



NAVEEN ASSOCIATES
CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

TO
THE MEMBERS OF M/S MPS TELECOM RETAIL PRIVATE LIMITED

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying Ind AS financial statements of **M/S MPS TELECOM RETAIL 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

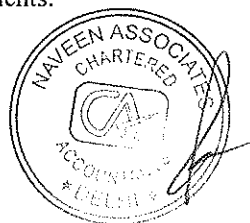
Our responsibility is to express an opinion on these Ind AS Financial statements based on our audit.

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 31st 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

Akash Jain
Akash Jain
Partner
M.No. 418041

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

Re: MPS TELECOM RETAIL PRIVATE LIMITED

(Referred to in paragraph I 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 31st 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

Akash Jain
Akash Jain
Partner
M.No. 418041

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 **M/s MPS TELECOM RETAIL 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.

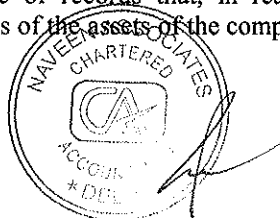
Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal 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

Akash Jain

Akash Jain
Partner
M.No. 418041

MPS Telecom Retail Private Limited

CIN: U64100DL2013PTC255111

Balance sheet as at March 31, 2018

	Notes	INR in Lacs		
		As at 31-Mar-18	As at 31-Mar-17	As at 01-Apr-16
Assets				
Non-current assets				
Property, plant and equipment	3	225	463	1,055
Other Intangible assets	4	168	233	319
Financial assets				
Loans	5 (a)	827	957	999
Other financial assets	5 (b)	1	1	1
Other non-current assets	6	-	-	-
		<u>1,221</u>	<u>1,654</u>	<u>2,373</u>
Current assets				
Inventories	7	596	847	1,562
Financial assets				
Trade receivables	8 (a)	3	1	39
Cash and cash equivalents	8 (b)	205	96	151
Other financial assets	8 (c)	101	66	127
Current tax assets (net)		6	0	-
Other current assets	9	930	1,075	756
		<u>1,841</u>	<u>2,085</u>	<u>2,634</u>
Total assets		<u>3,061</u>	<u>3,739</u>	<u>5,007</u>
Equity and liabilities				
Equity				
Equity share capital	10	3,500	1	1
Other equity		-7,312	-6,888	-3,272
Total equity		<u>-3,812</u>	<u>-6,887</u>	<u>-3,271</u>
Non-current liabilities				
Financial liabilities				
Borrowings	11 (a)	3,239	4,073	3,517
Other financial liabilities	11 (b)	22	18	-
Provisions	12	17	23	30
Other non-current liabilities	13	49	43	-
		<u>3,327</u>	<u>4,156</u>	<u>3,547</u>
Current liabilities				
Financial liabilities				
Borrowings	14 (a)	1,894	3,460	1,447
Trade payables	14 (b)	550	2,003	2,333
Other financial liabilities	14 (c)	1,050	971	811
Other current liabilities	15	53	35	140
Provisions	16	0	0	-
Current tax liabilities (net)	17	-	-	-
		<u>3,547</u>	<u>6,469</u>	<u>4,731</u>
Total liabilities		<u>6,873</u>	<u>10,626</u>	<u>8,278</u>
Total equity and liabilities		<u>3,061</u>	<u>3,739</u>	<u>5,007</u>

Summary of significant accounting policies 2
The accompanying notes are an integral part of the financial statements.

As per our report of even date

For Naveen Associates
ICAI Firm's Registration No. 007238N
Chartered Accountants

Aakash Jain
Partner
Membership No.: 418041



For and on behalf of the Board of Directors

(Signature)
Vikesh Gupta
Director
DIN : 00030782

(Signature)
Vikas Chandra
Director
DIN : 02270100

Place: New Delhi
Date: 29-May-18

MPS Telecom Retail Private Limited
 CIN: U64100DL2013PTC255111
 Statement of profit and loss for the year ended 31 March 2018

	Notes	INR in Laacs	
		For the year 31-Mar-18	For the year 31-Mar-17
Continuing operations			
Income			
Revenue from operations	18	17,208	15,663
Other income	19	89	36
		<u>17,297</u>	<u>15,699</u>
Expenses			
Purchase of traded goods		13,560	13,650
Changes in inventories of stock-in-trade	20	251	715
Employee benefits expense	21	770	1,067
Finance costs	22	579	661
Depreciation and amortization expense	23	389	824
Other expenses	24	2,172	2,398
Total expenses		<u>17,722</u>	<u>19,315</u>
Profit/(loss) before tax		(425)	(3,616)
Tax expense:			
Current tax		-	-
Adjustment of tax relating to earlier periods		-	-
Deferred tax credit	6	-	-
		<u>-</u>	<u>-</u>
Profit for the year		(425)	(3,616)
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		-	-
Income tax effect		-	-
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u>(425)</u>	<u>(3,616)</u>
Earnings per share			
Basic and diluted earnings per share	25	-	-

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

As per our report of even date

For Naveen Associates
 ICAI Firm's Registration No. 007238N
 Chartered Accountants

Aakash Jain
 Aakash Jain
 Partner
 Membership No.: 418041



Place: New Delhi
 Date: 29-May-18

For and on behalf of the Board of Directors

Neelesh Gupta
 Neelesh Gupta
 Director
 DIN: 00030782

Vikas Chandra
 Vikas Chandra
 Director
 DIN: 02270100

MPS Telecom Retail Private Limited
 CIN: U64100DL2013PTC255111
 Statement of changes in equity for the year ended 31 March 2018

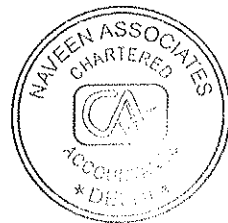
	Share capital		Other equity - Reserves and surplus	
	No. of shares	Amount	INR in Lacs except shares	
			Retained earnings	Total
As at 1 April 2017	10,000	1	(6,888)	(6,888)
Issued during the year	3,49,90,000	3,499	-	-
Profit for the year	-	-	(425)	(425)
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	(425)	(425)
As at 31 March 2018	3,50,00,000	3,500	(7,312)	(7,312)

	Share capital		Other equity - Reserves and surplus	
	No. of shares	Amount	INR in Lacs except shares	
			Retained earnings	Total
As at 1 April 2016	10,000	1	(3,272)	(3,272)
Profit for the year	-	-	(3,616)	(3,616)
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	(3,616)	(3,616)
As at 31 March 2017	10,000	1	(6,888)	(6,888)

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Notes to the Financial Statements

1. Corporate Information

MPS Telecom Retail Private Limited ("the Company") is a private company incorporated on 09th July 2013; The company is engaged mainly in the business of retail chain of mobile handsets and its accessories.

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 29th 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.

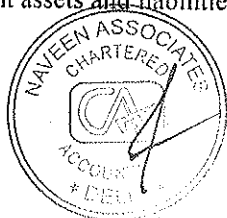
An asset is classified as current when it is:

- 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.



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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.

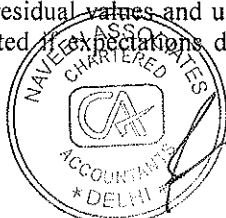
Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. Except for land, property, plant and equipment is depreciated using the straight-line method over the useful lives of the related assets as presented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



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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

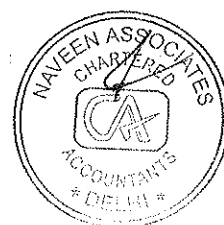
Initial recognition and measurement

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



- 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

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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

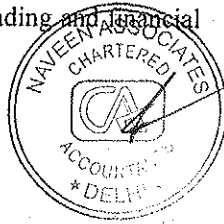
The measurement of financial liabilities depends on their classification, as follows:

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.

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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.

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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.

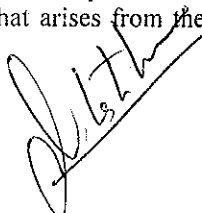

Defined Benefit Plan

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.

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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:

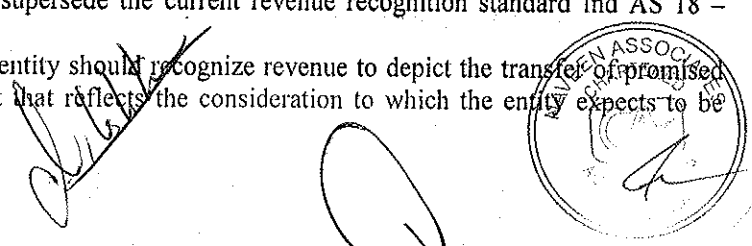
Ind AS 115 - Revenue from Contracts with Customers

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

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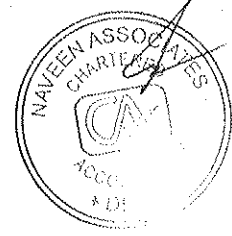
entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

- 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.



MPS Telecom Retail Private Limited

CIN: U64100DL2013PTC255111

Notes to Financial Statements for the year ended 31 March 2018

3. Property, plant and equipment

					INR in Laacs
	Leasehold improvements	Furniture and fittings	Office equipment	Computers	Total
Cost or valuation					
At 1 April 2016	596	136	368	44	1,143
Additions	78	20	34	6	138
Disposals	-106	-22	-76	-3	(207)
At 31 March 2017	568	134	326	47	1,074
Additions	59	2	15	10	85
Disposals	-146	-36	-70	-4	(256)
At 31 March 2018	480	100	271	52	903
Depreciation and impairment					
At 1 April 2016	57	5	25	2	89
Deprecation charge for the year	413	79	207	31	729
Disposals	-106	-22	-76	-3	(207)
At 31 March 2017	364	62	156	29	611
Deprecation charge for the year	164	44	101	14	323
Disposals	-146	-36	-70	-4	(256)
At 31 March 2018	382	70	187	39	678
Net book value					
At 31 March 2018	98	30	84	13	225
At 31 March 2017	203	72	170	17	463
At 1 April 2016	539	130	343	42	1,055

4. Intangible Assets

			INR in Laacs
	Trademarks	Computer Software	Total
Cost or valuation			
At 1 April 2016	400	22	422
Additions	-	9	9
Disposals	-	-1	(1)
At 31 March 2017	400	30	430
Additions	-	-	-
Disposals	-	-4	-4
At 31 March 2018	400	27	427
Depreciation and impairment			
At 1 April 2016	102	1	103
Deprecation charge for the year	77	18	95
Disposals	-	-1	(1)
At 31 March 2017	179	18	197
Deprecation charge for the year	57	9	66
Disposals	-	-4	-4
At 31 March 2018	236	22	259
Net book value			
At 31 March 2018	164	4	168
At 31 March 2017	221	13	233
At 1 April 2016	298	21	319

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5. Non-current financial assets

	INR in Lacs		
	As at 31-Mar-18	As at 31-Mar-17	As at 01-Apr-16
(b) Loans			
Unsecured, considered good			
Security deposits			
Considered good	827	957	999
Considered doubtful	48	41	-
	<u>875</u>	<u>997</u>	<u>999</u>
Less: provision for doubtful deposits	(48)	(41)	-
	<u>827</u>	<u>957</u>	<u>999</u>
(c) Other financial assets			
Term deposits with remaining maturity of more than 12 months	1	1	1
Interest receivable on margin money deposits	0	0	0
	<u>1</u>	<u>1</u>	<u>1</u>

6. Other non-current assets

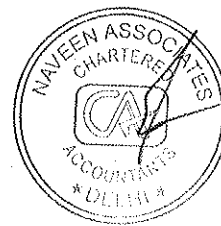
	INR in Lacs		
	As at 31-Mar-18	As at 31-Mar-17	As at 01-Apr-16
Deferred lease expense	-	-	-
Capital advances	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>

7. Inventories

	INR in Lacs		
	As at 31-Mar-18	As at 31-Mar-17	As at 01-Apr-16
Stock-in-trade	596	847	1,562
	<u>596</u>	<u>847</u>	<u>1,562</u>

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MPS Telecom Retail Private Limited
 CIN: U64100DL2013PTC255111
 Notes to the financial statements as at March 31, 2018

8. Current financial assets

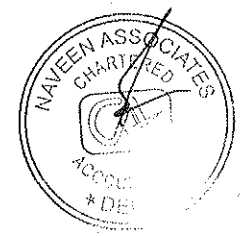
	INR in Laacs		
	As at 31-Mar-18	As at 31-Mar-17	As at 01-Apr-16
(a) Trade receivables			
Considered good	3	1	39
Considered doubtful	-	-	7
	<u>3</u>	<u>1</u>	<u>46</u>
Less: provision for doubtful debts	-	-	(7)
	<u>3</u>	<u>1</u>	<u>39</u>
(b) Cash and cash equivalents			
Balances with banks in current accounts	160	73	132
Cash on hand	45	23	19
	<u>205</u>	<u>96</u>	<u>151</u>
(c) Other financial assets			
Security deposits			
Claims receivable	101	66	127
	<u>101</u>	<u>66</u>	<u>127</u>

9. Other current assets

	INR in Laacs		
	As at 31-Mar-18	As at 31-Mar-17	As at 01-Apr-16
Advances to suppliers of goods or services			
Considered good	487	543	158
Considered doubtful	37	10	8
	<u>524</u>	<u>553</u>	<u>165</u>
Less: Provision for doubtful advances	-37	(10)	(8)
	<u>487</u>	<u>543</u>	<u>158</u>
Taxes recoverable			
Considered good	77	68	32
Considered doubtful	30	30	-
	<u>107</u>	<u>99</u>	<u>32</u>
Less: Provision for doubtful advances	-30	(30)	-
	<u>77</u>	<u>68</u>	<u>32</u>
Prepaid expenses	366	464	566
	<u>930</u>	<u>1,075</u>	<u>756</u>

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MPS Telecom Retail Private Limited

CIN: U64100DL2013PTC255111

Notes to the financial statements as at March 31, 2018

10. Equity share capital

	INR in Lacs except shares		
	As at 31-Mar-18	As at 31-Mar-17	As at 01-Apr-16
Authorised shares			
3,50,00,000 (31 March, 2017: 50,00,000, 1 April, 2016: 50,00,000) equity shares of INR 10 each	3,500	500	500
Issued, subscribed and fully paid-up shares			
3,50,00,000 (31 March, 2017: 10,000, 1 April, 2016: 10,000) equity shares of INR 10 each	3,500	1	1
	<u>3,500</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	INR in Lacs except shares					
	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
At the beginning of the period	10,000	1	10,000	1	10,000	1
Issued during the period	3,49,90,000	3,499	-	-	-	-
Outstanding at the end of the period	<u>3,50,00,000</u>	<u>3,500</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 vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the

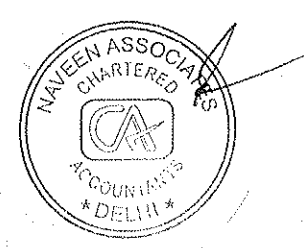
(c) Details of shareholders holding more than 5% shares in the Company

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
	Equity shares of Rs. 10 each fully paid					
Telecare Network India Pvt. Ltd.	3,50,00,000	100%	10,000	100%	10,000	100%

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents beneficial ownerships of shares.

Signature

Signature



MPS Telecom Retail Private Limited

CIN: U64100DL2013PTC255111

Notes to the financial statements as at March 31, 2018

11. Non-current financial liabilities

	As at 31-Mar-18	As at 31-Mar-17	INR in Lacs As at 01-Apr-16
(a) Borrowings			
Term loans from banks(secured)	3,239	4,073	3,517
	<u>3,239</u>	<u>4,073</u>	<u>3,517</u>
(b) Other financial liabilities			
Security deposits	22	18	-
	<u>22</u>	<u>18</u>	<u>-</u>

12. Non-current provisions

	As at 31-Mar-18	As at 31-Mar-17	INR in Lacs As at 01-Apr-16
Provision for employee benefits			
Gratuity	17	23	30
	<u>17</u>	<u>23</u>	<u>30</u>

13. Other non-current liabilities

	As at 31-Mar-18	As at 31-Mar-17	INR in Lacs As at 01-Apr-16
Other payable	49	43	-
	<u>49</u>	<u>43</u>	<u>-</u>

14. Current financial liabilities

	As at 31-Mar-18	As at 31-Mar-17	INR in Lacs As at 01-Apr-16
(a) Borrowings			
Loans repayable on demand			
from banks			
from others	1,894	3,460	1,447
	<u>1,894</u>	<u>3,460</u>	<u>1,447</u>
(a) Trade payables*	550	2,003	2,333
*Includes amount due to related parties (refer Note 38)			
(b) Other financial liabilities			
Current maturities of long-term borrowings	834	834	653
Other expenses payable	216	137	131
Interest payable	-	-	26
	<u>1,050</u>	<u>971</u>	<u>811</u>

15. Other current liabilities

	As at 31-Mar-18	As at 31-Mar-17	INR in Lacs As at 01-Apr-16
Advances from customers	27	6	5
Taxes payable	26	29	135
	<u>53</u>	<u>35</u>	<u>140</u>

16. Current provisions

	As at 31-Mar-18	As at 31-Mar-17	INR in Lacs As at 01-Apr-16
Provision for employee benefits			
Gratuity	0.05	0.07	-
	<u>0.05</u>	<u>0.07</u>	<u>-</u>

17. Current Tax Liabilities

	As at 31-Mar-18	As at 31-Mar-17	INR in Lacs As at 01-Apr-16
Current Tax	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>

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MPS Telecom Retail Private Limited

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Notes to the financial statements as at March 31, 2018

18. Revenue from operations

	INR in Lacs	
	For the year 31-Mar-18	For the year 31-Mar-17
Sale of products	14,802	14,495
Other operating income	2,407	1,168
	<u>17,208</u>	<u>15,663</u>

19. Other income

	INR in Lacs	
	For the year 31-Mar-18	For the year 31-Mar-17
Interest on fixed deposits	0	0
Advertising income	45	32
Excess liabilities or provision written back	43	2
Miscellaneous income	1	2
	<u>89</u>	<u>36</u>

20. Changes in inventories of stock-in-trade

	INR in Lacs	
	For the year 31-Mar-18	For the year 31-Mar-17
Inventories of stock-in-trade at the beginning of the year	847	1,562
Inventories of stock-in-trade at the end of the year	-596	-847
	<u>251</u>	<u>715</u>

21. Employee benefits expense

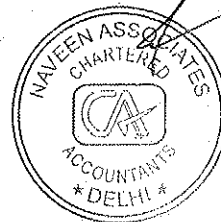
	INR in Lacs	
	For the year 31-Mar-18	For the year 31-Mar-17
Salaries, wages and bonus	695	946
Contribution to provident and other funds	65	101
Gratuity expense	-6	-7
Staff welfare expenses	16	28
	<u>770</u>	<u>1,067</u>

22. Finance costs

	INR in Lacs	
	For the year 31-Mar-18	For the year 31-Mar-17
Interest on loans	484	566
Other borrowing costs	95	95
	<u>579</u>	<u>661</u>

23. Depreciation and amortization expense

	INR in Lacs	
	For the year 31-Mar-18	For the year 31-Mar-17
Depreciation on tangible assets	323	729
Amortisation of intangible assets	66	95
	<u>389</u>	<u>824</u>



MPS Telecom Retail Private Limited

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Notes to the financial statements as at March 31, 2018

24. Other expenses

	INR in Lacs	
	For the year 31-Mar-18	For the year 31-Mar-17
Amount write off	171	-
Freight & Forwarding Charges	11	28
Business Promotion Expenses	60	61
Rates & Taxes	31	11
Rem. expenses	1,278	1,623
Payment to statutory auditors	3	4
Travelling and conveyance expenses	50	45
Insurance premium	12	13
Communication Expenses	31	72
Commision & Brokerage expenses	7	0
Provision for doubtful loans and advances	34	74
Legal and professional expenses	29	23
Bank Charges	245	156
Printing and stationery	5	7
Repair & Maintenance	51	54
Electricity & Water Expenses	125	174
Security Service Charges	6	7
Interest on statutory payments	1	6
Miscellaneous expenses	1	9
House keeping expenses	19	30
Books & Periodicals	0	0
	<u>2,172</u>	<u>2,398</u>
*Payment to auditor		

	INR in Lacs	
	For the year 31-Mar-18	For the year 31-Mar-17
As auditor:		
Audit fee	3	4
Tax audit fee	-	-
	<u>3</u>	<u>4</u>

25. Earnings per share

	INR in Lacs except shares & EPS	
	For the year 31-Mar-18	For the year 31-Mar-17
Profit attributable to equity holders of the parent	-425	-3,616
Weighted average number of equity shares	3,50,00,000	10,000
Basic and diluted earnings per share	-1.21	-36,160.0

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MPS Telecom Retail Private Limited

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Notes to Financial Statements for the year ended 31 March 2018

26. 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 benefits and compensated absences) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance sheet date. These are reviewed at each Balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities 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.

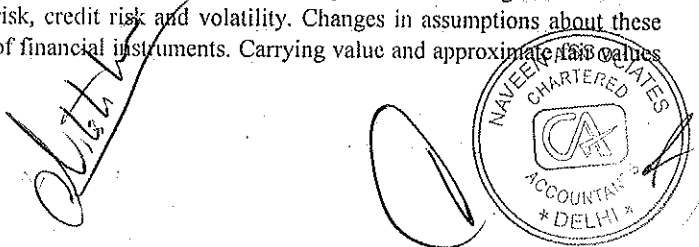
The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

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.

Adithyan



NAVEEN CHARTERED ACCOUNTANTS * DELHI *

Revenue recognition

The Company uses the percentage-of-completion method in accounting for its fixed price contracts. The use of percentage-of-completion method required the Company to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Efforts or costs expended have been used to measure progress towards completion as there is direct relationship between input and productivity. Provision for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting period.

27. 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.

Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. 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 and financial institutions with high credit ratings. Investments primarily include investment in deposits with banks.

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.

28. 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.

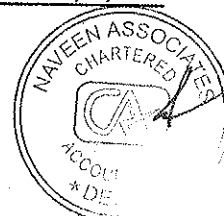
The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans:

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

	31-Mar-18	31-Mar-17
	INR	INR
Defined benefit obligation		
Balance as at beginning of the year	23,07,181	-
Current service cost	8,93,604	16,07,474
Past service cost		-
Interest cost	1,78,807	-
Benefits paid		-
Remeasurement (gains)/losses in other comprehensive income	(16,34,339)	6,99,707
Balance as at end of the year	17,45,253	23,07,181

Total expense recognised in profit or loss

	31-Mar-18	31-Mar-17
	INR	INR
Current service cost	8,93,604	16,07,474
Past service cost	1,78,807	-
	10,72,411	16,07,474



Total amount recognised in other comprehensive income

	31-Mar-18 INR	31-Mar-17 INR
Experience losses/(gains)	-	-
Losses/(gains) from change in financial assumptions	-	-
Remeasurements on Liability	-	-
Net remeasurements recognised in OCI	-	-

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 INR	31-Mar-17 INR
Discount rates p.a.	7.75%	7.50%
Expected rates of salary increase p.a.	5.00%	5.00%
Withdrawal rate p.a.	5.00%	5.00%
Mortality rate	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate

Sensitivity Analysis of the defined benefit obligation

	31-Mar-18 INR	31-Mar-17 INR
a) Impact of the change in discount rate		
Present value of obligation at the end of the period	17,45,253	23,07,181
Impact due to increase of 1 %	15,18,086	-
Impact due to decrease of 1 %	20,29,022	-
b) Impact of the change in salary increase		
Present value of obligation at the end of the period	17,45,253	23,07,181
Impact due to increase of 1 %	20,31,238	-
Impact due to decrease of 1 %	15,12,780	-

29. 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.

30. Leases

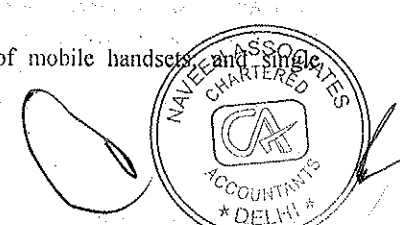
Operating lease commitments — Group as lessee

Company's significant leasing arrangements are in respect of operating leases for premises (office, stores, warehouses etc.). The group has entered into agreement to take certain land and building on operating lease 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. 1278 Lacs (31 March 2017: Rs. 1623 Lacs) on such lease is included in Rent.

The Company have more than 100 shops on lease. The Company has standard rent agreement containing clause of 9 years of lease with 15% increase in rental after every 3 years and are cancellable leases. In accordance with para 33 of Ind AS 17 "Leases", the Company is required to recognize expense on straight line basis. However, considering the nature of business and past experience, the shops are either closed, relocated or at times rent is reduced subsequently. Hence, the management is of the opinion that straight lining of lease rent would not be appropriate as it would conflict with the objective of financial statements set out in the Framework and has decided not to recognize lease rent expense on a straight-line basis and also treat the security deposits as current financial assets.

31. Segment reporting

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



MPS Telecom Retail Private Limited
CIN: U64100DL2013PTC255111

32. Related Party Disclosures

Names of related parties and related party relationship

Ultimate Holding Company	Optiemus Infracom Limited
Holding Company	Teleecare Network (I) Pvt Ltd
Fellow Subsidiaries	MPS Telecom Retail Pvt. Ltd. Optiemus Electronics Pvt.Ltd.

Transactions with Related Parties:

Amount in Laacs

Particulars	31-Mar-18	31-Mar-17
A. Transactions during the year/period		
Purchases and services received		
Optiemus Infracom Limited	2,435	7,995
Teleecare Network (I) Pvt Ltd	24	3,529
Fidelity Logistics Limited	2	36
Sales and services given		
Teleecare Network (I) Pvt Ltd	9	-
Optiemus Infracom Limited	5	-
Other operating Income		
Teleecare Network (I) Pvt Ltd	187	-
Optiemus Infracom Limited	2,025	-
Allotment of Equity Shares		
Teleecare Network (I) Pvt Ltd	3,499	-
Loan taken		
Insat Exports Private Limited	-	100
Optiemus Infracom Limited	2,071	5,622
Teleecare Network (I) Pvt Ltd	3,781	3,265
MPS Telecom Pvt. Ltd.	100	-
Loan Repayment		
Teleecare Network (I) Pvt Ltd	5,155	-
Ashok Gupta	-	15
Optiemus Infracom Limited-Telemart Division	2,072	6,958
GRA Enterprises Private Limited	-	1
Insat Exports Private Limited	195	-
MPS Telecom Pvt. Ltd.	100	-
Security Deposit given		
Fidelity Logistic Limited	(2)	(6)
Outstanding at the end of the year		
Creditors		
Optiemus Infracom Limited-Telemart Division	350	1,670
Teleecare Network (I) Pvt Ltd	79	-
Loans Payable		
Insat Exports Private Limited	-	195
Teleecare Network (I) Pvt Ltd	1,894	3,265
Security Deposit Recoverable		
Fidelity Logistic Limited	3	5

For Naveen Associates
ICAI Firm's Registration No. 007238N
Chartered Accountants

Aakash Jain
Aakash Jain
Partner
Membership No.: 418041



For and on behalf of the Board of Directors

Neelesh Gupta
Neelesh Gupta
Director
DIN : 00030782

Vikas Chandra
Vikas Chandra
Director
DIN : 02270100

Place: New Delhi
Date: 29-May-18