



**NAVEEN ASSOCIATES**  
**CHARTERED ACCOUNTANTS**

103-104, Chopra Complex, Preet Vihar Comm. Complex, Delhi -110 092  
Telefax: (11) 2250 7113, 2245 4678, email: njainfca@yahoo.co.in

**INDEPENDENT AUDITORS' REPORT**

**TO**  
**THE MEMBERS OF M/S GDN ENTERPRISES PRIVATE LIMITED**

**REPORT ON THE FINANCIAL STATEMENTS**

We have audited the accompanying Ind AS financial statements of **M/S GDN ENTERPRISES PRIVATE LIMITED**, ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (Including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity 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 Ind AS Financial statements that give a true and fair view of the financial position, financial performance (including Other Comprehensive Income), cash flows and Changes in Equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015 as amended, other accounting policies generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

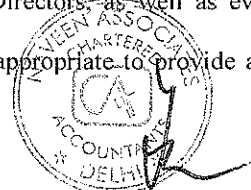
Our responsibility is to express an opinion on these Ind AS Financial statements based on our audit.

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 and the order issued under section 143(11) of the Act.

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 Ind AS Financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. 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 Ind AS 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 Ind AS financial statements.



### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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 company as at 31<sup>st</sup> March 2018, and its profit, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

As required by 'the Companies (Auditor's Report) Order, 2016' ("the order"), issued by the Central Government of India in terms of sub section 11 of Section 143 of the Companies Act, 2013, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.


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 including other comprehensive incomes, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid Ind AS 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, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'
- (g) 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 Ind AS financial statement.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There was no amount required to be transferred to the Investor Education and Protection Fund by the Company.

Date: 29.05.2018  
Place: Delhi



For Naveen Associates  
Chartered Accountants  
FRN – 007238N

  
Naveen Jain  
Partner  
M.No. 082583

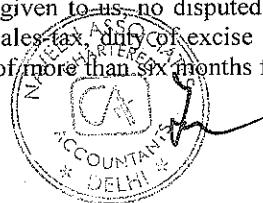
**ANNEXURE A CONTAINING REPORT ON  
MATTERS REQUIRED BY CARO, 2016**

Re: GDN ENTERPRISES PRIVATE LIMITED

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

Referred to in paragraph 5 of our report of even date

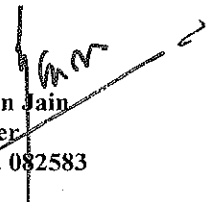
- i) In respect of its fixed assets:
  - a) The company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
  - b) As informed to us, fixed assets have been physically verified by the management in phased periodical manner, which in our opinion is reasonable having regard to the size of the company and the nature of its assets. As informed to us, no material discrepancies were noticed on such physical verification.
  - c) There is no title deeds of immovable properties held in the name of the company
- ii) (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.  
  
(b) In our opinion the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.  
  
(c) On the basis of our examination of the records of inventory, we are of the opinion that the company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- iii) According to the information and explanation given to us, the company has made/ taken loans to the parties covered in the Register maintained under section 189 of the Act. The terms & Conditions of the grant of such loans are not prejudicial to the company's interest and the receipt of principal amount and interest are also regular.
- iv) According to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186, wherever applicable, in respect of loans, investments and guarantees given by the company.
- v) In our opinion and according to the information and explanations given to us the company has not accepted any deposits, in terms of the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under.
- vi) In respect of business activities of the company maintenance of cost records has been specified by the Central Government under sub-section (l) of section 148 of the Companies Act and the same has been complied with.
- vii) a) According to the records of the company, the company is regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues applicable to it.  
  
b) According to the information and explanations given to us, no disputed statutory dues payable in respect of income-tax, goods and service tax, sales tax, duty of excise and value added tax were outstanding, as at 31<sup>st</sup> March 2018 for a period of more than six months from the date they became payable.



- c) According to the records of the company, there are no dues of income tax or goods and service tax or sales tax or service tax or duty of customs or duty of excise or value added tax or cess which have not been deposited on account of any dispute.
- viii) In our opinion and according to the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a financial institution, bank, Government or debenture holders, as applicable to the company.
- ix) Based on our audit procedures and according to the information given by the management, the company has not raised any money by way of initial public offer or further public offer (including debt instruments) or taken any term loan during the year.
- x) According to the information and explanations given to us, we report that no fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi) The company is a private limited company. Hence the provisions of clause xi) of the order are not applicable to the company.
- xii) The company is not a Nidhi Company. Therefore clause xii) of the order is not applicable to the company.
- xiii) According to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc. as required by the applicable accounting standards.
- xiv) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- xv) The company has not entered into non-cash transactions with directors or persons connected with him.
- xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Date: 29.05.2018  
Place: Delhi

For Naveen Associates  
Chartered Accountants  
FRN – 007238N

  
Naveen Jain  
Partner  
M.No. 082583



**ANNEXURE 'B'**  
**REPORT ON INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of *GDN ENTERPRISES PRIVATE LIMITED*. ("the Company") as of March 31, 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

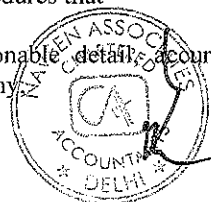
Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company



2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
3. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**Date: 29.05.2018**  
**Place: Delhi**

**For Naveen Associates**  
**Chartered Accountants**  
**FRN – 007238N**

  
**Naveen Jain**  
**Partner**  
**M.No. 082583**



**GDN Enterprises Private Limited**  
CIN: U51909DL2010PTC209321  
Balance sheet as at March 31, 2018

	Notes	As at 31-Mar-18 INR in Laacs	As at 31-Mar-17 INR in Laacs	As at 01-Apr-16 INR in Laacs
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment	3	502	728	1,384
Other intangible assets	4	1	10	33
Deferred tax assets (net)	5	147	64	175
Financial assets	6			
Other financial assets	6 (a)	10	10	9
		<u>660</u>	<u>811</u>	<u>1,600</u>
<b>Current assets</b>				
Inventories	7	5,254	9,145	16,226
Financial assets	8			
Trade receivables	8 (a)	470	4,817	7,218
Cash and cash equivalents	8 (b)	829	1,940	125
Bank balances other than cash and cash equivalents	8 (c)	1	-	-
Loans	8 (d)	-	-	-
Other financial assets	8 (e)	152	67	54
Other current assets	9	895	256	232
Current tax assets (net)		-	-	0
		<u>7,601</u>	<u>16,225</u>	<u>23,855</u>
<b>Total assets</b>		<u><b>8,261</b></u>	<u><b>17,036</b></u>	<u><b>25,455</b></u>
<b>Equity and liabilities</b>				
<b>Equity</b>				
Equity share capital	10	251	1	1
Other equity		-561	-753	-889
<b>Total equity</b>		<u><b>-310</b></u>	<u><b>-752</b></u>	<u><b>-888</b></u>
<b>Non-current liabilities</b>				
Financial liabilities	11			
Borrowings	11 (a)	-	-	438
Provisions	12	5	13	9
		<u>5</u>	<u>13</u>	<u>447</u>
<b>Current liabilities</b>				
Financial liabilities	13			
Borrowings	13 (a)	-	-	60
Trade payables	13 (b)	8,176	12,235	18,566
Other financial liabilities	13 (c)	219	232	119
Other current liabilities	14	133	5,244	7,150
Provisions	15	0	0	0
Current tax liabilities (net)	16	39	63	-
		<u>8,567</u>	<u>17,775</u>	<u>25,895</u>
<b>Total liabilities</b>		<u><b>8,572</b></u>	<u><b>17,788</b></u>	<u><b>26,343</b></u>
<b>Total equity and liabilities</b>		<u><b>8,261</b></u>	<u><b>17,036</b></u>	<u><b>25,455</b></u>

Summary of Significant accounting policies

The accompanying notes are an integral part of financial statements

2

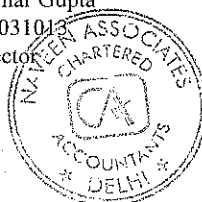
"Signed in terms of our Report of Even Date Attached"  
For Naveen Associates (FRN: 007238N)

For GDN Enterprises Private Limited

Naveen Jain  
Partner  
M.No. 082583

Date : 29-05-2018  
Place : New Delhi

Mukesh Kumar Gupta  
DIN:- 00031013  
Director



Neelish Gupta  
DIN:- 00030782  
Director

**GDN Enterprises Private Limited**

CIN: U51909DL2010PTC209321

Statement of profit and loss for the year ended 31 March 2018

	Notes	31-Mar-18 INR in Lacs except EPS	31-Mar-17 INR in Lacs except EPS
<b>Continuing operations</b>			
<b>Income</b>			
Revenue from operations	17	77,668	143,456
Other income	18	104	13
		<u>77,772</u>	<u>143,469</u>
<b>Expenses</b>			
Cost of material consumed	18	71,597	119,375
Purchase of traded goods		-	14,928
Changes in inventories of stock-in-trade	19	2,200	1,905
Employee benefits expense	20	1,006	1,336
Finance costs	21	7	40
Depreciation and amortization expense	22	329	497
Other expenses	23	2,497	5,086
<b>Total expenses</b>		<u>77,636</u>	<u>143,166</u>
<b>Profit/(loss) before tax</b>		<b>136</b>	<b>303</b>
Tax expense:			
Current tax	5	40	63
Deferred tax credit	5	-87	108
		<u>-47</u>	<u>172</u>
<b>Profit for the year</b>		<b>184</b>	<b>131</b>
<b>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</b>			
Re-measurement gains/ (losses) on defined benefit plans		12	7
Income tax effect	5	-4	-2
<b>Net other comprehensive income not to be reclassified to profit or loss in subsequent periods</b>		<u>8</u>	<u>5</u>
<b>Total comprehensive income for the year</b>		<u><u>192</u></u>	<u><u>136</u></u>
<b>Earnings per share</b>			
Basic and diluted earnings per share	24	7.63	1,361.58

Summary of Significant accounting policies

2

The accompanying notes are an integral part of financial statements

"Signed in terms of our Report of Even Date Attached"

For Naveen Associates (FRN: 007238N)

For GDN Enterprises Private Limited

Naveen Jain  
Partner  
M.No. 082583

Mukesh Kumar Gupta  
DIN:- 00031013  
Director

Nectesh Gupta  
DIN:- 00030782  
Director

Date : 29-05-2018  
Place : New Delhi





GDN Enterprises Private Limited  
CIN: U51909DL2010PTC209321  
Statement of cash flows for the year ended March 31, 2018

	31-Mar-18 INR in Lacs	31-Mar-17 INR in Lacs
<b>Operating activities</b>		
Profit before tax	136	303
<i>Adjustments to reconcile profit before tax to net cash flows:</i>		
Depreciation of property, plant and equipment	320	473
Amortisation of intangible assets	9	24
Profit on disposal of property, plant and equipment	-	(10)
Finance income	(7)	(1)
Finance costs	7	40
	<u>465</u>	<u>829</u>
<i>Working capital adjustments:</i>		
(Increase)/decrease in trade and other receivables	3,623	2,364
(Increase)/decrease in inventories	3,891	7,081
Increase/(decrease) in trade and other payables	(9,329)	(7,994)
Increase/(decrease) in provisions	3	11
	<u>(1,346)</u>	<u>2,292</u>
Income tax paid	(64)	(0)
<b>Net cash flow from operating activities</b>	<u>(1,410)</u>	<u>2,292</u>
<b>Investing activities</b>		
Proceeds from sale of property, plant and equipment	6	245
Purchase of fixed assets including CWIP and capital advances	(100)	(53)
Loans given/(repayments received)	-	-
Proceeds from / (Investments in) fixed deposits with original maturities more than 3 months	(1)	-
Interest received (finance income)	6	0
<b>Net cash flows used in investing activities</b>	<u>(89)</u>	<u>191</u>
<b>Financing activities</b>		
Proceeds from of long-term borrowings (net)	145	(568)
(Repayment) of short-term borrowings (net)	-	(60)
Proceeds from issue of share capital	250	-
Interest paid	(7)	(40)
<b>Net cash flows from/(used in) financing activities</b>	<u>388</u>	<u>(668)</u>
<b>Net increase in cash and cash equivalents</b>	<u>(1,111)</u>	<u>1,815</u>
Cash and cash equivalents at the beginning of the year	1,940	125
<b>Cash and cash equivalents at year end</b>	<u>829</u>	<u>1,940</u>
<b>Components of cash and cash equivalents</b>		
Balances with banks in current accounts	821	1,930
Deposits with original maturity of less than 3 months	-	-
Cash on hand	8	10
	<u>829</u>	<u>1,940</u>

Summary of Significant accounting policies

The accompanying notes are an integral part of financial statements

2

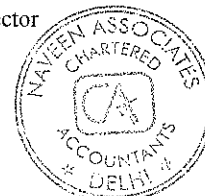
"Signed in terms of our Report of Even Date Attached"  
For Naveen Associates (FRN: 007238N)

For GDN Enterprises Private Limited

Naveen Jain  
Partner  
M.No. 082583

Mukesh Kumar Gupta  
DIN:- 00031013  
Director

Nagesh Gupta  
DIN:- 00030782  
Director



Date : 29-05-2018  
Place : New Delhi

**GDN Enterprises Private Limited**

CIN: U51909DL2010PTC209321

Statement of changes in equity for the year ended 31 March 2018

**a. Equity Share Capital**

Equity shares of INR 10 each issued, subscribed and fully paid

	No.	INR in Lacs
At 1 April 2016	10,000	1
At 31 March 2017	10,000	1
Issue of share capital	2,500,000	250
At 31 March 2018	2,510,000	251

**b. Other Equity**

For the year ended 31 March 2018

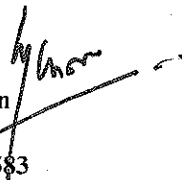
	Reserves and Surplus	
	Retained earnings	Total
As at 1 April 2017	(753)	(753)
Profit for the year	184	184
Other comprehensive income	8	8
<b>Total comprehensive income</b>	<b>192</b>	<b>192</b>
<b>As at 31 March 2018</b>	<b>(561)</b>	<b>(561)</b>

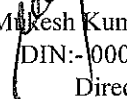
For the year ended 31 March 2017


	Reserves and Surplus	
	Retained earnings	Total
As at 1 April 2016	(889)	(889)
Profit for the year	131	131
Other comprehensive income	5	5
<b>Total comprehensive income</b>	<b>136</b>	<b>136</b>
<b>As at 31 March 2017</b>	<b>(753)</b>	<b>(753)</b>

"Signed in terms of our Report of Even Date Attached"

For Naveen Associates (FRN: 007238N)

  
Naveen Jain  
Partner  
M.No. 082583

  
Mukesh Kumar Gupta  
DIN:-00031013  
Director

  
Neetesh Gupta  
DIN:- 00030782  
Director

Date : 29-05-2018

Place : New Delhi



## Notes to the Financial Statements

### 1. Corporate Information

GDN Enterprises Private Limited ("the Company") is a private company incorporated on 12<sup>th</sup> Oct 2010;. The company is engaged mainly in the business of manufacturing and selling of mobile handsets.

### 2. Significant Accounting Policies

#### 2.1 Basis of Preparation

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under Companies (Indian Accounting Standards) Rules 2015, read with Section 133 of Companies Act 2013.

For all periods, up to and including the year ended 31 March 2017, the Company prepared its financial statements in accordance with the Companies (Accounts) Rules 2014, read with Section 133 of Companies Act, 2013 (Previous GAAP). These financial statements, for the year ended 31 March 2018, are the first the Company has prepared in accordance with Ind AS. The transition from Previous GAAP to the Ind AS has been done in accordance Ind AS 101, First Time Adoption of Indian Accounting Standards. Refer Note No 2.3 for information on how the Company has adopted Ind AS.

These financial statements have been prepared on a historical cost basis. These financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest rupees, except when otherwise indicated.

These financial statements are authorized for issue in accordance with a resolution of the directors on 29<sup>th</sup> May, 2018.

#### 2.2 Summary of Significant Accounting Policies

##### 2.2.1 Use of Estimates

The preparation of financial statements in conformity with Ind AS recognition and measurement principles and, in particular, making the critical accounting judgments require the use of estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. Management reviews its estimates on an ongoing basis using currently available information. Changes in facts and circumstances or obtaining new information or more experience may result in revised estimates, and actual results could differ from those estimates.

##### 2.2.2 Classification of Assets and Liabilities as Current or Non-Current

The Company presents current and non-current assets, and current and non-current liabilities, as separate classifications in its statement of financial position on the basis of realization of assets.

An asset is classified as current when it is:

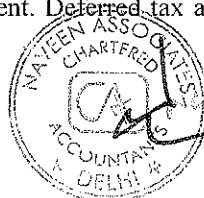
- expected to be realized or intended to be sold or consumed in the normal operating cycle,
- held primarily for the purpose of trading,
- expected to be realized within twelve months after the reporting period, or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified as current when:

- it is expected to be settled in the normal operating cycle,
- it is held primarily for the purpose of trading,
- it is due to be settled within twelve months after the reporting period, or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other assets and liabilities are classified as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

*[Handwritten signature]*



*[Handwritten signature]*

### 2.2.3 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

Sales tax/ value added tax (VAT)/goods and service tax(GST) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognised.

#### *Sale of goods*

The Company derives revenues primarily from sale of mobile handsets and accessories.

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract, there is no continuing managerial involvement with the goods and the amount of revenue can be measured reliably. The Company retains no effective control of the goods transferred to a degree usually associated with ownership and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods. Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales such as sales tax, value added tax, etc.

#### *Interest Income*

For all financial assets measured at amortized cost interest income is recorded using the effective interest rate (EIR). The EIR is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset or a shorter period, where appropriate, to the net carrying amount of the financial asset.

#### *Others*

Other incomes are recognized on accrual basis.

### 2.2.4 Property, Plant and Equipment

Property, plant and equipment is recorded at cost less accumulated depreciation and impairment. Cost includes all related costs directly attributable to the acquisition or construction of the asset.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. Except for land, property, plant and equipment is depreciated using the straight-line method over the useful lives of the related assets as presented in Schedule 2 of Companies Act, 2013.

Major improvements, which add to productive capacity or extend the life of an asset, are capitalized, while repairs and maintenance are expensed as incurred. Where a property, plant and equipment comprises major components having different useful lives, these components are accounted for as separate items. The depreciation expense is recognized in the statement of profit or loss in the expense category consistent with the function of the property, plant and equipment.

Property, plant and equipment under construction is recorded as capital work-in-progress until it is ready for its intended use; thereafter it is transferred to the related class of property, plant and equipment and depreciated over its estimated useful life. Interest incurred during construction is capitalized if the borrowing cost is directly attributable to the construction.

Gains or losses arising from de-recognition of a property, plant and equipment 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 or loss when the asset is derecognized.

The residual values and useful lives of property, plant and equipment are reviewed at each reporting date and adjusted if expectations differ from previous estimates. Depreciation methods applied to property, plant and



equipment are reviewed at each reporting date and changed if there has been a significant change in the expected pattern of consumption of the future economic benefits embodied in the asset.

### 2.2.5 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 recognized in the statement of profit or loss when it is incurred.

The useful lives of intangible assets are assessed as finite. Intangible assets are amortized over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense is recognized in the statement of profit or loss in the expense category consistent with the function of the intangible assets.

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 or loss when the asset is derecognized.

### 2.2.6 Impairment of Assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Unit (CGU)'s fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecasts which are prepared separately for each of the Company's CGU to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses are recognized in the statement of profit or loss in those expense categories consistent with the function of the impaired asset.

### 2.2.7 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### *i. Financial assets*

##### **Initial recognition and measurement**

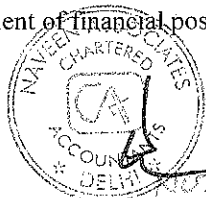
Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, fair value through OCI or at amortized cost as appropriate. The Company determines the classification of its financial assets at initial recognition.

All financial assets are recognised initially at fair value plus, in the case of assets not at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

The Company has the following financial assets in its statement of financial position

- Investments
- Cash
- Bank Balances

*Handwritten signature*



*Handwritten signature*

- Trade Receivables
- Loans

### Subsequent measurement

The subsequent measurement of financial assets depends on their classification as described below:

#### Financial assets at FVTPL or FVTOCI

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held-for-trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets at fair value through profit and loss are carried in the statement of financial position at fair value with net changes in fair value presented as finance income (positive net changes in fair value) or finance costs (negative net changes in fair value) in the statement of profit or loss. The Company has not designated any financial assets upon initial recognition as at fair value through profit or loss.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

#### Financial assets at amortised cost

This category is the most relevant to the Company. All Trade and Other Receivables, Loans and Advances fall under this category. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss in finance costs for loans and in cost of sales or other operating expenses for receivables. This category generally applies to trade and other receivables.

#### De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement, and either the Company has transferred substantially all the risks and rewards of the asset, or transferred control of the asset.

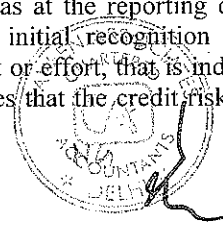
#### Impairment of Financial Assets

The objective of the company in recognising the impairment allowance is to recognise lifetime expected credit losses for all financial instruments for which there have been significant increases in credit risk since initial recognition — whether assessed on an individual or collective basis — considering all reasonable and supportable information, including that which is forward-looking.

Credit Losses are the difference between all contractual cash flows that are due to the company in accordance with the contract and all the cash flows that the company expects to receive (ie all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). Expected Credit Losses are the weighted average of credit losses with the respective risks of a default occurring as the weights.

The Company recognises a loss allowance for expected credit losses on a financial asset that is measured at amortized cost at each reporting date, at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. When making the assessment, the company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and consider reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Company assumes that the credit risk on a financial instrument has

*Handwritten signature*



*Handwritten signature*

not increased significantly since initial recognition if it is determined to have low credit risk at the reporting date.

If, at the reporting date, the credit risk on a financial instrument has not increased significantly since initial recognition, the company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. For Trade receivables the company always measure the loss allowance at an amount equal to lifetime expected credit losses.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost, the Company first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

The Company measures expected credit losses of a financial instrument in a way that reflects an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes, the time value of money; and the reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the statement of profit or loss. Interest income continues to be accrued on the gross carrying amount using the effective rate of interest unless the financial instrument is credit-impaired in which case the interest income is recognised on reduced carrying amount. The interest income is recorded as part of finance revenue in the statement of profit or loss.

Loans, together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Company. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to profit or loss.

## ii. Financial Liabilities

The Company has the following financial liabilities in its statement of financial position

- Borrowings
- Trade payables
- Other Financial Liabilities

### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

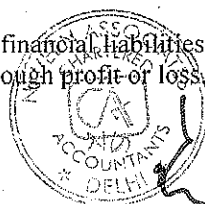
All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

### Subsequent measurement

The measurement of financial liabilities depends on their classification, as follows:

#### Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held-for-trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.



Financial liabilities are classified as held-for-trading if they are acquired for the purpose of selling in the near term. Gains or losses on liabilities held-for-trading are recognised in the statement of profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind AS109 are satisfied. The Company has not designated any financial liabilities as at fair value through profit or loss.

#### **Financial liabilities at amortised cost**

This is the category most relevant to the Company. After initial recognition, financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate method (EIR) amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the statement of profit or loss.

This category generally applies to notes payable, short-term loans and overdrafts.

#### **iii. Offsetting of financial instruments**

Financial assets and financial liabilities are offset with the net amount reported in the consolidated statement of financial position only if there is a current enforceable legal right to offset the recognised amounts and an intent to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

#### **iv. Fair Value of Financial Instruments**

Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair values of the financial instruments are not materially different at the reporting date.

#### **2.2.8 Cash and Bank Balances**

Cash and Bank Balances in the statement of financial position comprise cash at banks and on hand and fixed deposits with banks, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits with original maturity of less than 3 months, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

#### **2.2.9 Leases**

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date. The arrangement is assessed for whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

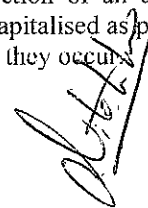
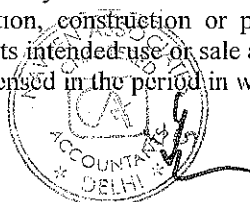
##### *Company as a lessee*

Finance leases that transfer to the Company substantially all of the risks and benefits incidental to ownership of the leased item, are capitalised at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and a reduction in the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the statement of profit or loss.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

#### **2.2.10 Borrowing Cost**

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. 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 or sale are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period in which they occur.





### 2.2.11 Provisions

General Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

#### Warranty provisions

Provisions for warranty-related costs are recognized when the product is sold or service provided to the customer. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.

### 2.2.12 Employee Benefits

Employee benefits are all forms of consideration given by the company in exchange for service rendered by employees. Employee benefits include: short-term employee benefits, post-employment benefits and other long-term employee benefits

#### Short Term Employee Benefits

When an employee has rendered service to the company during an accounting period, the company recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service as a liability (accrued expense), after deducting any amount already paid and as an expense. Accumulated leave, which is expected to be utilized within the next twelve 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.

#### Defined Contribution Plan

Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

When an employee has rendered service during the year, the company recognises the contribution payable to a defined contribution plan in exchange for that service as a liability (accrued expense) and as an expense.

#### Defined Benefit Plan

Defined benefit plans are those plans that provide guaranteed benefits to certain categories of employees, either by way of contractual obligations or through a collective agreement.

The company operates unfunded defined benefit plan. The cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at each fiscal year end. The obligation recognized in the consolidated statements of financial position represents the present value of the defined benefit obligation.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the period in which they arise.

Current service cost, which is the increase of the present value of the defined benefit obligation resulting from the employee service in the current period, is recorded as an expense as part of cost of sales and selling, general and administrative expenses in the statement of profit and loss. The interest cost, which is the change during the period in the defined benefit liability that arises from the passage of time, is recognized as part of financing costs in the statement of profit and loss.



### 2.2.13 Foreign Currencies

The Company's financial statements are presented in Indian Rupees (INR), which is also the company's functional currency. Transactions in foreign currencies are initially recorded by the Company at the functional currency spot rate at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date. Differences arising on settlement or translation of monetary items are recognized in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary measured at fair value is treated in line with the recognition of gain or loss on change in fair value in the item.

### 2.2.14 Income Tax

Tax expense comprises of current tax 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. Deferred Tax Expense or Income arises due to temporary differences are differences between the carrying amount of an asset or liability in the statement of financial position and its tax base. Temporary differences may be either taxable temporary differences, which are temporary differences that will result in taxable amounts in determining taxable profit (tax loss) of future periods when the carrying amount of the asset or liability is recovered or settled or deductible temporary differences, which are temporary differences that will result in amounts that are deductible in determining taxable profit (tax loss) of future periods when the carrying amount of the asset or liability is recovered or settled. A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax liability is recognised for all taxable temporary differences.

### 2.2.15 Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- i. **Raw materials:** cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in, first out basis.
- ii. **Finished goods and work in progress:** cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs. Cost is determined on first in, first out basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

### 2.2.15 Segment Reporting

#### Identification of segments

The Company is operating in single business i.e., manufacturing of mobile handsets; and single geographical segment i.e., Domestic.

#### 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.

#### Segment accounting 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.



### 2.2.16 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.

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

### 2.2.17 Contingent Liabilities

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

## 2.3 First-time adoption of Ind AS

These financial statements, for the year ended 31 March 2018, are the first the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2017, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on 31 March 2018, together with the comparative period data as at and for the year ended 31 March 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2016, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1 April 2016 and the financial statements as at and for the year ended 31 March 2017.

### Exemptions applied

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions

- (i) Estimates exception - On an assessment of the estimates made under the Previous GAAP financial statements, the Company has concluded that there is no necessity to revise the estimates under Ind AS (except for adjustments to reflect any difference in accounting policies), as there is no objective evidence that those estimates were in error. However, estimates, that were required under Ind AS but not required under Previous GAAP, are made by the Company for the relevant reporting dates, reflecting conditions existing as at that date without using any hindsight.
- (ii) De-recognition of financial assets and liabilities exception - Financial assets and liabilities de-recognized before transition date are not re-recognized under Ind AS.

Reconciliations and explanations of the significant effect of the transition from Previous GAAP to Ind AS on the statement of profit and loss are provided in Note 32.

## 2.4. Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2018 has notified the following new and amendments to Ind ASs which the Company has not applied as they are effective for annual periods beginning on or after April 1, 2018:

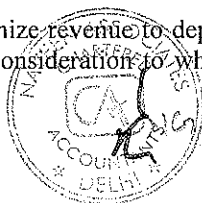
Ind AS 115 - Revenue from Contracts with Customers

Ind AS 21 - The Effect of Changes in Foreign Exchange Rates

### Ind AS 115 – Revenue from Contracts with Customers

Ind AS 115 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. Ind AS 115 will supersede the current revenue recognition standard Ind AS 18 – Revenue.

The core principle of Ind AS 115 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be



entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

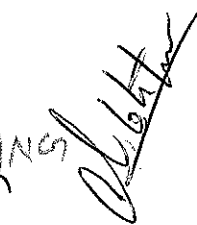
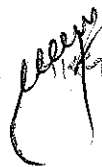
- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligation in contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

Under Ind AS 115, an entity recognizes revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

The Company has completed its evaluation of the possible impact of Ind AS 115 and will adopt the standard with all related amendments to all contracts with customers retrospectively with the cumulative effect of initially applying the standard recognized at the date of initial application. Under this transition method, cumulative effect of initially applying Ind AS 115 is recognized as an adjustment to the opening balance of retained earnings of the annual reporting period. The standard is applied retrospectively only to contracts that are not completed contracts at the date of initial application. The Company does not expect the impact of the adoption of the new standard to be material on its retained earnings and to its net income on an ongoing basis.

#### **Ind AS 21 – The Effect of Changes in Foreign Exchange Rates**

The amendment clarifies on the accounting of transactions that include the receipt or payment of advance consideration in a foreign currency. The appendix explains that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt. The company is evaluating the impact of this amendment on its financial statements.



**GDN Enterprises Private Limited**

CIN: U51909DL2010PTC209321

Notes to Financial Statements for the year ended 31 March 2018

**3. Property, plant and equipment**

INR in Lacs

	Building	Plant & Machinery	Furniture & Fixtures	Electrical Fittings	Office equipment	Computers	Total
<b>Cost or valuation</b>							
At 1 April 2016	110	922	241	67	216	230	1,785
Additions	15	4	11	3	17	1	52
Disposals	-	-287	-2	-	-20	-8	(317)
<b>At 31 March 2017</b>	<b>125</b>	<b>639</b>	<b>250</b>	<b>70</b>	<b>213</b>	<b>223</b>	<b>1,520</b>
Additions	-	90	1	-	8	1	100
Disposals	-	-	-	-10	-2	-	(11)
<b>At 31 March 2018</b>	<b>125</b>	<b>729</b>	<b>251</b>	<b>60</b>	<b>220</b>	<b>224</b>	<b>1,609</b>
<b>Depreciation and impairment</b>							
At 1 April 2016	23	177	59	13	70	60	402
Depreciation charge for the year	31	185	62	15	67	114	473
Disposals	-	-73	-0	-	-6	-4	(82)
<b>At 31 March 2017</b>	<b>54</b>	<b>289</b>	<b>121</b>	<b>28</b>	<b>131</b>	<b>170</b>	<b>793</b>
Depreciation charge for the year	27	140	49	11	48	45	320
Disposals	-	-	-	-4	-1	-	(5)
<b>At 31 March 2018</b>	<b>81</b>	<b>429</b>	<b>170</b>	<b>35</b>	<b>178</b>	<b>215</b>	<b>1,107</b>
<b>Net book value</b>							
At 31 March 2018	45	300	81	25	41	10	502
At 31 March 2017	71	349	129	42	82	54	728
At 1 April 2016	87	744	182	54	146	171	1,384

**4. Intangible Assets**

INR in Lacs

	Computer Software	Total
<b>Cost or valuation</b>		
At 1 April 2016	62	62
Additions	1	1
<b>At 31 March 2017</b>	<b>63</b>	<b>63</b>
Additions	-	-
Disposals	-	-
<b>At 31 March 2018</b>	<b>63</b>	<b>63</b>
<b>Depreciation and impairment</b>		
At 1 April 2016	29	29
Depreciation charge for the year	24	24
<b>At 31 March 2017</b>	<b>53</b>	<b>53</b>
Depreciation charge for the year	9	9
Disposals	-	-
<b>At 31 March 2018</b>	<b>62</b>	<b>62</b>
<b>Net book value</b>		
At 31 March 2018	1	1
At 31 March 2017	10	10
At 1 April 2016	33	33



*Handwritten signature*

*Handwritten signature*

**GDN Enterprises Private Limited**

CIN: U51909DL2010PTC209321

Notes to the financial statements as at March 31, 2018

**5. Income Taxes**

The major components of income tax expense for the years ended 31 March 2018 and 31 March 2017 are:

**Profit or loss section**

	As at 31-Mar-18 INR in Lacs	As at 31-Mar-17 INR in Lacs
<b>Current tax:</b>		
Current income tax charge	40	63
<b>Deferred tax:</b>		
Relating to origination and reversal of temporary differences	(87)	108
<b>Income tax expense reported in the statement of profit or loss</b>	<b>(47)</b>	<b>172</b>
<b>OCI section</b>		
Net loss/(gain) on remeasurements of defined benefit plans	12	7
<b>Income tax charged to OCI</b>	<b>4</b>	<b>2</b>
<b>Total Tax expenses reported in the profit and loss statement</b>	<b>-43</b>	<b>174</b>

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2017 and 31 March 2018:

	As at 31-Mar-18 INR in Lacs	As at 31-Mar-17 INR in Lacs
Accounting profit before tax	136	303
<b>At India's statutory income tax rate of 33.063% (31 March 2017: 33.063%)</b>	<b>45</b>	<b>100</b>
Tax on Non-deductible expenses	4	-
Tax effect on timing difference of taxation	83	(111)
Tax on Losses carry forward	(175)	182
	<b>-43</b>	<b>172</b>
<b>Income tax expense reported in the statement of profit and loss</b>	<b>(43)</b>	<b>172</b>

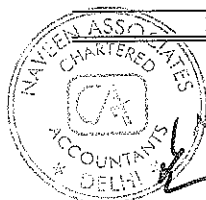
**Deferred tax expense/(income):**

	As at 31-Mar-18 INR in Lacs	As at 31-Mar-17 INR in Lacs
Accelerated depreciation for tax purposes	(58)	111
Expenditure charged to the statement of profit or loss in the current year but allowed for tax purposes on payment basis	(2)	-
Others	(23)	-
<b>Deferred tax expense/(income)</b>	<b>(83)</b>	<b>111</b>

**Deferred tax asset:**

	As at 31-Mar-18 INR in Lacs	As at 31-Mar-17 INR in Lacs	As at 01-Apr-16 INR in Lacs
Fixed assets: Impact of difference between tax depreciation and depreciation/amortization charged for the financial reporting	122	64	175
Impact of expenditure charged to the statement of profit or loss in the current year but allowed for tax purposes on payment basis	2	-	-
Others	23	-	-
	<b>147</b>	<b>64</b>	<b>175</b>

*[Handwritten signature]*



*[Handwritten signature]*

**GDN Enterprises Private Limited**

CIN: U51909DL2010PTC209321

Notes to the financial statements as at March 31, 2018

**Reconciliation of deferred tax assets (net):**

	As at 31-Mar-18 INR in Lacs	As at 31-Mar-17 INR in Lacs
Opening balance as of 1 April	64	175
Tax income/(expense) during the period recognised in profit or loss	87	(108)
Tax income/(expense) during the period recognised in OCI	(4)	(2)
<b>Closing balance as at 31 March</b>	<b>147</b>	<b>64</b>

**6. Non-current financial assets**

	As at 31-Mar-18 INR in Lacs	As at 31-Mar-17 INR in Lacs	As at 01-Apr-16 INR in Lacs
<b>(a) Other financial assets</b>			
Deposits with original maturity of more than 3 months but less than 12 months	9	9	9
Interest receivable	2	1	0
	<b>10</b>	<b>10</b>	<b>9</b>

**7. Inventories**

	As at 31-Mar-18 INR in Lacs	As at 31-Mar-17 INR in Lacs	As at 01-Apr-16 INR in Lacs
Raw material	1,479	3,170	8,346
Work-in-progress	679	1,620	5,057
Finished goods	3,096	4,355	4,823
	<b>5,254</b>	<b>9,145</b>	<b>16,226</b>

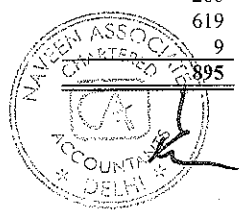
**8. Current financial assets**

	As at 31-Mar-18 INR in Lacs	As at 31-Mar-17 INR in Lacs	As at 01-Apr-16 INR in Lacs
<b>(a) Trade receivables</b>			
Unsecured, considered good	470	4,817	7,218
	<b>470</b>	<b>4,817</b>	<b>7,218</b>
<b>(b) Cash and cash equivalents</b>			
Cash on hand	8	10	2
Balances with banks in current accounts	821	1,930	123
Deposits with original maturity of less than 3 months	-	-	-
	<b>829</b>	<b>1,940</b>	<b>125</b>
<b>(c) Bank balances other than cash and cash equivalents</b>			
Deposits with original maturity of more than 3 months but less than 12 months	1	-	-
	<b>1</b>	<b>-</b>	<b>-</b>
<b>(d) Loans</b>			
Unsecured, considered good			
Loans given	-	-	-
Loans to related parties	-	-	-
	<b>-</b>	<b>-</b>	<b>-</b>
<b>(e) Other financial assets</b>			
Security deposits	61	62	54
Claims receivable	90	5	-
Other receivables	1	-	-
	<b>152</b>	<b>67</b>	<b>54</b>

**9. Other current assets**

	As at 31-Mar-18 INR in Lacs	As at 31-Mar-17 INR in Lacs	As at 01-Apr-16 INR in Lacs
Advances to suppliers of goods or services	266	235	201
Taxes recoverable	619	9	27
Prepaid expenses	9	12	3
	<b>895</b>	<b>256</b>	<b>232</b>

*Handwritten signature*



*Handwritten signature*

**GDN Enterprises Private Limited**

CIN: U51909DL2010PTC209321

Notes to the financial statements as at March 31, 2018

**10. Equity share capital**

	As at 31-Mar-18 INR in Lacs	As at 31-Mar-17 INR in Lacs	As at 01-Apr-16 INR in Lacs
<b>Authorised shares</b>			
50,00,000 (31 March, 2017: 50,00,000, 1 April, 2016: 50,00,000) equity shares of INR 10 each	500	500	500
<b>Issued, subscribed and fully paid-up shares</b>			
25,10,000 (31 March, 2017: 10,000, 1 April, 2016: 10,000) equity shares of INR 10 each	251	1	1
	<u>251</u>	<u>1</u>	<u>1</u>

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

*Equity shares*

	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	No.	INR in Lacs	No.	INR in Lacs	No.	INR in Lacs
At the beginning of the period	10,000	1	10,000	1	10,000	1
Issued during the period	2,500,000	250	-	-	-	-
Outstanding at the end of the period	<u>2,510,000</u>	<u>251</u>	<u>10,000</u>	<u>1</u>	<u>10,000</u>	<u>1</u>

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

The company has only one class of equity shares having par value of INR 10 per share. Each holder of equity shares is entitled to one

In the event of liquidation of the company, the holders of equity shares will be entitled to

**(c) Details of shareholders holding more than 5% shares in the Company**

Name of the shareholder	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No.	% holding	No.	% holding	No.	% holding
<b>Equity shares of Rs. 10 each fully paid</b>						
Teleecare Network India Pvt. Ltd.	2,509,999	100%	9,999	100%	9,999	100%

As per records of the Company, including its register of shareholders/ members and other

**(d) Shares held by holding/ ultimate holding company**

Out of equity shares issued by the company, shares held by its holding company are as below:

Name of the shareholder	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No.	% holding	No.	% holding	No.	% holding
<b>Equity shares of Rs. 10 each fully paid</b>						
Teleecare Network India Pvt. Ltd.	2,509,999	100%	9,999	100%	9,999	100%

(This space is intentionally left blank)

*[Handwritten signature]*



*[Handwritten signature]*



**GDN Enterprises Private Limited**

CIN: U51909DL2010PTC209321

Notes to the financial statements as at March 31, 2018

**11. Non-current financial liabilities**

	As at 31-Mar-18 INR in Lacs	As at 31-Mar-17 INR in Lacs	As at 01-Apr-16 INR in Lacs
<b>(a) Borrowings</b>			
Term Loans from NBFC	-	145	453
Less: Current maturities of long-term debt disclosed under "Other current financial liabilities"	-	-145	-15
	<u>-</u>	<u>-</u>	<u>438</u>

\*Secured loans are secured by hypothecation of the fixed assets purchased.

**12. Non-current provisions**

	As at 31-Mar-18 INR in Lacs	As at 31-Mar-17 INR in Lacs	As at 01-Apr-16 INR in Lacs
<b>Provision for employee benefits</b>			
Gratuity	5	13	9
	<u>5</u>	<u>13</u>	<u>9</u>

**13. Current financial liabilities**

	As at 31-Mar-18 INR in Lacs	As at 31-Mar-17 INR in Lacs	As at 01-Apr-16 INR in Lacs
<b>(a) Borrowings</b>			
Loans repayable on demand from NBFCs	-	-	-
Loans from others	-	-	60
	<u>-</u>	<u>-</u>	<u>60</u>
<b>(b) Trade payables*</b>	8,176	12,235	18,566
*Includes amount due to related parties (refer Note 31)			
<b>(c) Other financial liabilities</b>			
Current maturities of long-term debts	-	145	15
Salaries and other expenses payable	75	87	104
Schemes and claims payable	144	-	-
	<u>219</u>	<u>232</u>	<u>119</u>

**14. Other current liabilities**

	As at 31-Mar-18 INR in Lacs	As at 31-Mar-17 INR in Lacs	As at 01-Apr-16 INR in Lacs
Deferred revenues and advances received from customers	50	4,821	6,544
Deferred rent expense	70	-	-
Taxes and other statutory dues payable	12	423	607
	<u>133</u>	<u>5,244</u>	<u>7,150</u>

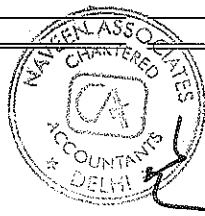
**15. Current provisions**

	As at 31-Mar-18 INR in Lacs	As at 31-Mar-17 INR in Lacs	As at 01-Apr-16 INR in Lacs
<b>Provision for employee benefits</b>			
Gratuity	0.06	0.05	0.04
	<u>0.06</u>	<u>0.05</u>	<u>0.04</u>

**16. Current tax assets (net)**

	As at 31-Mar-18 INR in Lacs	As at 31-Mar-17 INR in Lacs	As at 01-Apr-16 INR in Lacs
<b>Provision for tax (net)</b>	-	-	-

*Handwritten signature*



*Handwritten signature and initials*

**GDN Enterprises Private Limited**

CIN: U51909DL2010PTC209321

Notes to the financial statements as at March 31, 2018

**17. Revenue from operations**

	31-Mar-18	31-Mar-17
	INR in Lacs	INR in Lacs
Sale of products	77,296	143,007
Other operating revenues	373	449
	<u>77,668</u>	<u>143,456</u>

**18. Other income**

	31-Mar-18	31-Mar-17
	INR in Lacs	INR in Lacs
Interest income	7	1
Claims received	90	-
Profit on sale of property, plant and equipment	-	10
Miscellaneous income	7	3
	<u>104</u>	<u>13</u>

**18. Cost of material consumed**

	31-Mar-18	31-Mar-17
	INR in Lacs	INR in Lacs
Opening Stock of Raw Material	2,823	6,998
Add: Purchases	70,254	115,199
Less: Closing Stock of Raw Material	(1,479)	(2,823)
	<u>71,597</u>	<u>119,375</u>

**19. Changes in inventories of stock-in-trade**

	31-Mar-18	31-Mar-17
	INR in Lacs	INR in Lacs
Inventories of stock-in-trade at the beginning of the year		
Work-in-progress	1,620	5,057
Finished Goods	4,355	2,823
	<u>5,975</u>	<u>7,880</u>
Less: Inventories of stock-in-trade at the end of the year		
Work-in-progress	679	1,620
Finished Goods	3,096	4,355
	<u>3,775</u>	<u>5,975</u>
	<u>2,200</u>	<u>1,905</u>

**20. Employee benefits expense**

	31-Mar-18	31-Mar-17
	INR in Lacs	INR in Lacs
Salaries, wages and bonus	823	966
Gratuity expense	3	11
Contribution to provident and other funds	50	91
Staff welfare expenses	130	267
	<u>1,006</u>	<u>1,336</u>

**21. Finance costs**

	31-Mar-18	31-Mar-17
	INR in Lacs	INR in Lacs
Interest on loans	7	40
Other borrowing costs	0.30	0.03
	<u>7</u>	<u>40</u>

**22. Depreciation and amortization expense**

	31-Mar-18	31-Mar-17
	INR in Lacs	INR in Lacs
Depreciation on tangible assets	320	473
Amortisation of intangible assets	9	24
	<u>329</u>	<u>497</u>



**GDN Enterprises Private Limited**

CIN: U51909DL2010PTC209321

Notes to the financial statements as at March 31, 2018

**23. Other expenses**

	31-Mar-18	31-Mar-17
	INR in Lacs	INR in Lacs
<b>Direct Expenses</b>		
Air Freight Charges	22	324
Apprentice Salary	59	252
Clearing & Forwarding	205	271
Consumable Expenses	2	68
Custom Duty	694	1,871
Freight Inward	21	95
Custom Godown Charges	0.18	59
Labour Charges(Contractor)	680	950
<b>Other Expenses</b>		
Loss on sale of property, plant and equipment	0.28	-
AMC Charges	26	11
Audit Fees	5	3
Bank Charges	9	5
Commission & Brokerage	10	2
Consultancy Charges	1	1
Conveyance Expenses	5	7
Donation	1	7
Freight Outward	117	306
House Keeping Expenses	47	62
Insurance Expenses	32	41
Interest on Statutory Dues	18	1
Legal & Professional Expenses	55	188
Misc. Expenses	12	15
Office Expenses	3	3
Other Expenses	3	4
Power & Fuel	83	128
Printing & Stationery	2	6
Prior Period Expenses	2	11
Rates & Taxes	0.19	3
Rent Charges	263	181
Repair & Maintenance	7	28
Software Development Expenses	20	48
Telephone & Internet Charges	10	13
Travelling & Tour Expenses	3	8
Warehouse Management Expenses	4	16
Watch & Ward Expenses	73	94
	<b>2,497</b>	<b>5,086</b>

**\*Payment to auditor**

	31-Mar-18	31-Mar-17
	INR in Lacs	INR in Lacs
As auditor:		
Audit fee	2	1
Tax audit fee	1	1
Other matters	2	1
	<b>5</b>	<b>3</b>

**24. Earnings per share**

	31-Mar-18	31-Mar-17
	INR in Lacs	INR in Lacs
	except EPS	except EPS
Profit attributable to equity holders of the parent	192	136
Weighted average number of equity shares	2,510,000	10,000
Basic and diluted earnings per share	7.63	13.61.58

*Handwritten signature*



*Handwritten signature*

**GDN Enterprises Private Limited**

CIN: U51909DL2010PTC209321

Notes to Financial Statements for the year ended 31 March 2018

**25. Significant accounting judgements, estimates and assumptions**

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

**Judgements**

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

**Taxes**

Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period. The policy for the same is explained in Note 2.2.14

**Useful life of property, plant and equipment**

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

**Provisions and contingent liabilities**

A provision is recognised when the Company has a present obligation as a result of past event if 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 obligation) are not discounted to its present value and are determined 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 are not recognised in financial statements. A contingent asset is neither recognised nor disclosed in the financial statements.

**Defined benefit plans (gratuity benefits)**

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

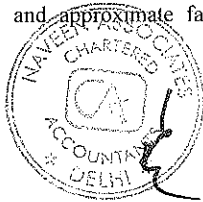
The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

Further details about gratuity obligations are given in Note 27.

**Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Carrying value and approximate fair values of financial instruments are same.



**GDN Enterprises Private Limited**

CIN: U51909DL2010PTC209321

Notes to Financial Statements for the year ended 31 March 2018

**26. Financial risk management objectives and policies**

The Company's activities expose it to a variety of financial risks : market risk, credit risk and liquidity risk. The primary market risk to the Company is foreign exchange risk. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers.

**Market risk**

The Company is exposed to foreign exchange risk through its sales and services outside India, and purchases and services from overseas suppliers in various foreign currencies. The exchange rate between the rupee and foreign currencies may fluctuate substantially in the future. Consequently, the results of the Company's operations are adversely affected as the rupee appreciates / depreciates against these currencies.

The foreign currency risks from financial instrument were as follows :

Particulars		Currency	Amount in foreign currency	Amount in INR
Trade receivables	31-Mar-18	USD	322,188	20,956,417
	31-Mar-17	USD	196,815	12,356,767
	01-Apr-16	USD	127,657	8,146,290
Trade payables	31-Mar-18	USD	5,716,014	371,793,014
	31-Mar-17	USD	9,374,795	614,763,907
	01-Apr-16	USD	819,548	56,034,749

**Credit risk**

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables. Trade receivables are typically unsecured and are derived from revenue earned from customers located primarily in India. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks with high credit ratings.

**Liquidity risk**

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Company has no outstanding bank borrowings. The Company believes that the working capital is sufficient to meet its current requirements.

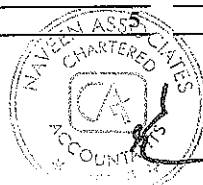
**27. Post employment benefit plans: Gratuity**

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit.

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and amounts recognised in the balance sheet:

Reconciliation of opening and closing balances of the present value of the defined benefit obligation

	31-Mar-18	31-Mar-17
	INR in Lacs	INR in Lacs
<b>Defined benefit obligation</b>		
Balance as at beginning of the year	14	9
Current service cost	3	11
Interest cost	1	1
Benefits paid	-	-
Remeasurement (gains)/losses in other comprehensive income	(12)	(7)
<b>Balance as at end of the year</b>		



*Handwritten signature*

*Handwritten signature*

**GDN Enterprises Private Limited**

CIN: U51909DL2010PTC209321

Notes to Financial Statements for the year ended 31 March 2018

**Total expense recognised in profit or loss**

	31-Mar-18	31-Mar-17
	INR in Lacs	INR in Lacs
Current service cost	3	11
Interest cost	1	1
	<u>3</u>	<u>11</u>

**Total amount recognised in other comprehensive income**

	31-Mar-18	31-Mar-17
	INR in Lacs	INR in Lacs
Experience losses/(gains)	(6)	(7)
Gains from change in demographic assumptions	-	-
(Gain)/Losses from change in financial assumptions	(5)	0
<b>Net remeasurements recognised in OCI</b>	<u>(12)</u>	<u>(7)</u>

**Due to its defined benefit plans, the Group is exposed to the following significant risks:**

**Changes in bond yields** - A decrease in bond yields will increase plan liability.

**Salary risk** - The present value of the defined benefit plans liability is calculated by reference to the future salaries of the plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

**Principal actuarial assumptions used as at the end of the reporting period**

	31-Mar-18	31-Mar-17
Discount rates	7.00%	7.50%
Expected rates of salary increase	5.00%	5.00%
Employee turnover	45.00%	2.00%
Retirement age	60 years	60 years

**Sensitivity Analysis of the defined benefit obligation**

	31-Mar-18	31-Mar-17
	INR in Lacs	INR in Lacs
<b>a) Impact of the change in discount rate</b>		
<b>Present value of obligation at the end of the period</b>	5	14
Impact due to increase of 1 %	5	11
Impact due to decrease of 1 %	5	16
<b>b) Impact of the change in salary increase</b>		
<b>Present value of obligation at the end of the period</b>	5	14
Impact due to increase of 1 %	5	16
Impact due to decrease of 1 %	5	11

*[Handwritten signature]*



*[Handwritten signature]*

**GDN Enterprises Private Limited**

CIN: U51909DL2010PTC209321

Notes to Financial Statements for the year ended 31 March 2018

**28. Commitments and contingencies****a. Leases****Operating lease commitments — Group as lessee**

Company's significant leasing arrangements are in respect of operating leases for premises (manufacturing facility). The group has entered into agreement to take certain land and building on operating lease for warehousing activities from a third party during the year. These leasing arrangements which are not non-cancellable, range between 3 years and 5 years generally, or longer, and are usually renewable by mutual consent on mutually agreeable terms. The lease rent of Rs. 2,62,90,572 (31 March 2017: Rs. 1,80,66,606) on such lease is included in Rent

Future minimum rentals payable under non-cancellable operating leases are as follows:

	31-Mar-18 INR in Lacs	31-Mar-17 INR in Lacs	01-Apr-16 INR in Lacs
Within one year	39	147	127
After one year but not more than five years	17	55	110
More than five years	-	-	-
	<u>55</u>	<u>203</u>	<u>237</u>

**29. Fair value measurements****a. Break-up of Financial instruments carried at amortised costs**

	31-Mar-18 INR in Lacs	31-Mar-17 INR in Lacs	01-Apr-16 INR in Lacs
<b>Financial assets</b>			
Trade receivables	470	4,817	7,218
Cash and cash equivalents	829	1,940	125
Bank balances other than cash and cash equivalents	1	-	-
Other financial assets	152	67	54
	<u>1,452</u>	<u>6,824</u>	<u>7,397</u>
<b>Financial liabilities</b>			
Borrowings	-	-	60
Trade payables	8,176	12,235	18,566
Other financial liabilities	219	232	119
	<u>8,395</u>	<u>12,467</u>	<u>18,745</u>

Carrying value and approximate fair values of financial instruments are same.

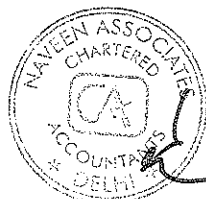
**30. Segment reporting**

The Company is operating in single business i.e., manufacturing of mobile handsets; and single geographical segment i.e., Domestic.

**31. Details of dues to micro, small and medium enterprises as defined under MSMED Act, 2006.**

There are no micro, small and medium enterprises, to whom the Company owes dues, which are outstanding for more than 45 days during the year and also as at March 31, 2017. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006, has been determined to the extent such parties have been identified on the basis of information available with the Company.

*Handwritten signature*



*Handwritten signature*

**32. Reconciliation of profit or loss**

	Footnotes	31-Mar-17		
		Local GAAP INR in Lacs	Adjustments INR in Lacs	Ind AS INR in Lacs
<b>Continuing operations</b>				
<b>Income</b>				
Revenue from operations		143,456	-	143,456
Other income		13	-	13
		<u>143,469</u>	<u>-</u>	<u>143,469</u>
<b>Expenses</b>				
Cost of material consumed		119,375	-	119,375
Purchase of traded goods		14,928	-	14,928
Changes in inventories of stock-in-trade		1,905	-	1,905
Employee benefits expense	1	1,329	7	1,336
Finance costs		40	-	40
Depreciation and amortization expense		497	-	497
Other expenses		5,086	-	5,086
<b>Total expenses</b>		<u>143,159</u>	<u>7</u>	<u>143,166</u>
<b>Profit/(loss) before tax</b>		<b>310</b>	<b>(7)</b>	<b>303</b>
<b>Tax expense:</b>				
Current tax		63	-	63
Deferred tax		111	(2)	108
		<u>174</u>	<u>(2)</u>	<u>172</u>
<b>Profit for the year</b>		<b>136</b>	<b>(5)</b>	<b>132</b>
<b>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</b>				
Re-measurement gains/ (losses) on defined benefit plan	1	-	7	7
Income tax effect		-	(2)	(2)
<b>Net other comprehensive income not to be reclassified to profit or loss in subsequent periods</b>		<u>-</u>	<u>5</u>	<u>5</u>
<b>Total comprehensive income for the year</b>		<u><b>136</b></u>	<u><b>0</b></u>	<u><b>136</b></u>

**Notes**

**1. Remeasurement differences**

Under previous GAAP, there was no concept of other comprehensive income and hence, previous GAAP profit is reconciled to total comprehensive income as per Ind AS. Under previous GAAP, the remeasurements of the net defined benefit liability were recognised in the statement of profit and loss. Under Ind AS, the said remeasurement differences net of the related tax impact are recognised in other comprehensive income.

*[Handwritten signature]*  
17/03/17



*[Handwritten signature]*



**33. Related Party Disclosures**


**Names of related parties and related party relationship**

Ultimate Holding Company	Optiemus Infracom Limited
Holding Company	Teleecare Networks India Private Limited
Key managerial personnel and their relatives	Mr. Mukesh Gupta (Director) Mr. Neetesh Gupta (Director)
Associates / entities in which KMP/ relatives of KMP can exercise significant influence	Optiemus Infracom Limited MPS Telecom Retail Private Limited International Value Retail Private Limited Xcite Communications Private Limited Fidelity Logistics Limited Optiemus Electronics Limited Finems Electronics Private Limited

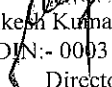
**Related Party Disclosure**

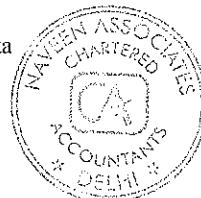
Balances	Amount of transaction		Balance receivable/(payable) as on		
	31-Mar-18 INR in Lacs	31-Mar-17 INR in Lacs	31-Mar-18 INR in Lacs	31-Mar-17 INR in Lacs	01-Apr-16 INR in Lacs
<b>Sales</b>					
Teleecare Network India Private Limited	27,482	29,906	-	2,630	-
Optiemus Infracom Limited	7,245	-	5,658	-	-
Optiemus Electronics Limited	4	14	-	(201)	-
MPS Telecom Private Limited	283	24,206	(5,757)	(4,603)	(6,044)
<b>Purchases</b>					
Teleecare Network India Private Limited	27,734	22,115	(3,168)	(4,286)	(2,357)
Optiemus Infracom Limited	67	24,906	-	57	(4,162)
Optiemus Electronics Limited	9	12,120	-	(180)	(500)
Finems Electronics Private Limited	107	14	(29)	(11)	-
<b>Purchase of Fixed Assets</b>					
Finems Electronics Private Limited	12				
Optiemus Electronics Limited	68				
<b>Sale of Fixed Assets</b>					
Optiemus Electronics Limited	6	228	-	-	-
<b>Rent Paid and other expenses</b>					
Fidelity Logistics Limited	11	63	(0)	(1)	(12)
Optiemus Infracom Limited	122				
<b>Other operating Incomes</b>					
Optiemus Infracom Limited	152	-	-	-	-
Optiemus Electronics Limited	2	-	-	-	-

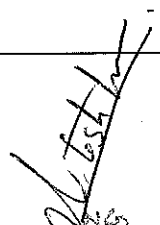
"Signed in terms of our Report of Even Date Attached"  
 For Naveen Associates (FRN: 007238N)

  
 Naveen Jain  
 Partner  
 M.No. 082583

For GDN Enterprises Private Limited

  
 Mukesh Kumar Gupta  
 DIN:- 00031013  
 Director



  
 Neetesh Gupta  
 DIN:- 00030782  
 Director

Date : 29-05-2018  
 Place : New Delhi