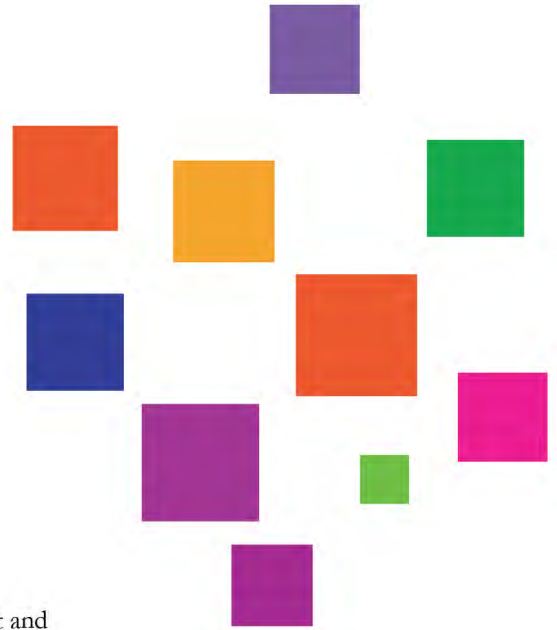


# Marketing Digital Media Worldwide



14<sup>th</sup> Annual Report

Financial Year **2012 - 2013**



## Forward-looking Statement

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements - written and oral – that we periodically make contain forward-looking statements that set out anticipated results based on the management’s plans and assumptions. We have tried wherever possible to identify such statements by using words such as ‘anticipate’, ‘estimate’, ‘expects’, ‘projects’, ‘intends’, ‘plans’, ‘believes’, and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievements of results are subject to risks, uncertainties, and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated, or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forwardlooking statements, whether as a result of new information, future events or otherwise.

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# Corporate Information

## Registered Office

Plot No.7A, Road No.12, MLA Colony, Banjara Hills,  
Hyderabad – 500 034 Andhra Pradesh, India.

Phone: +91 (40) 4567 8999

Email: [ir@ybrantdigital.com](mailto:ir@ybrantdigital.com)

[www.ybrantdigital.com](http://www.ybrantdigital.com)

## Board of Directors

Mr. M Suresh Kumar Reddy

Mr. Vijay Kancharla

Mr. Karusala Venkata Subba Rao

Mr. Raghunath Allamsetty

Mr. Vijaya Bhasker Reddy

Mr. Y Ramesh Reddy

Mr. S Pulla Reddy (upto 24th June, 2013)

## Subsidiaries

### Get Media Mexico S.A. DE CV

Presidente Masaryk No. 111, 1er. Piso, Col.  
Chapultepec, Morales, Mexico D.F.

### Yreach Media Pvt Ltd

Plot No.7A, Road No.12, MLA Colony, Banjara Hills,  
Hyderabad – 500 034 Andhra Pradesh, India.

### Frontier Data Management Inc (MediosOne)

108 West, 13th Street, Wilmington,  
Delaware 19801, USA.

### International Expressions Inc (VoloMP)

108 West, 13th Street, Wilmington,  
Delaware 19801, USA.

### Max Interactive Pty Ltd

5 Kings Lane, Darlinghurst,  
NSW 2010, Australia

### Dyomo Corporation

16192, Coastal Highway, Lewes,  
Delaware 19958-9776, County of Sussex, USA

### Ybrant Digital Servicios De Publicidad ILTDA

12995, Andar 18 Sala 36, 04.578-000,  
Brooklin Novo, Sao Paulo, SP.

### Online Media Solutions Limited (Oridian)

Sapir 3 Herzlia 46733,  
PO Box 12637, Israel.

### Techorbit, Inc

21515, Ridge Top Circle, Suite 150A  
Sterling, VA -20166

### Ybrant Digital (Brasil) Limited

188721, 333, North Bridge Road, #08-00,  
KH KHEA Building, Singapore.

### Global IT, Inc

21165, Whitefiled Place, Suite 206,  
Sterling, VA-20165

### Dream ad S.A , Chile

Padre tMariano 103 Of. 207,  
Providencia Santiago de Chile, Chile.

### Dream ad S.A , Argentina

Av. Corrientes, 327 Piso 11,  
Buenos Aires, Argentina.

### Dream ad S.A, Panama

Av. Samuel Lewis y Calle 50,  
Panama city, Panama.

### Dream ad S.A,a Uruguay

Ellauri 357, Of. 50, 2Piso, Montevideo,  
Uruguay CP. 11300.

### Ybrant Media Acquisition LLC

1201, Orange St, Suite 600, Wilmington,  
New Castle County, Delaware, 19801, USA.

### LGS Global FZE

Ras Al Khaimah Free Trade Zone,  
Ras Al Khaimah, UAE

### Ybrant Digital US Inc.

1201, Orange St, Suite 600, Wilmington,  
New Castle County, Delaware, 19801, USA.

## Bankers

ICICI Bank Limited

Axis Bank Limited

Canara Bank

State Bank of India

ING Vysya Bank Limited

## Chief Financial Officer

Mr. Amreek Singh Sandhu

## Company Secretary

CS Jagadeeshwara Rao Mabagapu

## Auditors

M/s. P. MURALI & CO

Chartered Accountants,

6-3-655/2/3, Somajiguda,

Hyderabad - 500 082,

Andhra Pradesh, India.

## Registrar and Share Transfer Agent

Aarthi Consultants Private Limited,

1-2-285, Domalguda,

Hyderabad-500 029, Andhra Pradesh, India

Phone: +91 (40) 2763 8111, +91 (40) 2763 4445, +91 (40) 2764 2217

Email: [info@aarthiconsultants.com](mailto:info@aarthiconsultants.com) ; Fax:+91 (40) 2763 2184



We all know the internet is a big deal. Yet it is only when you stop and consider some of the facts about its recent growth that you get a grasp of just how big a deal it is and how ever present it has become in our daily lives.

- About *250 billion emails* are sent every day.
- *One-third* of the world's population is online
- *4.8 billion have a mobile phone* whilst only 4.2 billion own a toothbrush.
- Over a *billion people watch videos* on YouTube every month, averaging 4 hours each per month.
- Every *8th couple in the USA of today met online* through internet.

# Measuring The Immeasurable

“The internet is accountable. It is knowable. It is the highway leading marketers to their Holy Grail: single-sourcing technology that can definitively tie the information consumers perceive to the purchases they make” wrote Randall Rothenberg in Wired in January 1998.

What we have learned in the decade-and-a-half since is that some of what happens on the internet is much more accountable. Newspapers, for example, have learned which of their stories attract online readers in a way they never knew offline. Digital technology has given us many better tools to measure what people are doing with media. Increasingly, and almost regardless of age, we are using the internet for shopping, social networking, booking holidays, searching for a new home or a new love, catching up on sports results or betting on them, as well as for conducting life’s more mundane business – like paying energy bills or sorting out finances.



# Chairman's perspective:

## Industry Overview:

We find ourselves in the middle of a revolution. The potential that digital technologies gives us commercial, social and intellectual - is unprecedented in human history. Over the next few years, we will see a complete transformation of the way we live our lives, driven by the internet, the smart phone and new connected devices. The past decade or so we have seen the birth of a new era. Indeed, it is only ten years since mainstream broadband adoption began, and not five since smart phones became a thing. Many marketers remain concerned that they are not using social channels correctly or getting the most out of them. While models to demonstrate true return on investment are still in creation, the real opportunity for marketers lies within the new realms of data that these social channels create and how they can use the data to better understand their customers and improve their marketing strategies accordingly.

Globally, spending on advertising will rise from \$538.75 billion in 2012 to \$676.17 billion in 2016, as the advertising industry has proved quietly resilient despite ongoing economic hurdles worldwide. Worldwide, digital ad spending passed the \$100-billion mark for the first time, according to new eMarketer estimates, and will increase by a further 15.1% in 2013 to \$118.4 billion. Much of the growth is coming from Asia-Pacific, where, more than 1 billion people will use the web at least once per month. By 2016, this audience number will almost be 1.4 billion. Asia-Pacific will be home to some 2.15 billion mobile phone users this year. In China alone, the mobile consumer base will top 1 billion in 2014. That will put worldwide digital ad spending levels—including online and mobile advertising spending, other than messaging-based formats—at 21.7% of the total spent on ads in all media this year, and on track to account for more than one-quarter of all ad spending by 2016.

## Business Overview:

Our technology optimization tools are in full gear, being used across our Display campaigns for the past few months. We already began early implementation of our campaign Pre-Planning tool, which would allow us to automatically open campaigns in our systems in a smart and optimized manner. We are increasing our investment in media buy of Display inventory, which is growing consistently for the past year and is reaching breaking numbers. Our media management technology tool is entering critical beta stages, with the new infrastructure expected to allow us with the necessary scale we require for our fast growth.

We have made organizational changes based around revenue streams, which would allow us much greater focus and accountability towards our clients. Main revenue streams are Online Performance, Video Advertising, Brand Advertising, Media Sales, and of course our leading regions LATAM, Australia and UK. Facundo Maldonado has been named MD for LATAM, and is reshaping our local operations to strengthen our positioning in the market, and expand our efforts across other revenue streams.

During the year, we have an exceptional item in our balance sheet, a write-off Rs 147 Crores. The write off was due to the Premerger the Companies main business was software development and post-merger the company have two verticals i.e. Software development and Digital Marketing. As a prudent practice, In the Post merger balance sheet, based on the recommendations of audit committee, to have a true and fair view of the value of the assets presented as on the balance sheet date ie 31-3-2013 and to disclose the financials as per the accounting standards, the board of directors have taken a decision to write off the uncollectable account receivables to the extent of Rs. 59.93 Crs in Standalone balance sheet and Rs.134.94 Crs in the Consolidated balance sheet mainly from software vertical. However, Company will keep on pursuing to recover the possible amount from the customers. In future, If any amount is recovered, the same will be shown as income.

Operating in a highly fragmented industry, we have been largely successful in consolidating our presence across 24 countries of the world. With consolidation comes integration: all our offices are highly integrated, encouraging exchange of ideas in a multi-cultural work environment. Over the years, we have also built intensive relationships with advertisers, publishers, and online ad agencies. In conclusion, I must thank our people for their hard work and drive for innovation, which truly made us what we are today: an industry leader with a global presence.

I must reiterate that Ybrant is only as good as its people and we will continue to investing attracting and grooming the best talent in the industry. So that, we can sustain our growth process to keep pace with the phenomenal growth of the internet and mobile communication. I thank you all for your unstinted support and encouragement.

As always, we remain grateful for the support of our shareholders and expect to grow our Company faster in the coming years.

*Sincerely,*

*M Suresh Kumar Reddy*  
*Chairman*



# Ybrant's Business

Ybrant Digital Limited is the new-age digital media company offering Digital Marketing solutions to businesses, agencies, and online publishers worldwide. Ybrant's digital-channel solutions, flexible and scalable platforms, coupled with massive local presence, enable targeting the right audience for advertisers, delivering the appropriate messages and better monetization for content owners. We connect advertisers to their audiences through all forms of digital media, helping enhance brand recognition, client leads and online sales.

## Business Model

Brand / Portal ➤ Ad-Agency ➤ Technology + Reach Provider ➤ Publisher ➤ Internet users

### Brands

The Advertisers who spend money for marketing and branding of their products and services.

### Ad - Agency

are businesses dedicated to handle advertising and sometimes other forms of promotion for Brands.

### Publisher

includes websites and web companies which attract traffic due to the content provided by them viz. Mobile phones, IPTV, Podcasts, etc.

### Technology + Reach provider

Ybrant Digital acts as an interface between the Publishers and the Ad Agencies by offering Technical expertise, technology platforms, custom software and marketing creatives in order to achieve better ROI.



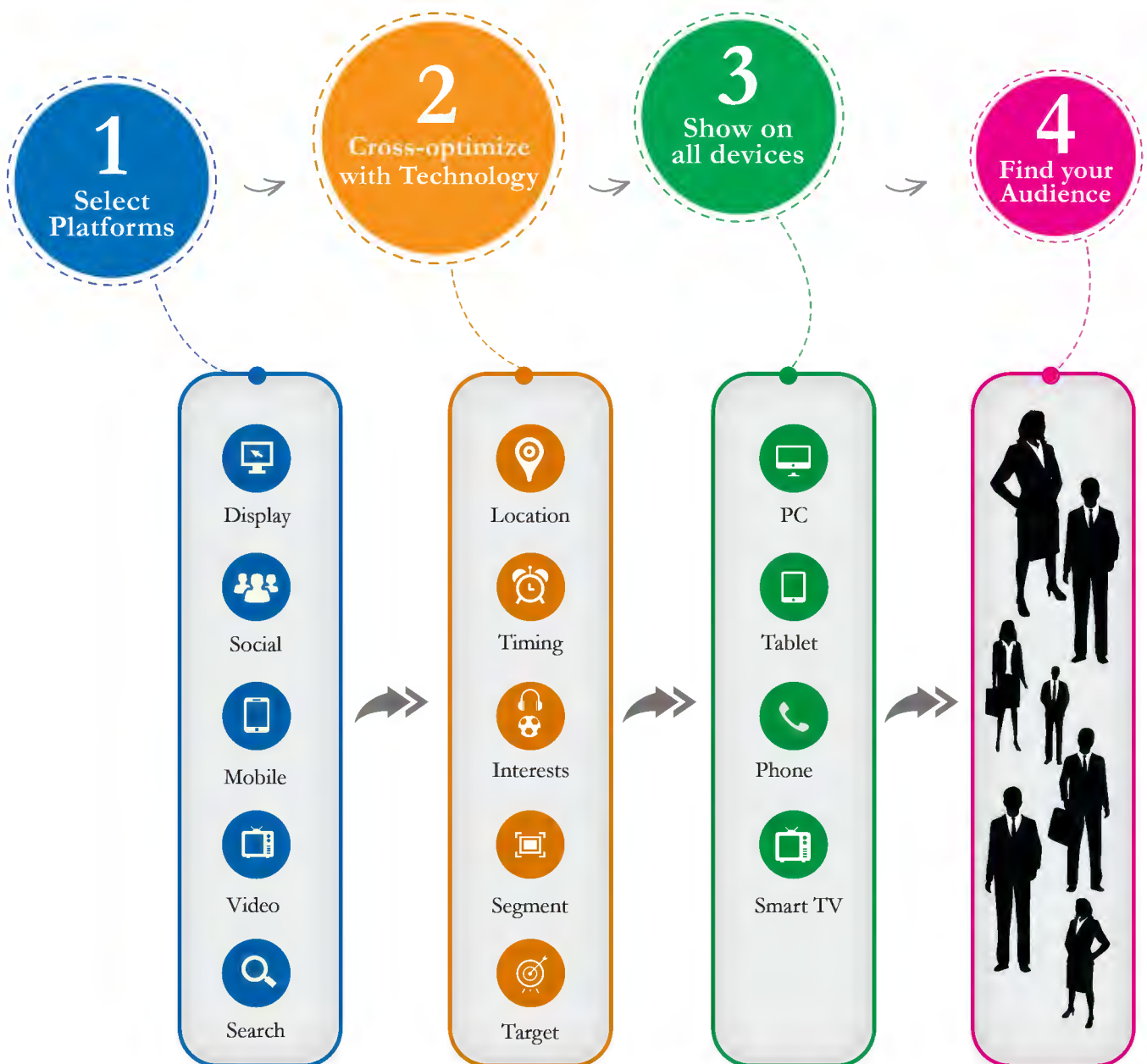
# Optimizing Technology to every screen

The internet today is business of multiscreens. Most of consumers' media time today is spent in front of a screen – computer, smartphone, tablet and TV.

The device we choose to use is often driven by our context: where we are, what we want to accomplish and the amount of time needed.

Portable screens allow us to move easily from one device to another to achieve a task. Search is the most common bridge between devices in this sequential usage.

Multiple screens make us feel more efficient because we can act spontaneously and get a sense of accomplishment – this results in a feeling of “found time”



# Pricing Methods



## CPM or CPT

Cost Per Thousand or Cost Per Mille is a measurement on the basis of showing the ad to one thousand viewers.



## CPC

is a measurement in which Advertisers /Agency pay the media owner when the ad is clicked. It is defined simply as "the amount spent to get an advertisement clicked.



## CPA or CPL

is a measurement where the Advertisers /Agency pays for each specified action (a purchase, a form submission, and so on) linked to the advertisement.