

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HT MOBILE SOLUTIONS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **HT MOBILE SOLUTIONS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair

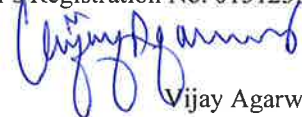


view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements:

- 1 As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of Section 143(11) of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
- 2 As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i The Company does not have any pending litigations which would impact its financial position.
 - ii The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii There were no amounts which were required to be transferred to the Investor Education and Protection Fund, also reported into Clause (vi) (d) of Annexure to the Independent Auditors' Report.

For Deloitte Haskins & sells
Chartered Accountants
(Firm's Registration No. 015125N)


Vijay Agarwal

Partner

(Membership No. 094468)

Place : Gurgaon

Date: *May 12*, 2015



ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Having regard to the nature of the Company's business / activities / results during the year, clause (vi) of paragraph 3 of the Companies (Auditor's Report) Order, 2015 ("the Order") is not applicable to the Company

- (i) In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
 - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (ii) The Company is a service company providing mobile marketing/ advertising, and related WAP services and does not hold any inventories. Accordingly clause (ii)(a), (ii)(b) and (ii)(c) of the paragraph 3 of the Order are not applicable for the Company.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.
- (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 fixed assets and the sale of services. During the course of our audit, we have not observed any major weakness in such internal control system.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year, paragraph 3(v) of the Order is not applicable.
- (vi) According to the information and explanations given to us in respect of statutory dues:
 - (a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Income-tax, Service Tax, Cess and other material statutory dues applicable to it with the appropriate authorities. We are informed that Employees State Insurance Act, 1948 is not applicable to the Company and the Company's operations, during the year, did not give rise to any liability for Sales Tax, Customs Duty, Excise Duty, and Value Added Tax.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Income-tax, Service tax, Cess, and other material statutory dues in arrears as at 31st March, 2015 for a period of more than six months from the date they became payable.
 - (c) There are no dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and Cess and other material statutory dues applicable to it which have not been deposited as on March 31, 2015 on account of disputes.
 - (d) There are no amount that are due to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.



Deloitte Haskins & Sells

- (vii) The accumulated losses of the Company at the end of the financial year are not less than fifty percent of its net worth and the Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (viii) The Company has neither taken any loans from financial institutions or banks nor has issued any debentures during the year.
- (ix) According to the information and explanations given to us, the Company has not given any guarantees during the year for loans taken by others from banks or financial institutions.
- (x) The Company has not obtained any term loans during the year.
- (xi) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm's Registration No. 015125N)



Vijay Agarwal
Partner

(Membership No. 094468)

Place : GURGAON

Date: *May 12*, 2015



HT MOBILE SOLUTIONS LIMITED
Balance Sheet as at March 31, 2015

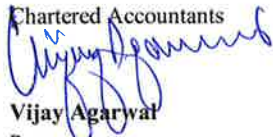
Particulars	Note No.	As at	As at
		March 31, 2015 (Rs. in '000)	March 31, 2014 (Rs. in '000)
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	3.1	231,753	230,764
Reserves and surplus	3.2	(76,838)	(82,222)
		154,915	148,542
Share application money pending allotment	3.14 g	-	1,000
Non-current liabilities			
Long-term provisions	3.3	2,549	1,126
		2,549	1,126
Current liabilities			
Trade payables	3.4	98,818	77,891
Other current liabilities	3.5	7,271	5,806
Short-term provisions	3.3	1,057	691
		107,146	84,388
TOTAL		264,610	235,056
ASSETS			
Non-current Assets			
Fixed Assets			
- Tangible assets	3.6	4,805	4,897
- Intangible assets	3.6	11,157	12,276
- Intangible assets under development	3.14 e	-	2,165
Long-term loans and advances	3.7	34,284	23,083
Other non-current assets	3.8.2	1,500	1,500
		51,746	43,921
Current assets			
Trade receivables	3.8.1	103,532	78,466
Cash and cash equivalents	3.9	42,607	33,540
Short-term loans and advances	3.7	43,749	40,926
Other current assets	3.8.2	22,976	38,203
		212,864	191,135
TOTAL		264,610	235,056

See accompanying notes forming part of the financial statements

1 to 3.15

In terms of our report attached
For Deloitte Haskins & Sells

Chartered Accountants

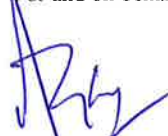

Vijay Agarwal
 Partner



Place: Gurgaon

Date: *May 12, 2015*

For and on behalf of the Board of Directors



Amit Garg
 Director
 (DIN: 06385718)



Rajiv Verma
 Director
 (DIN: 00017110)


Vicky Sarin
 Manager



Place: New Delhi

Date: *May 12, 2015*

HT MOBILE SOLUTIONS LIMITED

Statement of profit and loss for the year ended March 31, 2015

Particulars	Note No.	For the year ended or the year ended	
		March 31, 2015 (Rs. in '000)	March 31, 2014 (Rs. in '000)
INCOME			
Revenue from operations (net)	3.10.1	337,171	224,974
Other income	3.10.2	2,847	2,199
		340,018	227,173
EXPENSES			
Employee benefits expense	3.11	102,856	74,407
Other expenses	3.12	222,138	144,332
		324,994	218,739
Profit/ (Loss) before tax, depreciation and amortisation		15,024	8,434
Depreciation and amortisation	3.13	10,244	10,089
Profit/ (Loss) before tax		4,780	(1,655)
Tax expenses			
-Deferred tax expense/ (credit)		-	25,764
		-	25,764
Net Profit/ (Loss) for the year		4,780	(27,419)
Basic earning per share (of Rs 10 each)	3.15 a	0.21	(1.71)
Diluted earning per share (of Rs 10 each)	3.15 a	0.21	(1.71)
See accompanying notes forming part of the financial statements	1 to 3.15		

In terms of our report attached
For Deloitte Haskins & Sells
 Chartered Accountants



Vijay Agarwal
 Partner

For and on behalf of the Board of Directors



Amit Garg
 Director
 (DIN: 06385718)



Rajiv Verma
 Director
 (DIN: 00017110)



Vicky Sarin
 Manager



Place: Gurgaon

Date: *May 12, 2015*

Place: New Delhi

Date: *May 12, 2015*



HT MOBILE SOLUTIONS LIMITED
Cash Flow Statement for the Year ended March 31, 2015

Particulars	For the year ended	
	Note No. March 31, 2015 (Rs. in '000)	For the year ended March 31, 2014 (Rs. in '000)
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/ (loss) before taxation	4,780	(1,655)
Adjustments for:		
Depreciation and amortization	10,244	10,089
Employee stock option scheme	166	241
Salaries, wages and bonus not paid in cash (Refer note 3.14 g)	427	-
Loss on disposal of fixed assets (net)	4	1
Provision for doubtful trade receivable	780	2,870
Bad debt written back	(211)	
Interest income	(2,636)	(2,199)
Operating profit/ (loss) before working capital changes	13,554	9,347
Changes in working capital :		
Adjustments for (increase) / decrease in operating assets:		
Long term loans and advances	(2,740)	485
Short term loans and advances	(2,823)	(7,166)
Other non current assets	-	(1,500)
Other current assets	15,465	(25,863)
Trade receivable	(25,635)	(34,489)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	20,927	9,387
Other current liabilities	1,465	(180)
Short-term provisions	366	(174)
Long-term provisions	1,423	497
Cash generated from operations	22,002	(49,656)
Net income tax paid	(8,461)	(1,919)
Net cash flow used in operating activities	13,541	(51,575)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure on fixed assets, including capital advances	(6,921)	(6,934)
Proceeds from sale of fixed assets	49	2
Purchase consideration paid for acquiring business (Refer note 3.14g)	-	(8,000)
Interest received	2,398	1,920
Net cash used in investing activities	(4,474)	(13,012)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of equity shares	-	79,500
Net cash flow from financing activities	-	79,500
Net increase in cash and cash equivalents (A + B + C)	9,067	14,913
Cash and cash equivalents at the beginning of the year	33,540	18,627
Cash and cash equivalents at the end of the year	42,607	33,540
Reconciliation of Cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents (Refer Note 3.9)	42,607	32,540
In other deposit accounts		
- original maturity more than 3 months	-	1,000
	42,607	33,540

See accompanying notes forming part of the financial statements

1 to 3.15

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

Vijay Agarwal
Partner



For and on behalf of the Board of Directors

Amit Garg
Director
(DIN: 06385718)

Vicky Sarin
Manager

Rajiv Verma
Director
(DIN: 00017110)



Place: Gurgaon

Date: May 12, 2015

Place: New Delhi

Date: May 12, 2015

HT Mobile Solutions Limited

Notes forming part of financial statements

1. Corporate information

HT Mobile Solution Limited is a Company incorporated on February 19, 2009 having investment through HT Digital Media Holdings Limited to carry out mobile marketing, social media marketing, advertising, mobile CRM and loyalty campaigns, mobile music content and ring tones and integrates with other media campaigns and strategies.

2. Significant Accounting Policies

a) Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act")/ Companies Act, 1956 ("the 1956 Act"), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

b) Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

c) Cash and cash equivalents (for purposes of Cash Flow Statement)

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

d) Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

e) Depreciation and amortization

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.:

General plant and machinery - 5 years

Laptops - 3 years

Leasehold improvements are amortized over the lease period.



HT Mobile Solutions Limited

Notes forming part of financial statements

Depreciation is calculated on pro-rata basis in respect of additions to fixed assets having a cost in excess of Rs. 5,000. Assets costing upto Rs. 5,000 each are fully depreciated in the year of acquisition.

The change in accounting for depreciation did not have any material impact on financial statements of the company for the current year.

Intangibles assets acquired like software etc. with finite lives are amortized over their respective individual estimated useful lives ranging between 3 to 6 years on a straight line basis and Non-compete fees paid at the time of acquisition of business is amortized over the period of agreement of non-compete fees

f) Fixed assets- Tangible

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

Gains and losses on disposal of property and equipment are determined by comparing proceeds with the carrying value of the respective asset, and are included in income/expense from operations. All maintenance and repairs are expensed as incurred.

Capital work-in-progress: Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

g) Intangibles fixed assets

Internal Software Development Costs - Internal software development costs consist primarily of salaries of internal employees and consulting fees for developing software platforms, if any, for sale to or use by customers in mobile marketing and advertising campaigns. Capitalization of costs related to the development of software products, as all of the products are to be used as an integral part of a product or process to be sold or leased, are capitalized once technological feasibility has been reached and all research and development for the components of the product have been completed. The costs are amortized on a straight-line basis over the estimated useful life of the related product.

The estimated useful life of the intangible assets and the amortization period are reviewed at the end of each financial year and the amortization method is revised to reflect the changed pattern.

Non-compete fees- Non-compete fees paid at the time of acquisition of business are amortized over the period of agreement of non-compete fees.

h) Impairment of 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 recognised wherever the carrying amounts of an asset exceed its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

i) Employee share based payments

The Company has constituted an Employee Stock Option Plan - 2013. Employee Stock Options granted on or after 1 April, 2005 are accounted under the 'Intrinsic Value Method' stated in the Guidance Note on Employee Share Based Payments issued by the Institute of Chartered Accountants of India. Compensation expense is amortized over the vesting period of the option on a graded vesting method.

The fair values of these options are calculated at their grant dates using a Black-Scholes option pricing model.



HT Mobile Solutions Limited
Notes forming part of financial statements

j) Business purchase

Business purchase is accounted for using the acquisition accounting method. Identifiable assets, liabilities and contingent liabilities acquired are measured at book value on acquisition date. The consideration discharge is measured at fair value. Where the consideration discharged exceeds the fair value of the net assets, liabilities and contingent liabilities acquired, the excess is recorded as goodwill. The costs of acquisition are charged to the income statement in the period in which they are incurred.

k) Leases

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognized as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis.

l) Revenue recognition

Revenue is recognized when persuasive evidence of an arrangement exists, service has been rendered, the sales price is fixed or determinable and collection is reasonable certain. Revenues associated with multiple element contracts are allocated based on the fair value of the services.

Revenue from services: Revenue from rendering of services is based on the stage of completion determined with reference to date as a percentage of total services to be performed.

Revenue from SMS pushes/voice calls: Revenue from SMS pushes/voice calls are recognized after the delivery of SMS pushes/voice calls

Revenue from Content: Revenue from content is recognized on the basis of log records of the operators.

Interest: Income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

m) Foreign currency transactions

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 prevailing at the date of the transaction.

Measurement of foreign currency monetary items at the Balance Sheet date: Foreign currency monetary items are reported using the closing exchange rate on each balance sheet date.

Treatment of Exchange differences: Exchange differences arising on the settlement of short term foreign currency monetary assets and liabilities of the Company or on reporting these items at rates different from the rates at which they were initially recorded are recognised as income/expense in the year in which they arise.

n) Employee benefits

Employee benefits include provident fund, gratuity, compensated absences and post-employment medical benefits.

Retirement benefits in the form of provident fund are a defined contribution scheme and the contributions are charged to the statement of profit and loss for the year when the contributions to the fund is due.

Gratuity is a defined benefit obligation and is provided for on the basis of actuarial valuation carried out as per projected unit credit method by an independent actuary as at year end.

Provision for leave encashment arising on long term benefits is accrued and made on the basis of an actuarial valuation carried out as per projected unit credit method by an independent actuary at the year end. Short term compensated absences are provided for based on estimates.

In case of provision for compensated absences, for employees who have earned the right to unconditionally avail the leave at any time during the year immediately following the balance sheet date, the liability needs to be classified as current even though the same is measured as 'other long-term employee benefit' as per AS 15 Employee Benefits. Accordingly, the Company has classified as Provision for compensated absence is considered as short term.



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HT Mobile Solutions Limited
Notes forming part of financial statements

o) Provisions and contingencies

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

Company recognize 100% provision on all trade receivables outstanding for more than one year from its invoice date and on other trade receivable, which are outstanding for less than one year and doubtful, based on its best estimates.

p) Taxes on Income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realize such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realized. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off of deferred tax assets are reviewed at each Balance Sheet date for their realisability.

q) Service tax input credit

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is no uncertainty in availing / utilising the credits.

r) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the 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.

s) Operating cycle

Based on the nature of services / activities of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.



HT Mobile Solutions Limited
Notes forming part of financial statements for the year ended March 31, 2015

3.1 Share Capital

Particulars	As at March 31, 2015		As at March 31, 2014	
	No.	(Rs. in '000)	No.	(Rs. in '000)
Authorized shares				
Equity shares of Rs. 10 each	29,500,000	295,000	25,000,000	250,000
	29,500,000	295,000	25,000,000	250,000
Issued, subscribed and fully paid-up				
Equity shares of Rs. 10 each, fully paid up	23,175,347	231,753	23,076,421	230,764
Total issued, subscribed and fully paid-up share capital	23,175,347	231,753	23,076,421	230,764

Refer note (a) to (c) below :

a. Detail of shares held by each shareholder holding more than 5% shares

Name of Shareholders	As at March 31, 2015		As at March 31, 2014	
	No.	%	No.	%
Equity Shares with voting rights:				
HT Digital Media Holdings Limited	22,878,571	98.72%	22,878,571	99.14%

b. Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year

Particulars	As at March 31, 2015		As at March 31, 2014	
	No.	(Rs. in '000)	No.	(Rs. in '000)
At the beginning of the year	23,076,421	230,765	15,028,571	150,286
Fresh issued during the year	98,926	988	8,047,850	80,479
Outstanding at the end of the year	23,175,347	231,753	23,076,421	230,764

c. Rights, preferences and restrictions attached to equity shares:

The Company has only one class of equity share having par value of Rs.10 each per share. Each holder of equity share is entitled to one vote per share. 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, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

d. Aggregate number of shares as fully paid up pursuant to contract of business purchase without payment received in cash

Particulars	As at March 31, 2015		As at March 31, 2014	
	No.	(Rs. in '000)	No.	(Rs. in '000)
Equity shares with voting rights allotted as fully paid-up pursuant to contracts for consideration other than cash (Also refer Note 3.14 g)	296,775	2,967,750	197,850	1,978,500

e. Shares reserved for issue under options

983,475 shares (As at March 31, 2014: 983,475 Shares) of Rs 10 each reserved for issuance towards outstanding employee stock options granted. (Refer Note 3.15 g)



HT Mobile Solutions Limited
Notes forming part of financial statements for the year ended March 31, 2015

3.2 Reserves and Surplus

Particulars	As at March 31, 2015 (Rs. in '000)	As at March 31, 2014 (Rs. in '000)
Share premium account		
Opening balance	22	-
Add: Premium on shares issued during the year	438	22
Closing balance (A)	460	22
Share options outstanding account		
Opening balance	241	-
Add: Amount recorded on options granted during the year (Refer note 3.15 g)	166	241
Closing balance (B)	407	241
Deficit in the statement of profit and loss		
Opening Balance	(82,485)	(55,066)
Add: Profit/ (loss) for the year	4,780	(27,419)
Net Loss (C)	(77,705)	(82,485)
Total reserves and surplus (A+B+C)	(76,838)	(82,222)

3.3 Provisions

Particulars	Long-term		Short-term	
	As at March 31, 2015 (Rs. in '000)	As at March 31, 2014 (Rs. in '000)	As at March 31, 2015 (Rs. in '000)	As at March 31, 2014 (Rs. in '000)
Provision for employee benefits				
Provision for gratuity (refer note 3.15 f)	2,549	1,126	30	10
Provision for compensated absences	-	-	1,027	681
Total	2,549	1,126	1,057	691

3.4 Trade Payables

Particulars	As at March 31, 2015 (Rs. in '000)	As at March 31, 2014 (Rs. in '000)
Trade Payables* :		
Other than acceptances**	98,818	77,891
Total	98,818	77,891

* Also refer note 3.14 a

** Including Rs. Nil (As at March 31, 2014 Rs. 2,787 thousand) due to HT Media Limited, ultimate holding company.

3.5 Other Current Liabilities

Particulars	As at March 31, 2015 (Rs. in '000)	As at March 31, 2014 (Rs. in '000)
Statutory remittances	4,371	3,441
Advances from customers	1,327	1,284
Deferred revenue against which payment is received*	1,573	1,081
Total	7,271	5,806

* Including deferred revenue from HT Media Limited, ultimate holding company Rs. 26 thousand (As at March 31, 2014 Rs. 139 thousand), from Top movies entertainment, fellow subsidiary Rs. Nil (As at March 31, 2014 Rs. 77 thousand).



3.6 Fixed Assets - Owned

	(Rs. in thousands)										
	Tangible assets					Intangible assets					
	Plant and machinery (A)	Leasehold improvements (B)	Furniture and fittings (C)	Total (D=A+B+C)	Softwares (E)	Non compete fees (F)	Total (H=E+F)	Grand Total (D+H)			
Gross Block											
At April 1, 2013	12,256	-	-	12,256	19,338	-	19,338	31,594			
Additions	3,547	1,212	17	4,776	-	-	-	4,776			
Acquisition of business	404	-	309	713	-	6,044	6,044	6,757			
Disposals	51	-	-	51	-	-	-	51			
At March 31, 2014	16,156	1,212	326	17,694	19,338	6,044	25,382	43,076			
Additions	2,663	-	72	2,735	6,351	-	6,351	9,086			
Disposals	513	-	-	513	-	-	-	513			
At March 31, 2015	18,306	1,212	398	19,916	25,689	6,044	31,733	51,649			
Depreciation											
At April 1, 2013	10,898	-	-	10,898	4,964	-	4,964	15,862			
Charge for the year	1,471	42	16	1,529	5,070	-	5,070	6,599			
Acquisition of business	176	-	242	418	-	3,072	3,072	3,490			
Disposals	48	-	-	48	-	-	-	48			
At March 31, 2014	12,497	42	258	12,797	10,034	3,072	13,106	25,903			
Charge for the year	1,924	728	122	2,774	5,888	1,582	7,470	10,244			
Disposals	460	-	-	460	-	-	-	460			
At March 31, 2015	13,961	770	380	15,111	15,922	4,654	20,576	35,687			
Net Block											
At March 31, 2014	3,659	1,170	68	4,897	9,304	2,972	12,276	17,173			
At March 31, 2015	4,345	442	18	4,805	9,767	1,390	11,157	15,962			



HT Mobile Solutions Limited
Notes forming part of financial statements for the year ended March 31, 2015

3.7 Loans and advances

Particulars	Non-current		Current	
	As at March 31, 2015 (Rs. in '000)	As at March 31, 2014 (Rs. in '000)	As at March 31, 2015 (Rs. in '000)	As at March 31, 2014 (Rs. in '000)
Security deposit				
Unsecured, considered good	5,113	2,173	81	723
Total (A)	5,113	2,173	81	723
Other loans and advances (unsecured considered good, unless otherwise stated)				
Prepaid expenses	5	205	1,471	1,023
Balances with government authorities				
- CENVAT credit receivable	-	-	220	778
Advance income tax	29,166	20,705	-	-
Other loans and advances				
- Advances to vendors	-	-	41,531	38,069
- Advances to employees	-	-	446	333
Total (B)	29,171	20,910	43,668	40,203
Total (A + B)	34,284	23,083	43,749	40,926

3.8 Trade receivables and other assets

3.8.1 Trade receivables

Particulars	As at March 31, 2015 (Rs. In '000)	As at March 31, 2014 (Rs. in '000)
Trade Receivable *		
Trade receivable outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	9,192	3,718
Doubtful	6,750	5,970
	15,942	9,688
Less: Provision for doubtful trade receivables	(6,750)	(5,970)
Total (A)	9,192	3,718
Other trade receivables		
Unsecured, considered good	94,340	74,748
Total (B)	94,340	74,748
Total (A+B)	103,532	78,466

* Including receivables from HT Media Limited, ultimate holding company Rs. 1,610 thousand (As at March 31, 2014 Rs. 7,026 thousand), from HT Learning Centers limited, fellow subsidiary Rs. Nil (As at March 31, 2014 Rs.444 thousand), from Hindustan Ventures Limited, fellow subsidiary Rs. 1,286 thousand (As at March 31, 2014 Rs. 210 thousand)



HT Mobile Solutions Limited
Notes forming part of financial statements for the year ended March 31, 2015

3.8.2 Other assets

Particulars	Non-current		Current	
	As at March 31, 2015 (Rs. in '000)	As at March 31, 2014 (Rs. in '000)	As at March 31, 2015 (Rs. in '000)	As at March 31, 2014 (Rs. in '000)
Balance with bank	1,500	1,500	-	-
Unbilled revenue	-	-	22,738	19,279
Contractually reimbursable expenses	-	-	-	18,645
Interest accrued on fixed deposits	-	-	238	279
Total	1,500	1,500	22,976	38,203

3.9 Cash and cash equivalents

Particulars	As at March 31, 2015 (Rs. in '000)	As at March 31, 2014 (Rs. in '000)
Cash and cash equivalents		
Balances with banks:		
-In current accounts		2,537
-In deposits with original maturity of less than three months	9,607	
Total cash and cash equivalents (A)	33,000	30,003
	42,607	32,540
Other bank balances		
-In deposits with original maturity of more than 3 months		1,000
Total other bank balances (B)	-	1,000
Total cash and cash equivalents (A+B)	42,607	33,540

3.10.1 Revenue from operations

Particulars	For the year ended March 31, 2015 (Rs. in '000)	For the year ended March 31, 2014 (Rs. in '000)
Revenue from operations (net)		
- Mobile content / marketing services	337,171	224,974
Total	337,171	224,974

3.10.2 Other income

Particulars	For the year ended March 31, 2015 (Rs. in '000)	For the year ended March 31, 2014 (Rs. in '000)
Interest from bank on :		
- bank deposits	1,863	1,337
(Tax deducted: Rs. 142 thousand (As at March 31, 2014: Rs. 101 thousand)		
Interest on income tax refund	773	862
Bad debt written back	211	-
Total	2,847	2,199

3.11 Employee benefits expense

Particulars	For the year ended March 31, 2015 (Rs. in '000)	For the year ended March 31, 2014 (Rs. in '000)
Salaries and wages	96,688	70,972
Contribution to provident and other fund (refer note 3.15 f)	3,492	2,556
Employee stock option scheme (Refer note 3.15 g)	166	241
Gratuity expense (refer note 3.15 f)	1,443	327
Staff welfare expenses	1,067	311
Total	102,856	74,407



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HT Mobile Solutions Limited
Notes forming part of financial statements for the year ended March 31, 2015

3.12 Other expenses

Particulars	For the year ended March 31, 2015 (Rs. in '000)	For the year ended March 31, 2014 (Rs. in '000)
Services for mobile content etc.	189,808	120,163
Rent (refer note 3.14 c)	4,810	3,904
Travelling and conveyance	10,127	5,463
Communication cost	7,455	4,293
Legal and professional fees	2,421	3,407
Provision for doubtful trade receivable	780	2,870
Payments to the auditors comprises (net of service tax input credit, where applicable):		
-Statutory audit fee	450	360
-Tax Audit fee	50	50
-Certification fees	-	35
-Limited review	300	300
-Out of pocket expenses	21	25
Advertising and sales promotion	2,722	1,299
Rates and taxes	650	351
Repair and maintenance		
-Others	270	124
Printing and service charges	98	97
Net loss on foreign currency transactions and translation	135	69
Electricity charges	314	278
Loss on disposal of fixed assets (net)	4	1
Miscellaneous expenses	1,723	1,243
Total	222,138	144,332

3.13 Depreciation and amortization expense

Particulars	For the year ended March 31, 2015 (Rs. in '000)	For the year ended March 31, 2014 (Rs. in '000)
Depreciation of tangible assets	2,774	1,947
Amortization of intangible assets	7,470	8,142
Total	10,244	10,089



HT Mobile Solutions Limited
Notes forming part of financial statements

3.14 Additional Information to the financial statements

- a) Based upon the information available with the Company, the balance due to suppliers registered under "The Micro, Small and Medium Enterprises Development Act, 2006" as on March 31, 2015 is Rs. Nil (As at March 31, 2014 Rs. Nil). Further, no interest during the year has been paid or is payable under the terms of the Act.

b) **Expenditure in foreign currency**

Description	Year ended March 31, 2015 Rs. in '000	Year ended March 31, 2014 Rs. in '000
Services for mobile content etc.	40,395	36,339

c) **Earnings in foreign currency**

Description	(Amount in Rs.)	
	Year ended March 31, 2015 Rs. in '000	Year ended March 31, 2014 Rs. in '000
Revenue from operations	39,232	22,240

d) **Unhedged Foreign Currency Exposure**

Description	Currency	As at March 31, 2015		As at March 31, 2014	
		USD	INR ('000)	USD	INR ('000)
Trade receivables	USD	-	-	16,666	1,002
Unbilled revenue	USD	73,717	4,614	42,336	2,544
Advance from customers	USD	8,481	531	-	-

- e) During the year, the Company has capitalized the following expenses of revenue nature to the cost of intangible asset under development. Consequently, expenses disclosed under note 3.12 are net of amounts capitalized by the Company.

Particulars	(Amount in Rs.)	
	Year ended March 31, 2015 Rs. in '000	Year ended March 31, 2014 Rs. in '000
Salaries, wages and bonus	4,186	2,068

The above expenses include:

-Rs 4,186 thousand (As at March 31, 2014: Rs. 2,068 thousand) spent during the year for developing an in house technology platforms (Big Data) in the phased manner which will be upgraded to the next levels as per the requirement and development of business.

- f) The Company has trade receivables / unbilled revenue of Rs. 23,514 thousand (As at March 31, 2014 Rs. 23,300 thousand) recoverable from telecom operators for the contents downloaded by the end users. An amount of Rs. 18,318 thousand (As at March 31, 2014 Rs. 18,385 thousand) payable to service providers' in relation to such contents received by the Company included under trade payables. The Company has an understanding with these service providers' that the payment will be made after receiving of payments from the telecom operators.



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HT Mobile Solutions Limited
Notes forming part of financial statements

g) Business Purchase

On 18 May 2013, pursuant to Slump Sale Agreement dated March 26, 2013, the Company had purchased as a going concern the business of Blue lemon Technologies Private Limited, engaged in the business of providing digital marketing solutions for a consideration of Rs 11,000 thousand. The transaction has been accounted for using the purchase method of accounting.

The net assets acquired comprise:

Particulars	As at March 31, 2014 (Rs. in '000)
Tangible assets	713
Non-compete fee	6,044
Trade receivable	17,159
Cash and bank balances	291
Short term loan and advances	292
Trade payables	(13,499)
Total	11,000

Total consideration discharged, comprising 296,776 equity shares in HT Mobile Solutions Limited valued at Rs. 3,000 thousand and balance consideration of Rs 8,000 thousand paid in cash. 197,850 equity shares of Rs. 2,000 thousand have been issued in two tranches during the previous year and final tranche of 98,926 equity shares of Rs. 10 each has been issued during the current year at a premium of Rs 4.43 per share. The difference between the issue price and share application money amounts to Rs. 427 thousand has been expensed under salaries, wages and bonus in the financial statements and has been disclosed under note 3.11.

3.15 Disclosures under Accounting Standards:

a) Earnings per share

(i) Basic

Particulars	Year ended March 31, 2015 Rs. in '000	Year ended March 31, 2014 Rs. in '000
Net profit/ (loss) for the year	4,780	(27,419)
Weighted average number of equity shares	23,076,692	16,014,350
Basic earnings/ (loss) per share (Rs.)	0.21	(1.71)

(ii) Diluted

Particulars	Year ended March 31, 2015 Rs. in '000	Year ended March 31, 2014 Rs. in '000
Net profit/ (loss) for the year	4,780	(27,419)
Weighted average number of equity shares (No.)	23,076,692	16,014,350
Equity shares to be issued (No.)	28,545	-
Potential equity shares (No.)	23,105,237	16,014,350
Diluted earnings/ (loss) per share (Rs.)	0.21	(1.71)

b) Segment Reporting

As the company's business activity falls within a single primary business segment viz. "digital solutions", the disclosure requirements of Accounting Standard (AS) – 17 "Segment Reporting" as notified by the Companies (Accounting Standard) Rules, 2006 are not applicable.



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HT Mobile Solutions Limited
Notes forming part of financial statements

c) Operating Lease

- i. The Company has taken office premises under operating lease agreement. This is a cancellable lease and is renewable on expiry of the lease period subject to mutual agreement.
- ii. Lease payments recognised for the year are Rs. 4,810 thousand (As at March 31, 2014 Rs. 3,904 thousand) and are disclosed as rent under note 3.12.

d) Related party transactions

i. Details of related parties:

Description of relationship	Names of related parties
Ultimate Holding Company	HT Media Limited # The Hindustan Times Limited #
Holding Company	HT Digital Media Holdings Limited
Fellow Subsidiaries (to be given only if there are transactions)	Firefly e-Venture Limited HT Learning Centers Limited Hindustan Media Ventures Limited Topmovies Entertainment Limited

The Hindustan Times Limited (HTL) and HT Media Limited does not hold any direct investment in the Company. However, HTL's subsidiary HT Media Limited through its subsidiary HT Digital Media Holdings Limited holds shares in the Company.

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HT Mobile Solutions Limited
Notes forming part of financial statements

- e) The Company has carried out its tax computation in accordance with the mandatory standard on accounting, AS 22 – 'Taxes on Income' as notified by the Companies (Accounting Standard) Rules, 2006. Having regard to the significant accumulated losses, the Company has not recognised the net deferred tax assets of Rs. 24,472 thousands (March 31, 2014 Rs. 26,209 thousand), in the absence of virtual or reasonable certainty at this stage that there will be sufficient future taxable income available to realize such assets. During the previous year, the Company had also derecognized deferred tax assets (net) on losses amounting to Rs. 25,764 thousand in earlier years in absence of virtual certainty.

The Company has deferred tax assets on account of losses and depreciation respectively which is as follows:

Particulars	As at March 31, 2015 (Rs. in '000)	As at March 31, 2014 (Rs. in '000)
Tax effect of items constituting deferred tax assets		
On difference between book balance and tax balance of fixed assets	1,589	534
Unabsorbed depreciation carried forward	4,387	4,387
Brought forward business losses	6,743	12,970
Others	11,753	8,318
Gross deferred tax assets	24,472	26,209
Net deferred tax assets recognized	Nil	Nil

f) Employee benefits plan

- i. Defined Contribution plans:
The Company makes Provident Fund to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs. 3,492 thousand (As at March 31, 2014 Rs. 2,556 thousand) in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.
- ii. Defined Benefit Plans:
The liability for gratuity is determined as per actuarial valuation.

The following table summarizes the components of net benefit expense recognized in the Statement of Profit and Loss and amounts recognized in the Balance Sheet for gratuity.

Components of employer expense

Particulars	(Amount in Rs. '000)	
	Year ended March 31, 2015	Year ended March 31, 2014
Current service cost	801	549
Interest cost	102	69
Actuarial gain/ (loss)	540	(29)
Total expense recognised in the Statement of Profit and Loss	1,443	327

Net asset / (liability) recognised in the Balance Sheet

Particulars	(Amount in Rs. '000)	
	As at March 31, 2015	As at March 31, 2014
Present value of defined benefit obligation	2,579	1,136
Funded status (Deficit)	(2,579)	(1,136)
Net liability recognised in the Balance Sheet	(2,579)	(1,136)



HT Mobile Solutions Limited
Notes forming part of financial statements

Change in defined benefit obligations (DBO) during the year

(Amount in Rs. '000)

Particulars	As at March 31, 2015	As at March 31, 2014
Present value of DBO at beginning of the year	1,136	808
Current service cost	801	549
Interest cost	102	69
Actuarial gains/ (loss)	540	(290)
Benefit paid	-	-
Present value of DBO at the end of the year	2,579	1,136

Change in fair value of assets during the year - There are no plan assets for gratuity.

Actuarial assumptions

Particulars	Gratuity	
	As at March 31, 2015	As at March 31, 2014
Mortality tables	IALM (2006-08)	IALM (2006-08)
Discount rate	7.75% p.a.	9% p.a.
Salary escalation	7.5% p.a.	7.5% p.a.
Attrition:		
upto 30 years	3%	3%
From 31 to 44 years	2%	2%
Above 44 years	1%	1%

Estimate of amount of contribution in the immediate next year Rs Nil for gratuity.

The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations. The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

Experience adjustments

	Year ended March 31, 2015 (Rs. in '000)	Year ended March 31, 2014 (Rs. in '000)	Year ended March 31, 2013 (Rs. in '000)	Year ended March 31, 2012 (Rs. in '000)	Year ended March 31, 2011 (Rs. in '000)
Present value of defined benefit obligation	2,579	1,136	808	682	524
Deficit	(2,579)	(1,136)	(808)	(682)	(524)
Experience gain adjustments on plan liabilities	49	(185)	292	72	1
Experience adjustments on plan assets	-	-	-	-	-

g) Employee Stock Option Scheme

In the extraordinary general meeting held on November 4, 2013, the shareholders approved the issue of 1,977,225 options under the Scheme titled "Employee Stock Option Plan 2013". All option under the ESOP 2013 is exercisable for equity share and each option comprises one underlying equity share.

The ESOP allows the issue of options to eligible employees of the Company and directors of the Company, employee of the holding company and employee of the fellow subsidiaries. The vesting shall happen in more than one tranches as may be decided by the Board. Each option is exercisable for one equity share of Rs. 10 each fully paid up on payment of exercise price (face value) of share.



HT Mobile Solutions Limited
Notes forming part of financial statements

A. Details of these plans are given below:

Employee Stock Options

Stock option gives an employee, the right to purchase equity shares of the Company at a fixed price within a specific period of time. The grant price (or strike price) is fixed as below:

B. Details of stock options granted during the year ended 31 March, 2014 are as given below:

Employee Stock Options	31 March 2014
Dates of Grant	November 4, 2013
Options granted (nos.)	983,475
Fair market value on the grant date (Rs.)	14.74
Intrinsic value on the grant date (Rs.)	10.46
Weighted average remaining contractual life in years	12
Vesting Conditions	Starts from the date of grant of the Company as per the following vesting schedule 33% On the date of grant 33% 12 months from the date of grant 34% 24 months from the date of grant

C. Summary of activity under the plan for the year ended 31 March 2015 is given below.

Employee Stock Options

Employee Stock Options	Year ended 31 March 2015			Year ended 31 March 2014		
	Number of options	Weighted-average exercise price	Weighted-average remaining contractual life	Number of options	Weighted-average exercise price	Weighted-average remaining contractual life
Outstanding at the beginning of the year	983,475	10	12	-	-	-
Granted during the year	-	-	-	983,475	10	12
Forfeited during the year	-	-	-	-	-	-
Exercised during the year	-	-	-	-	-	-
Expired during the year	-	-	1	-	-	-
Outstanding at the end of the year	983,475	10	11	983,475	10	12

Weighted average fair value of the options outstanding is Rs. 4.74 per option. Since no options have been exercised during the year, thus weighted average share price has not been disclosed.

The estimated fair value of each stock option granted on each date was made using the Black-Scholes option pricing model with the following assumptions:

Grant Date	Expected volatility for stock options	Contractual life in years	Dividend yield	Risk-free interest rate	Exercise price of options	Fair Value of options granted
November 4, 2013	0%	10	0%	8.72%	10	4.74


The Company applies the intrinsic value based method of accounting for determining cost of ESOP 2013 plan. Difference between employee compensation cost (calculated using the intrinsic value of stock options) and the employee compensation cost (calculated on the fair value of the options) is Rs. 1,540 thousand (March 31, 2014 Rs. 2,242 thousand). Had the fair value method been used the profit/ (loss) would have been lower/ (higher) by Rs. 1,540 thousand (March 31, 2014 Rs. (2,242 thousand)) and adjusted basic and diluted earnings per share would have been lower/ (higher) by Re. 0.067 (March 31, 2014 Re. (0.14)) (Nominal value of share Rs.10).



HT Mobile Solutions Limited
Notes forming part of financial statements

h) Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For and on behalf of the Board of Directors



Amit Garg
Director
(DIN: 06385718)



Rajiv Verma
Director
(DIN: 00017110)



Vicky Sarin
Manager

