if any		Net Price	"Cut-off" (Please tick)																								
Option 1	7 6 5 4 3 2 1	4 3 2 1	4 3 2 1	4 3 2 1	<input type="checkbox"/>																								
(OR) Option 2					<input type="checkbox"/>																								
(OR) Option 3					<input type="checkbox"/>																								

7. PAYMENT DETAILS (Please tick (✓) any one of payment option A or B below)	PAYMENT OPTIONS <input type="checkbox"/> Full Payment <input type="checkbox"/> Part Payment
Amount Paid (₹ in figures) _____ (₹ in words) _____	
<input type="checkbox"/> (A) CHEQUE/ DEMAND DRAFT (DD) Cheque/DD No. _____ Dated <u>DD</u> <u>MM</u> <u>YY</u> Drawn on (Bank Name & Branch) _____	<input type="checkbox"/> (B) ASBA Bank A/c No. _____ Bank Name & Branch _____

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED FORM 2A AND HEREBY AGREE AND CONFIRM THE 'BIDDERS UNDERTAKING' AS GIVEN OVERLEAF. I/We (on behalf of joint applicants, if any) hereby confirm that I/We have read the instructions for Filling up the Bid Cum Application Form given overleaf.

8A. SIGNATURE OF SOLE / FIRST APPLICANT Date : _____, 2011	8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS) (For ASBA option ONLY) I/We authorize the SCSB to do all acts as are necessary to make the Application in the Issue 1) _____ 2) _____ 3) _____	BROKER'S / SCSB BRANCH'S STAMP (Acknowledging upload of Bid in Stock Exchange system)
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XYZ LIMITED	Acknowledgement Slip for Syndicate Member / SCSB	Bid cum Application Form No. _____
DPID / CLID _____	PAN _____	
Amount Paid (₹ in figures) _____ Bank & Branch _____	Stamp & Signature of Banker	
Cheque / DD/ASBA Bank A/c No. _____		
Received from Mr./Ms. _____		
Telephone / Mobile _____ Email _____		

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XYZ LIMITED	Option 1	Option 2	Option 3	Stamp & Signature of Syndicate Member / SCSB	Name of Sole / First Applicant _____
	No. of Equity Shares				
	Bid Price				
	Amount Paid (₹)				
	Cheque / DD/ASBA Bank A/c No. _____ Bank & Branch _____				
					Acknowledgement Slip for Bidder
					Bid cum Application Form No. _____

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4.1.1 **FIELD NUMBER 1: NAME AND CONTACT DETAILS OF THE SOLE/FIRST BIDDER/APPLICANT**

- (a) Bidders/Applicants should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.
- (b) **Mandatory Fields:** Bidders/Applicants should note that the name and address fields are compulsory and e-mail and/or telephone number/mobile number fields are optional. Bidders/Applicants should note that the contact details mentioned in the Bid-cum Application Form/Application Form may be used to dispatch communications (including refund orders and letters notifying the unblocking of the bank accounts of ASBA Bidders/Applicants) in case the communication sent to the address available with the Depositories are returned undelivered or are not available. The contact details provided in the Bid cum Application Form may be used by the Issuer, the members of the Syndicate, the Registered Broker and the Registrar to the Issue only for correspondence(s) related to an Issue and for no other purposes.
- (c) **Joint Bids/Applications:** In the case of Joint Bids/Applications, the Bids /Applications should be made in the name of the Bidder/Applicant whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Bidder/Applicant would be required in the Bid cum Application Form/Application Form and such first Bidder/Applicant would be deemed to have signed on behalf of the joint holders. All payments may be made out in favor of the Bidder/Applicant whose name appears in the Bid cum Application Form/Application Form or the Revision Form and all communications may be addressed to such Bidder/Applicant and may be dispatched to his or her address as per the Demographic Details received from the Depositories.
- (d) **Impersonation:** Attention of the Bidders/Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013, which is reproduced below:

“Any person who:

- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,*

shall be liable for action under section 447.”

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

- (e) **Nomination Facility to Bidder/Applicant:** Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Bidders/Applicants should inform their respective DP.

4.1.2 **FIELD NUMBER 2: PAN NUMBER OF SOLE/FIRST BIDDER/APPLICANT**

- (a) PAN (of the sole/ first Bidder/Applicant) provided in the Bid cum Application Form/Application Form should be exactly the same as the PAN of the person(s) in whose name the relevant beneficiary account is held as per the Depositories' records.
- (b) PAN is the sole identification number for participants transacting in the securities market irrespective of the amount of transaction except for Bids/Applications on behalf of the Central or State Government, Bids/Applications by officials appointed by the courts and Bids/Applications by Bidders/Applicants residing in Sikkim ("PAN Exempted Bidders/Applicants"). Consequently, all Bidders/Applicants, other than the PAN Exempted Bidders/Applicants, are required to disclose their PAN in the Bid cum Application Form/Application Form, irrespective of the Bid/Application Amount. A Bid cum Application Form/Application Form without PAN, except in case of Exempted Bidders/Applicants, is liable to be rejected. Bids/Applications by the Bidders/Applicants whose PAN is not available as per the Demographic Details available in their Depository records, are liable to be rejected.
- (c) The exemption for the PAN Exempted Bidders/Applicants is subject to (a) the Demographic Details received from the respective Depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same.
- (d) Bid cum Application Forms/Application Forms which provide the General Index Register Number instead of PAN may be rejected.
- (e) Bids/Applications by Bidders whose demat accounts have been 'suspended for credit' are liable to be rejected pursuant to the circular issued by SEBI on July 29, 2010, bearing number CIR/MRD/DP/22/2010. Such accounts are classified as "Inactive demat accounts" and demographic details are not provided by depositories.

4.1.3 **FIELD NUMBER 3: BIDDERS/APPLICANTS DEPOSITORY ACCOUNT DETAILS**

- (a) Bidders/Applicants should ensure that DP ID and the Client ID are correctly filled in the Bid cum Application Form/Application Form. The DP ID and Client ID provided in the Bid cum Application Form/Application Form should match with the DP ID and Client ID available in the Depository database, **otherwise, the Bid cum Application Form/Application Form is liable to be rejected.**
- (b) Bidders/Applicants should ensure that the beneficiary account provided in the Bid cum Application Form/Application Form is active.
- (c) Bidders/Applicants should note that on the basis of DP ID and Client ID as provided in the Bid cum Application Form/Application Form, the Bidder/Applicant may be deemed to have authorized the Depositories to provide to the Registrar to the Issue, any requested Demographic Details of the Bidder/Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for giving refunds and allocation advice (including through physical refund warrants, direct credit, NECS, NEFT and RTGS), or unblocking of ASBA Account or for other correspondence(s) related to an Issue. Please note that refunds on account of our Company not receiving the minimum subscription of 90% of the Issue, shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.
- (d) Bidders/Applicants are, advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Bidders/Applicants' sole risk.

4.1.4 FIELD NUMBER 4: BID OPTIONS

- (a) Price or Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) may be disclosed in the Prospectus/RHP by the Issuer. The Issuer is required to announce the Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) by way of an advertisement in at least one English, one Hindi and one regional newspaper, with wide circulation, at least five Working Days before Bid/Issue Opening Date in case of an IPO, and at least one Working Day before Bid/Issue Opening Date in case of an FPO.
- (b) The Bidders may Bid at or above Floor Price or within the Price Band for IPOs /FPOs undertaken through the Book Building Process. In the case of Alternate Book Building Process for an FPO, the Bidders may Bid at Floor Price or any price above the Floor Price (For further details bidders may refer to (Section 5.6 (e))).
- (c) **Cut-Off Price:** Retail Individual Investors or Employees or Retail Individual Shareholders can Bid at the Cut-off Price indicating their agreement to Bid for and purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process. Bidding at the Cut-off Price is prohibited for QIBs and NIIs and such Bids from QIBs and NIIs may be rejected.
- (d) **Minimum Application Value and Bid Lot:** The Issuer in consultation with the BRLMs may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹10,000 to ₹15,000. The minimum Bid Lot is accordingly determined by an Issuer on basis of such minimum application value.
- (e) **Allotment:** The allotment of specified securities to each RII shall not be less than the minimum Bid Lot, subject to availability of shares in the RII category, and the remaining available shares, if any, shall be allotted on a proportionate basis. For details of the Bid Lot, bidders may refer to the RHP/Prospectus or the advertisement regarding the Price Band published by the Issuer.

4.1.4.1 Maximum and Minimum Bid Size

- (a) The Bidder may Bid for the desired number of Equity Shares at a specific price. Bids by Retail Individual Investors, Employees and Retail Individual Shareholders must be for such number of shares so as to ensure that the Bid Amount less Discount (as applicable), payable by the Bidder does not exceed ₹200,000.

In case the Bid Amount exceeds ₹200,000 due to revision of the Bid or any other reason, the Bid may be considered for allocation under the Non-Institutional Category, with it not being eligible for Discount then such Bid may be rejected if it is at the Cut-off Price.
- (b) For NRIs, a Bid Amount of up to ₹200,000 may be considered under the Retail Category for the purposes of allocation and a Bid Amount exceeding ₹200,000 may be considered under the Non-Institutional Category for the purposes of allocation.
- (c) Bids by QIBs and NIIs must be for such minimum number of shares such that the Bid Amount exceeds ₹200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the Bid cum Application Form and the RHP/Prospectus, or as advertised by the Issuer, as the case may be. Non-Institutional Investors and QIBs are not allowed to Bid at 'Cut-off Price'.
- (d) RII may revise their bids till closure of the bidding period or withdraw their bids until finalization of allotment. QIBs and NII's cannot withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after bidding and are required to pay the Bid Amount upon submission of the Bid.

- (e) In case the Bid Amount reduces to ₹200,000 or less due to a revision of the Price Band, Bids by the Non-Institutional Investors who are eligible for allocation in the Retail Category would be considered for allocation under the Retail Category.
- (f) For Anchor Investors, if applicable, the Bid Amount shall be least ₹10 crores. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors. Bids by various schemes of a Mutual Fund shall be aggregated to determine the Bid Amount. A Bid cannot be submitted for more than 60% of the QIB Category under the Anchor Investor Portion. Anchor Investors cannot withdraw their Bids or lower the size of their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after the Anchor Investor Bid/ Issue Period and are required to pay the Bid Amount at the time of submission of the Bid. In case the Anchor Investor Issue Price is lower than the Issue Price, the balance amount shall be payable as per the pay-in-date mentioned in the revised CAN. In case the Issue Price is lower than the Anchor Investor Issue Price, the amount in excess of the Issue Price paid by the Anchor Investors shall not be refunded to them.
- (g) A Bid cannot be submitted for more than the Issue size.
- (h) The maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under the applicable laws.
- (i) The price and quantity options submitted by the Bidder in the Bid cum Application Form may be treated as optional bids from the Bidder and may not be cumulated. After determination of the Issue Price, the number of Equity Shares Bid for by a Bidder at or above the Issue Price may be considered for allotment and the rest of the Bid(s), irrespective of the Bid Amount may automatically become invalid. This is not applicable in case of FPOs undertaken through Alternate Book Building Process (For details of bidders may refer to (Section 5.6 (e))).

4.1.4.2 Multiple Bids

- (a) Bidder should submit only one Bid cum Application Form. Bidder shall have the option to make a maximum of Bids at three different price levels in the Bid cum Application Form and such options are not considered as multiple Bids.

Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate, SCSB or Registered Broker and duplicate copies of Bid cum Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.
- (b) Bidders are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple Bids:
 - i. All Bids may be checked for common PAN as per the records of the Depository. For Bidders other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN may be treated as multiple Bids by a Bidder and may be rejected.
 - ii. For Bids from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Bidders, the Bid cum Application Forms may be checked for common DP ID and Client ID. Such Bids which have the same DP ID and Client ID may be treated as multiple Bids and are liable to be rejected.
- (c) The following Bids may not be treated as multiple Bids:

- i. Bids by Reserved Categories bidding in their respective Reservation Portion as well as bids made by them in the Net Issue portion in public category.
- ii. Separate Bids by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Bids clearly indicate the scheme for which the Bid has been made.
- iii. Bids by Mutual Funds, and sub-accounts of FIIs (or FIIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.
- iv. Bids by Anchor Investors under the Anchor Investor Portion and the QIB Category.

4.1.5 **FIELD NUMBER 5: CATEGORY OF BIDDERS**

- (a) The categories of Bidders identified as per the SEBI Regulations, 2009 for the purpose of Bidding, allocation and allotment in the Issue are RIIs, NIIs and QIBs.
- (b) Up to 60% of the QIB Category can be allocated by the Issuer, on a discretionary basis subject to the criteria of minimum and maximum number of anchor investors based on allocation size, to the Anchor Investors, in accordance with SEBI Regulations, 2009, with one-third of the Anchor Investor Portion reserved for domestic Mutual Funds subject to valid Bids being received at or above the Issue Price. For details regarding allocation to Anchor Investors, bidders may refer to the RHP/Prospectus.
- (c) An Issuer can make reservation for certain categories of Bidders/Applicants as permitted under the SEBI Regulations, 2009. For details of any reservations made in the Issue, Bidders/Applicants may refer to the RHP/Prospectus.
- (d) The SEBI Regulations, 2009, specify the allocation or allotment that may be made to various categories of Bidders in an Issue depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Issue specific details in relation to allocation Bidder/Applicant may refer to the RHP/Prospectus.

4.1.6 **FIELD NUMBER 6: INVESTOR STATUS**

- (a) Each Bidder/Applicant should check whether it is eligible to apply under applicable law and ensure that any prospective allotment to it in the Issue is in compliance with the investment restrictions under applicable law.
- (b) Certain categories of Bidders/Applicants, such as NRIs, FPIs and FVCIs may not be allowed to Bid/Apply in the Issue or hold Equity Shares exceeding certain limits specified under applicable law. Bidders/Applicants are requested to refer to the RHP/Prospectus for more details.
- (c) Bidders/Applicants should check whether they are eligible to apply on non-repatriation basis or repatriation basis and should accordingly provide the investor status. Details regarding investor status are different in the Resident Bid cum Application Form and Non-Resident Bid cum Application Form.
- (d) Bidders/Applicants should ensure that their investor status is updated in the Depository records.

4.1.7 **FIELD NUMBER 7: PAYMENT DETAILS**

- (a) All Bidders are required to make payment of the full Bid Amount (net of any Discount, as applicable) along-with the Bid cum Application Form. If the Discount is applicable in the Issue, the RIIs should indicate the full Bid Amount in the Bid cum Application Form and the payment

shall be made for Bid Amount net of Discount. Only in cases where the RHP/Prospectus indicates that part payment may be made, such an option can be exercised by the Bidder. In case of Bidders specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less Discount offered, if any.

- (b) Bidders who Bid at Cut-off price shall deposit the Bid Amount based on the Cap Price.
- (c) QIBs and NIIs can participate in the Issue only through the ASBA mechanism.
- (d) RIIs and/or Reserved Categories bidding in their respective reservation portion can Bid, either through the ASBA mechanism or by paying the Bid Amount through a cheque or a demand draft (“Non-ASBA Mechanism”).
- (e) Bid Amount cannot be paid in cash, through money order or through postal order.

4.1.7.1 Instructions for non-ASBA Bidders:

- (a) Non-ASBA Bidders may submit their Bids with a member of the Syndicate or any of the Registered Brokers of the Stock Exchange. The details of Broker Centres along with names and contact details of the Registered Brokers are provided on the websites of the Stock Exchanges.
- (b) **For Bids made through a member of the Syndicate:** The Bidder may, with the submission of the Bid cum Application Form, draw a cheque or demand draft for the Bid Amount in favour of the Escrow Account as specified under the RHP/Prospectus and the Bid cum Application Form and submit the same to the members of the Syndicate at Specified Locations.
- (c) **For Bids made through a Registered Broker:** The Bidder may, with the submission of the Bid cum Application Form, draw a cheque or demand draft for the Bid Amount in favour of the Escrow Account as specified under the RHP/Prospectus and the Bid cum Application Form and submit the same to the Registered Broker.
- (d) If the cheque or demand draft accompanying the Bid cum Application Form is not made favoring the Escrow Account, the Bid is liable to be rejected.
- (e) Payments should be made by cheque, or demand draft drawn on any bank (including a co-operative bank), which is situated at, and is a member of or sub-member of the bankers’ clearing house located at the centre where the Bid cum Application Form is submitted. Cheques/bank drafts drawn on banks not participating in the clearing process may not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected.
- (f) The Escrow Collection Banks shall maintain the monies in the Escrow Account for and on behalf of the Bidders until the Designated Date.
- (g) Bidders are advised to provide the number of the Bid cum Application Form and PAN on the reverse of the cheque or bank draft to avoid any possible misuse of instruments submitted.

4.1.7.2 Payment instructions for ASBA Bidders

- (a) ASBA Bidders may submit the Bid cum Application Form either
 - i. in physical mode to the Designated Branch of an SCSB where the Bidders/Applicants have ASBA Account, or

- ii. in electronic mode through the internet banking facility offered by an SCSB authorizing blocking of funds that are available in the ASBA account specified in the Bid cum Application Form, or
 - iii. in physical mode to a member of the Syndicate at the Specified Locations, or
 - iv. Registered Brokers of the Stock Exchange
- (b) ASBA Bidders may specify the Bank Account number in the Bid cum Application Form. The Bid cum Application Form submitted by an ASBA Bidder and which is accompanied by cash, demand draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, may not be accepted.
 - (c) Bidders should ensure that the Bid cum Application Form is also signed by the ASBA Account holder(s) if the Bidder is not the ASBA Account holder;
 - (d) Bidders shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.
 - (e) From one ASBA Account, a maximum of five Bids cum Application Forms can be submitted.
 - (f) **ASBA Bidders bidding through a member of the Syndicate** should ensure that the Bid cum Application Form is submitted to a member of the Syndicate only at the Specified locations. ASBA Bidders should also note that Bid cum Application Forms submitted to a member of the Syndicate at the Specified locations may not be accepted by the Member of the Syndicate if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for the members of the Syndicate to deposit Bid cum Application Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>).
 - (g) **ASBA Bidders bidding through a Registered Broker** should note that Bid cum Application Forms submitted to the Registered Brokers may not be accepted by the Registered Broker, if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for the Registered Brokers to deposit Bid cum Application Forms.
 - (h) **ASBA Bidders bidding directly through the SCSBs** should ensure that the Bid cum Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.
 - (i) Upon receipt of the Bid cum Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form.
 - (j) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Bid Amount mentioned in the Bid cum Application Form and for application directly submitted to SCSB by investor, may enter each Bid option into the electronic bidding system as a separate Bid.
 - (k) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Bids on the Stock Exchange platform and such bids are liable to be rejected.
 - (l) Upon submission of a completed Bid cum Application Form each ASBA Bidder may be deemed to have agreed to block the entire Bid Amount and authorized the Designated Branch of the SCSB to block the Bid Amount specified in the Bid cum Application Form in the ASBA Account maintained with the SCSBs.

- (m) The Bid Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Bid, as the case may be.
- (n) SCSBs bidding in the Issue must apply through an Account maintained with any other SCSB; else their Bids are liable to be rejected.

4.1.7.2.1 Unblocking of ASBA Account

- (a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Bid, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Bid, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected ASBA Bids, if any, along with reasons for rejection and details of withdrawn or unsuccessful Bids, if any, to enable the SCSBs to unblock the respective bank accounts.
- (b) On the basis of instructions from the Registrar to the Issue, the SCSBs may transfer the requisite amount against each successful ASBA Bidder to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.
- (c) In the event of withdrawal or rejection of the Bid cum Application Form and for unsuccessful Bids, the Registrar to the Issue may give instructions to the SCSB to unblock the Bid Amount in the relevant ASBA Account within 12 Working Days of the Bid/Issue Closing Date.

4.1.7.3 Additional Payment Instructions for NRIs

The Non-Resident Indians who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians (non-repatriation basis). In the case of Bids by NRIs applying on a repatriation basis, payment shall not be accepted out of NRO Account.

4.1.7.4 Discount (if applicable)

- (a) The Discount is stated in absolute rupee terms.
- (b) Bidders applying under RII category, Retail Individual Shareholder and Employees are only eligible for discount. For Discounts offered in the Issue, Bidders may refer to the RHP/Prospectus.
- (c) The Bidders entitled to the applicable Discount in the Issue may make payment for an amount i.e. the Bid Amount less Discount (if applicable).

Bidder may note that in case the net payment (post Discount) is more than two lakh Rupees, the bidding system automatically considers such applications for allocation under Non-Institutional Category. These applications are neither eligible for Discount nor fall under RII category.

4.1.8 FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS

- (a) Only the First Bidder/Applicant is required to sign the Bid cum Application Form/Application Form. Bidders/Applicants should ensure that signatures are in one of the languages specified in the Eighth Schedule to the Constitution of India.

- (b) If the ASBA Account is held by a person or persons other than the ASBA Bidder/Applicant., then the Signature of the ASBA Account holder(s) is also required.
- (c) In relation to the ASBA Bids/Applications, signature has to be correctly affixed in the authorization/undertaking box in the Bid cum Application Form/Application Form, or an authorisation has to be provided to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form/Application Form.
- (d) Bidders/Applicants must note that Bid cum Application Form/Application Form without signature of Bidder/Applicant and /or ASBA Account holder is liable to be rejected.

4.1.9 **ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

- (a) Bidders should ensure that they receive the acknowledgment duly signed and stamped by a member of the Syndicate, Registered Broker or SCSB, as applicable, for submission of the Bid cum Application Form.
- (b) Applicants should ensure that they receive the acknowledgment duly signed and stamped by an Escrow Collection Bank or SCSB, as applicable, for submission of the Application Form.
- (c) All communications in connection with Bids/Applications made in the Issue should be addressed as under:
 - i. In case of queries related to Allotment, non-receipt of Allotment Advice, credit of allotted equity shares, refund orders, the Bidders/Applicants should contact the Registrar to the Issue.
 - ii. In case of ASBA Bids submitted to the Designated Branches of the SCSBs, the Bidders/Applicants should contact the relevant Designated Branch of the SCSB.
 - iii. In case of queries relating to uploading of Syndicate ASBA Bids, the Bidders/Applicants should contact the relevant Syndicate Member.
 - iv. In case of queries relating to uploading of Bids by a Registered Broker, the Bidders/Applicants should contact the relevant Registered Broker
 - v. Bidder/Applicant may contact our Company Secretary and Compliance Officer or BRLM(s) in case of any other complaints in relation to the Issue.
- (d) The following details (as applicable) should be quoted while making any queries –
 - i. full name of the sole or First Bidder/Applicant, Bid cum Application Form number, Applicants'/Bidders' DP ID, Client ID, PAN, number of Equity Shares applied for, amount paid on application.
 - ii. name and address of the member of the Syndicate, Registered Broker or the Designated Branch, as the case may be, where the Bid was submitted or
 - iii. In case of Non-ASBA bids cheque or draft number and the name of the issuing bank thereof
 - iv. In case of ASBA Bids, ASBA Account number in which the amount equivalent to the Bid Amount was blocked.

For further details, Bidder/Applicant may refer to the RHP/Prospectus and the Bid cum Application Form.

4.2 INSTRUCTIONS FOR FILING THE REVISION FORM

- (a) During the Bid/Issue Period, any Bidder/Applicant (other than QIBs and NIIs, who can only revise their bid upwards) who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the Revision Form, which is a part of the Bid cum Application Form.
- (b) RII may revise their bids till closure of the bidding period or withdraw their bids until finalization of allotment.
- (c) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form.
- (d) The Bidder/Applicant can make this revision any number of times during the Bid/ Issue Period. However, for any revision(s) in the Bid, the Bidders/Applicants will have to use the services of the same member of the Syndicate, the Registered Broker or the SCSB through which such Bidder/Applicant had placed the original Bid. Bidders/Applicants are advised to retain copies of the blank Revision Form and the Bid(s) must be made only in such Revision Form or copies thereof.

[Remainder of this page intentionally left blank]

A sample Revision form is reproduced below:

COMMON BID REVISION FORM FOR ASBA / NON-ASBA		XYZ LIMITED - PUBLIC ISSUE - R		FOR RESIDENT INDIAN, QIB, ELIGIBLE NRI's APPLYING ON A NON-REPATRIATION BASIS		
Logo		To, The Board of Directors XYZ Limited		BOOK BUILDING ISSUE INE523L01018		
				Bid cum Application Form No.		
SYNDICATE MEMBERS STAMP & CODE		BROKER'S/AGENTS STAMP & CODE		1. NAME & CONTACT DETAILS of Sole / First Applicant		
				Mr. / Ms. _____		
ESCROW BANK / SCSSB BRANCH STAMP & CODE		SUB-BROKER'S/SUB-AGENT'S STAMP & CODE		Tel. No (with STD code) / Mobile _____		
				2. PAN OF SOLE / FIRST APPLICANT		
BANK BRANCH SERIAL NO.		REGISTRAR'S / SCSSB SERIAL NO.		3. BIDDER'S DEPOSITORY ACCOUNT DETAILS <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL		
				For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID		
PLEASE CHANGE MY BID						
4. FROM (as per last Bid or Revision)						
Bid Options		No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised) (In Figures)		Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)		
		7 6 5 4 3 2 1		Bid Price Discount, if any Net Price "Cut-off" (Please tick)		
Option 1						
(OR) Option 2						
(OR) Option 3						
5. TO (Revised Bid)						
Bid Options		No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised) (In Figures)		Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)		
		7 6 5 4 3 2 1		Bid Price Discount, if any Net Price "Cut-off" (Please tick)		
Option 1						
(OR) Option 2						
(OR) Option 3						
6. PAYMENT DETAILS (Please tick (✓) any one of payment option A or B below) PAYMENT OPTIONS <input type="checkbox"/> Full Payment <input type="checkbox"/> Part Payment						
Additional Amount Paid (₹ in figures) _____ (₹ in words) _____						
<input type="checkbox"/> (A) CHEQUE/ DEMAND DRAFT (DD)						
Cheque/DD No. _____		Dated DD/MM/YYYY		<input type="checkbox"/> (B) ASBA		
Drawn on (Bank Name & Branch) _____		Bank A/c No. _____		Bank Name & Branch _____		
I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID REVISION FORM AND THE ATTACHED FORM 2A AND HEREBY AGREE AND CONFIRM THE 'BIDDERS UNDERTAKING' AS GIVEN OVERLEAF. I/WE (on behalf of joint applicants, if any) hereby confirm that I/We have read the Instructions for Filling up the Bid Revision Form given overleaf.						
7A. SIGNATURE OF SOLE/ JOINT APPLICANT(S)		7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS) (FOR ASBA OPTION ONLY)		BROKER'S / SCSSB BRANCH'S STAMP (Acknowledging upload of Bid in Stock Exchange system)		
Date : _____, 2011		I/We authorize the SCSSB to do all acts as are necessary to make the Application in the Issue				
		1) _____				
		2) _____				
		3) _____				
TEAR HERE						
XYZ LIMITED BID REVISION FORM		Acknowledgement Slip for Syndicate Member / SCSSB		Bid cum Application Form No.		
DPID / CLID		PAN				
Additional Amount Paid (₹)		Bank & Branch		Stamp & Signature of Banker		
Cheque / DD/ASBA Bank A/c No.						
Received from Mr./Ms. _____						
Telephone / Mobile _____		Email _____				
TEAR HERE						
XYZ LIMITED BID REVISION FORM	Option 1		Option 2		Option 3	
	No. of Equity Shares		Acknowledgement of Syndicate Member / SCSSB		Name of Sole / First Applicant	
	Bid Price					
	Additional Amount Paid (₹)					
	Cheque / DD/ASBA Bank A/c No.					
Bank & Branch						
Acknowledgement Slip for Bidder						
				Bid cum Application Form No.		

Instructions to fill each field of the Revision Form can be found on the reverse side of the Revision Form. Other than instructions already highlighted at paragraph 4.1 above, point wise instructions regarding filling up various fields of the Revision Form are provided below:

4.2.1 FIELDS 1, 2 AND 3: NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER/APPLICANT, PAN OF SOLE/FIRST BIDDER/APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/APPLICANT

Bidders/Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

4.2.2 FIELD 4 & 5: BID OPTIONS REVISION 'FROM' AND 'TO'

- (a) Apart from mentioning the revised options in the Revision Form, the Bidder/Applicant must also mention the details of all the bid options given in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder/Applicant has Bid for three options in the Bid cum Application Form and such Bidder/Applicant is changing only one of the options in the Revision Form, the Bidder/Applicant must still fill the details of the other two options that are not being revised, in the Revision Form. The members of the Syndicate, the Registered Brokers and the Designated Branches of the SCSBs may not accept incomplete or inaccurate Revision Forms.
- (b) In case of revision, Bid options should be provided by Bidders/Applicants in the same order as provided in the Bid cum Application Form.
- (c) In case of revision of Bids by RIIs, Employees and Retail Individual Shareholders, such Bidders/Applicants should ensure that the Bid Amount, subsequent to revision, does not exceed ₹200,000. In case the Bid Amount exceeds ₹200,000 due to revision of the Bid or for any other reason, the Bid may be considered, subject to eligibility, for allocation under the Non-Institutional Category, not being eligible for Discount (if applicable) and such Bid may be rejected if it is at the Cut-off Price. The Cut-off Price option is given only to the RIIs, Employees and Retail Individual Shareholders indicating their agreement to Bid for and purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process.
- (d) In case the total amount (*i.e.*, original Bid Amount plus additional payment) exceeds ₹200,000, the Bid will be considered for allocation under the Non-Institutional Category in terms of the RHP/Prospectus. If, however, the RII does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the RII and the RII is deemed to have approved such revised Bid at Cut-off Price.
- (e) In case of a downward revision in the Price Band, RIIs and Bids by Employees under the Reservation Portion, who have bid at the Cut-off Price could either revise their Bid or the excess amount paid at the time of bidding may be unblocked in case of ASBA Bidders or refunded from the Escrow Account in case of non-ASBA Bidder.

4.2.3 FIELD 6: PAYMENT DETAILS

- (a) With respect to the Bids, other than Bids submitted by ASBA Bidders/Applicants, any revision of the Bid should be accompanied by payment in the form of cheque or demand draft for the amount, if any, to be paid on account of the upward revision of the Bid.
- (b) All Bidders/Applicants are required to make payment of the full Bid Amount (less Discount (if applicable) along with the Bid Revision Form. In case of Bidders/Applicants specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, *i.e.* Bid price less discount offered, if any.

- (c) In case of Bids submitted by ASBA Bidder/Applicant, Bidder/Applicant may Issue instructions to block the revised amount based on cap of the revised Price Band (adjusted for the Discount (if applicable) in the ASBA Account, to the same member of the Syndicate/Registered Broker or the same Designated Branch (as the case may be) through whom such Bidder/Applicant had placed the original Bid to enable the relevant SCSB to block the additional Bid Amount, if any.
- (d) In case of Bids, other than ASBA Bids, Bidder/Applicant, may make additional payment based on the cap of the revised Price Band (such that the total amount *i.e.*, original Bid Amount plus additional payment does not exceed ₹200,000 if the Bidder/Applicant wants to continue to Bid at the Cut-off Price), with the members of the Syndicate / Registered Broker to whom the original Bid was submitted.
- (e) In case the total amount (*i.e.*, original Bid Amount less discount (if applicable) plus additional payment) exceeds ₹200,000, the Bid may be considered for allocation under the Non-Institutional Category in terms of the RHP/Prospectus. If, however, the Bidder/Applicant does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for may be adjusted downwards for the purpose of allotment, such that no additional payment is required from the Bidder/Applicant and the Bidder/Applicant is deemed to have approved such revised Bid at the Cut-off Price.
- (f) In case of a downward revision in the Price Band, RIIs, Employees and Retail Individual Shareholders, who have bid at the Cut-off Price, could either revise their Bid or the excess amount paid at the time of bidding may be unblocked in case of ASBA Bidders/Applicants or refunded from the Escrow Account in case of non-ASBA Bidder/Applicant.

4.2.4 **FIELDS 7: SIGNATURES AND ACKNOWLEDGEMENTS**

Bidders/Applicants may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

4.3 **INSTRUCTIONS FOR FILING APPLICATION FORM IN ISSUES MADE OTHER THAN THROUGH THE BOOK BUILDING PROCESS (FIXED PRICE ISSUE)**

4.3.1 **FIELDS 1, 2, 3 NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER/APPLICANT, PAN OF SOLE/FIRST BIDDER/APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/APPLICANT**

Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

4.3.2 **FIELD 4: PRICE, APPLICATION QUANTITY & AMOUNT**

- (a) The Issuer may mention Price or Price band in the draft Prospectus. However a prospectus registered with RoC contains one price or coupon rate (as applicable).
- (b) **Minimum Application Value and Bid Lot:** The Issuer in consultation with the Lead Manager to the Issue (LM) may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹10,000 to ₹15,000. The minimum Lot size is accordingly determined by an Issuer on basis of such minimum application value.
- (c) Applications by RIIs, Employees and Retail Individual Shareholders, must be for such number of shares so as to ensure that the application amount payable does not exceed ₹200,000.
- (d) Applications by other investors must be for such minimum number of shares such that the application amount exceeds ₹200,000 and in multiples of such number of Equity Shares thereafter,

as may be disclosed in the application form and the Prospectus, or as advertised by the Issuer, as the case may be.

- (e) An application cannot be submitted for more than the Issue size.
- (f) The maximum application by any Applicant should not exceed the investment limits prescribed for them under the applicable laws.
- (g) **Multiple Applications:** An Applicant should submit only one Application Form. Submission of a second Application Form to either the same or to Collection Bank(s) or SCSB and duplicate copies of Application Forms bearing the same application number shall be treated as multiple applications and are liable to be rejected.
- (h) Applicants are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple applications:
 - i. All applications may be checked for common PAN as per the records of the Depository. For Applicants other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN may be treated as multiple applications by a Bidder/Applicant and may be rejected.
 - ii. For applications from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Applicants, the Application Forms may be checked for common DP ID and Client ID. In any such applications which have the same DP ID and Client ID, these may be treated as multiple applications and may be rejected.
- (i) The following applications may not be treated as multiple Bids:
 - i. Applications by Reserved Categories in their respective reservation portion as well as that made by them in the Net Issue portion in public category.
 - ii. Separate applications by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Applications clearly indicate the scheme for which the Bid has been made.
 - iii. Applications by Mutual Funds, and sub-accounts of FIIs (or FIIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

4.3.3 **FIELD NUMBER 5: CATEGORY OF APPLICANTS**

- (a) The categories of applicants identified as per the SEBI Regulations, 2009 for the purpose of Bidding, allocation and allotment in the Issue are RIIs, individual applicants other than RII's and other investors (including corporate bodies or institutions, irrespective of the number of specified securities applied for).
- (b) An Issuer can make reservation for certain categories of Applicants permitted under the SEBI Regulations, 2009. For details of any reservations made in the Issue, applicants may refer to the Prospectus.
- (c) The SEBI Regulations, 2009 specify the allocation or allotment that may be made to various categories of applicants in an Issue depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Issue specific details in relation to allocation applicant may refer to the Prospectus.

4.3.4 **FIELD NUMBER 6: INVESTOR STATUS**

Applicants should refer to instructions contained in paragraphs 4.1.6.

4.3.5 **FIELD 7: PAYMENT DETAILS**

- (a) All Applicants are required to make payment of the full Amount (net of any Discount, as applicable) along-with the Application Form. If the Discount is applicable in the Issue, the RIIs should indicate the full Amount in the Application Form and the payment shall be made for an Amount net of Discount. Only in cases where the Prospectus indicates that part payment may be made, such an option can be exercised by the Applicant.
- (b) RIIs and/or Reserved Categories bidding in their respective reservation portion can Bid, either through the ASBA mechanism or by paying the Bid Amount through a cheque or a demand draft ("**Non-ASBA Mechanism**").
- (c) Application Amount cannot be paid in cash, through money order or through postal order or through stock invest.

4.3.5.1 **Instructions for non-ASBA Applicants:**

- (a) Non-ASBA Applicants may submit their Application Form with the Collection Bank(s).
- (b) For Applications made through a Collection Bank(s): The Applicant may, with the submission of the Application Form, draw a cheque or demand draft for the Bid Amount in favor of the Escrow Account as specified under the Prospectus and the Application Form and submit the same to the escrow Collection Bank(s).
- (c) If the cheque or demand draft accompanying the Application Form is not made favoring the Escrow Account, the form is liable to be rejected.
- (d) Payments should be made by cheque, or demand draft drawn on any bank (including a co-operative bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Application Form is submitted. Cheques/bank drafts drawn on banks not participating in the clearing process may not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected.
- (e) The Escrow Collection Banks shall maintain the monies in the Escrow Account for and on behalf of the Applicants until the Designated Date.
- (f) Applicants are advised to provide the number of the Application Form and PAN on the reverse of the cheque or bank draft to avoid any possible misuse of instruments submitted.

4.3.5.2 **Payment instructions for ASBA Applicants**

- (a) ASBA Applicants may submit the Application Form in physical mode to the Designated Branch of an SCSB where the Applicants have ASBA Account.
- (b) ASBA Applicants may specify the Bank Account number in the Application Form. The Application Form submitted by an ASBA Applicant and which is accompanied by cash, demand draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, may not be accepted.
- (c) Applicants should ensure that the Application Form is also signed by the ASBA Account holder(s) if the Applicant is not the ASBA Account holder;

- (d) Applicants shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.
- (e) From one ASBA Account, a maximum of five Bids cum Application Forms can be submitted.
- (f) ASBA Applicants bidding directly through the SCSBs should ensure that the Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.
- (g) Upon receipt of the Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form.
- (h) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Application Amount mentioned in the Application Form and may upload the details on the Stock Exchange Platform.
- (i) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Applications on the Stock Exchange platform and such Applications are liable to be rejected.
- (j) Upon submission of a completed Application Form each ASBA Applicant may be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount specified in the Application Form in the ASBA Account maintained with the SCSBs.
- (k) The Application Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Application, as the case may be.
- (l) SCSBs applying in the Issue must apply through an ASBA Account maintained with any other SCSB; else their Applications are liable to be rejected.

4.3.5.3 Unblocking of ASBA Account

- (a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Application, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Application, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected ASBA Applications, if any, along with reasons for rejection and details of withdrawn or unsuccessful Applications, if any, to enable the SCSBs to unblock the respective bank accounts.
- (b) On the basis of instructions from the Registrar to the Issue, the SCSBs may transfer the requisite amount against each successful ASBA Application to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.
- (c) In the event of withdrawal or rejection of the Application Form and for unsuccessful Applications, the Registrar to the Issue may give instructions to the SCSB to unblock the Application Amount in the relevant ASBA Account within 12 Working Days of the Issue Closing Date.

4.3.5.4 Discount (if applicable)

- (a) The Discount is stated in absolute rupee terms.
- (b) RIIs, Employees and Retail Individual Shareholders are only eligible for discount. For Discounts offered in the Issue, applicants may refer to the Prospectus.
- (c) The Applicants entitled to the applicable Discount in the Issue may make payment for an amount i.e. the Application Amount less Discount (if applicable).

4.3.6 **FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

Applicants should refer to instructions contained in paragraphs 4.1.8 & 4.1.9.

4.4 **SUBMISSION OF BID CUM APPLICATION FORM/ REVISION FORM/APPLICATION FORM**

4.4.1 **Bidders/Applicants may submit completed Bid-cum-application form / Revision Form in the following manner:-**

Mode of Application	Submission of Bid cum Application Form	
Non-ASBA Application	1)	To members of the Syndicate at the Specified Locations mentioned in the Bid cum Application Form
	2)	To Registered Brokers
ASBA Application	(a)	To members of the Syndicate in the Specified Locations or Registered Brokers at the Broker Centres
	(b)	To the Designated branches of the SCSBs where the ASBA Account is maintained

- (a) Bidders/Applicants should not submit the bid cum application forms/ Revision Form directly to the escrow collection banks. Bid cum Application Form/ Revision Form submitted to the escrow collection banks are liable for rejection.
- (b) Bidders/Applicants should submit the Revision Form to the same member of the Syndicate, the Registered Broker or the SCSB through which such Bidder/Applicant had placed the original Bid.
- (c) Upon submission of the Bid-cum-Application Form, the Bidder/Applicant will be deemed to have authorized the Issuer to make the necessary changes in the RHP and the Bid cum Application Form as would be required for filing Prospectus with the Registrar of Companies (RoC) and as would be required by the RoC after such filing, without prior or subsequent notice of such changes to the relevant Bidder/Applicant.
- (d) Upon determination of the Issue Price and filing of the Prospectus with the RoC, the Bid-cum-Application Form will be considered as the application form.

SECTION 5: ISSUE PROCEDURE IN BOOK BUILT ISSUE

Book Building, in the context of the Issue, refers to the process of collection of Bids within the Price Band or above the Floor Price and determining the Issue Price based on the Bids received as detailed in Schedule XI of SEBI Regulations, 2009. The Issue Price is finalised after the Bid/Issue Closing Date. Valid Bids received at or above the Issue Price are considered for allocation in the Issue, subject to applicable regulations and other terms and conditions.

5.1 SUBMISSION OF BIDS

- (a) During the Bid/Issue Period, ASBA Bidders/Applicants may approach the members of the Syndicate at the Specified Cities or any of the Registered Brokers or the Designated Branches to register their Bids. Non-ASBA Bidders/Applicants who are interested in subscribing for the Equity Shares should approach the members of the Syndicate or any of the Registered Brokers, to register their Bid.
- (b) Non-ASBA Bidders/Applicants (RIIs, Employees and Retail Individual Shareholders) bidding at Cut-off Price may submit the Bid cum Application Form along with a cheque/demand draft for the Bid Amount less discount (if applicable) based on the Cap Price with the members of the Syndicate/ any of the Registered Brokers to register their Bid.
- (c) In case of ASBA Bidders/Applicants (excluding NIIs and QIBs) bidding at Cut-off Price, the ASBA Bidders/Applicants may instruct the SCSBs to block Bid Amount based on the Cap Price less discount (if applicable). ASBA Bidders/Applicants may approach the members of the Syndicate or any of the Registered Brokers or the Designated Branches to register their Bids.
- (d) For Details of the timing on acceptance and upload of Bids in the Stock Exchanges Platform Bidders/Applicants are requested to refer to the RHP.

5.2 ELECTRONIC REGISTRATION OF BIDS

- (a) The Syndicate, the Registered Brokers and the SCSBs may register the Bids using the on-line facilities of the Stock Exchanges. The Syndicate, the Registered Brokers and the Designated Branches of the SCSBs can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the issue.
- (b) On the Bid/Issue Closing Date, the Syndicate, the Registered Broker and the Designated Branches of the SCSBs may upload the Bids till such time as may be permitted by the Stock Exchanges.
- (c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/ Allotment. The members of the Syndicate, the Registered Brokers and the SCSBs are given up to one day after the Bid/Issue Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Issue Period after which the Stock Exchange(s) send the bid information to the Registrar for validation of the electronic bid details with the Depository's records.

5.3 BUILD UP OF THE BOOK

- (a) Bids received from various Bidders/Applicants through the Syndicate, Registered Brokers and the SCSBs may be electronically uploaded on the Bidding Platform of the Stock Exchanges' on a regular basis. The book gets built up at various price levels. This information may be available with the BRLMs at the end of the Bid/Issue Period.
- (b) Based on the aggregate demand and price for Bids registered on the Stock Exchanges Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchanges may be made available at the bidding centres during the Bid/Issue Period.

5.4 WITHDRAWAL OF BIDS

- (a) RIIs can withdraw their Bids until finalization of Basis of Allotment. In case a RII applying through the ASBA process wishes to withdraw the Bid during the Bid/Issue Period, the same can be done by submitting a request for the same to the concerned SCSB or the Syndicate Member or

the Registered Broker, as applicable, who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.

- (b) In case a RII wishes to withdraw the Bid after the Bid/Issue Period, the same can be done by submitting a withdrawal request to the Registrar to the Issue until finalization of Basis of Allotment. The Registrar to the Issue shall give instruction to the SCSB for unblocking the ASBA Account on the Designated Date. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

5.5 REJECTION & RESPONSIBILITY FOR UPLOAD OF BIDS

- (a) The members of the Syndicate, the Registered Broker and/or SCSBs are individually responsible for the acts, mistakes or errors or omission in relation to
 - i. the Bids accepted by the members of the Syndicate, the Registered Broker and the SCSBs,
 - ii. the Bids uploaded by the members of the Syndicate, the Registered Broker and the SCSBs,
 - iii. the Bid cum application forms accepted but not uploaded by the members of the Syndicate, the Registered Broker and the SCSBs, or
 - iv. With respect to Bids by ASBA Bidders/Applicants, Bids accepted and uploaded by SCSBs without blocking funds in the ASBA Accounts. It may be presumed that for Bids uploaded by the SCSBs, the Bid Amount has been blocked in the relevant Account.
- (b) The BRLMs and their affiliate Syndicate Members, as the case may be, may reject Bids if all the information required is not provided and the Bid cum Application Form is incomplete in any respect.
- (c) The SCSBs shall have no right to reject Bids, except in case of unavailability of adequate funds in the ASBA account or on technical grounds.
- (d) In case of QIB Bidders, only the (i) SCSBs (for Bids other than the Bids by Anchor Investors); and (ii) BRLMs and their affiliate Syndicate Members (only in the specified locations) have the right to reject bids. However, such rejection shall be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing.
- (e) All bids by QIBs, NIIs & RIIs Bids can be rejected on technical grounds listed herein.

5.5.1 GROUNDS FOR TECHNICAL REJECTIONS

Bid cum Application Forms/Application Form can be rejected on the below mentioned technical grounds either at the time of their submission to the (i) authorised agents of the BRLMs, (ii) Registered Brokers, or (iii) SCSBs, or (iv) Collection Bank(s), or at the time of finalisation of the Basis of Allotment. Bidders/Applicants are advised to note that the Bids/Applications are liable to be rejected, inter-alia, on the following grounds, which have been detailed at various places in this GID:-

- (a) Bid/Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account as per Demographic Details provided by Depositories);
- (b) Bids/Applications by OCBs; and

- (c) In case of partnership firms, Bid/Application for Equity Shares made in the name of the firm. However, a limited liability partnership can apply in its own name;
- (d) In case of Bids/Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are not being submitted along with the Bid cum application form/Application Form;
- (e) Bids/Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- (f) Bids/Applications by any person outside India if not in compliance with applicable foreign and Indian laws;
- (g) DP ID and Client ID not mentioned in the Bid cum Application Form/Application Form;
- (h) PAN not mentioned in the Bid cum Application Form/Application Form except for Bids/Applications by or on behalf of the Central or State Government and officials appointed by the court and by the investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participant;
- (i) In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;
- (j) Bids/Applications for lower number of Equity Shares than the minimum specified for that category of investors;
- (k) Bids/Applications at a price less than the Floor Price & Bids/Applications at a price more than the Cap Price;
- (l) Bids/Applications at Cut-off Price by NIIs and QIBs;
- (m) Amount paid does not tally with the amount payable for the highest value of Equity Shares Bid for. With respect to Bids/Applications by ASBA Bidders, the amounts mentioned in the Bid cum Application Form/Application Form does not tally with the amount payable for the value of the Equity Shares Bid/Applied for;
- (n) Bids/Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- (o) In relation to ASBA Bids/Applications, submission of more than five Bid cum Application Forms/Application Form as per ASBA Account;
- (p) Bids/Applications for a Bid/Application Amount of more than ₹200,000 by RIIs by applying through non-ASBA process;
- (q) Bids/Applications for number of Equity Shares which are not in multiples Equity Shares which are not in multiples as specified in the RHP;
- (r) Multiple Bids/Applications as defined in this GID and the RHP/Prospectus;
- (s) Bid cum Application Forms/Application Forms are not delivered by the Bidders/Applicants within the time prescribed as per the Bid cum Application Forms/Application Form, Bid/Issue Opening Date advertisement and as per the instructions in the RHP and the Bid cum Application Forms;

- (t) With respect to ASBA Bids/Applications, inadequate funds in the bank account to block the Bid/Application Amount specified in the Bid cum Application Form/ Application Form at the time of blocking such Bid/Application Amount in the bank account;
- (u) Bids/Applications where sufficient funds are not available in Escrow Accounts as per final certificate from the Escrow Collection Banks;
- (v) With respect to ASBA Bids/Applications, where no confirmation is received from SCSB for blocking of funds;
- (w) Bids/Applications by QIBs (other than Anchor Investors) and Non Institutional Bidders not submitted through ASBA process or Bids/Applications by QIBs (other than Anchor Investors) and Non Institutional Bidders accompanied with cheque(s) or demand draft(s);
- (x) ASBA Bids/Applications submitted to a BRLM at locations other than the Specified Cities and Bid cum Application Forms/Application Forms, under the ASBA process, submitted to the Escrow Collecting Banks (assuming that such bank is not a SCSB where the ASBA Account is maintained), to the issuer or the Registrar to the Issue;
- (y) Bids/Applications not uploaded on the terminals of the Stock Exchanges; and
- (z) Bids/Applications by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid cum Application Form/Application Form.

Bids/Applications to bear the stamp of the Syndicate members or SCSBs.

5.6 BASIS OF ALLOCATION

- (a) The SEBI Regulations, 2009 specify the allocation or Allotment that may be made to various categories of Bidders/Applicants in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP / Prospectus. For details in relation to allocation, the Bidder/Applicant may refer to the RHP / Prospectus.
- (b) Under-subscription in Retail category is allowed to be met with spill-over from any other category or combination of categories at the discretion of the Issuer and in consultation with the BRLMs and the Designated Stock Exchange and in accordance with the SEBI Regulations, 2009. Unsubscribed portion in QIB category is not available for subscription to other categories.
- (c) In case of under subscription in the Net Issue, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Net Issue. For allocation in the event of an under-subscription applicable to the Issuer, Bidders/Applicants may refer to the RHP.
- (d) **Illustration of the Book Building and Price Discovery Process**

Bidders should note that this example is solely for illustrative purposes and is not specific to the Issue; it also excludes bidding by Anchor Investors.

Bidders can bid at any price within the Price Band. For instance, assume a Price Band of ₹20 to ₹24 per share, Issue size of 3,000 Equity Shares and receipt of five Bids from Bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the Equity Shares of the Issuer at various prices and is collated from Bids received from various investors.

Bid Quantity	Bid Amount (₹)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to Issue the desired number of Equity Shares is the price at which the book cuts off, *i.e.*, ₹22.00 in the above example. The Issuer, in consultation with the BRLMs, may finalise the Issue Price at or below such Cut-Off Price, *i.e.*, at or below ₹22.00. All Bids at or above this Issue Price and cut-off Bids are valid Bids and are considered for allocation in the respective categories.

(e) **Alternate Method of Book Building**

In case of FPOs, Issuers may opt for an alternate method of Book Building in which only the Floor Price is specified for the purposes of bidding (“Alternate Book Building Process”).

The Issuer may specify the Floor Price in the RHP or advertise the Floor Price at least one Working Day prior to the Bid/Issue Opening Date. QIBs may Bid at a price higher than the Floor Price and the Allotment to the QIBs is made on a price priority basis. The Bidder with the highest Bid Amount is allotted the number of Equity Shares Bid for and then the second highest Bidder is Allotted Equity Shares and this process continues until all the Equity Shares have been allotted. RIIs, NIIs and Employees are Allotted Equity Shares at the Floor Price and allotment to these categories of Bidders is made proportionately. If the number of Equity Shares Bid for at a price is more than available quantity then the allotment may be done on a proportionate basis. Further, the Issuer may place a cap either in terms of number of specified securities or percentage of issued capital of the Issuer that may be allotted to a single Bidder, decide whether a Bidder be allowed to revise the bid upwards or downwards in terms of price and/or quantity and also decide whether a Bidder be allowed single or multiple bids.

SECTION 6: ISSUE PROCEDURE IN FIXED PRICE ISSUE

Applicants may note that there is no Bid cum Application Form in a Fixed Price Issue. As the Issue Price is mentioned in the Fixed Price Issue therefore on filing of the Prospectus with the RoC, the Application so submitted is considered as the application form.

Applicants may only use the specified Application Form for the purpose of making an Application in terms of the Prospectus which may be submitted through Syndicate Members/SCSB and/or Bankers to the Issue or Registered Broker.

ASBA Applicants may submit an Application Form either in physical form to the Syndicate Members or Registered Brokers or the Designated Branches of the SCSBs or in the electronic form to the SCSB or the Designated Branches of the SCSBs authorising blocking of funds that are available in the bank account specified in the Application Form only (“ASBA Account”). The Application Form is also made available on the websites of the Stock Exchanges at least one day prior to the Bid/Issue Opening Date.

In a fixed price Issue, allocation in the net offer to the public category is made as follows: minimum fifty per cent to Retail Individual Investors; and remaining to (i) individual investors other than Retail Individual Investors; and (ii) other Applicants including corporate bodies or institutions, irrespective of the number of specified securities applied for. The unsubscribed portion in either of the categories specified above may be allocated to the Applicants in the other category.

For details of instructions in relation to the Application Form, Bidders/Applicants may refer to the relevant section of the GID.

SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT

The allotment of Equity Shares to Bidders/Applicants other than Retail Individual Investors and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to RHP/Prospectus. No Retail Individual Investor is will be allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Investor Category and the remaining available shares, if any will be allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Issue (excluding any Offer for Sale of specified securities). However, in case the Issue is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

7.1 ALLOTMENT TO RIIs

Bids received from the RIIs at or above the Issue Price may be grouped together to determine the total demand under this category. If the aggregate demand in this category is less than or equal to the Retail Category at or above the Issue Price, full Allotment may be made to the RIIs to the extent of the valid Bids. If the aggregate demand in this category is greater than the allocation to in the Retail Category at or above the Issue Price, then the maximum number of RIIs who can be Allotted the minimum Bid Lot will be computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot ("Maximum RII Allottees"). The Allotment to the RIIs will then be made in the following manner:

- (a) In the event the number of RIIs who have submitted valid Bids in the Issue is equal to or less than Maximum RII Allottees, (i) all such RIIs shall be Allotted the minimum Bid Lot; and (ii) the balance available Equity Shares, if any, remaining in the Retail Category shall be Allotted on a proportionate basis to the RIIs who have received Allotment as per (i) above for the balance demand of the Equity Shares Bid by them (i.e. who have Bid for more than the minimum Bid Lot).
- (b) In the event the number of RIIs who have submitted valid Bids in the Issue is more than Maximum RII Allottees, the RIIs (in that category) who will then be allotted minimum Bid Lot shall be determined on the basis of draw of lots.

7.2 ALLOTMENT TO NIIs

Bids received from NIIs at or above the Issue Price may be grouped together to determine the total demand under this category. The allotment to all successful NIIs may be made at or above the Issue Price. If the aggregate demand in this category is less than or equal to the Non-Institutional Category at or above the Issue Price, full allotment may be made to NIIs to the extent of their demand. In case the aggregate demand in this category is greater than the Non-Institutional Category at or above the Issue Price, allotment may be made on a proportionate basis up to a minimum of the Non-Institutional Category.

7.3 ALLOTMENT TO QIBs

For the Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to the SEBI Regulations, 2009 or RHP / Prospectus. Bids received from QIBs bidding in the QIB Category (net of Anchor Portion) at or above the Issue Price may be grouped together to determine the total demand under this category. The QIB Category may be available for allotment to QIBs who have Bid at a price that is equal to or greater than the Issue Price. Allotment may be undertaken in the following manner:

- (a) In the first instance allocation to Mutual Funds for up to 5% of the QIB Category may be determined as follows: (i) In the event that Bids by Mutual Fund exceeds 5% of the QIB Category, allocation to Mutual Funds may be done on a proportionate basis for up to 5% of the QIB Category; (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Category then all Mutual Funds may get full allotment to the extent of valid Bids received above the Issue Price; and (iii) Equity Shares remaining unsubscribed, if any and not allocated to Mutual Funds may be available for allotment to all QIBs as set out at paragraph 7.4(b) below;

- (b) In the second instance, allotment to all QIBs may be determined as follows: (i) In the event of oversubscription in the QIB Category, all QIBs who have submitted Bids above the Issue Price may be Allotted Equity Shares on a proportionate basis for up to 95% of the QIB Category; (ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIBs; and (iii) Under-subscription below 5% of the QIB Category, if any, from Mutual Funds, may be included for allocation to the remaining QIBs on a proportionate basis.

7.4 ALLOTMENT TO ANCHOR INVESTOR (IF APPLICABLE)

- (a) Allocation of Equity Shares to Anchor Investors at the Anchor Investor Issue Price will be at the discretion of the issuer subject to compliance with the following requirements:
- i. not more than 60% of the QIB Category will be allocated to Anchor Investors;
 - ii. one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and
 - iii. allocation to Anchor Investors shall be on a discretionary basis and subject to:
 - ☐ a maximum number of two Anchor Investors for allocation up to ₹10 crores;
 - ☐ a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹10 crores and up to ₹250 crores subject to minimum allotment of ₹5 crores per such Anchor Investor; and
 - ☐ a minimum number of five Anchor Investors and maximum number of 25 Anchor Investors for allocation of more than ₹250 crores subject to minimum allotment of ₹5 crores per such Anchor Investor.
- (b) A physical book is prepared by the Registrar on the basis of the Bid cum Application Forms received from Anchor Investors. Based on the physical book and at the discretion of the issuer in consultation with the BRLMs, selected Anchor Investors will be sent a CAN and if required, a revised CAN.
- (c) **In the event that the Issue Price is higher than the Anchor Investor Issue Price:** Anchor Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors are then required to pay any additional amounts, being the difference between the Issue Price and the Anchor Investor Issue Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Anchor Investors.
- (d) **In the event the Issue Price is lower than the Anchor Investor Issue Price:** Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

7.5 BASIS OF ALLOTMENT FOR QIBs (OTHER THAN ANCHOR INVESTORS), NIIs AND RESERVED CATEGORY IN CASE OF OVER-SUBSCRIBED ISSUE

In the event of the Issue being over-subscribed, the Issuer may finalise the Basis of Allotment in consultation with the Designated Stock Exchange in accordance with the SEBI Regulations, 2009.

The allocation may be made in marketable lots, on a proportionate basis as explained below:

- (a) Bidders may be categorized according to the number of Equity Shares applied for;

- (b) The total number of Equity Shares to be Allotted to each category as a whole may be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio;
- (c) The number of Equity Shares to be Allotted to the successful Bidders may be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio;
- (d) In all Bids where the proportionate allotment is less than the minimum bid lot decided per Bidder, the allotment may be made as follows: the successful Bidders out of the total Bidders for a category may be determined by a draw of lots in a manner such that the total number of Equity Shares Allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and each successful Bidder may be Allotted a minimum of such Equity Shares equal to the minimum Bid Lot finalised by the Issuer;
- (e) If the proportionate allotment to a Bidder is a number that is more than the minimum Bid lot but is not a multiple of one (which is the marketable lot), the decimal may be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5 it may be rounded off to the lower whole number. Allotment to all bidders in such categories may be arrived at after such rounding off; and
- (f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares Allotted to the Bidders in that category, the remaining Equity Shares available for allotment may be first adjusted against any other category, where the Allotted Equity Shares are not sufficient for proportionate allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment may be added to the category comprising Bidders applying for minimum number of Equity Shares.

7.6 DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES

- (a) **Designated Date:** On the Designated Date, the Escrow Collection Banks shall transfer the funds represented by allocation of Equity Shares (other than ASBA funds with the SCSBs) from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Bankers to the Issue. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the Bidders shall also be made from the Refund Account as per the terms of the Escrow Agreement and the RHP.
- (b) **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. Bidders/Applicants **are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Issue.**

Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Bidders/Applicants who have been Allotted Equity Shares in the Issue.

- (c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.
- (d) Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) credit of shares to the successful Bidders/Applicants Depository Account will be completed within 12 Working Days of the Bid/ Issue Closing Date. The Issuer also ensures the credit of shares to the successful Applicant's depository account is completed within two Working Days from the date of

Allotment, after the funds are transferred from the Escrow Account to the Public Issue Account on the Designated Date.

SECTION 8: INTEREST AND REFUNDS

8.1 COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING

The Issuer may ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within 12 Working Days of the Bid/Issue Closing Date. The Registrar to the Issue may give instructions for credit to Equity Shares the beneficiary account with DPs, and dispatch the Allotment Advice within 12 Working Days of the Bid/Issue Closing Date.

8.2 GROUNDS FOR REFUND

8.2.1 NON RECEIPT OF LISTING PERMISSION

An Issuer makes an application to the Stock Exchange(s) for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in RHP/Prospectus. The Designated Stock Exchange may be as disclosed in the RHP/Prospectus with which the Basis of Allotment may be finalised.

Any failure by the Issuer to make an application to the Stock Exchange(s) or obtain permission for listing of the Equity Shares in accordance with Section 40 of the Companies Act, 2013 shall be punishable in accordance therewith.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith repay, without interest, all moneys received from the Bidders/Applicants in pursuance of the RHP/Prospectus.

If such money is not repaid within the prescribed time after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of such period, be liable to repay the money, with interest at such rate, as prescribed, and as disclosed in the RHP/Prospectus.

8.2.2 NON RECEIPT OF MINIMUM SUBSCRIPTION

If the Issuer does not receive a minimum subscription of 90% of the Net Issue (excluding any offer for sale of specified securities), including devolvement to the Underwriters, the Issuer may forthwith, without interest refund the entire subscription amount received within 15 days of the Bid/Issue Closing Date. In case the Issue is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

If there is a delay beyond the prescribed time after the Issuer becomes liable to pay the amount, then every director of the Issuer who is an officer in default may, on and from such expiry of 15 days, be jointly and severally liable to repay the money, with interest at the rate of 15% per annum in accordance with the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended.

8.2.3 MINIMUM NUMBER OF ALLOTTEES

The Issuer may ensure that the number of prospective Allottees to whom Equity Shares may be allotted may not be less than 1,000 failing which the entire application monies may be refunded forthwith.

8.2.4 IN CASE OF ISSUES MADE UNDER COMPULSORY BOOK BUILDING

In case an Issuer not eligible under Regulation 26(1) of the SEBI Regulations, 2009 comes for an Issue under Regulation 26(2) of SEBI (ICDR) Regulations, 2009 but fails to allot at least 75% of the Net Issue to QIBs, in such case full subscription money is to be refunded.

8.3 MODE OF REFUND

- (a) **In case of ASBA Bids/Applications:** Within 12 Working Days of the Bid/Issue Closing Date, the Registrar to the Issue may give instructions to SCSBs for unblocking the amount in ASBA Account on unsuccessful Bid/Application and also for any excess amount blocked on Bidding/Application.
- (b) **In case of Non-ASBA Bid/Applications:** Within 12 Working Days of the Bid/Issue Closing Date, the Registrar to the Issue may dispatch the refund orders for all amounts payable to unsuccessful Bidders/Applicants and also for any excess amount paid on Bidding/Application, after adjusting for allocation/ allotment to Bidders/Applicants.
- (c) In case of non-ASBA Bidders/Applicants, the Registrar to the Issue may obtain from the depositories the Bidders/Applicants' bank account details, including the MICR code, on the basis of the DP ID, Client ID and PAN provided by the Bidders/Applicants in their Bid cum Application Forms for refunds. Accordingly, Bidders/Applicants are advised to immediately update their details as appearing on the records of their DPs. Failure to do so may result in delays in dispatch of refund orders or refunds through electronic transfer of funds, as applicable, and any such delay may be at the Bidders/Applicants' sole risk and neither the Issuer, the Registrar to the Issue, the Escrow Collection Banks, or the Syndicate, may be liable to compensate the Bidders/Applicants for any losses caused to them due to any such delay, or liable to pay any interest for such delay. Refunds shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.
- (d) In the case of Bids from Eligible NRIs and FPIs, refunds, if any, may generally be payable in Indian Rupees only and net of bank charges and/or commission. If so desired, such payments in Indian Rupees may be converted into U.S. Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and may be dispatched by registered post. The Issuer may not be responsible for loss, if any, incurred by the Bidder/Applicant on account of conversion of foreign currency.

8.3.1 Mode of making refunds for Bidders/Applicants other than ASBA Bidders/Applicants

The payment of refund, if any, may be done through various modes as mentioned below:

- (a) **NECS** - Payment of refund may be done through NECS for Bidders/Applicants having an account at any of the centers specified by the RBI. This mode of payment of refunds may be subject to availability of complete bank account details including the nine-digit MICR code of the Bidder/Applicant as obtained from the Depository;
- (b) **NEFT** - Payment of refund may be undertaken through NEFT wherever the branch of the Bidders/Applicants' bank is NEFT enabled and has been assigned the Indian Financial System Code ("IFSC"), which can be linked to the MICR of that particular branch. The IFSC Code may be obtained from the website of RBI as at a date prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Bidders/Applicants have registered their nine-digit MICR number and their bank account number while opening and operating the demat account, the same may be duly mapped with the IFSC Code of that particular bank branch and the payment of refund may be made to the Bidders/Applicants through this method. In the event NEFT is not operationally feasible, the payment of refunds may be made through any one of the other modes as discussed in this section;

- (c) **Direct Credit** - Bidders/Applicants having their bank account with the Refund Banker may be eligible to receive refunds, if any, through direct credit to such bank account;
- (d) **RTGS** - Bidders/Applicants having a bank account at any of the centers notified by SEBI where clearing houses are managed by the RBI, may have the option to receive refunds, if any, through RTGS; and
- (e) For all the other Bidders/Applicants, including Bidders/Applicants who have not updated their bank particulars along with the nine-digit MICR code, the refund orders may be dispatched through speed post or registered post for refund orders. Such refunds may be made by cheques, pay orders or demand drafts drawn on the Refund Bank and payable at par at places where Bids are received. Refunds shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.

For details of levy of charges, if any, for any of the above methods, Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centers etc Bidders/Applicants may refer to RHP/Prospectus.

8.3.2 Mode of making refunds for ASBA Bidders/Applicants

In case of ASBA Bidders/Applicants, the Registrar to the Issue may instruct the controlling branch of the SCSB to unblock the funds in the relevant ASBA Account for any withdrawn, rejected or unsuccessful ASBA Bids or in the event of withdrawal or failure of the Issue.

8.4 INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND

The Issuer may pay interest at the rate of 15% per annum if refund orders are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/or demat credits are not made to Bidders/Applicants or instructions for unblocking of funds in the ASBA Account are not dispatched within the 12 Working Days of the Bid/Issue Closing Date.

The Issuer may pay interest at 15% per annum for any delay beyond 15 days from the Bid/ Issue Closing Date, if Allotment is not made.

SECTION 9: GLOSSARY AND ABBREVIATIONS

Unless the context otherwise indicates or implies, certain definitions and abbreviations used in this document may have the meaning as provided below. References to any legislation, act or regulation may be to such legislation, act or regulation as amended from time to time.

Term	Description
Allotment/ Allot/ Allotted	The allotment of Equity Shares pursuant to the Issue to successful Bidders/Applicants
Allottee	An Bidder/Applicant to whom the Equity Shares are Allotted
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders/Applicants who have been allotted Equity Shares after the Basis of Allotment has been approved by the designated Stock Exchanges
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in SEBI Regulations, 2009.
Anchor Investor Portion	Up to 60% of the QIB Category which may be allocated by the Issuer in consultation with the BRLMs, to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion is reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to Anchor Investors

Term	Description
Application Form	The form in terms of which the Applicant should make an application for Allotment in case of issues other than Book Built Issues, includes Fixed Price Issue
Application Supported by Blocked Amount/ (ASBA)/ASBA	An application, whether physical or electronic, used by Bidders/Applicants to make a Bid authorising an SCSB to block the Bid Amount in the specified bank account maintained with such SCSB
ASBA Account	Account maintained with an SCSB which may be blocked by such SCSB to the extent of the Bid Amount of the ASBA Bidder/Applicant
ASBA Bid	A Bid made by an ASBA Bidder
ASBA Bidder/Applicant	Prospective Bidders/Applicants in the Issue who Bid/apply through ASBA
Banker(s) to the Issue/ Escrow Collection Bank(s)/ Collecting Banker	The banks which are clearing members and registered with SEBI as Banker to the Issue with whom the Escrow Account(s) may be opened, and as disclosed in the RHP/Prospectus and Bid cum Application Form of the Issuer
Basis of Allotment	The basis on which the Equity Shares may be Allotted to successful Bidders/Applicants under the Issue
Bid	An indication to make an offer during the Bid/Issue Period by a prospective Bidder pursuant to submission of Bid cum Application Form or during the Anchor Investor Bid/Issue Period by the Anchor Investors, to subscribe for or purchase the Equity Shares of the Issuer at a price within the Price Band, including all revisions and modifications thereto. In case of issues undertaken through the fixed price process, all references to a Bid should be construed to mean an Application
Bid /Issue Closing Date	The date after which the Syndicate, Registered Brokers and the SCSBs may not accept any Bids for the Issue, which may be notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants/bidders may refer to the RHP/Prospectus for the Bid/ Issue Closing Date
Bid/Issue Opening Date	The date on which the Syndicate and the SCSBs may start accepting Bids for the Issue, which may be the date notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants/bidders may refer to the RHP/Prospectus for the Bid/ Issue Opening Date
Bid/Issue Period	Except in the case of Anchor Investors (if applicable), the period between the Bid/Issue Opening Date and the Bid/Issue Closing Date inclusive of both days and during which prospective Bidders/Applicants (other than Anchor Investors) can submit their Bids, inclusive of any revisions thereof. The Issuer may consider closing the Bid/ Issue Period for QIBs one working day prior to the Bid/Issue Closing Date in accordance with the SEBI Regulations, 2009. Applicants/bidders may refer to the RHP/Prospectus for the Bid/ Issue Period
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder/Applicant upon submission of the Bid (except for Anchor Investors), less discounts (if applicable). In case of issues undertaken through the fixed price process, all references to the Bid Amount should be construed to mean the Application Amount
Bid cum Application Form	The form in terms of which the Bidder/Applicant should make an offer to subscribe for or purchase the Equity Shares and which may be considered as the application for Allotment for the purposes of the Prospectus, whether applying through the ASBA or otherwise. In case of issues undertaken through the fixed price process, all references to the Bid cum Application Form should be construed to mean the Application Form
Bidder/Applicant	Any prospective investor (including an ASBA Bidder/Applicant) who makes a Bid pursuant to the terms of the RHP/Prospectus and the Bid cum Application Form. In case of issues undertaken through the fixed price process, all references to a Bidder/Applicant should be construed to mean an Bidder/Applicant
Book Built Process/ Book Building Process/Book Building Method	The book building process as provided under SEBI Regulations, 2009, in terms of which the Issue is being made
Broker Centres	Broker centres notified by the Stock Exchanges, where Bidders/Applicants can submit the Bid cum Application

Term	Description
	Forms/Application Form to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchanges.
BRLM(s)/ Book Running Lead Manager(s)/Lead Manager/ LM	The Book Running Lead Manager to the Issue as disclosed in the RHP/Prospectus and the Bid cum Application Form of the Issuer. In case of issues undertaken through the fixed price process, all references to the Book Running Lead Manager should be construed to mean the Lead Manager or LM
Business Day	Monday to Friday (except public holidays)
CAN/Confirmation of Allotment	The note or advice or intimation sent to each successful Bidder/Applicant indicating the Equity Shares which may be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange
Cap Price	The higher end of the Price Band, above which the Issue Price and the Anchor Investor Issue Price may not be finalised and above which no Bids may be accepted
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account
Cut-off Price	Issue Price, finalised by the Issuer in consultation with the Book Running Lead Manager(s), which can be any price within the Price Band. Only RIIs, Retail Individual Shareholders and employees are entitled to Bid at the Cut-off Price. No other category of Bidders/Applicants are entitled to Bid at the Cut-off Price
DP	Depository Participant
DP ID	Depository Participant's Identification Number
Depositories	National Securities Depository Limited and Central Depository Services (India) Limited
Demographic Details	Details of the Bidders/Applicants including the Bidder/Applicant's address, name of the Applicant's father/husband, investor status, occupation and bank account details
Designated Branches	Such branches of the SCSBs which may collect the Bid cum Application Forms used by the ASBA Bidders/Applicants applying through the ASBA and a list of which is available on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html
Designated Date	The date on which funds are transferred by the Escrow Collection Bank(s) from the Escrow Account or the amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, after the Prospectus is filed with the RoC, following which the board of directors may Allot Equity Shares to successful Bidders/Applicants in the fresh Issue may give delivery instructions for the transfer of the Equity Shares constituting the Offer for Sale
Designated Stock Exchange	The designated stock exchange as disclosed in the RHP/Prospectus of the Issuer
Discount	Discount to the Issue Price that may be provided to Bidders/Applicants in accordance with the SEBI Regulations, 2009.
Draft Prospectus	The draft prospectus filed with SEBI in case of Fixed Price Issues and which may mention a price or a Price Band
Employees	Employees of an Issuer as defined under SEBI Regulations, 2009 and including, in case of a new company, persons in the permanent and full time employment of the promoting companies excluding the promoters and immediate relatives of the promoter. For further details Bidder/Applicant may refer to the RHP/Prospectus
Equity Shares	Equity shares of the Issuer
Escrow Account	Account opened with the Escrow Collection Bank(s) and in whose favour the Bidders/Applicants (excluding the ASBA Bidders/Applicants) may Issue cheques or drafts in respect of the Bid Amount when submitting a Bid
Escrow Agreement	Agreement to be entered into among the Issuer, the Registrar to the Issue, the Book Running Lead Manager(s), the Syndicate Member(s), the Escrow Collection Bank(s) and the Refund Bank(s) for collection of the Bid Amounts and where applicable, remitting refunds of the amounts collected to the Bidders/Applicants (excluding the ASBA Bidders/Applicants) on the terms and conditions thereof

Term	Description
Escrow Collection Bank(s)	Refer to definition of Banker(s) to the Issue
FCNR Account	Foreign Currency Non-Resident Account
First Bidder/Applicant	The Bidder/Applicant whose name appears first in the Bid cum Application Form or Revision Form
FII(s)	Foreign Institutional Investors as defined under the SEBI (Foreign Institutional Investors) Regulations, 1995 and registered with SEBI under applicable laws in India
Fixed Price Issue/ Fixed Price Process/Fixed Price Method	The Fixed Price process as provided under SEBI Regulations, 2009, in terms of which the Issue is being made
Floor Price	The lower end of the Price Band, at or above which the Issue Price and the Anchor Investor Issue Price may be finalised and below which no Bids may be accepted, subject to any revision thereto
FPIs	Foreign Portfolio Investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
FPO	Further public offering
Foreign Venture Capital Investors or FVCIs	Foreign Venture Capital Investors as defined and registered with SEBI under the SEBI (Foreign Venture Capital Investors) Regulations, 2000
IPO	Initial public offering
Issue	Public Issue of Equity Shares of the Issuer including the Offer for Sale if applicable
Issuer/ Company	The Issuer proposing the initial public offering/further public offering as applicable
Issue Price	The final price, less discount (if applicable) at which the Equity Shares may be Allotted in terms of the Prospectus. The Issue Price may be decided by the Issuer in consultation with the Book Running Lead Manager(s)
Maximum RII Allottees	The maximum number of RIIs who can be allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot.
MICR	Magnetic Ink Character Recognition - nine-digit code as appearing on a cheque leaf
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
Mutual Funds Portion	5% of the QIB Category (excluding the Anchor Investor Portion) available for allocation to Mutual Funds only, being such number of equity shares as disclosed in the RHP/Prospectus and Bid cum Application Form
NECS	National Electronic Clearing Service
NEFT	National Electronic Fund Transfer
NRE Account	Non-Resident External Account
NRI	NRIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the RHP/Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares
NRO Account	Non-Resident Ordinary Account
Net Issue	The Issue less reservation portion
Non-Institutional Investors or NIIs	All Bidders/Applicants, including FPIs which are Category III foreign portfolio investors registered with SEBI that are not QIBs or RIIs and who have Bid for Equity Shares for an amount of more than ₹200,000 (but not

Term	Description
	including NRIs other than Eligible NRIs)
Non-Institutional Category	The portion of the Issue being such number of Equity Shares available for allocation to NIIs on a proportionate basis and as disclosed in the RHP/Prospectus and the Bid cum Application Form
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FPIs and FVCIs registered with SEBI
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
Offer for Sale	Public offer of such number of Equity Shares as disclosed in the RHP/Prospectus through an offer for sale by the Selling Shareholder
Other Investors	Investors other than Retail Individual Investors in a Fixed Price Issue. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for.
PAN	Permanent Account Number allotted under the Income Tax Act, 1961
Price Band	Price Band with a minimum price, being the Floor Price and the maximum price, being the Cap Price and includes revisions thereof. The Price Band and the minimum Bid lot size for the Issue may be decided by the Issuer in consultation with the Book Running Lead Manager(s) and advertised, at least five working days in case of an IPO and one working day in case of FPO, prior to the Bid/ Issue Opening Date, in English national daily, Hindi national daily and regional language at the place where the registered office of the Issuer is situated, newspaper each with wide circulation
Pricing Date	The date on which the Issuer in consultation with the Book Running Lead Manager(s), finalise the Issue Price
Prospectus	The prospectus to be filed with the RoC in accordance with Section 26 of the Companies Act, 2013 after the Pricing Date, containing the Issue Price, the size of the Issue and certain other information
Public Issue Account	An account opened with the Banker to the Issue to receive monies from the Escrow Account and from the ASBA Accounts on the Designated Date
QFIs	Qualified Foreign Investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
QIB Category	The portion of the Issue being such number of Equity Shares to be Allotted to QIBs on a proportionate basis
Qualified Institutional Buyers or QIBs	As defined under SEBI Regulations, 2009
RTGS	Real Time Gross Settlement
Red Herring Prospectus/ RHP	The red herring prospectus issued in accordance with Section 32 of the Companies Act, 2013, which does not have complete particulars of the price at which the Equity Shares are offered and the size of the Issue. The RHP may be filed with the RoC at least three days before the Bid/Issue Opening Date and may become a Prospectus upon filing with the RoC after the Pricing Date. In case of issues undertaken through the fixed price process, all references to the RHP should be construed to mean the Prospectus
Refund Account(s)	The account opened with Refund Bank(s), from which refunds (excluding refunds to ASBA Bidders/Applicants), if any, of the whole or part of the Bid Amount may be made
Refund Bank(s)	Refund bank(s) as disclosed in the RHP/Prospectus and Bid cum Application Form of the Issuer
Refunds through electronic transfer of funds	Refunds through NECS, Direct Credit, NEFT, RTGS or ASBA, as applicable
Registered Broker	Stock Brokers registered with the Stock Exchanges having nationwide terminals, other than the members of the Syndicate
Registrar to the Issue/RTI	The Registrar to the Issue as disclosed in the RHP/Prospectus and Bid cum Application Form

Term	Description
Reserved Category/ Categories	Categories of persons eligible for making application/bidding under reservation portion
Reservation Portion	The portion of the Issue reserved for category of eligible Bidders/Applicants as provided under the SEBI Regulations, 2009
Retail Individual Investors / RIIs	Investors who applies or bids for a value of not more than ₹200,000.
Retail Individual Shareholders	Shareholders of a listed Issuer who applies or bids for a value of not more than ₹200,000.
Retail Category	The portion of the Issue being such number of Equity Shares available for allocation to RIIs which shall not be less than the minimum bid lot, subject to availability in RII category and the remaining shares to be allotted on proportionate basis.
Revision Form	The form used by the Bidders in an issue through Book Building process to modify the quantity of Equity Shares and/or bid price indicates therein in any of their Bid cum Application Forms or any previous Revision Form(s)
RoC	The Registrar of Companies
SEBI	The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992
SEBI Regulations, 2009	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
Self Certified Syndicate Bank(s) or SCSB(s)	A bank registered with SEBI, which offers the facility of ASBA and a list of which is available on: http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html
Specified Locations	Refer to definition of Broker Centers
Stock Exchanges/ SE	The stock exchanges as disclosed in the RHP/Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Issue are proposed to be listed
Syndicate	The Book Running Lead Manager(s) and the Syndicate Member
Syndicate Agreement	The agreement to be entered into among the Issuer, and the Syndicate in relation to collection of the Bids in this Issue (excluding Bids from ASBA Bidders/Applicants)
Syndicate Member(s)/SM	The Syndicate Member(s) as disclosed in the RHP/Prospectus
Underwriters	The Book Running Lead Manager(s) and the Syndicate Member(s)
Underwriting Agreement	The agreement amongst the Issuer, and the Underwriters to be entered into on or after the Pricing Date
Working Day	All days other than a Sunday or a public holiday on which commercial banks are open for business, except with reference to announcement of Price Band and Bid/Issue Period, where working day shall mean all days, excluding Saturdays, Sundays and public holidays, which are working days for commercial banks in India

SECTION VIII: MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

Pursuant to the Companies Act and the SEBI Regulations, the main provisions of the Articles of Association are detailed below. Capitalised terms used in this section have the meaning given to them in the Articles of Association. Each provision below is numbered as per the corresponding article number in the Articles of Association and defined terms herein have the meaning given to them in the Articles of Association.

The Articles of Association comprise two parts, Part A and Part B. In case of inconsistency or conflict between Part A and Part B, the provisions of Part B shall be applicable; however, Part B shall stand deleted, not have any force and be deemed to be removed from the Articles of Association upon the listing of the Equity Shares on any of the Stock Exchanges without any further action by our Company or the Shareholders. Set forth below are the main provisions of the Articles of Association as contained in Part A.

PART A

3. SHARE CAPITAL AND VARIATION OF RIGHTS

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| <i>Authorised Capital</i> | 3.1 | The authorized share capital of the Company shall be such amount and be divided into such shares as may, from time to time, be provided in Clause V of the memorandum of association with power to increase or reduce the capital and divide the shares in the capital of the Company for the time being into equity share capital and preference share capital and to attach thereto respectively and preferential, qualified or special rights, privileges or conditions as may be determined in accordance with these presents and modify or abrogate any such rights, privileges or conditions in such manner as may for the time being by permitted by the Act. |
| <i>Shares under control of Board</i> | 3.2 | Subject to the provisions of the Act and these Articles, the shares in the capital of the Company shall be under the control of the Board who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or subject to compliance with Section 54 of the Act at a discount, and at such time as they may from time to time think fit and with the sanction of the Company in the general meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the directors think fit. |
| <i>Directors may allot shares otherwise than for cash</i> | 3.3 | Subject to the provisions of the Act and these Articles, the Board may issue and allot shares in the capital of the Company on payment or part payment for any property or assets of any kind whatsoever sold or transferred, goods or machinery supplied or for any services rendered to the Company in the conduct of its business and any shares which may be so allotted may be issued as fully paid-up, and if so issued, shall be deemed to be fully paid-up shares. Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the Company in a general meeting. |
| <i>Kinds of Share Capital</i> | 3.4 | <p>The Company may issue the following kinds of shares in accordance with these Articles, the Act, the Rules and other applicable laws:</p> <p>(a) Equity share capital:</p> <ul style="list-style-type: none">(i) with voting rights: and/or(ii) with differential rights as to dividend, voting or otherwise in accordance with the Rules; and <p>(b) Preference share capital.</p> |

<i>Issue of share certificate</i>	3.5	<p>(1) Every person whose name is entered as a shareholder in the register of members shall be entitled to receive:</p> <p>(a) one or more certificates in marketable lots for all the shares of each class or denomination registered in his name, without payment of any charge; or</p> <p>(b) several certificates, if the Board so approves (upon paying such fee as the Board so determines), each for one or more of such shares, and the Company shall complete and have ready for delivery such certificates within two months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be.</p>
<i>Certificate to bear Seal</i>		<p>(2) Every certificate shall be under the Seal and shall specify the shares to which it relates and the amount paid-up thereon and shall be in such form as the Board may prescribe and approve.</p>
<i>One certificate for shares held jointly</i>		<p>(3) In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one or several joint holders shall be sufficient delivery to all such holders.</p> <p>(4) Any shareholder of the Company shall have the right to sub-divide, split or consolidate the total number of shares held by them in any manner and to request the Company to provide certificate(s) evidencing such sub-division, split or consolidation.</p>
<i>Option to receive share certificate or hold shares with depository</i>	3.6	<p>A person subscribing to shares offered by the Company shall have the option either to receive certificates for such shares or hold the shares in a dematerialized state with a depository in electronic form. Where a person opts to hold any share with the depository, the Company shall intimate such depository to details of allotment of the share to enable the depository to enter in its records the name of such person as the beneficial owner of that share.</p>
<i>Issue of new certificate in place of one defaced, lost or destroyed.</i>	3.7	<p>If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer or in case of sub-division or consolidation of shares, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Board deems adequate, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificate under this Article shall be issued without payment of fees if the Board so decides, or on payment of such fees (not exceeding the prescribed amount for each certificate) as the Board shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer or in case of sub-division or consolidation of shares. Notwithstanding the foregoing provisions of this Article 3.7, the Board shall comply with applicable law including the rules or regulations or requirements of any stock exchange, the Rules and the rules made under the Securities Contracts (Regulation) Act, 1956, or any statutory modification or re-enactment thereof, for the time being in force.</p>

<i>Provisions as to issue of certificates to apply mutatis mutandis to all securities</i>	3.8	The provisions of the foregoing Articles relating to issue of certificates shall <i>mutatis mutandis</i> apply to issue of certificates for any other securities including debentures (except where the Act otherwise requires) of the Company.
<i>Powers to pay commission in connection with securities issued</i>	3.9	(1) The Company may exercise the powers of paying commissions conferred by the Act, to any person in connection with the subscription or procurement of subscription to its securities, provided that the percentage rate or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the Act and the Rules.
<i>Variation of shareholders' rights</i>	3.10	(1) 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, subject to the provisions of the Act, and whether or not the Company is being wound up, be varied with the consent in writing, of such number of the holders of the issued shares of that class, or with the sanction of a resolution passed at a separate meeting of the holders of the shares of that class, as prescribed by the Act.
<i>Issue of further shares not to affect rights of existing shareholders</i>	3.11	The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking <i>pari passu</i> therewith.
<i>Power to issue or redeemable preference shares</i>	3.12	Subject to the provisions of the Act, the Board shall have the powers to issue or re-issue preference shares of one or more classes which are liable to be redeemed, or converted to equity shares, on such terms and conditions and in such manner as determined by the Board in accordance with the Act.
<i>Further issue of share capital</i>	3.13	<p>(1) Where at any time, the Company proposes to increase its subscribed capital by the issue of further shares, the Company may, in accordance with the Act and the Rules, offer such shares to-</p> <p>(a) persons who, at the date of offer, are holders of equity shares of the Company, in proportion, as nearly as circumstances admit, to the paid-up share capital on those shares by sending a letter of offer subject to the following conditions: (i) the offer shall be made by notice specifying the number of shares offered and limiting a time not being less than 15 days and not exceeding 30 days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined; (ii) the offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person and the notice referred to in Article 3.13(1)(a)(i) shall contain a statement of this right; (iii) after the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner which is not dis-advantageous to the shareholders and the Company;</p> <p>(b) to employees under a scheme of employees' stock option, subject to special resolution passed by the Company and subject to such conditions as may be prescribed under the Act; or</p>

- (c) to any persons, whether or not those persons include the persons referred to in Article 3.13(1)(a) or Article 3.13(1)(b) above, either for cash or for consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be prescribed under the Act.

Nothing in this Article 3.13(1) shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option as a term attached to the debentures issued or loan raised by the Company to convert such debentures or loans into shares in the Company; Provided that the terms of issue of such debentures or loan containing such an option have been approved before the issue of such debentures or the raising of loan by a special resolution passed by the Company in a general meeting.

Mode of further issue of shares

- (2) A further issue of shares may be made in any manner whatsoever as the Board may determine including by way of preferential offer or private placement, subject to and in accordance with the Act and the Rules.

Acceptance of Equity Shares 3.14

An application signed by or on behalf of an applicant for equity shares in the Company, followed by an allotment of any equity shares therein, shall be an acceptance of equity shares within the meaning of these Articles and every person who, thus or otherwise, agrees to accept any shares and whose name is entered on the register of members shall for the purpose of these Articles, be a shareholder.

Installment on Equity Shares to be paid 3.15

If by the conditions of allotment of equity shares the whole or part of the amount or issue price thereof shall be payable by installments and every such installment shall, when due, be paid to the Company by the person who, for the time being and from time to time, shall be the registered holder of the equity shares or his heirs, executors, administrators, and legal representatives.

Liability of Shareholders 3.16

Every shareholder, or his heirs, executors, administrators, or legal representatives, shall pay to the Company the portion of the capital represented by his share or shares which may, for the time being, remain unpaid thereon, in such amounts at such time or times, and in such manner as the Board shall, from time to time in accordance with the Company's regulations, require on date fixed for the payment thereof. Every shareholder or his heirs, executors, administrators, or legal representatives in default shall not be entitled at the option of the Directors to exercise any rights or privileges available to him.

4. LIEN

Company's lien on shares 4.1

- (1) The Company shall have a first and paramount lien-
- (a) on every share (not being a fully paid-up share) registered in the name of each shareholder (whether solely or jointly with others) and upon the proceeds of sale thereof for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share and no equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect and except as provided in Article 4.1(2). Fully paid-up shares shall be free from all lien; and
- (b) on all shares (not being fully paid-up shares) standing registered in the name of a shareholder, for all monies presently payable by him or his estate to the Company:

Provided that the Board may at any time declare any shares wholly or in part to be exempt from the provisions of this Article.

<i>Lien to extend to dividends, etc.</i>		(2) The Company's lien, if any, on a share shall extend to all dividends or interest, as the case may be, payable and bonuses declared from time to time in respect of such shares for any money owing to the Company.
<i>Waiver of lien in case of registration</i>		(3) Unless otherwise agreed by the Board, the registration of a transfer of shares shall operate as a waiver of the Company's lien, if any, on such shares.
<i>As to enforcing lien by sale</i>	4.2	<p>The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien: Provided that no sale shall be made-</p> <p>(a) unless a sum in respect of which the lien exist is presently payable; or</p> <p>(b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or to the person entitled there to by reason of his death or insolvency or otherwise.</p>
<i>Validity of sale</i>	4.3	(1) To give effect to any such sale, the Board may authorize some person to transfer the shares sold to the purchaser thereof.
<i>Purchaser to be registered holder</i>		(2) The purchaser shall be registered as the holder of the shares comprised in any such transfer.
<i>Validity of Company's receipt</i>		(3) The receipt of the Company for the consideration (if any) given for the share on the sale thereof shall (subject to, if necessary, execution of an instrument of transfer or a transfer by relevant system, as the case may be) constitute a good title to the share and the purchaser shall be registered as the holder of the share.
<i>Purchaser not affected</i>		(4) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings with reference to the sale.
<i>Application of proceeds of sale</i>	4.4	(1) The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.
<i>Payment of residual money</i>		(2) The residual, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.
<i>Outsider's lien not to affect Company's lien</i>	4.5	In exercising its lien, 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 unless required by any statute) be bound to recognize any equitable or other claim to, or interest in, such share on the part of any other person, whether a creditor of the registered holder or otherwise. The Company's lien shall prevail notwithstanding that it has received notice of any such claim.

<i>Provisions as to lien to apply mutatis mutandis to debentures, etc.</i>	4.6	The provisions of these Articles relating to lien shall <i>mutatis mutandis</i> apply to any other securities including debentures of the Company.
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5. CALLS ON SHARES

<i>Board may make calls</i>	5.1	(1) The Board may, from time to time, make calls upon the shareholders in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times.
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<i>Notice of call</i>		(2) Each shareholder shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares.
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<i>Board may extend time for payment</i>		(3) The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call in respect of one or more shareholders as the Board may deem appropriate in any circumstances.
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<i>Revocation or postponement of call</i>		(4) A call may be revoked or postponed at the discretion of the Board. (5) Provided that the Board shall not give the option or right to call on shares to any person except with the sanction of the Company in the General meeting.
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<i>Call to take effect from date of resolution</i>	5.2	A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by installments.
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<i>Liability of joint holders of shares</i>	5.3	The joint-holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
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<i>When interest on call or installment payable</i>	5.4	(1) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof (the "due date"), the person from whom the sum is due shall pay interest thereon from the due date to the time of actual payment at such rate as may be fixed by the Board.
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<i>Board may waive interest</i>		(2) The Board shall be at liberty to waive payment of any such interest wholly or in part.
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<i>Sums deemed to be calls</i>	5.5	(1) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.
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<i>Effect of non-payment of sums</i>		(2) In case of non-payment of such sum, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
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<i>Payment in anticipation of calls may carry interest</i>	5.6	The Board may, if it thinks fit, subject to the provisions of Section 50 of the Act, agree to and receive from any shareholder willing to advance the same, all or any part of the monies due upon any shares held by him beyond the sums actually called for and upon all or any of the monies so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate, not exceeding, unless the Company in a general meeting shall otherwise direct, [12 percent] per annum, as the shareholder paying such sum in advance and the Board agree upon. Nothing contained in this Article shall confer on the shareholder (a) any right to participate in profits or dividends or (b) any voting rights in respect of the moneys so paid by him until the same would, but for such payment, become presently payable by him. The Board may at any time repay the amount so advanced.
<i>Installments on shares to be duly paid</i>	5.7	If by the conditions of allotment of any shares, the whole or part of the amount of issue price thereof shall be payable by installments, then every such installment shall, when due, be paid to the Company by the person who, for the time being and from time to time, is or shall be the registered holder of the share or the legal representative of a deceased registered holder.
<i>Calls on shares of same class to be on uniformed basis</i>	5.8	All calls shall be made on a uniform basis on all shares falling under the same class. <i>Explanation:</i> Shares of the same nominal value on which different amounts have been paid-up shall not be deemed to fall under the same class.
<i>Partial payment not to preclude for forfeiture</i>	5.9	Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereof nor the receipt by the Company of a portion of any money which shall from time to time be due from any shareholder in respect of any shares either by way of principal or interest or any indulgence granted by the Company in respect of payment of any such money shall preclude the forfeiture of such shares as herein provided.
<i>Provisions as to calls to apply mutatis mutandis to all securities</i>	5.10	The provisions of these Articles relating to calls shall <i>mutatis mutandis</i> apply to any other securities including debentures of the Company.

6. TRANSFER OF SHARES

<i>Instrument of transfer to be executed by transferor and transferee.</i>	6.1	<p>(1) The instrument of transfer of any share in the Company shall be duly executed by or on behalf of both the transferor and transferee.</p> <p>(2) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.</p> <p>(3) A common form of transfer shall be used in case of transfer of shares. The instrument of transfer shall be in writing and all the provisions of Section 56 of the Act and of any statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and the registration thereof.</p>
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<i>Board may refuse to register transfer; no fee for registration of transfer etc.</i>	6.2	<p>(1) Subject to the provisions of Sections 58 and 59 of the Act, the Rules, these Articles, any other applicable provisions of the Act or any other law for the time being in force the Board may refuse, whether in pursuance of any power of the Company under these Articles or otherwise, to register the transfer of, or the transmission by operation of law of the right to, any shares or interest of a shareholder or debentures of the Company. The Company shall within one month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to the Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal.</p> <p>(2) Provided that registration of transfer 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, except where the Company has a lien on shares.</p> <p>(3) No fee shall be charged for registration of transfer, transmission, probate, succession certificate, letters of administration, certificate of death or marriage, power of attorney or similar other document.</p>
<i>Board may decline to recognize instrument of transfer</i>	6.3	<p>In case of shares held in physical form, the Board may decline to recognize any instrument of transfer unless-</p> <p>(a) The instrument of transfer is duly executed and is in the form as prescribed in the Rules made under the Act;</p> <p>(b) The instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and</p> <p>(c) The instrument of transfer is in respect of only one class of shares.</p>
<i>Transfer of shares when suspended</i>	6.4	<p>On giving of previous notice of at least seven days or such lesser period in accordance with the Act and Rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:</p> <p>Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty five days in the aggregate in any year.</p>
<i>Provisions as to transfer of shares to apply mutatis mutandis to all securities</i>	6.5	<p>The provisions of these Articles relating to transfer of shares shall <i>mutatis mutandis</i> apply to any other securities including debentures of the Company.</p>

7. TRANSMISSION OF SHARES

<i>Title to shares on death of a shareholder</i>	7.1	<p>(1) On the death of a shareholder, the survivor or survivors where the shareholder was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognized by the Company as having any title to his interest in the shares.</p>
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<i>Estate of deceased shareholder liable</i>		(2) Nothing in Article 7.1(1) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.
<i>Transmission Clause</i>	7.2	<p>(1) Any person becoming entitled to a share in consequence of the death or insolvency of a shareholder may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either-</p> <p>(a) to be registered himself as holder of the share; or</p> <p>(b) to make such transfer of the share as the deceased or insolvent shareholder could have made.</p>
<i>Boards' rights unaffected</i>		(2) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent shareholder had transferred the share before his death or insolvency.
<i>Indemnity to the Company</i>		(3) The Company shall be fully indemnified by such person from all liability, if any, by action taken by the Board to give effect to such registrations or transfer.
<i>Right to election of holder of share</i>	7.3	(1) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.
<i>Manner of testifying election</i>		(2) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.
<i>Limitations applicable to notice</i>		(3) All the limitation, restriction and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the shareholder had not occurred and the notice or transfer were a transfer signed by that shareholder.
<i>Claimant to be entitled to same advantage</i>	7.4	<p>A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a shareholder in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company:</p> <p>Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.</p>
<i>Provisions as to transmission to apply mutatis mutandis to all securities</i>	7.5	The provisions of these Articles relating to transmission by operation of law shall <i>mutatis mutandis</i> apply to any other securities including debentures of the Company.

8. FORFEITURE OF SHARES

<i>If call or installment not paid notice must be given</i>	8.1	If a shareholder fails to pay any call, or installment of a call or any money due in respect of any share, on the day appointed for payment thereof, the Board may at any time thereafter during such time as any part of the call or installment remains unpaid or a judgment or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on him requiring payment of so much of the call or installment or other money as is unpaid, together with any interest which may be accrued and all expenses that may have been incurred by the Company by the reason of non-payment.
<i>Form of notice</i>	8.2	The notice aforesaid shall: <ul style="list-style-type: none"> (a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and (b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.
<i>In default of payment of shares to be forfeited</i>	8.3	If the requirement of such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.
<i>Receipt of part amount or grant of indulgence not affect forfeiture</i>	8.4	Neither the receipt by the Company for a portion of any money which may from time to time be due from any shareholder in respect of his shares, nor any indulgence that may be granted by the Company in respect of payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture in respect of such shares as herein provided. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited shares and not actually paid before the forfeiture.
<i>Entry of forfeiture in register of members</i>	8.5	When any share shall have been so forfeited, notice of the forfeiture shall be given to the defaulting shareholder and an entry of the forfeiture with the date thereof, shall forthwith be made in register of members but no forfeiture shall be invalidated by any omission or neglect or any failure to give such notice or make such entry as aforesaid.
<i>Effect of forfeiture</i>	8.6	The forfeiture of a share shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share.
<i>Forfeited shares may be sold, etc.</i>	8.7	(1) A forfeited share shall be deemed to be the property of the Company and may be sold or re-allotted or otherwise disposed of either to the person who was before such forfeiture the holder thereof or entitled thereto or to any other person on such terms and in such manner as the Board thinks fit.
<i>Cancellation of forfeiture</i>		(2) At any time before a sale, re-allotment or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.
<i>Shareholders still liable to pay money owing at the time of forfeiture</i>	8.8	(1) A person whose shares have been forfeited shall cease to be a shareholder in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay, and shall pay, to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares.

<i>Shareholders still liable to pay money owing at the time of forfeiture and interest</i>		(2) All such monies payable shall be paid together with interest thereon at such rate as the Board may determine, from the time of forfeiture until payment or realization. The Board may, if it thinks fit, but without being under any obligation to do so, enforce the payment of whole or any portion of the monies due, without any allowance for the value of the shares at the time of forfeiture or waive payment in whole or in part.
<i>Ceasing of liability</i>		(3) The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the shares.
<i>Certificate of forfeiture</i>	8.9	(1) A duly verified declaration in writing that the declarant is a director, the manager or the secretary of the Company, and that a share in the Company has 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 the share;
<i>Transferee to be registered as holder</i>		(2) The Company may receive the consideration, if any given for the share on any sale, re-allotment or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;
		(3) The transferee shall thereupon be registered as the holder of the share, and
<i>Transferee not affected</i>		(4) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, and re-allotment or disposal of the share.
<i>Validity of sales</i>	8.10	Upon any sale after forfeiture or for enforcing a lien in exercise of the power hereinabove given, the Board may, if necessary appoint some person to execute an instrument for transfer of the shares sold and cause the purchaser's name to be entered in the register of members in respect of the shares sold and after his name has been entered in the register of members in respect of such shares the validity of the sale shall not be impeached by any person.
<i>Cancellation of share certificate in respect of forfeited shares</i>	8.11	Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate(s), if any, originally issued in respect of the relative shares shall (unless the same shall on demand by the Company had been previously surrendered to it by the defaulting shareholder) stand cancelled and become null and void and be of no effect, and the Board shall be entitled to issue a duplicate certificate(s) in respect of the said shares to the person(s) entitled thereto.
<i>Surrender of share certificates</i>	8.12	The Board may, subject to the provisions of the Act, accept a surrender of any share from or by any shareholder desirous of surrendering them on such terms as they think fit.
<i>Sums deemed to be calls</i>	8.13	The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

<i>Provisions as to forfeiture of shares shall to apply mutatis mutandis to all securities</i>	8.14	The provisions of these Articles relating to forfeiture of shares shall <i>mutatis mutandis</i> apply to any other securities including debentures of the Company.
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9. ALTERATION OF SHARE CAPITAL

<i>Power to alter share capital</i>	9.1	<p>Subject to the provisions of the Act, the Company may by ordinary resolution-</p> <ul style="list-style-type: none"> (a) Increase the authorised share capital by such sum, to be divided into shares of such amount as it thinks expedient; (b) Consolidate and divide all or any of its share capital into shares of larger amount than its existing shares; Provided that any consolidation and division which results in changes in the voting percentage of shareholders shall require applicable approvals under the Act; (c) Convert all or any of its fully paid-up shares into stock, and re-convert that stock into fully paid-up shares of any denomination; (d) Sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum of association; (e) Cancel any shares which, at the date of passing of the resolution, have not been taken or agreed to be taken by any person.
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<i>Shares may be converted into stock</i>	9.2	<p>Where shares are converted into stock:</p> <ul style="list-style-type: none"> (a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same Articles under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit: Provided that the Board may, from time to time, fix the minimum amount of stock transferrable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose;
<i>Right of stockholders</i>		<ul style="list-style-type: none"> (b) The holders of the stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage; (c) such of these Articles of the Company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder”/ “member” shall include “stock” and “stock-holder” respectively.

10. SHARE WARRANTS

<i>Share warrants may be issued</i>	10.1	The Company may, subject to and in accordance with the provisions of the Act, issue warrants (hereinafter called “Share Warrants”) in respect of fully paid-up shares and accordingly the Directors may in their discretion in respect of any such share, issue under the Seal issue Share Warrants in respect of the shares therein specified and may provide by coupons or otherwise for the payment of dividends or other moneys on the shares included in the Share Warrant.
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<i>Regulations to be made</i>		Before the issue of any Share Warrant the Board shall draw up the regulations and conditions under and upon which such Shares Warrants or coupons lost,
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word out, defaced or destroyed will be renewed or replaced by a new Share Warrant and upon which a Share Warrant will be cancelled and the name of the bearer entered upon the register as a shareholder of the Company in respect of shares included in the Share Warrant to be cancelled, and such regulations shall be printed upon the back of every Share Warrant.

*Regulations to
Prescribe Manner of
Voting*

The regulations relating to Share Warrants to be drawn up by the Board may prescribed and limit the manner in which a bearer of a Share Warrant shall be entitled to vote at meeting of the Company. But no regulations shall declare that any person shall be qualified to be a Director of the Company by reason of being the bearer of any Share Warrant.

*Power to vary the
conditions*

The Board may, from time to time, vary the conditions upon which Share Warrant shall be issued or held and, subject to such conditions and to these presents, the bearer of a Share Warrant shall be a shareholder to the full extent. The bearer of a Share Warrant shall be subject to the conditions for the time being in force whether made before or after the issue of such Share Warrant.

Reduction of capital 10.2

The Company may, by resolution as prescribed by the Act, reduce in any manner and in accordance with the provisions of the Act and Rules,-
(a) its share capital; and/or
(b) any capital redemption reserve account; and/or
(c) any securities premium account; and/or
(d) any other reserve in the nature of share capital.

11. DEBENTURES

11.1 Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise, if permissible under the Act, and may be issued on the condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawings, allotment of shares, attending (but not voting) at the general meeting, appointment of Directors and otherwise. Debentures with the rights to conversion into or allotment of shares shall be issued only with the consent of the Company in a general meeting by a special resolution and subject to the provisions of the Act.

12. DEMATERIALIZATION

*Dematerialisation of
Securities* 12.1

Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize or rematerialize its shares, debentures and other securities (both existing and future) held by it with the depository and to offer its shares, debentures and other securities for subscription in a dematerialized form pursuant to the Depositories Act, 1996 and the rules framed thereunder, if any.

Option for Investors 12.2

Every person subscribing to securities offered by the Company shall have the option to receive share certificates or to hold securities with a depository. Such a person who is the beneficial owner of such securities can at any time opt out of a depository, if permitted by the law, in respect of any security in the manner provided by the Depositories Act, 1996 and the Company shall in the manner and within the time prescribed, issue to the beneficial owner the required securities certificate. If a person opts to hold his securities with a depository, the Company shall intimate to such depository the details of allotment of the securities, and upon receipt of the information, the depository shall enter in its

record the name of the allottee as the beneficial owner of the securities.

<i>Securities in Depositories to be in fungible form</i>	12.3	All equity shares held by a depository shall be dematerialized and shall be in a fungible form.
<i>Rights of Depositories and Beneficial Owners</i>	12.4	<p>(1) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of securities on behalf of the beneficial owners.</p> <p>(2) Save as otherwise provided in (a) above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.</p> <p>(3) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be the owner of such securities of the Company and shall further be deemed to be a shareholder of the Company. The beneficial owner of the securities shall be entitled to all the liabilities in respect of his securities, which are held by depository.</p>
<i>Service of information</i>	12.4	Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or disks or any other mode as prescribed by law from time to time.
<i>Intimation to Depository</i>	12.6	Notwithstanding anything in the Act or these Articles, where equity shares are dealt with by a depository, the Company shall intimate the details thereof the depository immediately upon allotment of such equity shares.
	12.7	Nothing contained in the Act or these Articles regarding the necessity to have distinctive numbers for equity shares issued by the Company shall apply to equity share held with a depository.

12. JOINT HOLDERS

<i>Joint-holders</i>	12.1	Where two or more persons are registered as joint holders (not more than three) of any share, they shall be deemed (so far as the Company is concerned) to hold the same as joint tenants with benefits of survivorship, subject to the following and other provisions contained in these Articles.
<i>Liability of Joint-holders</i>		(a) The joint-holders of any share shall be liable severally as well as jointly for and in respect of all calls or installments and other payments which ought to be made in respect of such share.
<i>Death of one or more joint- holders</i>		(b) On the death of any one or more of such joint-holders, the survivor or survivors shall be the only person or persons recognized by the Company as having any title to the share but the Directors may require such evidence of death as they may deem fit, and nothing herein contained shall be taken to release the estate of a deceased joint-holders from any liability on shares held by him jointly with any other person.
<i>Receipt of one sufficient</i>		(c) Any one of such joint-holders may give effectual receipts of any dividends, interests or other moneys payable in respect of such share.

*Delivery of certificate
and giving of notice
to first named holder*

- (d) Only the person whose name stands first in the register of members as one of the joint-holders of any share shall be entitled to the delivery of certificate, if any, relating to such share or to receive notice (which term shall be deemed to include all relevant documents) and any notice served on or sent to such person shall be deemed service on all the joint-holders.

Vote of joint-holders

- (e) (i) Any one of two or more joint-holders may vote at any meeting either personally or by attorney or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint-holders be present at any meeting personally or by proxy or by attorney then that one of such persons so present whose name stands first or higher (as the case may be) on the register in respect of such shares shall alone be entitled to vote in respect thereof but the other or others of the joint-holders shall be entitled to vote in preference to a joint-holder present by attorney or by proxy although the name of such joint-holder present by any attorney or proxy stands first or higher or (as the case may be) in the register in respect of such shares.
(ii) Several executors or administrators of deceased shareholder in whose (deceased shareholder) sole name any share stands, shall for the purpose of this Article be deemed joint-holders.

*Executors or
administrators as
joint holders*

*Provisions as to
joint-holders as
shares to apply
mutatis mutandis to
all securities*

- (f) The provisions of these Articles relating to joint-holders of shares shall *mutatis mutandis* apply to any other securities including debentures of the Company registered in joint names.

13. CAPITALISATION OF PROFITS

Capitalisation

13.1

- (1) The Company by ordinary resolution in general meeting may, upon the recommendation of the Board, resolve-
- (a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and
- (b) that such sum be accordingly set free for distribution in the manner specified in Article 13.1(2) below amongst the shareholders who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

Sum how applied

- (2) The sum aforesaid shall not be paid in case but shall be applied, subject to the provision contained in Article 13.1(3) below, either in or towards:
- (A) paying up any amounts for the time being unpaid on any shares held by such shareholders respectively;

- (B) paying up in full, unissued shares or other securities of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such shareholders in the proportions aforesaid;
- (C) partly in the way specified Article 13.1(2)(A) and partly in that specified in Article 13.1(2)(B).
- (3) A securities premium account and a capital redemption reserve account or any other permissible reserve account may, for the purposes of this Article, be applied in the paying up of unissued shares to be issued to shareholders of the Company as fully paid bonus shares.
- (4) The Board shall give effect to the resolution passed by the Company in pursuance of this Article.

Powers of the Board for capitalisation 13.2

- (1) Whenever such resolution is as aforesaid shall have been passed, the Board shall-
 - (a) make all appropriations and applications of the amounts resolved to be capitalized thereby, and all allotments and issues of fully paid shares or other securities, if any, and
 - (b) generally do all acts and things to give effect thereto.

Board's power to issue fractional certificate/ coupon, etc.

- (2) The Board shall have power-
 - (a) to make such provisions, by the issue of fractional certificates/coupons or by payment in cash or otherwise as it thinks fit, for the case of shares or other securities becoming distributable in fractions; and

Agreement binding on shareholders

- (b) to authorise any person to enter, on behalf of all the shareholders entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares on other securities to which they may be entitled upon such capitalization, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalized, of the amount or any part of the amounts remaining unpaid on their existing shares.
- (3) Any agreement made under such authority shall be effective and binding on such shareholders.

14. BUY-BACK OF SHARES

Buy-back of shares 14.1

Notwithstanding anything contained in these Articles but subject to all applicable provisions of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities.

15. GENERAL MEETINGS

Extraordinary general meeting 15.1

All general meetings other than annual general meeting shall be called extraordinary general meetings.

Powers of Board to call extraordinary general meeting 15.2

The Board may, whenever it thinks fit, call an extra-ordinary general meeting

16. PROCEEDINGS AT GENERAL MEETINGS

<i>Presence of Quorum</i>	16.1	(1) No business shall be transacted at any general meeting unless a quorum of shareholders is present at the time when the meeting proceeds to business. (2) No business shall be discussed or transacted at any general meeting except election of Chairperson whilst the chair is vacant. (3) The quorum of a general meeting shall be as provided in the Act
<i>Business confined to election of Chairperson whilst chair vacant</i>		
<i>Quorum for general meeting</i>		
<i>Chairperson of the meetings</i>	16.2	The Chairperson of the Board shall preside as Chairperson at every general meeting of the Company.
<i>Directors to elect a Chairperson</i>	16.3	If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as Chairperson of the meeting, the directors present shall elect one of their shareholders to be Chairperson of the meeting.
<i>Shareholders to elect a Chairperson</i>	16.4	If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the shareholders present shall, by poll or electronically, choose one of their shareholders to be Chairperson of the meeting.
<i>Casting vote of Chairperson at general meeting</i>	16.5	On any business at any general meeting, in case of an equality of votes, whether on a show of hands or electronically or on a poll, the Chairperson shall have a second or casting vote.
<i>Minutes of proceedings of meetings and resolutions passed by postal ballot</i>	16.6	(1) The Company shall cause minutes of the proceedings of every general meeting of any class of shareholders or creditors and every resolution passed by postal ballot to be prepared and signed in such manner as may be prescribed by the Rules and kept by making within thirty days of the conclusion of every such meeting concerned or passing of resolution by postal ballot entries thereof in books kept for that purpose with their pages consequently numbered. (2) There shall not be included in the minutes any matter which, in the opinion of the Chairperson of the meeting- (a) is or could reasonably be regarded, as defamatory of any person; or (b) is irrelevant or immaterial to the proceedings; or (c) is detrimental to the interests of the Company (3) The Chairperson shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in the aforesaid Article.
<i>Certain matters not to be included in minutes</i>		
<i>Discretion of Chairperson in relation to minutes</i>		
<i>Minutes to be evidence</i>		(4) The minutes of the meeting kept in accordance with the provisions of the Act shall be evidence of the proceedings recorded therein.
<i>Inspection of minute books of general meeting</i>	16.7	(1) The books containing the minutes of the proceedings of any general meeting of the Company or a resolution passed by postal ballot shall; (a) be kept at the registered office of the Company; and

- (b) be opened to inspection of any shareholder without charge, during 11.00 a.m. to 1.00 p.m. on all working days other than Saturdays.
- Shareholders may obtain copy of minutes* (2) Any shareholder shall be entitled to be furnished, within the time prescribed by the Act, after he has made a request in writing in that behalf to the Company and on payment of such fees as may be fixed by the Board, with a copy of minutes referred to in Article 16.7(1) above, Provided that a shareholder who has made a request for provision of a soft copy of the minutes of any previous general meeting held during the period immediately preceding three financial years, shall be entitled to be furnished with the same free of cost.

Powers to arrange security at meetings 16.8 The Board, and, also any person(s) authorized by it, may take any action before the commencement of any general meeting, or any meeting of a class of shareholders in the Company, which they may think fit to ensure the security of the meeting, the safety of people attending the meeting and the future orderly conduct of the meeting. Any decision made in good faith under this Article shall be final, and rights to attend and participate in the meeting concerned shall be subject to such decision.

17. ADJOURNMENT OF MEETING

- Chairperson may adjourn the meeting* 17.1 (1) The Chairperson may, *suo moto*, adjourn the meeting from time to time and from place to place.
- Business at adjourned meeting* (2) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- Notice of adjourned meeting* (3) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.
- Notice of adjourned meeting not required* (4) Save as aforesaid, and save provided in the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

18. VOTING RIGHTS

- Entitlement to vote on show of hands and on poll* 18.1 Subject to any rights or restrictions for the time being attached to any class or classes of shares-
- (a) on a show of hands, every shareholder present in person shall have one vote; and
- (b) on a poll, the voting rights of each shareholder shall be in proportion to his share in the paid-up equity share capital of the Company.
- Voting through electronic means* 18.2 A shareholder may exercise his vote at a meeting by electronic means in accordance with the Act and shall vote only once.
- Vote of joint-holders* 18.3 (1) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.
- Seniority of names* (2) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.

<i>How shareholders non compos mentis and minor may vote</i>	18.4	A shareholder of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy. If any shareholder be a minor, the vote in respect of his share or shares shall be by his guardian or any one of his guardians.
<i>Votes in respect of shares of deceased or insolvent shareholders, etc.</i>	18.5	Subject to the provisions of the Act and other provisions of these Articles, any person entitled under the Article 7 to any shares may vote at any general meeting in respect thereof as if he was the registered holder of such shares, provided that at least 48 (forty eight) hours before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall duly satisfy the Board of his right to such shares unless the Board shall have previously admitted his rights to vote at such meeting in respect thereof.
<i>Business may proceed pending poll</i>	18.6	Any business other than that upon which a poll has been demanded may be preceded with, pending the taking of the poll.
<i>Restriction on voting rights</i>	18.7	No shareholder shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid or in regard to which the Company has exercised any right of lien.
<i>Restriction on exercise of voting rights in other cases to be void</i>	18.8	A shareholder is not prohibited from exercising his vote on the ground that he has not held his share or other interest in the Company for any specified period preceding the date on which the vote is taken, or on another ground not being a ground set out in the preceding Article.
<i>Equal rights of shareholders</i>	18.9	Any shareholder whose name is entered in the register of members of the Company shall enjoy the same rights and be subject to the same liabilities as all other shareholders of the same class.

20. BOARD OF DIRECTORS

<i>Board of Directors</i>	20.1	Unless otherwise determined by the Company in general meeting, the number of directors shall not be less than 3 (three) and shall not be more than 15 (fifteen). Provided that the Company may appoint more than 15 (fifteen) directors after passing a special resolution.
<i>Directors liable to retire by rotation</i>	20.2	<p>(1) Subject to the provisions of Section 152 of the Act at every Annual General Meeting, one-third of such of the Directors for the time being as are liable to retire by rotation, or if their number is not three or a multiple of three, then the number nearest to one-third, shall retire from office.</p> <p>(2) 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 persons who become Directors on the same day, those who are to retire shall, in default of and subject to any agreement among themselves, be determined by lot.</p> <p>(3) (i) At the Annual General Meeting at which a Director retires as aforesaid, the Company may fill up the vacancy by appointing the retiring Director or some other person thereto.</p> <p>(ii) If the place of the retiring Director is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a National Holiday, till the next succeeding day which is not a holiday, at the same time and place.</p>

			<p>(iii) If at the adjourned meeting also, the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been re-appointed at the adjourned meeting unless :-</p> <p>at the meeting or at the previous meeting a resolution for the re- appointment of such Director has been put to the meeting and lost;</p> <p>the retiring Director has, by a notice in writing addressed to the Company or its Board, expressed his unwillingness to be so re-appointed;</p> <p>he is not qualified or is disqualified for appointment;</p> <p>a resolution, whether special or ordinary, is required for his appointment or re-appointment by virtue of any provisions of the said Act; or</p> <p>Section 162 is applicable to the case. The Board shall have the power to determine the directors whose period of office is or is not liable to determination by retirement of directors by rotation.</p>
Same individual may be Chairperson and Managing Director / Chief Executive Officer			(1) The same individual may, at the same time, be appointed as the Chairperson of the Company as well as the Managing Director or Chief Executive Officer of the Company.
Remuneration of Directors	of	20.3	<p>(1) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.</p> <p>(2) The remuneration payable to the directors, including any managing or whole time director or manager, if any, shall be determined in accordance with and subject to the provisions of the Act by an ordinary resolution passed by the Company in general meeting.</p> <p>(3) In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them-</p> <p>(a) in attending and returning from meetings of the Board or any committee thereof or general meetings of the Company; or</p> <p>(b) in connection with the business of the Company</p>
Remuneration to require shareholders' consent			
Travelling and other expenses			
Execution of negotiable instruments	of	20.4	All cheques, promissory notes, drafts, <i>hundis</i> , bills of exchange and other negotiable instruments and all receipts for monies paid to the Company, shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.
Appointment of additional directors	of	20.5	<p>(1) Subject to the provisions of the Act, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles.</p> <p>(2) Such person shall hold office only up to the date of the next annual general meeting of the Company but shall be eligible for appointment by the Company as a director at that meeting subject to the provisions of the Act.</p>
Duration of office of additional director			
Appointment of alternate director	of	20.6	<p>(1) The Board may appoint an alternate director to act for a director (hereinafter in this Article called "the Original Director") during his absence for a period of not less than three months from India. No person shall be appointed as an alternate director for an independent director unless he is qualified to be appointed as an independent director under the provisions of the Act.</p> <p>(2) An alternate director shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to</p>
Duration of office of alternate director			

India.

Re-appointment provisions applicable to Original Director

- (3) If the term of office of the Original Director is determined before he returns to India the automatic reappointment of retiring directors in default of another appointment shall apply to the Original Director and not to the alternate director.

Appointment of director to fill a casual vacancy 20.7

- (1) If the office of any director appointed by the Company in general meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, be filled by the Board at a meeting of the Board.

Duration of office of director appointed to fill casual vacancy

- (2) The director so appointed shall hold only up to the date up to which the director in whose place he is appointed would have held office if it had not been vacated.

Appointment of independent directors and proportion to retire by rotation 20.8

- (1) The Company shall appoint such number of Independent Directors as it may deem fit, for a term specified in the resolution appointing him. Subject to Section 152 of the Act, an independent director may be appointed to hold office for a term of up to five consecutive years on the Board of the Company and shall be eligible for re-appointment on passing of special resolution and such other compliances as may be required in this regard. No independent director shall hold office for more than two consecutive terms. The provisions relating to retirement of directors by rotation shall not be applicable to appointment of independent director.
- (2) Not less than two-thirds of the total number of Directors of the Company shall:
- (i) be persons whose period of office is liable to determination by retirement of Directors by rotation; and
 - (ii) save as otherwise expressly provided in the said Act; be appointed by the Company in general meeting.

Explanation:- for the purposes of this Article “total number of Directors” shall not include independent directors appointed on the Board of the Company.

- (3) The remaining Directors of the Company shall also be appointed by the Company in general meeting.

Removal of Director 20.9

The Company may by an ordinary resolution remove any Director (not being a Director appointed by the Tribunal in pursuance of Section 242 of the Act) in accordance with the provisions of Section 169 of the Act. A Director so removed shall not be re-appointed a Director by the Board.

21. POWERS OF BOARD

General powers of the Company vested in Board 21.1

The management of the business of the Company shall be vested in the Board and the Board may exercise all such powers, and do all such acts and things, as the Company is by the memorandum of association or otherwise authorized to exercise and do, and, not hereby or by the statute or otherwise directed or required to be exercised or done by the Company in general meeting but subject nevertheless to the provision of the Act and other laws, and of the memorandum of association and these Articles and to any regulations, not being inconsistent with the memorandum of association and these Articles or the Act, from time to time made by the Company in a general meeting provided that no such regulation shall invalidate any prior act of the Board which would have been valid if such regulation had not been made.

<i>Power to be exercised by Board at Meeting only</i>	21.2	<p>Subject to Section 179 of the Act, the Board shall exercise the following powers on behalf of the Company and it shall do so only by means of a resolution passed at a meeting of the Board:</p> <p>the power to make calls on shareholders in respect of money unpaid on their shares;</p> <ul style="list-style-type: none"> a) the power to issue securities, including debentures, whether in or outside India; b) the power to borrow money; c) the power to invest the funds of the Company; and d) the power to grant loans or give guarantee or provide security in respect of loans. e) to authorise buy-back of securities under section 68. f) to approve financial statement and the Board's report g) to diversify the business of the company. h) to approve amalgamation, merger or reconstruction i) to take over a company or acquire a controlling or substantial stake in another company j) to appoint or remove key managerial personnel (KMP) k) to take note of appointment(s) or removal(s) of one level below the Key Management Personnel l) to appoint internal auditors and secretarial auditor m) to take note of the disclosure of director's interest and shareholding to buy, sell investments held by the company (other than trade investments), constituting five percent or more of the paid up share capital and free reserves of the investee company.
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22. PROCEEDINGS OF THE BOARD

<i>When meeting to be convened</i>	22.1	(1) The Board may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.
<i>Who may summon Board meeting</i>		(2) The Chairperson or any one Director with the previous consent of the Chairperson may, or the company secretary on the direction of the Chairperson shall, at any time, summon a meeting of the Board.
<i>Quorum for Board meetings</i>		(3) The quorum for a Board meeting shall be as provided in the Act.
<i>Participation at Board meetings</i>		(4) The participation of Directors in a meeting of the Board may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.
<i>Questions at Board meeting how decided</i>	22.2	(1) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.
<i>Casting vote of Chairperson at Board meeting</i>		(2) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.
<i>Directors not to act when number falls below minimum</i>	22.3	The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum or of summoning a general meeting of the Company, but for no other purpose.

<i>Who to preside at meetings of the Board</i>	22.4	<p>(1) The chairperson of the Company shall be the Chairperson at meetings of the Board. In his absence, the Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.</p> <p>(2) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.</p>
<i>Directors to elect a Chairperson</i>		
<i>Delegation of powers</i>	22.5	<p>(1) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such shareholder or shareholders of its body as it thinks fit.</p> <p>(2) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.</p> <p>(3) The participation of directors in a meeting of the committee may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.</p>
<i>Committee to conform to Board regulations</i>		
<i>Participation at Committee meetings</i>		
<i>Chairperson of Committees</i>	22.6	<p>(1) A committee may elect a Chairperson of its meetings unless the Board, while constituting a committee, has appointed a Chairperson of such committee.</p> <p>(2) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the shareholders present may choose one of their shareholders to be Chairperson of the meeting.</p>
<i>Who to preside at meetings of Committee</i>		
<i>Committee to meet</i>	22.7	<p>(1) A committee may meet and adjourn as it thinks fit.</p> <p>(2) Questions arising at any meeting of a committee shall be determined by a majority of votes of the shareholders present.</p> <p>(3) In case of an equality of votes, the Chairperson of the committee shall have a second or casting vote.</p>
<i>Questions at Committee meeting how decided</i>		
<i>Casting vote of Chairperson at Committee meeting</i>		
<i>Acts of Board or Committee valid notwithstanding defect of appointment</i>	22.8	<p>All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified or that his or their appointment had terminated, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.</p>
<i>Passing of resolution by circulation</i>	22.9	<p>Save as otherwise expressly provided in the Act, a resolution in writing, signed, whether manually or by secure electronic mode, by a majority of the shareholders of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.</p>

23. KEY MANAGERIAL PERSONNEL

<i>Chief Executive Officer, etc.</i>	23.1	Subject to the provisions of the Act,- (a) A chief executive officer, manager, company secretary and chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary and chief financial officer so appointed may be removed by means of a resolution of the Board; the Board may appoint one or more chief executive officers for its multiple businesses. (b) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.
<i>Director may be chief executive officer, etc.</i>		

24. STATUTORY AUDIT

<i>Appointment of Subsequent Auditor</i>	24.1	The Statutory Auditors will be appointed for 5 Years and subject to ratification at the Annual General Meeting.
<i>Remuneration of Auditor</i>	24.2	The remuneration of the statutory auditor shall be fixed by the Company in the general meeting or in such manner as the Company in the general meeting may determine. In case of statutory auditor appointed by the Board, his remuneration shall be fixed by the Board.
<i>Casual vacancy in Auditor's office</i>	24.3	The Board may shall fill casual vacancy in the office of statutory auditor within 30 (thirty) days but while any such vacancy continues, the remaining auditors, if any may act, but where such vacancy is caused by the resignation of an auditors, the vacancy shall be filled up by the Company in general meeting such appointment shall be approved by the company at a general meeting convened within 3 (three) months of the recommendation of the Board.
<i>General provisions of the Act to apply</i>	24.4	The provisions contained in Sections 139 to 148 of the Act, shall apply.

25. REGISTERS

<i>Statutory registers</i>	25.1	The Company shall keep and maintain at its registered office all statutory registers namely, register of charges, register of members, register of debenture holders, register of any other security holders, the register and index of beneficial owners and annual return, register of loans, guarantees, security and acquisitions, register of investments not held in its own name and register of contracts and arrangements for such duration as the Board may, unless otherwise prescribed, decide, and in such manner and containing such particulars as prescribed by the Act and the Rules. The registers and copies of annual return shall be open for inspection during 11.00 a.m. to 1.00 p.m. on all working days, other than Saturdays, at the registered office of the Company by the persons entitled thereto on payment, where required, of such fees as may be fixed by the Board but not exceeding the limits prescribed by the Rules.
<i>Foreign register</i>	25.2	(a) The Company may exercise the powers conferred on it by the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of the Act) make and vary such regulations as it may think fit in respect to the keeping of any such register. (b) The foreign register shall be open for inspection and may be closed, and extracts may be taken therefrom and copies thereof may be required, in the same manner, <i>mutatis mutandis</i> , as is applicable to the register of members.

27. DIVIDENDS AND RESERVE

<i>Company in general meeting may declare dividends</i>	27.1	The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board but the Company in general meeting may declare a lesser dividend.
<i>Interim dividends</i>	27.2	Subject to the provisions of the Act, the Board may from time to time pay to the shareholders such interim dividends of such amount on such class of shares and at such times as it may think fit.
<i>Dividends only to be paid out of profits</i>	27.3	(1) The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applied for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising dividends; 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.
<i>Carry forward of profits</i>		(2) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.
<i>Division of profits</i>	27.4	(1) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.
<i>Payments in advance</i>		(2) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this Article as paid on the share.
<i>Dividends to be apportioned</i>		(3) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.
<i>No shareholder to receive dividend whilst indebted to the Company and Company's right to reimbursement therefrom</i>	27.5	<p>(1) The Board may deduct from any dividend payable to any shareholder all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.</p> <p>(2) The Board may retain dividends payable upon shares in respect of which any person is, under Article 7 hereinbefore contained, entitled to become a shareholder, until such person shall become a shareholder in respect of such shares.</p> <p>(3) Where the Company has declared a dividend but which has not been paid or claimed within 30 days from the date of declaration, the Company shall, within seven days from the date of expiry of the 30 day period, transfer the total amount of dividend which remains so unpaid or unclaimed, to a special account to be opened by the Company in that behalf in any scheduled bank to be called "Unpaid Dividend Account".</p> <p>The Company shall transfer any money transferred to the unpaid dividend account of the Company that remains unpaid or unclaimed for a period of seven years from the date of such transfer, to the Investor Education and Protection Fund established under the Act.</p> <p>The Board shall not forfeit unclaimed dividends before the claim becomes barred by law.</p>

<i>Dividend remitted</i>	<i>how</i>	27.6	(1) Any dividend, interest or other monies payable in cash in respect of shares may be paid by electronic mode or by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.
<i>Instrument payment</i>	<i>of</i>		(2) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
<i>Discharge Company</i>	<i>to</i>		(3) Payment in any way whatsoever shall be made at the risk of the person entitled to the money paid or to be paid. The Company will not be responsible for a payment which is lost or delayed. The Company will be deemed to having made a payment and received a good discharge for it if a payment using any of the foregoing permissible means is made.
<i>Receipt of one holder sufficient</i>		27.7	Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.
<i>No interest on dividends</i>	<i>on</i>	27.8	No dividend shall bear interest against the Company.
<i>Waiver of dividends</i>		27.9	The waiver in whole or in part of any dividend on any share by any document (whether or not under Seal) shall be effective only if such document is signed by the shareholder (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Board.

28. ACCOUNTS

<i>Inspection by Directors</i>		28.1	(1) The books of account and books and papers of the Company, or any of them, shall be open to the inspection of directors in accordance with the applicable provisions of the Act and the Rules.
<i>Restriction on inspection by shareholders</i>			(2) No shareholder (not being a director) shall have any right of inspecting any books of account or books and papers or document of the Company except as conferred by law or authorised by the Board.

29. WINDING UP

<i>Winding up of Company</i>		29.1	<p>Subject to the applicable provisions of the Act and the Rules made thereunder-</p> <p>(a) if the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the shareholders, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.</p> <p>(b) for the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the shareholders or different classes of shareholders.</p> <p>(c) the liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no shareholder shall be compelled to accept any shares or other securities whereon there is any liability.</p>
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PART B

34. BUSINESS AND BUSINESS PLAN

Business of the Company 34.1 The Company shall engage in the Business, as being carried out on the date of execution of SHA, or such other activities as may be determined by the Shareholders from time to time, subject to applicable Law. The Company shall function in accordance with the business plan. The Company will ensure that the Company Subsidiaries continue to carry on, engage in their respective business as on the date of execution of SHA, or such other activity, as may be determined by the Company (as a Shareholder) from time to time, subject to applicable Law and in accordance with the terms of these Articles.

The parties agree and acknowledge the fundamental and vital position of the Mr. Gagan Deep Singh Dugal (“Promoter No.1”) in the successful execution of the Business and accordingly, the Promoter No.1 undertakes to devote his substantial time, attention, skill, knowledge, expertise, know-how to the Business of the Company/ the Company Subsidiaries, as may be required from time to time.

Business Plan 34.2 The Parties will procure that the Board considers and adopts a business plan (including capital expenditure as per the business plan). The Parties agree that the business plan shall be mutually reviewed and agreed on an annual basis.

35. MORE FAVORABLE RIGHTS

More Favorable Rights 35.1 Without prior consent of the Investor, the Company shall not provide to any Person (including any of the existing Shareholder), any rights more favorable than those provided to the Investor in terms of these Articles. The Company agrees, acknowledges and undertakes that the rights and entitlements of the Investor as set out in these Articles shall stand in preference and be given priority over any other Articles shall stand in preference and be given priority over any other rights and entitlements given to any existing Shareholders.

36. PREEMPTIVE RIGHTS

Preemptive Rights 36.1 Subject to Article 38 below, the Company shall give the Investor and each Existing Shareholder (each, a “Preemptive Rightholder”) notice (a “New Issue Notice”) of any proposed issuance by the Company of any Equity Shares, preference shares or any rights, options, warrants, debentures, securities or instruments entitling the holder thereof to receive, subscribe, convert into or exchange for Equity Shares of the Company (“New Securities”) to any Person (each, a “Proposed Recipient”) at least 30 (thirty) Business Days prior to the proposed issuance date. A New Issue Notice shall specify the type, number and description of the New Securities to be sold, the price at which such New Securities are to be issued, the identity of the Proposed Recipient(s) and the other key terms and conditions of the issuance. Upon receipt of a New Issue Notice, each Preemptive Rightholder shall be entitled to purchase up to its Pro Rata Share of the New Securities proposed to be issued (the “Preemptive Shares”), at the price and on the terms specified in the New Issue Notice.

36.2 If a Preemptive Rightholder elects to purchase all or any portion of its Preemptive Shares, it shall deliver notice to the Company (a “Preemption

Notice”) of its election to purchase such Preemptive Shares within 15 (fifteen) Business Days of receipt of the New Issue Notice. The Preemption Notice shall specify the number (or amount) of Preemptive Shares to be purchased by such Preemptive Rightholder and shall constitute exercise by such Preemptive Rightholder of its rights under Article 36.1 to purchase, at the price and on the terms specified in the New Issue Notice, the Preemptive Shares specified in the Preemption Notice. If, at the expiry of such 15 (fifteen) Business Day period, a Preemptive Rightholder shall not have delivered a Preemption Notice to the Company, such Preemptive Rightholder shall be deemed to have waived all of its rights under Article 36.1 with respect to the purchase of the Preemptive Shares.

- 36.3 If any Preemptive Rightholder fails to exercise its preemptive rights under Article 36.1 or elects to exercise such rights with respect to less than all of such Preemptive Rightholder’s Pro Rata Share, the Company shall notify each of the other Preemptive Rightholders who has delivered a Preemption Notice to exercise its rights to purchase its entire Pro Rata Share, that such other Preemptive Rightholders shall be entitled, within 10 (ten) Business Days of receipt of such notice from the Company, to purchase from the Company an additional Prorata portion (Which means the fraction that results from dividing (i) the number of Equity Shares of the Company (calculated on a Fully-Diluted basis) held by such Preemptive Rightholder immediately before giving effect to the issuance by (ii) the number of Equity Shares (calculated on a Fully-Diluted basis) held by all Preemptive Rightholders exercising in full their preemptive rights with respect to their respective Pro Rata Shares) of such New Securities with respect to which a Preemptive Rightholders shall not have exercised its preemptive rights. If after the exercise by the Preemptive Rightholders of its right to purchase from the Company, an additional pro rata portion, in accordance with the preceding sentence, there still exist some New Securities, the Company shall have right to offer such New Securities to a Third Party on the same terms and conditions as offered to Preemptive Rightholders. It is clarified that for the Preemptive Rightholders exercising its rights to purchase the additional pro rata portions shall be required to do so within 10 (ten) Business Days of receipt of such notice from the Company.
- 36.4 Subject to applicable law, the Company shall have 60 (thirty) days from receipt of Share application money to consummate the proposed issuance of any or all of such New Securities that the Preemptive Rightholders have not elected to purchase at the price and upon terms that are not materially less favorable to the Company than those specified in the New Issue Notice, provided that, each transferee to whom New Securities are issued shall have agreed in writing as a condition to acquiring such New Securities to be bound by the terms of these Articles by executing a Deed to Adherence as a New Shareholder; provided, further, that if such issuance is subject to Governmental Approval. If company is not able to allot the securities within that period, it shall repay the application money to the subscribers within fifteen days from the date of completion of sixty days and if the company fails to repay the application money within the aforesaid period, it shall be liable to repay that money with interest at the rate of twelve per cent per annum from the expiry of the sixtieth day. If the Company proposes to issue any such New Securities after such 60 days (Sixty days), it shall again comply with the procedures set forth in this Article 36.
- 36.5 At the consummation of the issuance of such New Securities in accordance

with Article 36.4 above, the Company shall, free and clear of all Encumbrances, issue certificates representing the New Securities, or issue necessary instructions to the depository to Transfer into the account of the respective Shareholder or the Third Party, in accordance with the Article 36.3 above. New Securities of the Company purchased by each Shareholder exercising preemptive rights pursuant to this Article 36 and registered in the name of such Shareholder, against payment by such Shareholder of the purchase price for such New Securities in accordance with the terms and conditions as specified in the New Issue Notice.

37. EXEMPT SECURITIES

<i>Exempt Securities</i>	37.1	The preemptive rights contained in Articles 36 (Preemptive Rights) shall not apply to Equity Shares of the Company issued: (a) pursuant to the SSPA, (b) the conversion of the Existing Shareholders Warrants in accordance with the SSPA or the Warrant Certificates, (c) as a stock dividend including pursuant to the employee stock option plan of the Company, (d) pursuant to conversion of fully convertible debentures, if any held by the Existing Shareholders, (e) pursuant to a IPO conducted in accordance with the terms of these Articles, (f) under section 62 of the Act to a Third Party after receipt of a written approval of the Investor; provided that such issuance must be consummated (A) within 60 (Sixty) days from the receipt of the share application money and (B) at such price that is not less than the price approved by the Investor and upon terms and conditions otherwise not more favorable than the terms and conditions approved by the Investor.
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38. ANTI DILUTION RIGHTS

<i>Anti Dilution Rights</i>	38.1	Notwithstanding anything contained in these Articles, prior to the IPO, the Investor will be protected against any dilution of its shareholding in the Company in the event of any increase in the share capital of the Company in the event of any increase in the share capital of the Company, issuance of any new Equity Shares, preference shares or any rights, options, warrants, debentures, securities, appreciation rights or instruments entitling the holder thereof to receive, subscribe, convert into and/or exchange for, Equity Shares, or bonus shares or share Dividends, share split, consolidation of shares, recapitalization or reorganization, Transfer of equity shares or any other instruments convertible into Equity Shares to any other Person, and such other events ("Anti-Dilution Event"). The Parties agree and there shall be no Anti-Dilution Event by the Company without the prior written consent of the Investor. It is clarified that nothing in this Articles will apply pursuant to: (a) conversion of the Existing Shareholders Warrants in accordance with the SSPA or the Warrant Certificates; (b) Issuance of stock options under the employee stock option plan of the Company; or (c) conversion of fully convertible debentures, if any held by the Existing Shareholders.
	38.2	Notwithstanding anything to the contrary contained herein, it is clarified that nothing in this Article 38 shall apply to any Equity Shares already vested/allocated under the employee's stock option scheme of the Company.
	38.3	It is understood that any future investment by any other Third Party shall not in any manner affect the rights granted to the investor under this Article and at all times, the Company and the Existing Shareholders shall ensure

that the rights available to the Investor shall rank in priority to the rights of the new Third Party investors, if any.

39. TRANSFER AND TRANSMISSION OF SHARES

*Limitation on
Transfer*

- 39.1
- (1) All Transfers of Equity Shares by any Shareholder will only be in compliance with the provisions of these Articles.
 - (2) Notwithstanding any other provision under these Articles, it is agreed, acknowledged and undertaken by the Existing Shareholders that they will not, save as provided in Article 39.3 (Permitted Transfers), without the prior written consent of the Investor, Transfer in aggregate to any Person at any time prior to the IPO conducted in accordance with the terms of these Articles, any Equity Shares in excess of 5% (five percent) (either individually or collectively) of the Equity Share Capital (“Permitted Transfer by Existing Shareholders”)
 - (3) Any attempt to Transfer any such Equity Shares or any rights there under in violation of this Article 39.1 (Limitation on Transfer) will be null and void ab initio. Any such Transfer not made in accordance with these Articles will not be recorded in the books of the Company and will not be recognized by the Company.
 - (4) Notwithstanding anything to the contrary in the Articles, no direct or indirect sale, assignment, disposition, and exchange, pledge, encumbrance, hypothecation, or other Transfer of any equity or equity-linked securities in the Investor (other than a direct Transfer or pledge of shares of the Investor to a Competitor) will constitute a Transfer with respect to any Equity Shares.

Right of First Offer

- 39.2
- (1) If at any time, any Shareholder desires to Transfer all or any portion of the Equity Shares (of the Company) held by it, the (selling) Shareholder (a “Selling Shareholder”) will deliver to all the other Shareholders a written notice (a “ROFO Notice”) setting forth the number of Equity Shares proposed to be Transferred (the “ROFO Shares”).
 - (2) The other Shareholder will have the right, by way of written notice (a “ROFO Notice of Acceptance”) to the Selling Shareholder within 15 (fifteen) days (unless extended by another 15 (fifteen) days by way of a written request, which request will not be unreasonably withheld) following the date of the ROFO Notice (the “ROFO Acceptance Period”) to effect to purchase all (but not less than all) of the ROFO Shares. The ROFO Notice of Acceptance shall set forth a price per Equity Share (the “ROFO Price”) at which the other Shareholder agrees to purchase all of the ROFO Shares pursuant to this Article 39.2 (Right of First Offer).
 - (3) Upon receipt of the ROFO Notice of Acceptance, the Selling Shareholder shall have the option, at its sole discretion and within 45 (forty five) days following the expiration of the ROFO Acceptance Period to:
 - (i) Transfer to the other Shareholder all of the ROFO Shares at the ROFO Price free and clear of all Encumbrances in accordance with Article 39.2(4) below; or

(ii) Transfer the ROFO Shares to any Person (excluding a Competitor) at a price that is not less than the ROFO Price, provided in case of (ii) (sale to my Person other than a Competitor) the Selling Shareholders, will consummate the Transfer of the ROFO Shares within 90 (ninety) days following the expiration of the ROFO Acceptance Period (which 90 ninety) day period shall be extended if such Transfer is subject to any Government Approval until the expiration of 120 (one hundred and twenty) days after all such approvals have been received, but in no event later than 180 (one hundred and eighty) days following the expiration of the ROFO Acceptance Period) (“Third Party Acquisition of ROFO Shares”).

- (4) If the Selling Shareholder exercises its option to Transfer to the other Shareholder the ROFO Shares at the ROFO Price, the Selling Shareholder will pay to the other Shareholder the aggregate ROFO Price in cash for all of the ROFO Shares and such Selling Shareholder shall Transfer, free and clear of all Encumbrances, to the other Shareholder the ROFO Shares within 45 (Forty Five) days following completion of the ROFO Acceptance Period; provided that, if the Transfer of the ROFO Shares is subject to any prior Governmental Approval, the time period during which such Transfer may be consummated shall be extended until the expiration of 120 (one hundred and twenty) days after all such Governmental Approvals shall have been received, but in no event shall such period be extended for more than an additional 180 (one hundred and eighty) days.
- (5) In the event the other Shareholder (a) fails to deliver the ROFO Notice of Acceptance within the ROFO Acceptance Period; or (b) communicate to the Selling Shareholder, by way of notice that it is not willing or desirous of purchasing the ROFO Shares; or (c) fails to respond to the Selling Shareholder within the ROFO Acceptance Period; or (d) fails to complete the share purchase within the ROFO Acceptance Period except when such Failure is owing to any regulatory / Government Approval or owing to any default of the Selling Shareholder, the Selling Shareholder shall have the absolute right to sell the ROFO Shares to any person other than a Competitor at any price.
- (6) In the event the other Shareholder fails to pay the ROFO Price within the time period mentioned in this Article 39.2, the Selling Shareholder shall have the absolute right to sell the ROFO Shares to any Person not being a Competitor at any price at any time.
- (7) In the event of the sale of ROFO Shares by the Existing Shareholders (individually or collectively) to a Person pursuant to Article 39.2(3)(ii) above (safe to any Person other than a Competitor), the Existing Shareholders will, in addition to the compliance of the conditions prescribed in this Article 39.2, also give a notice to the Investor, simultaneous with the acceptance by the Existing Shareholders of the offer of such Person to acquire the ROFO Shares (“Notice of Sale”), including the price at Which the ROFO Shares are being acquired by such Person (“Transfer Price”).

Permitted Transfers 39.3

- (1) Any Shareholders may at any time sell any or all of its Equity Shares to one or more of its Affiliates Without the consent of the Board or the

other Shareholder and without compliance with Article 40.1 (Tag Along Right) so long as the transferring Shareholders has given prior written notice to the other Parties and such Affiliate shall have agreed in writing to be bound by the terms of these Articles by executing a Deed of Adherence; provided, that if such Affiliate ceases to be an Affiliate of the transferring Shareholder, the Equity Shares sold shall be immediately transferred to the transferring Shareholder or another Person who qualifies as an Affiliate of the (then) transferring Shareholder.

- (2) Subject to Article 39.2 (Right of First Offer) the Existing Shareholders will also be permitted to Transfer up to 5% (five percent) in aggregate (either Individually or collectively) of the Equity Share Capital, in accordance with the terms of these Articles, at any time prior to the IPO without prior written consent of the Investor.
- (3) Promptly after any Transfer, the name of such transferee(s) shall be entered in the register of shareholders of the Company upon the submission of the requisite documents to the Company in accordance with applicable Law and the relevant share certificates shall be delivered to such transferee(s), or necessary instructions shall be issued to the depository to Transfer into the account of the transferee(s) Equity Shares purchased by such transferee(s) pursuant to the provisions of this and any all other actions necessary shall be taken to effect such transfer.

40. TAG-ALONG RIGHT

<i>Tag-along Rights</i>	40.1	Except for any Transfer pursuant to Article 39.3(1) (Permitted Transfers), none of the Existing Shareholders (each, a “Tag-Along Offeror Shareholder”) shall, directly or indirectly, Transfer any ROFO Shares to any Person without also delivering a Notice of Sale to the Investor and complying with the provisions of this Article 40.1 (“Tag-Along Right”)
<i>Proportionate Tag-along right</i>	40.1.1	Without prejudice to rights of the Investor under Article 39.2 (Right of the First offer) (and notwithstanding the Investor not electing to purchase the ROFO Shares), the Investor will, after receipt of Notice of sale, have a right for a period of 30 (thirty) Business Days from the date of Notice of Sale (“Tag-Along Sale Period”) to participate in the sale by the Existing Shareholders to a (third) Person (“Transferee”), at the Transfer Price (or such greater price at which the ROFO Shares may be actually sold to the Transferee) (the “Tag-Along Sale”), in proportion to the ROFO Shares being sold by the Existing Shareholders till the time sale of such ROFO Shares does not result in shareholding of the Existing Shareholders falling below 51% (fifty one percent) of the Equity Share Capital.
<i>Non-Proportionate Tag-Along Right</i>	40.1.2	In the case of sale of ROFO Shares by the Existing Shareholders (either individually or collectively) result in their shareholding falling below 51% (fifty one percent) of Equity Share Capital, then without prejudice to rights of the Investor under Article 39.2 (Right of First Offer) (and notwithstanding the Investor not electing to purchase the ROFO Shares), the Investor will, after receipt of Notice of Sale, during the Tag-Along Sale Period, have a right to participate in the sale of all the Equity Shares held by it in Tag-Along Sale, at the Transfer Price (or such greater price at which the ROFO Shares may be actually sold to the Transferee).

- 40.1.3 The Investor may exercise its rights under Article 40.2 (Proportionate Tag Along Right) and Article 40.3 (Non-Proportionate Tag Along Right) by delivering a written notice to the Tag-Along Offeror or Shareholder, within 30 (thirty) Business Days from the date of the receipt of the Notice of Sale (“Tag Along Sale Notice”), setting forth the number of Equity Shares such Investor wishes to sell in the Tag-Along Sale (the “Participating Shares”).
- 40.1.4 The consummation of the sale of the ROFO Shares by the Tag-Along Offeror Shareholder to the Transferee in a Tag-Along Sale shall occur simultaneously with (and be conditioned upon) the consummation of the sale of the Participating Shares by the Investor shall be at the same price (which shall be not less than the Transfer Price) that, and subject to the same terms and conditions on which, the Transferee shall have agreed to purchase the ROFO Shares from the Tag-Along Offeror Shareholder, and containing such other provisions as may be required by applicable Law to allow the Investor to sell its Participating Shares to the Transferee; provided that investor shall not be required to provide:
- (i) representations and warranties other than with respect to itself and the Equity Shares that it proposes to sell under this Article 40 (Tag Along Right); or
- (ii) any indemnity or and joint and several obligation in connection with a sale under this Article 40 (Tag Along Right).
- 40.1.5 If at the end of Tag-Along Sale Period, Tag-Along Sale is subject to any Governmental Approval until the expiration of 120 (one hundred and twenty) Business Days after all such approvals have been received, but in no event later than 180 (one hundred and eighty) days following expiration of such Tag-Along sale Period, the Tag-Along Offeror Shareholder and Investor have not completed the Transfer of all Equity Shares proposed to be sold by the Tag-Along Offeror Shareholder and the Investor in accordance with this Article 40 (Tag Along Right), then all the restrictions on Transfer contained in these Articles or otherwise applicable at such time with respect to such Equity Shares shall continue in effect.
- 40.1.6 The Investor shall:
- (i) not be obligated to pay any expenses incurred in connection with any unconsummated Tag-Along Sale; and
- (ii) be obligated to pay only their Pro Rata Share (based on the number of Tag-Along Participating Shares Transferred) of expense incurred in connection with a consummated Tag-Along Sale to the extent such expenses are incurred for the benefit of all of the relevant shareholders of the Company and are not otherwise paid by the Company or another Person.
- Procedures* 40.2 The Company shall, and the Existing Shareholders shall cause the Company to, complete and file in a timely manner all forms, reports and documents as may be required to be filed with any Governmental Authority, as required by applicable Law, with respect to any Transfer pursuant to Article 39.2 (Right of First Offer) and this Article 40 (Tag Along Right), to the extent applicable.
- Extension of Time* 40.3 In the event that the time periods stipulated in this Article 40 (Tag Along Right) for the Investor to consummate any Transfer of Equity Shares are

extended for the purpose of obtaining any prior Governmental Approvals (in accordance with this Article 40), then (i) each Shareholder shall reasonably cooperate with each other to promptly apply for such Governmental Approvals and (ii) the Company, and each of the Existing Shareholder shall use its best efforts to assist the Investor to obtain such Governmental Approvals as soon as practicable.

Deed of Adherence 40.4 Any Person to whom Equity Shares are Transferred pursuant to this Article 40 (Tag Along Right) shall agree in writing to be bound by the terms and conditions of these Articles as a New Shareholder by executing a Deed of Adherence and will have all the rights, obligations and privileges of a New Shareholder.

Avoidance of Restrictions 40.5 Each Existing Shareholder and the New Shareholder agrees that it shall not, and shall not be able to, avoid any of the Transfer restrictions on the Existing Shareholders and the Investor contained in these Articles, including restrictions contained in Article 39.2 (Right of First Offer) and Article 40 (Tag-Along Right), by holding any Equity Shares indirectly through a company or other entity that can itself be sold or in which shares or interests can be transferred in order to dispose of an interest in Equity Shares free of restrictions. Any Transfer or other disposal of any shares (or other interest) of Existing Shareholder or New Shareholder or of any company (or other entity) having control over such Existing Shareholder or New Shareholder shall be treated as being a Transfer of the Equity Shares held by such Existing Shareholder or New Shareholder, and the provisions to these Articles that apply in respect of the Transfer of Equity Shares shall thereupon apply.

41. INITIAL PUBLIC OFFERING

41.1 It is the intention of the Parties that the Company will consummate an IPO on or before September 30, 2015 (“IPO Date”) in consultation with a reputable investment banking firm as selected by the Board. The Company and the Existing Shareholders will use their respective best efforts to cause the Company to consummate an IPO on or prior to the IPO Date.

41.2 The Company shall bear and pay all expenses incurred in connection with an IPO, including all registration, filing and qualification fees, and printers, legal and accounting fees and disbursements. In connection with an IPO and otherwise, the Company and the Existing Shareholders shall take all such actions and exercise all their rights and powers to ensure that the Investor (i) is not deemed as promoter of the Company or part of the promoter group and (ii) is not subject to any restrictions which may be applicable to a promoter of a company unless, whether or not such actions are being taken and such rights and powers are being exercised, applicable Law mandates that the Investor is deemed as a promoter of the Company.

41.3 Each of the Company and the Existing Shareholders shall use its respective best efforts to enable the Investor to maximize the number of Equity Shares of the Company that can be offered for secondary sales as part of IPO; provided that the decision to include any Equity Shares of the Company in secondary sales to the public shall be made in consultation with the appointed merchant banker for such offering; and provided, further, that if any secondary sales are permitted to be made, the Equity Shares of the Company held by the Investor shall be included (i) on the same terms and

conditions as the primary shares offered to the public by the Company and (ii) in priority to any Equity Shares of the Company held by any other Shareholder.

- 41.4 Each of the Company and the Existing Shareholders, jointly and severally, undertake to ensure compliance with all applicable Laws in relation to any public offering by the Company (including an IPO) and the listing of the Equity Shares of the Company. Each of the Company and the Existing Shareholders, further, jointly and severally, undertakes to use its best efforts to obtain all necessary consents and approvals required for any public offering by the Company (including an IPO) and the listing of the Equity Shares of the Company.
- 41.5 Unless otherwise required to Law, the Investor shall not be required to give any warranties or indemnities to any Governmental Authority (including the Securities and Exchange Board of India), underwriter, broker, stock exchange or any other person in relation to any public offering by the Company (including an IPO).
- 41.6 No materials or information prepared in connection with any public offering by or on behalf of the Company (including an IPO), including, any offering circular, offering memorandum, prospectus, promotional and publicity materials, marketing information or other material or information prepared by or on behalf of the Company, to the extent such materials or information relate to the Investor, shall be distributed, published, filed or otherwise used in any manner, without the prior written consent of the Investor. The Investor shall have the right to require changes and modifications to be made to such materials and information.
- 41.7 If the Company's paid-up equity share capital is not adequate for listing of the Equity shares of the Company on the relevant stock exchange, then, at the request of the Investor, the Company shall, as soon as possible, if permitted by applicable Law, issue such number of bonus shares in accordance with Article 36 (Pre-emptive Rights) as may be required to comply with the listing requirements.

42. FINANCING INDEBTEDNESS

- 42.1 In the event the Company requires additional funds in order to meet its Business requirements, all such requirements shall be met by the Company in the following order of priority:
- (i) from its Business and operations;
 - (ii) through borrowings (as determined by the Investor and the Existing Shareholders) from public, private and multilateral lending institutions articles and Third Parties, at the prevailing interest rates on the basis of security provided by Company's assets of Existing Shareholders Assets ;
 - (iii) from additional capital contributions by the Shareholders in accordance with Article 36 above; and
 - (iv) from such other sources as mutually agreed between the parties.
- 42.2 Any additional financing which is to be raised by way of third party debt by the Existing Shareholders or the Company shall be raised after prior written approval of the Investor and shall be on a non-recourse basis to the Investor.

the company and the Existing Shareholders agree and acknowledge that the investor shall neither be required, liable, responsible nor obligated to give any guarantee, provide any security or to ensure repayment in relation to any loan made, debt raised or financial assistance availed by company.

43. BOARD OF DIRECTORS

<i>Numbers of Directors</i>	43.1	The number of Directors shall be minimum three and maximum fifteen. The Board shall consist of no more than 15 (Fifteen) Directors and at least one director should have stayed in India for a total period of not less than one hundred and eighty-two days in the previous calendar year. A Director shall not be required to hold any qualifying shares. Out of the total number of Directors, the Board may contain such number of Directors as Independent Directors, as may be prescribed under the applicable Law.
<i>Chairman of the Board</i>	43.2	The chairman of the Board (the “Chairman”) will be appointed by a majority of the Board. The Chairman of the Board shall not have a second or casting vote. The Chairman shall take the chair at every meeting of the Board. If at any meeting, the Chairman is not present within 30 minutes after the time appointed for holding the meeting, the other Directors present may choose one of them to be chairman of the meeting.
<i>Composition of the Board</i>	43.3	As on the Effective Date (as defined in the SHA), the size of the will be 3 (three) Directors including 1 (one) Director nominated by the Investor. As long as the Investor holds at least 10% (ten percent) of the Equity Share Capital (“Threshold Limit”), the Investor will have the right to nominate and appoint Directors (including Alternate Directors) (each an “Investor Director”) in proportion to the Investor’s Shareholding in the Company. In addition, the Investor shall also, for so long as the Investor holds the Threshold Limit be entitled to appoint 1 (one) observer on the board of directors of each Company Subsidiary (each, a “Subsidiary Board”), provided however that nothing contained in this Article 43.3 shall prejudice the right of the Investor to appoint the investor Directors on the Board in the case the Investor’s shareholding in the Equity Share Capital falls below the Threshold Limit due to issuance of New Securities to any Third Party in accordance with Article 36 and Article 38 (Preemptive Rights and Anti-Dilution Rights). It is clarified that the Investor Directors will not be considered as Independent Directors and the Investor’s right to appoint Investor Directors under this Article 43.3 shall be only for Directors other than the Independent Directors. The Existing Shareholders will have the right to jointly appoint 2 (two) Directors.
	43.4	An Investor Director shall be removed from the Board only upon the request of the Investor, and not otherwise.
	43.5	In the event that any of the Investor Directors for any reason ceases to serve as a member of the Board during his or her term of office, the Investor will have the right to appoint a different individual, pursuant to this Article 43, to fill the vacant directorship.
	43.6	The Company shall reimburse the Investor Directors and the Observer (s) for reasonable out-of-pocket expenses properly incurred in connection with the attendance of Board meetings.
	43.7	The Company and each of the Existing Shareholder agrees to cause each individual designated pursuant to Article 43.3 to be nominated to serve as a

Director, and to take all other necessary actions (including calling a special meeting of the Board and/or Shareholders) to ensure that the composition of the Board is as set forth in this Article 43.

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| | 43.8 | Each Shareholder agrees that, if at any time it is then entitled to vote for the election of Directors, it will vote its Equity Shares or execute proxies or written consents, as the case may be, and take all other necessary action (including causing the Company to call a special meeting of the Board and/or Shareholders) in order to ensure that the composition of the Board is as set forth in this Article 43. |
| <i>Alternate Director</i> | 43.9 | Each Director may appoint an alternate director (each, an “Alternate Director”), from time to time, to act in his or her absence. Such Alternate Director will be entitled, while holding office as such, to receive notices of meetings of the Board, Shareholders Meetings or any committee of the Board (if the Director who has appointed the Alternate Director is a member of such committee) and attend and vote as a Director at any such meeting at which the Director appointing him or her is not present and generally to exercise all the powers, rights, duties and authorities and to perform all functions of the Director appointing him or her. |
| <i>Committees of the Board</i> | 43.10 | The Board shall establish a compensation committee (the “Compensation Committee”) and an audit committee (the “Audit Committee”) and establishes other such committees as it shall determine. The maximum number of Directors that may be appointed to any such committee will be 5 (five). The Investor shall have the right (but not the obligation) to nominate and appoint up to 2 (two) Directors to each of the committees established by the Board, including each of the Compensation Committee and the Audit Committee. |
| <i>Compensation Committee</i> | 43.11 | <ol style="list-style-type: none">(1) The Company shall procure that the Compensation Committee is kept properly informed and receives all relevant information in a timely manner, to enable full and proper consideration of all matters within its remit: The Company will procure that all employees of and advisers to the Company will cooperate with the Compensation Committee and provide it with any information it requires.(2) The chairman of the Compensation Committee shall decide the frequency and timing of the meetings of the Compensation Committee provided that each member of the Compensation Committee shall be given not less than 10 (ten) Business Days’ notice of a proposed meeting, unless each member agrees in writing to a shorter notice period.(3) The Compensation Committee shall meet as often as its role and responsibilities reasonably require and at least once per annum to correspond with the Company’s annual salary review program.(4) The Compensation Committee may invite such officer, director, employee of, or advisor to, the Company to attend a meeting of the Compensation Committee (or any part of it) as it may determine.(5) The Compensation Committee may obtain independent legal or other professional advice on any matter within its remit. The Company will make such reasonable funds available to enable the Compensation Committee to take such legal or other advice which the Compensation |

Committee reasonably believes is necessary to obtain.

- (6) The Board shall not pass any resolution within the remit of the Compensation Committee without such resolution having been approved and recommended to the Board by the Compensation Committee.
- (7) The compensation committee will carry on all such activities as decided by the Board from time to time.

Audit Committee

43.12

- (1) The Audit Committee shall: (a) review the financial statements of the Company before publication and, as necessary, take advice to be assured that the principles and policies being considered by the Board comply with statutory requirements and with the best practices in Indian GAAP; (b) consult with the external auditors (and , if any, internal auditors) regarding the extent of their work and review with them all major points arising from the auditors' management letters and the response thereto; (c) seek to satisfy itself that the internal control and compliance environment within the Company and the Company Subsidiaries are adequate and effective; and (d) recommend to the Board the appointment and level of remuneration of the external auditors.
- (2) The Audit Committee shall operate in the same manner as the Compensation Committee.
- (3) The Company shall procure that the Audit Committee is kept properly informed and receives all relevant information in a timely manner, to enable full and proper consideration of all matters within its remit. The Company will procure that all employees of and advisers to the Company will cooperate with the Audit Committee and provide it with any information it requires.
- (4) The chairman of the Audit Committee shall decide the frequency and timing of the meetings of the Audit Committee provided that each member of the Audit Committee shall be given not less than 10 (ten) Business Days' notice of a proposed meeting, unless each member agrees in writing to a shorter notice period.
- (5) The Board shall not pass any resolution within the ambit of the Audit Committee without such resolution having been approved and recommended to the Board by the Audit Committee.

Meetings of Board

43.13

- (1) The Company will hold meetings of the Board at least quarterly to review its respective performance of the previous fiscal quarter and to decide on matters requiring the approval of the Board. However, interim Board meetings may be held as often as necessary to discuss and decide on various issued which require urgent attention of the Board.
- (2) Each Investor Director shall have the right to attend all meetings of the Board, Shareholders Meetings and meetings of any committee of the Board and shall be duly notified of such meetings in advance in the same manner as members of such meetings are notified.

Notice of Board

43.14

- The Company agrees to provide to each Director and the Investor notice

Meetings

and the agenda for each meeting of the Board and any committee thereof, and the minutes of any prior meeting thereof at least 15 (fifteen) Business Days prior to such meeting, unless otherwise agreed in writing by all Directors for a meeting with shorter notice. All such notices shall be in English and shall specify the date, time and agenda for such meeting, along with minutes of prior meetings and any presentation materials. The date, time and location of each meeting of the Board for each fiscal year shall be provided by the Company to the Investor at least 20 (twenty) Business days prior to the commencement of such fiscal year. It is clarified that all notices relating to Board meetings (including adjournments thereof) will be provided to the Investor Director at such Investor Director's residential address by way of speed post and by email, as communicated to the Company.

*Quorum for Board
and Committee
Meetings*

43.15

- (1) No quorum for a meeting of the Board and any committee thereof shall be established and no business at any meeting of the Board and any committee, shall be cancelled, unless at least 1 (one) Investor Director is present in person or represented by his/her alternate at the commencement of and throughout the meeting of the Board and committee.
- (2) Additionally, at each meeting of the board either the chief executive officer or the chief finance officer (of the company) will certify to the Board, in writing, that the Company, in its operations, has adhered to all the matters listed in Article 44.1, during the period from last meeting of the Board to the current meeting of the Board.
- (3) If a quorum is not present at a meeting of the Board or any committee thereof, in accordance with the provisions of Article 43.15(1), such meeting of the Board or any committee thereof shall be adjourned to the same time and take place 7 (seven Business Days later, provided, however, that notification of such adjourned meeting shall be duly provided to each Director or the member of such committee, as the case may be, at least 3 (three) Business Days prior to the date of such adjourned meeting. If at such adjourned Board or committee meeting a quorum is still not present within one hour from the commencement time appointed for such meeting, the Director (s) or member(s) present, as the case may be, shall constitute a quorum provided that presence of an Investor Director will be required for any Board meeting or adjourned Board Meeting in which any matter set forth in Article 44.1 (Reserved Matter) is proposed to be discussed and no resolution will be passed on any matter set forth in Article 44.1 (Reserved Matter) at such Board meeting or adjourned Board meeting without the affirmative consent of the Investor Director, so present; provided that, if , at such adjourned Board meeting the Investor Director is not present, the Board can only discuss following 4 (four) matters (as set as forth in Article 44.1 (Reserved Matter)):
 - (a) Providing guarantees or making any loans (other than in the ordinary course of business);
 - (b) Incurrence, issuance or assumption of any form of indebtedness in excess of the levels agreed upon in the annual budget, or grant of any security in the assets of the Company other than in the ordinary course of business;
 - (c) entering into, amendment or termination of any agreement or commitment that imposes or is likely to impose obligations or liabilities on the Company or any of the Company Subsidiaries to pay an amount

of Rs. 20,000,000 (Rupees Twenty Million Only) or more or provide services or products generating revenues of Rs. 50,000,000 (Rupees Fifty Million Only) or more in one calendar year, or imposes or is likely to impose on the Company or any of the Company Subsidiaries any obligation or liability, which is not capable of being quantified in monetary terms;

(d) The appointment or removal and determination of the terms of employment including compensation of Key personnel other than for Gagan Deep Singh Dugal.

Subject to Article 44.2, except for the business set forth in the notice of the original Board or committee meeting, no other business shall be transacted at such adjourned meeting. Directors and members may participate in Board or committee meetings, as the case may be, by telephone or video-conferencing or other means of contemporaneous communication, and, subject to applicable Law, such participation shall constitute presence for purpose of the quorum in accordance with the provisions of this Article 43.15.

<i>Voting at Board and Committee Meeting</i>	43.16	Except as provided in Article 43.13, 43.14, 43.15 and 44.1, the adoption of any resolution of a Board or any committee thereof, shall require: (i) the affirmative vote of a majority of the Directors present at a duly constituted meeting of such Board or committee; or (ii) in the case of a proposed resolution by circulation as provided in Article 43.17 below, written consent of the Directors as required by the Act; provided that, if there is a vacancy on the Board and an individual has been nominated to fill such vacancy, the first order of business shall be to fill such vacancy.
<i>Passing of resolution by circulation</i>	43.17	A written resolution circulated to all the relevant Directors of the Board or members of committee thereof, as required by the Act, as the case may be (provided that it has been circulated in draft form, together with the relevant papers, if any, to all such relevant Directors of the Board or members of committees thereof, as the case may be), and signed by all of them as approved, shall, subject to the compliance with the relevant requirements of applicable Law, be valid and effective as if such resolution were duly passed at a meeting of the Board or committee thereof, as the case may be, called and held in accordance with these Articles, provided, however, that if the resolution proposed to be passed by circulation pertains to any of the actions set forth in Article 44.1 (Reserved Matters) hereto, such circular resolution shall only be valid and effective if it has received the affirmative consent of the investor.

44. RESERVED MATTERS

<i>Reserved Matters</i>	44.1	Notwithstanding anything to the contrary in these Articles but subject to Articles 45.2, 45.3, 45.4, 43.13, 43.14, 43.15, 43.16, 43.17, 44.2 and 44.3, the Company shall take no action, and each of the Company, the Existing Shareholders and the New Shareholders shall procure (including, by voting its Equity Shares of the Company or any Company Subsidiary against such action (or removing and replacing such Director and arranging for another vote if such Director fails to do so) and using commercially reasonable efforts to cause the other shareholders of any Company Subsidiary, to vote against such action) that none of the Company Subsidiaries, the Board, the boards of directors of any Company Subsidiaries, the committees of the Board and the boards of directors of any Company Subsidiaries, the directors, officers, employees and agents of the Company Subsidiaries, the
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directors, officers, employees and agents of the Company and/or the Company Subsidiaries and none of their respective delegates shall take any action, directly or indirectly (in one transaction or series of related transactions), with respect to any of the matters set out below without the written consent of Investor.

(a) Acquisition of shares, assets, business, business organization or division of any other person, commencement of any new line of business, which is unrelated to the business of the Company, or making of any investment (other than short-term deposits with banking institutions), or any change in the nature of business of the Company, creation of legal entities, joint ventures or partnerships, mergers, de-mergers, spin-offs and consolidations, creation of any new subsidiaries.

(b) Providing guarantees or making any loans (other than in the ordinary course of business).

(c) Changes in capital structure of the Company or any of its Company Subsidiaries, such as, but not limited to, (i) the issuance of new equity or capital, including shares, rights, options, warrants to purchase shares (or other convertible or quasi-equity securities), (ii) increases in the authorized share capital, (iii) creation of any new class of equity securities, (iv) redemption or reduction of shares or other equity securities, (v) granting of options, or (vi) changes to rights associated with a class of securities (directly or indirectly).

(d) Sale, Transfer, assignment, mortgage, pledge, hypothecation of substantial assets of the Company and, grant of security interest in, subject to any lien, or otherwise dispose of, any assets or securities of the Company or any of its Company Subsidiaries, with a fair market value of such assets or securities exceeding Rs. 20,000,000 (Rupees Twenty million only) in a single transaction.

(e) Listing/ de-listing of the Company or any Company Subsidiary shares on any stock-exchanges or change in legal status e.g. public to private company status etc; the taking of steps towards or appointment of any advisers in connection with a potential sale or flotation (on any new stock exchanges) of securities of the Company or any Company Subsidiary.

(f) Incurrence, issuance or assumption of any form of indebtedness in excess of the levels agreed upon in the annual budget, or grant of any security in the assets of the Company other than in the ordinary course of business.

(g) Declaration or payment of dividends or other distributions on any class of equity securities of the Company.

(h) Approval, adoption, amendment or modification of the annual budget, or the taking of any action that would be inconsistent with the budget then in effect.

(i) Entering into, amendment or termination of any agreement or commitment that imposes or is likely to impose obligations or liabilities on the Company or any of its Company Subsidiaries to pay an amount of Rs. 20,000,000 (Rupees Twenty Million only) or more or provide services or products generating revenues of Rs. 50,000,000 (Rupees Fifty Million) or

more, in one calendar year, or imposes or is likely to impose on the Company or any of its Company Subsidiaries any obligation or liability, which is not capable of being quantified in monetary terms.

(j) The appointment or removal of Key Personnel; determination of the terms of their employment; compensation payable to Key Personnel (including the salary to be paid to Mr. Gagan Deep Singh Dugal from financial year(s) 2013 onwards); any significant change in the terms of the employment agreement executed with Gagan Deep Singh Dugal and other Key Personnel.

(k) Create or adopt any new or additional equity option plan, or change, modify or amend any existing equity option plan.

(l) The prosecution or settlement of legal actions or claims where the aggregate amount of all claims so prosecuted or settled would exceed Rs. 2,500,000 (Rupees Two Million and Five Hundred Thousand only).

(m) Dissolution, winding-up or liquidation of the Company or any of its Company Subsidiaries, whether or not voluntary, or any restructuring or reorganization which has a similar effect.

(n) Any amendment, supplement, modification or restatement of the Restated and Amended Charter Documents or any of its Company Subsidiaries as in effect on the date of execution of SHA.

(o) Material changes to accounting or tax policies, procedures or practices or change of internal or statutory auditors.

(p) Change of registered office.

(q) A reorganization, transformation or restructuring of the Company.

(r) Change in the size of the Board or in any procedure of the Company relating to the designation, nomination, or election of the Board; and the constitution of any committee of the Board.

(s) Capital expenditure including constructions and leases, more than INR 10,000,000 (Rs Ten Million) per annum in excess of the levels agreed upon in the annual budget.

(t) Conversion of Existing Shareholders Warrant B.

(u) Affiliated or related party transactions, agreements or arrangements between the Company and the Existing shareholders, their associates or their affiliates.

(v) Grant of a license to use the "Matrix" brand (other than for the Vodafone Business (as defined in the SHA)).

(w) Purchase or sale of investments held by the company (other than trade investments), constituting five percent or more of the paid up share capital and free reserves of the investee company.

44.2 Notwithstanding the foregoing, unless and to the extent that, at least 1 (one) Business Day prior to any Board or committee meeting or the adjournment

thereof, the Investor notifies the Company in writing that the Investor expressly disapproves a proposed action with respect to any of the matters set forth in Article 44.1 (Reserved Matters) hereto, no action shall be taken by the Board or committee at any meeting (or adjourned meeting) with respect to such proposed matter or any other matter set forth in Article 44.1 (Reserved Matters) hereto and any resolution (including resolution by circulation) approving any such action, regardless of whether a quorum is present or deemed to be present, shall be deemed to be invalid and *void ab initio*. It is clarified that if the Investor does not communicate its disapproval, it will not be a deemed approval and the proposed matter or any other matter set forth in Article 44.1 (Reserved Matters) will only be taken up and discussed at the Board or committee meeting or the adjournment thereof, as the case may be, in which the Investor Director is present and no resolution will be passed on the proposed matter or any other matter set forth in Article 44.1 (Reserved Matter) at such Board or committee meeting or the adjournment thereof, as the case may be, without the affirmative consent of the Investor Director, so present; provided that, if, at such adjourned Board meeting the Investor Director is not present, the Board can only discuss the following 4 (four) matters (as set forth in Article 44.1 (Reserved Matter)):

(a) providing guarantees or making any loans (other than in the ordinary course of business);

(b) incurrence, issuance or assumption of any form of indebtedness in excess of the levels agreed upon in the annual budget, or grant of any security in the assets of the Company other than in the ordinary course of business;

(c) entering into, amendment or termination of any agreement or commitment that imposes or is likely to impose obligations or liabilities on the Company or any of the Company Subsidiaries to pay an amount of Rs. 20,000,000 (Rupees Twenty Million only) or more or provide services or products generating revenues of Rs. 50,000,000 (Rupees Fifty Million only) or more, in one calendar year, or imposes or is likely to impose on the Company or any of the Company subsidiaries any obligation or liability, which is not capable of being quantified in monetary terms;

(d) The appointment or removal and determination of the terms of employment including compensation of key personnel other than for Gagan Deep Singh Dugal.

44.3 In the event any matter set forth in Article 44.1 (Reserved Matters) is proposed to be discussed at any Board, committee or Shareholders Meeting or any adjournment thereof, the Company and the Existing Shareholders shall provide to the Investor a written notice and the agenda for each such meeting setting forth in reasonable detail a description of such proposed matter. The Investor shall have the right, in their sole discretion, to approve or disapprove such matter within 15 (fifteen) Business Days of their receipt of such notice. If the Investor has received such notice and fails to respond within such 15 (fifteen) Business Day period, then subject to this Article 44 such matter will be considered at the relevant Board, Committee or Shareholders Meeting or any adjournment thereof in the presence of the Investor Director or the Investor, as the case may be, and the Board, committee or Shareholders shall have pass a resolution in relation to such proposed matter only with the affirmative consent of the Investor Director

or the Investor, as the case may be; provided that, if at such Board, committee or Shareholders Meeting or any adjournment thereof the Investor Director or the Investor, as the case may be, is not present, the Board, committee or Shareholders, as the case may be, can only discuss the following 4 (four) matters (as set forth in Article 44.1 (Reserved Matter)):

(a) providing guarantees or making any loans (other than in the ordinary course of business);

(b) incurrence, issuance or assumption of any form of indebtedness in excess of the levels agreed upon in the annual budget, or grant of any security in the assets of the Company other than in the ordinary course of business;

(c) entering into, amendment or termination of any agreement or commitment that imposes or is likely to impose obligations or liabilities on the Company or any of the Company subsidiaries to pay an amount of Rs. 20,000,000 (Rupees Twenty Million only) or more or provide service or products generating revenues of Rs. 50,000,000 (Rupees Fifty Million Only) or more, in one calendar year, or imposes or is likely to impose on the Company or any of the Company Subsidiaries any obligation or liability, which is not capable of being quantified in monetary terms.

(d) The appointment or removal and determination of the terms of employment including compensation of Key Personnel other than for Gagan Deep Singh Dugal.

45. GENERAL MEETINGS

<i>Annual General Meeting</i>	45.1	<p>(a) Subject to the provisions of the Act, the first annual general meeting of the Company shall be held within 9 (nine) months from the closing of the first financial year.</p> <p>(b) Each annual general meeting after the first annual general meeting of the Company shall be held within 6 (Six) months from the date of closing of the Financial Year or within such extended time as is approved by the RoC and the gap between two annual general meeting should not be more than 15 (fifteen) months.</p>
<i>Notice for Shareholders Meeting</i>	45.2	A minimum of 21 (twenty one) Business Days' prior written notice shall be given to all the Shareholders of any Shareholders Meeting, accompanied by the agenda for such meeting (unless otherwise unanimously agreed by all Shareholders for a meeting with shorter notice).
<i>Quorum of Shareholders</i>	45.3	A quorum for a Shareholders Meeting shall, subject to the requirements of the Act, include the presence of the Investor (in its capacity as a Shareholder), unless such Investor has given its prior written consent waiving the condition that its presence be required to constitute a quorum. If such a quorum is not present within half-an-hour from the scheduled commencement time for the meeting, the meeting shall adjourn to the same day in the next week at the same time and place, or to such other date and such other time and place as the Board may determine at which meeting the Shareholders present shall, subject to their constituting a valid quorum under the Act, constitute a valid quorum, <i>provided that</i> (A) where any of the actions set forth in Article 44 (<i>Reserved Matters</i>) hereto is on the agenda of

such Shareholders Meetings, the Investor will be required to be present at such adjourned shareholders meetings to constitute a valid quorum and no resolution will be passed on any of the actions set forth in Article 44 (Reserved Matters), without the affirmative consent of the

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| <i>Voting at Shareholders Meetings</i> | 45.4 | Each Shareholder agrees to vote its Equity Shares and to cause its representation the Board, subject to their fiduciary duties, to vote and take other and take other appropriate action to effect the agreements in Article 43 and 45 in respect of the Company. |
| | 45.5 | On a poll every Shareholder shall have one vote in respect of each Equity Share held by him. |

46. ACCOUNTS

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| <i>Books of Accounts</i> | 46.1 | The Company shall, and each of the Company and the Existing Shareholders shall cause the Company and the Company Subsidiaries to, maintain true books and records of account in which full and correct entries shall be made of all their respective business transactions pursuant to a system of accounting established and administered in accordance with applicable accounting norms, and shall set aside on its books all such proper accruals and reserves as shall be required under the applicable accounting norms. |
| <i>Inspection of Accounts by Shareholders</i> | 46.2 | <p>(a) The Board shall, from time to time, determine whether and to what extent and at what times and places and under what conditions or regulations the account books of the Company or any of them shall be open to the inspection of Shareholders, not being Directors.</p> <p>(b) No shareholder (not being a Director) shall have any right of inspecting any accounts or books of accounts of the Company except as conferred by law or authorized by the Board or by the Company in Shareholders Meeting.</p> |
| <i>General Provisions</i> | 46.3 | The Directors shall in all respect comply with the provisions of Sections 128, 129, 134 and 137 of the Act and a copy of the financial statements, including consolidated financial statements, if any, the auditors' report and every other document required by law to be annexed or attached, as the case may be, which are to be laid before the Company in its general meeting shall be sent to every Shareholder and every trustee for the debenture holders of the Company and to all persons being so entitled at least 21 (Twenty One) Days before the date of the general meeting of the Company at which they are to be laid. |

47. STATUTORY AUDIT

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| <i>Statutory Auditor</i> | 47.1 | Each of the Company and the Existing Shareholders shall ensure that the Company shall have appointed Grant Thornton or any of reputed big four accounting firm having presence in India, nominated by the Investor, as the statutory auditor of the Company. |
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48. FINANCIAL AND OPERATING DATA

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| 48.1 | The Company and the Existing Shareholders shall, and shall cause the Company Subsidiaries to, provide the following information to the Investor, <i>provided</i> that at any time after an IPO, the information to be provided hereunder will not include any "unpublished price-sensitive information" as |
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defined under the SEBI (Prohibition of Insider Trading) Regulations, 1992 (the “Insider Trading Regulations”)

- 48.2 As soon as available, but in any event within 60 (sixty) days after the end of each fiscal year of the Company, (i) a copy of the audited consolidated balance sheet of the Company and the Company Subsidiaries as at the end of such fiscal year and the related consolidated statements of income, statements of changes in shareholders’ equity and statements of cash flows of the Company and the Company Subsidiaries for such fiscal year, and (ii) the audited standalone balance sheet of each company subsidiary as at the end of such fiscal year and the related statements of income, shareholders equity and cash flow, in each case, together with the notes thereto for such fiscal year, all in reasonable detail and stating in comparative form the figures as at the end of, and for the previous fiscal year accompanied by an opinion of the external auditor of the company, which opinion shall state that such auditor’s audit was conducted in accordance with the applicable accounting norms and that it is not subject to any qualification resulting from a limit on the scope of the examination of the financial statements or the underlying data. All such financial statements (i) shall be true and fair in all material respects; (ii) shall be prepared by management of the Company in conformity with applicable accounting norms consistently applied; and (iii) shall be consolidated and prepared up to March 31 of each year without regard to the financial year end of each Company Subsidiary.
- 48.3 As soon as available, but in any event not later than 30 (thirty) days after the end of each quarter: (i) the un-audited consolidated balance sheet of the Company and the Company Subsidiaries as at the end of such quarter and the related unaudited consolidated statements of income, statements of changes in shareholders’ equity and statements of cash flows of the Company and the Company Subsidiaries for such quarter and for the elapsed period in such fiscal year; (ii) the unaudited standalone balance sheet of each Company Subsidiary as at the end of such quarter and the related statements of income, shareholders’ equity and cash flow, in each case, together with the notes thereto, for such quarter and for the elapsed period in such fiscal year, all in reasonable detail and stating in comparative form the figures as of the end of and for the comparable periods of the preceding fiscal year and budgeted figures for the period. All such financial statements shall be true and fair in all material respects and shall be prepared in conformity with the applicable accounting norms and applied on a consistent basis throughout the periods reflected therein except as stated therein.
- 48.4 As soon as available, but in any event not later than 15 (fifteen) days after the end of each quarter; (i) the quarterly operating statistics of the Company as at the end of such fiscal quarter; (ii) a brief narrative description prepared by management of the results of operations of the Company and the Company Subsidiaries during such fiscal quarter, including the identification of relevant trends in the business of the Company and the Company Subsidiaries and the financial condition of the Company and the Company Subsidiaries; (iii) a schedule setting forth the capital expenditures of the Company and each Company Subsidiary for such fiscal quarter; and (iv) a schedule setting forth the type, amount and description of financial indebtedness of the Company and each Company Subsidiary issued and outstanding as at the end of such fiscal quarter.
- 48.5 As soon as available, but in any event not later than 7 (seven) days after the

end of each month, provide monthly MIS (along with monthly profit and loss account) in relation to the Company and the Company Subsidiaries.

- 48.6 As soon as available, copies of all documents and other information regularly provided to the Existing Shareholders, including any management or audit or investigative reports at the same time as such information is provided to the Existing Shareholders.
- 48.7 As soon as available, copies of all notices, agendas, minutes, documents and other information regularly provided to the Directors or the directors of any Company Subsidiary at the same time as such information are sent to the Directors or the directors of any Company Subsidiary, as the case may be.
- 48.8 Prompt notification (with a description in reasonable detail, and stating the action that the company or relevant Company Subsidiary is taking or proposes to take with respect thereto) of: (i) the commencement of any material litigation, threatened litigation, investigation or other proceeding by or against the Company, any Company Subsidiary or their respective Affiliates or any circumstances likely to give rise to the same; or (ii) the existence of any material default or breach under these Articles or any material contract.
- 48.9 Promptly, and in any event within 7 (seven) days following any request, such additional information as may be reasonably requested by the Investor, including any operational updates.

49. ACCESS AND CONSULTATION RIGHTS

- 49.1 An Investor may reasonably request any information from the Company, any Company Subsidiary or the Existing shareholders, and the Company and the Existing shareholders shall, and shall cause the Company Subsidiary to, furnish to them, as promptly as practicable, all such documents, records and information with respect to the properties, assets and business of the Company and each Company Subsidiary and copies of any work papers relating thereto as the Investor may from time to time request, *provided* that at any time after an IPO the information to be provided hereunder will not include any “unpublished price-sensitive information” as defined under the Insider Trading Regulations. In the event that the Investor is not provided, or is not satisfied with, any such information, the Company shall, and the Existing Shareholders and the Company shall cause each of the Company, the Company Subsidiaries and their respective representatives to, upon such advance notice as is reasonable under the circumstances, meet with the Investor or its representatives and give the Investor and its representatives all reasonable access during business hours to all properties, assets, books, contracts, commitments, reports and records of the Company and each Company Subsidiary; *provided*, however, that the Investor shall have the right, once per fiscal year and upon reasonable advance notice, to meet and consult with the senior management of the Company and any Company Subsidiary and to reasonable access during business hours to all properties, assets, books, contacts, commitments, reports and records of the Company and each Company Subsidiary. The Investor shall have the right to submit proposals or suggestions to the management of the Company or any Company Subsidiary from time to time, and the Company shall cause management to discuss such proposals or suggestions with the Investor within a reasonable time following each such submission.

50. MAINTENANCE OF DIRECTOR'S INSURANCE

- 50.1 The Company shall, and the Existing Shareholders shall cause the Company to, maintain insurance for the Company and its Directors and officers, with reputable insurance companies or associations, in such amounts and covering such risks as are usually and customarily carried with respect to similar businesses according to its locations.

51. RELATED PARTY TRANSACTIONS

- 51.1 The Company shall not and shall cause the Affiliates (including the Company Subsidiaries and Joint Ventures) to enter into any related party transactions as understood under applicable Law ("Related Party Transaction"), without the prior written approval of the Board and in accordance with the provisions of Section 188 and Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014. Subject to the above, each of the Company and the Existing Shareholders further agree that all related Party Transactions shall be on terms and conditions as favorable to the Company or the relevant Company Subsidiary, as the case may be, as would be obtainable by it at the relevant time in a comparable Arm's – Length Basis with an unrelated party.

52. GROUP ENTITY TRANSFERS

- 52.1 The Company and each of the Existing Shareholders covenant and agree that it shall not Transfer or create an Encumbrance over any securities of any Company Subsidiary without the prior written consent of the Investor.

53. RECAPITALIZATION

- 53.1 If any securities are issued in respect of, in exchange for, or in substitution of , any Equity Shares (of the Company) by reason of any reorganization, recapitalization, reclassification, merger, consolidation, spin-off, partial or complete liquidation, share Dividend, split-up, sale of assets, distribution to shareholders or combination of the Equity Shares (of the Company) or any other change in the capital structure of the Company, appropriate adjustments shall be made with respect to the relevant provisions of these Articles so as fairly and equitably to preserve, as far as practicable, the original rights and obligations of the Parties under these Articles.

54. ACQUISITION OF MATRIX BRAND

- 54.1 The Existing Shareholders shall cause and the Company shall purchase the "Matrix" brand from Matrix Cellular Services Private Limited on or prior to the Effective Date (as defined in the SHA) in accordance with the terms and conditions of the Deed of Assignment.
- 54.2 It is clarified that default on the part of the Company or Matrix Cellular Services Private to consummate the assignment/Transfer as contemplated in

this Article 55 and in accordance with the Deed of Assignment will be deemed to be an Event of Default in accordance with Article 56 (Event of Default).

- 54.3 Upon the consummation of the assignment/ Transfer of the “Matrix” brand in favor of the Company by Matrix Cellular Services Private Limited, the Company may (subject to the affirmative consent of the Investor for the business other than the Vodafone Business (as defined in the SHA)) grant to Matrix Cellular Services Private Limited a license to use the “Matrix” brand for its business and operations on terms and conditions as deemed fit by the Company, for so long as the Existing Shareholders directly own majority shareholding in Matrix Cellular Services Private Limited.

55. EVENT OF DEFAULT

- 55.1 The occurrence of any one or more of the events specified herein below on part of the Existing Shareholders or the Company shall be referred to as an “Event of Default”

- a) failure to conduct an IPO on or before the IPO Date.
- b) failure to comply with Drag Notice as provided in Article 56;
- c) if the Company passes any resolution on the Reserved Matters without seeking affirmative vote of the Investor Director(s) or the Investor (as the case may be);
- d) if the Company ceases or threatens to cease to carry on its Business or gives notice of its intention to do so;
- e) if a receiver has been appointed or allowed to be appointed with respect to any asset/ undertaking of the Company;
- f) if a bankruptcy event has occurred or a position for winding up of the Company is filed;
- g) any breach of any undertaking or covenants or representation and warranties or terms and conditions contained in the SHA by the Company and/or the Existing Shareholders having a Material Adverse Effect; or
- h) default on the part the Company to purchase the “Matrix” brand from Matrix Cellular Services Private Limited on or prior to the Effective Date (as defined in the SHA) upon the terms and conditions as provided for in Article 55 (Acquisition of Matrix Brand) and the Deed of Assignment.

Consequences of Event of Default

- 55.2 If an Event of Default has occurred and has not been rectified within 45 (forty five) days from the occurrence of any such Event of Default (“Rectification Period”), the Investor shall at their absolute discretion be entitled to take any or all of the following steps:

(i) Third Party Sale Facilitated by the Existing Shareholders

The Investor may request and no receipt of such receipt, the Existing Shareholders shall make all reasonable efforts to cause a Third party buyer to purchase the Equity Shares within 45 (Forty five) days of the occurrence

of Event of Default at price per Equity Share which gives at -least an IRR of 18% (eighteen percent) to the Investor on the Average Investment Price.

(ii) Sale to any Person by the Investor

In the event them Existing Shareholders fail to cause sale of the Equity Shares held by the Investor in accordance with Article 55.2(i) above, the Investor may sell any of the Equity Shares held by the Investor, either directly or indirectly, to any Person, including a Competitor, and if so desired by the Investor and to the extent applicable with the protection of all Reserved Matters. For the Purpose of effecting such Transfer, the investor may drag the Equity Shares held by the Existing Shareholders in accordance with Article 56 (Drag Along Right) below.

(iii) Liquidation

The Company shall at the option of the Investor, be liquidated. The investor shall be entitled to liquidation preference to receive from the proceeds arising from such liquidation, dissolution or winding up of the Company as per Article 57 (Liquidation Preference) below.

56. DRAG-ALONG RIGHTS

- 56.1 Notwithstanding anything provided in these Articles, the Investor shall have the right to require the Existing Shareholders and their Affiliates (or any of them) to sell the Equity Shares held by them in the Company to any Person(s) (including a Competitor) ("Proposed Buyer(s)") on the same terms and conditions agreed between the Investor and the Proposed Buyer(s) ("Drag Along Right"). Such Drag Along Right shall only be exercisable on the occurrence of any Event of Default.
- 56.2 The Investor may exercise the Drag Along Right under Articles 56.1, in one or more branches, by issuing a written notice to the Existing Shareholders ("Drag Notice"). The Existing Shareholders shall be obliged to sell the number of shares stipulated in the Drag Notice ("Dragged Shares") to the Proposed Buyer(s) by no later than 30 (thirty) days from the date of receipt of the Drag Notice by the Existing Shareholders. If, pursuant to exercise of the Drag Right as set out above, the Proposed Buyer(s) is unable to purchase the Dragged Shares (or any part thereof) within the aforesaid prescribed time on account of any delay in or denial of any approvals required from any Governmental Authority, the said prescribed time shall be extended, at the option of the Investor, till such time as the necessary approvals are procured. At the sole option of the Investor, the Investor may nominate such other person as the proposed Buyer(s) who already has the required approvals or does not require the same, to purchase the Dragged Shares, Equity Shares held by the Investor on the same terms and conditions upon which the Investor is selling the Equity shares held by the Investor to the Proposed Buyer(s).
- 56.3 The Investor shall notify the Company and the Existing Shareholders, of the date, time and venue for the conclusion of sale and purchase of the Dragged Shares. The sale and purchase of the Dragged Shares shall be concluded on a spot sale basis. On such date and at such time and venue, the Existing Shareholders shall Transfer to (or to the order of) the Proposed Buyer(s), the legal and beneficial title to the Dragged Shares, free of any Encumbrances, charges of liens, together with all rights attaching to them and deliver to the Proposed Buyer(s) the share certificates pertaining to the Dragged Shares together with such other documents as may be required

under the Act for effecting such transfer.

56.4 The proceeds from the sale of the Dragged Shares will be applied in the order of priority listed below:

(i) first, to the Investor, until the Investor has received an amount equal to the higher of the following:

- a) Total Contribution net of any sale consideration already received by the Investor for undertaking any part sale of Investor Shares in the past, or
- b) An amount which is equal to the percentage of the shareholding of the Investor at the time of sale of the Dragged Shares multiplied by the total proceeds;

(ii) the balance amount is paid to all remaining shareholders (other than the Investor) in the Company in proportion to their respective shareholdings in the Company at the time of sale of the Dragged Shares.

56.5 Upon expiry of 30 (thirty) days from the Drag Notice, if the Existing Shareholders do not offer the Equity Shares held by them, in accordance with Article 56.2 hereof, the Investor shall have the right to treat the same as an Event of Default.

57. LIQUIDATION PREFERENCE

57.1 Notwithstanding anything contained in any other provision of these Articles, but save and except to the extent permissible under applicable Law, in the event of: (i) any liquidation, dissolution or winding up of the Company, either voluntary or involuntary, (ii) any sale of all or substantially all of the assets of the Company (any such event, a "Liquidation") the total proceeds from such Liquidation remaining after discharging the liabilities of the Company, shall be distributed as follows:

(i) first, to the Investor, until the Investor has received an amount equal to the higher of the following:

- a) Total Contribution net of any sale consideration already received by the Investor for undertaking any part sale of Investor Shares in the past: or
- b) An amount which is equal to the percentage of the shareholding of the Investor at the time of Liquidation multiplied by the total proceeds;

(iii) the balance amount is paid to all remaining shareholders (other than the Investor) in the Company in proportion to their respective shareholdings in the Company at the time of liquidation.

58. ETHICAL BUSINESS PRACTICES

58.1 The Existing Shareholders and the Company hereby, represent and warrant that they, their respective Affiliates and principals and to the best of their knowledge anyone else acting on their behalf:

(a) have not knowingly acted in, violation of any, Laws and regulations as applicable to them; or

(b) have not made improper payments to public officials in order to secure a business advantage; and
(c) have had in place anti-money laundering practices that are compliant with all applicable Laws, and follow the highest standards of ethical business practices.

58.2 The Existing Shareholders and the Company hereby agree that they, their respective Affiliates and principals and anyone else acting, on their behalf shall have in place anti-money laundering practices that are, compliant with , all applicable Laws, and follow the highest standards of ethical business practices.

58.3 The Company and the Company Subsidiaries hereby undertake not to make any offer, payment, promise to pay or authorization of the payment of any money, or other property, gift, promise to give, or authorization of the giving of anything of value to any employee or official of a Governmental entity or arbitration tribunal, to any political party, domestic or foreign (or official thereof) or candidate for political office or to any other person who was or is in a position to help or hinder the Company or its Company subsidiaries (a) with the intent or purpose of inducing such official, political party or candidate, or other person, to do or omit to do any act in violation of the lawful duty of such official; (b) that would cause the Company or its Company Subsidiaries to violate or be in violation of any applicable Law (including without Limitation the U.S. Foreign Corrupt Practices Act, as amended) or subject to damages or penalties in a civil or criminal proceeding or (c) that could reasonably be expected to have a material adverse effect if not continued.

62. PAYMENT OF TAXES AND OTHER CLAIMS

62.1 The Company shall, and the Existing Shareholders and the Company shall cause the Company and each Company subsidiary to, pay all Taxes imposed upon it (as determined in good faith by the Company or which are actually assessed by competent taxing authorities) or any of its properties or assets or in respect of any of its franchises, business, income or profits before any penalty or interest accrues thereon, and all claims relating to any debt or other financial obligations for sums which have become due and payable and which have or might become a Encumbrance upon any of its properties or assets, *provided* that no such charge or claim need be paid if it is being contested in good faith by the Company or a Company Subsidiary taking appropriate action and if such reserves or other appropriate provision, if any, as shall be required by applicable accounting norms shall have been made therefore.

63. FUTHER ASSURANCES

63.1 The Company and the Existing Shareholders hereby acknowledge that the investor and / or its Affiliates invest in numerous companies, some of which may be in competition with the Company and its business. The Company and the Existing Shareholders confirm and acknowledge that the Investor shall not be liable for any claim arising out of, or based upon (a) the fact that they hold an investment in any Person that competes with the Company, or (b) any action taken by any of their officers or representatives to assist any such competing Person, whether or not such action was taken as a Board shareholder of such competing company, or otherwise and whether or not such action has a detrimental effect on Company.

- 63.2 The Company and the Existing Shareholder hereby unconditionally and irrevocably consent to the Investor at any time and from time to time investing in any person engaged in the same or a similar business as the business of the Company or entering into collaborations or other agreements or arrangements any Person in India engaged in the same or a similar business as the business of the Company. Upon the execution of the SHA, the Company and the Existing Shareholders shall simultaneously and thereafter from time to time at the request of any of the Investor , certify that they do not object to such investment, agreement or arrangements with such person and in such from as may be request by the Investor).

64. USE OF PRODUCTS

- 64.1 The Company shall, and each of the Existing Shareholders shall cause the Company to, use the Investment Amount, at all times, in compliance with the Laws of India, including the foreign direct investment Laws.

65. BUSINESS PLAN

- 65.1 The parties will procure that for each subsequent Financial Year during which the SHA is effective, the Board considers and adopts a business plan (including capital expenditure as per the business plan). The Parties agree that the business plan shall be mutually reviewed and agreed on an annual basis.
- 65.2 In the events of any dispute, in relation to the business plan, Parties shall endeavor to resolve any such dispute amicably, and by mutual discussions and consultations and resolved as per Governing Law and Dispute Resolution provisions set out in the SHA.

66. NO OBJECTION

- 66.1 Each of the Company, the Existing Shareholder does, hereby unconditionally and irrevocably consent to, have no objection against and shall not hold any Investor or any of their respective Affiliates liable for any claim arising out of, Investor or any of its Affiliates investing in, entering into joint ventures, financial or technical collaborations, technology or trademark license agreements or other agreements or arrangements with, any Person within India engaged in the same or similar Business (as that the Company).

67. RESTRICTIVE AGREEMENTS, NEGATIVE PLEDGES

- 67.1 The Company shall not, and shall ensure that no Company Subsidiary shall, enter into (nor have outstanding), any agreement or arrangement prohibiting or restricting the Company or any Company Subsidiary from making any payments, directly or indirectly, to the Company or any Investor, whether by way of dividends, advances, repayments or payments of interest on advances, reimbursement of management and other intercompany charges, expenses, accruals or other returns on investments, payment of interest or dividends pursuant to any Equity Share.
- 67.2 None of the Investor, the Company, any Company Subsidiary, any Existing Shareholder and any of their respective representatives shall issue or cause the publication of any press release or other announcement with respect to

the SHA without prior consent of the Investor and the Company, except to the extent required by Law, in which case such other Parties shall have the right to review and comment on such press release or announcement prior to publication. Without limitation of the forgoing, none of the Existing Shareholders or the Company shall, nor shall it permit the Company or any Company Subsidiary or any of their respective Affiliates to, use the name “CX partners” or “CX” without the prior written consent of the Investor with respect to such specific use.

68. ACQUISITION THROUGH AFFILIATES

- 68.1 The Investor or any Affiliate of the Investor may at any time and from time to time during the subsistence of the SHA acquire any new Equity Shares or other securities offered to it by the Company and/or the Existing Shareholders under and subject to the provisions of the Articles and/or Transfer any existing Equity Shares or other securities held by it of the Company to one or more Affiliates.

SECTION IX: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Draft Red Herring Prospectus) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Red Herring Prospectus delivered to the RoC for registration, and also the documents for inspection referred to hereunder, may be inspected at the Registered Office and Corporate Office between 10 a.m. and 5 p.m. on all Working Days from the date of the Red Herring Prospectus until the Bid/Offer Closing Date.

A. Material Contracts for the Offer

1. Offer Agreement dated June 19, 2015 among our Company, the Selling Shareholders and the BRLMs.
2. Agreement dated May 23, 2015 among our Company, the Selling Shareholders and the Registrar to the Offer.
3. Escrow Agreement dated [●] among our Company, the Selling Shareholders, the BRLMs, the Syndicate Members, the Escrow Collection Bank(s), the Refund Bank(s) and the Registrar to the Offer.
4. Syndicate Agreement dated [●] among our Company, the Selling Shareholders, the BRLMs and the Syndicate Members.
5. Underwriting Agreement dated [●] among our Company, the Selling Shareholders and the Underwriters.
6. Registrar Agreement dated [●] among our Company, the Selling Shareholders and the Registrar to the Offer.

B. Material Documents

1. Certified copies of the updated Memorandum and Articles of Association of our Company, as amended from time to time.
2. Certificate of incorporation dated November 17, 2005.
3. Fresh certificate of incorporation dated April 21, 2015 issued by the RoC at the time of conversion from a private limited company into a public limited company.
4. Resolutions of the Board dated May 6, 2015 in relation to the Offer and other related matters.
5. Resolutions of the IPO Committee dated May 21, 2015 taking on record the offer of 15,172,540 Equity Shares being offered for sale by the Selling Shareholders
6. Resolutions of the IPO Committee dated May 21, 2015 and June 21, 2015 approving this Draft Red Herring Prospectus.
7. Consent letter dated May 5, 2015 of Gagan Deep Singh Dugal authorising his portion of the Offer.
8. Consent letter dated May 5, 2015 of Major General Manjit Singh Dugal authorising his portion of the Offer.

9. Consent letter dated May 5, 2015 of Urvashi Kaur authorising her portion of the Offer.
10. Resolutions of Aleta's board of directors dated April 17, 2015 authorising Aleta's portion of the Offer.
11. Resolutions of AAJV's board of trustees dated April 20, 2015 authorising AAJV's portion of the Offer.
12. Annual reports of our Company for the Fiscal Years ended March 31, 2010, 2011, 2012, 2013 and 2014.
13. The examination reports of the Auditor dated April 29, 2015, on the restated consolidated and unconsolidated summary statements included in this Draft Red Herring Prospectus.
14. The Statement of Tax Benefits dated May 22, 2015 from the Auditor.
15. Consent of the Selling Shareholders, our Directors, the BRLMs, Indian legal counsel, the Registrar to the Offer, the Banker to our Company, lenders to our Company or the Subsidiaries (where such consent is required), our Company Secretary and Compliance Officer, the Chief Financial Officer, the Syndicate Members, the Bankers to the Offer, and Frost & Sullivan, the industry consultant, in their respective capacities.
16. Consent from S.R. Batliboi & Associates LLP to include its name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Draft Red Herring Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 in respect of the reports of the Auditors, each dated April 29, 2015, on the restated consolidated and unconsolidated summary statements and the statement of tax benefits dated May 22, 2015 included in this Draft Red Herring Prospectus, but not construed to be "Experts" as defined under the U.S. Securities Act.
17. Due diligence certificate dated June 22, 2015 addressed to the SEBI from the BRLMs.
18. In-principle listing approvals dated [●] and [●] issued by the BSE and the NSE, respectively.
19. Tripartite Agreement dated May 19, 2015 among our Company, NSDL and Link Intime India Private Limited.
20. Tripartite Agreement dated April 9, 2015 among our Company, CDSL and Link Intime India Private Limited.
21. Subscription cum Share Purchase Agreement dated February 2, 2011 among our Company, our Promoters and Aleta.
22. Share sale and purchase agreement dated February 2, 2011 among Aleta, BCCL, our Company and Gagan Deep Singh Dugal.
23. Shareholders' Agreement dated February 2, 2011 among our Company, our Promoters and Aleta, as amended pursuant to an agreement dated May 14, 2015.
24. Shareholders agreement dated July 27, 2011 among our Company, Dee Telecom Holdings HK Limited and Telecom Wimax Limited.
25. Shareholders agreement dated December 3, 2010 among our Company, Matrix Thailand, Sawasdeeshop Company Limited and M&S Telecom Company Limited.
26. Consultancy Agreement dated April 1, 2014 between our Company and GD Trading FZE.

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus 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 with the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

All relevant provisions of the Companies Act and the guidelines issued by the Government or the regulations or guidelines issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SEBI Act or rules or regulations made thereunder or guidelines issued, as the case may be. We further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

	Major General Manjit Singh Dugal (Non-Independent and Executive Director)
	Gagan Deep Singh Dugal (Non-Independent and Non-Executive Director)
	Jayanta Kumar Basu (Nominee and Non-Executive Director)
	Chander Mohan Mehra (Independent and Non-Executive Director)
	Gaurav Sekhri (Independent and Non-Executive Director)
	Gulkirat Kaur Panag (Independent and Non-Executive Director)

SIGNED BY THE CHIEF FINANCIAL OFFICER

	Gaurav Kumar Khanna (Chief Financial Officer)
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Date: June 22, 2015
Place: New Delhi

DECLARATION

The undersigned Selling Shareholder hereby certifies that all statements made by the Selling Shareholder in this Draft Red Herring Prospectus about or in relation to itself, and the Equity Shares offered by it in the Offer, are true and correct.

Gagan Deep Singh Dugal

Date: June 22, 2015

Place: London, United Kingdom

DECLARATION

The undersigned Selling Shareholder hereby certifies that all statements made by the Selling Shareholder in this Draft Red Herring Prospectus about or in relation to itself, and the Equity Shares offered by it in the Offer, are true and correct.

Major General Manjit Singh Dugal

Date: June 22, 2015

Place: New Delhi

DECLARATION

The undersigned Selling Shareholder hereby certifies that all statements made by the Selling Shareholder in this Draft Red Herring Prospectus about or in relation to itself, and the Equity Shares offered by it in the Offer, are true and correct.

Urvashi Kaur

Date: June 22, 2015

Place: London, United Kingdom

DECLARATION

The undersigned Selling Shareholder hereby certifies that all statements made by the Selling Shareholder in this Draft Red Herring Prospectus about or in relation to itself, and the Equity Shares offered by it in the Offer, are true and correct.

Signed for and on behalf of Aleta Private Limited

Date: June 22, 2015

Place: Port Louis, Mauritius

DECLARATION

The undersigned Selling Shareholder hereby certifies that all statements made by the Selling Shareholder in this Draft Red Herring Prospectus about or in relation to itself, and the Equity Shares offered by it in the Offer, are true and correct.

Signed for and on behalf of AAJV Investment Trust

Date: June 22, 2015

Place: New Delhi