

NAVEEN ASSOCIATES
CHARTERED ACCOUNTANTS

103-104, Chopra Complex, Preet Vihar Comm. Complex, Delhi -110 092
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INDEPENDENT AUDITORS' REPORT

TO
THE MEMBERS OF M/S TELEECARE NETWORK INDIA PRIVATE LIMITED

REPORT ON THE STANDALONE FINANCIAL STATEMENT

We have audited the accompanying Standalone Ind AS financial statements of **M/S TELEECARE NETWORK INDIA 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 Standalone 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 Standalone 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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

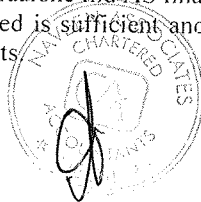
Auditor's Responsibility

Our responsibility is to express an opinion on these Standalone 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 standalone 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 standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone 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 standalone 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 standalone 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 Standalone 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 Standalone 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.

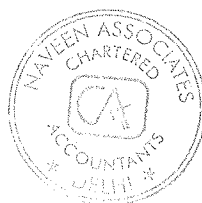
Report on Other Legal and Regulatory Requirements

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 standalone 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 standalone 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

Aanchal Jain
Aanchal Jain
Partner
M.No. 541412

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

Re: TELEECARE NETWORK INDIA PRIVATE LIMITED

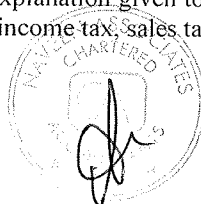
(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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 not been specified by the Central Government under sub-section (l) of section 148 of the Companies Act
- 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, sales-tax, wealth 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, sales-tax, wealth 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.
- d) According to the information and explanation given to us, there are disputes as prescribed in Note. 29 (b) under contingent liabilities of income tax, sales tax outstanding 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**

Aanchal Jain

**Aanchal Jain
Partner
M.No. 541412**

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 *TELEECARE NETWORK INDIA PRIVATE LIMITED*. ("the Company") as of March 31, 2018 in conjunction with our audit of the Standalone 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.

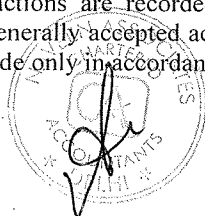
Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal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

Aanchal Jain
Aanchal Jain
Partner
M.No. 541412

Telecare Network India Private Limited
CIN: U64202DL2003PTC119799
Balance sheet as at March 31, 2018

	Notes	As at 31-Mar-18 INR in Lacs	As at 31-Mar-17 INR in Lacs	As at 1-Apr-16 INR in Lacs
Assets				
Non-current assets				
Property, plant and equipment	3	458	578	125
Other intangible assets	4	29	13	15
Financial assets	5	-	-	-
Investments	5 (a)	4,945	1,175	1,151
Other financial assets	5 (b)	314	311	313
Deferred tax assets (net)	6	93	63	75
		<u>5,839</u>	<u>2,140</u>	<u>1,680</u>
Current assets				
Inventories	7	4,438	3,210	4,490
Financial assets	8	-	-	-
Trade receivables	8 (a)	8,542	10,624	7,883
Cash and cash equivalents	8 (b)	2,205	3,474	2,855
	8 (c)	-	-	-
Bank balances other than cash and cash equivalents		1,565	1,969	1,896
Loans	8 (d)	4,054	7,161	4,295
Other financial assets	8 (e)	52	68	124
Other current assets	9	2,982	2,325	3,187
		<u>23,839</u>	<u>28,831</u>	<u>24,730</u>
Total assets		<u>29,678</u>	<u>30,971</u>	<u>26,409</u>
Equity and liabilities				
Equity				
Equity share capital	10	2,969	2,969	2,969
Other equity		6,329	6,273	5,986
Total equity		<u>9,298</u>	<u>9,241</u>	<u>8,954</u>
Non-current liabilities				
Financial liabilities	11	-	-	-
Borrowings	11 (a)	51	47	7
Provisions	12	105	84	123
		<u>156</u>	<u>131</u>	<u>130</u>
Current liabilities				
Financial liabilities	13	-	-	-
Borrowings	13 (a)	6,171	6,612	6,856
Trade payables	13 (b)	12,973	11,756	7,620
Other financial liabilities	13 (c)	741	2,817	2,853
Other current liabilities	14	324	349	443
Provisions	15	3	2	-
Current tax liabilities (net)	16	10	64	261
		<u>20,223</u>	<u>21,599</u>	<u>18,034</u>
Total liabilities		<u>20,380</u>	<u>21,730</u>	<u>18,164</u>
Total equity and liabilities		<u>29,678</u>	<u>30,971</u>	<u>27,118</u>

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)

Aanchal Jain

Aanchal Jain
Partner
M.No. 541412

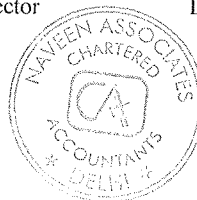
Date : 29-05-2018
Place : New Delhi

For Telecare Network India Private Limited

Mukesh Kumar Gupta
Mukesh Kumar Gupta
DIN:- 00031013
Director

Neetesh Gupta
Neetesh Gupta
DIN:- 00030782
Director

Parul Molri
Parul Molri
PAN: APUPM4043E
Company Secretary



Telecare Network India Private Limited
CIN: U64202DL2003PTC119799
Statement of profit and loss for the year ended 31 March 2018

	Notes	31-Mar-18 INR in Lacs	31-Mar-17 INR in Lacs
Continuing operations			
Income			
Revenue from operations	17	72,002	63,225
Other income	18	200	182
		<u>72,202</u>	<u>63,407</u>
Expenses			
Purchase of traded goods		64,345	54,291
Changes in inventories of stock-in-trade	19	-1,228	1,280
Employee benefits expense	20	2,667	2,493
Finance costs	21	956	1,026
Depreciation and amortization expense	22	184	113
Other expenses	23	5,189	3,741
Total expenses		<u>72,113</u>	<u>62,945</u>
Profit/(loss) before tax		89	462
Tax expense:			
Current tax	6	74	164
Deferred tax credit	6	-34	12
		<u>40</u>	<u>175</u>
Profit for the year		49	287
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement gains/ (losses) on defined benefit plans		12	-
Income tax effect	6	-4	-
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		<u>8</u>	<u>-</u>
Total comprehensive income for the year		<u>57</u>	<u>287</u>
Earnings per share			
Basic and diluted earnings per share	24	0.19	0.97

Summary of Significant accounting policies
The accompanying notes are an integral part of financial statements

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For Naveen Associates (FRN: 007238N)

Aanchal Jain

Aanchal Jain
Partner
M.No. 541412

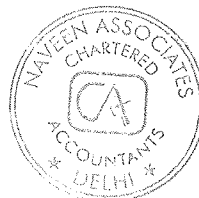
Date : 29-05-2018
Place : New Delhi

For Telecare Network India Private Limited

Mullesh Kumar Gupta
Mullesh Kumar Gupta
DIN: 00031013
Director

Neelesh Gupta
Neelesh Gupta
DIN: 00030782
Director

Parul Mofri
Parul Mofri
PAN: APUPM40431
Company Secretary



Notes	31-Mar-18	31-Mar-17
	INR in Lacs	INR in Lacs
Operating activities		
Profit before tax	89	462
<i>Adjustments to reconcile profit before tax to net cash flows:</i>		
Depreciation of property, plant and equipment	156	103
Amortisation of intangible assets	28	10
Profit on disposal of property, plant and equipment	-	-14
Finance income	-192	-157
Finance costs	956	1,026
	1,037	1,430
<i>Working capital adjustments:</i>		
(Increase)/decrease in trade and other receivables	1,421	-1,831
(Increase)/decrease in inventories	-1,228	1,280
Increase/(decrease) in trade and other payables	-876	4,014
Increase/(decrease) in provisions	34	-37
	387	4,857
Income tax paid	-128	-361
Net cash flow from operating activities	259	4,495
Investing activities		
Proceeds from sale of property, plant and equipment	-	15
Purchase of fixed assets including CWIP and capital advances	-79	-565
Purchase of investments	-3,770	-24
Loans given/(repayments received)	3,107	-2,866
Proceeds from / (Investments in) fixed deposits with original maturities more than 3 months	404	-74
Interest received (finance income)	210	167
Net cash flows used in investing activities	-129	-3,346
Financing activities		
Proceeds from of long-term borrowings (net)	-2	31
(Repayment) of short-term borrowings (net)	-441	-244
Interest paid	-956	-1,026
Net cash flows from/(used in) financing activities	-1,399	-1,239
Net increase in cash and cash equivalents	-1,269	-90
Cash and cash equivalents at the beginning of the year	3,474	2,855
Cash and cash equivalents at year end	2,205	2,765
Components of cash and cash equivalents		
Balances with banks in current accounts	2,103	2,797
Deposits with original maturity of less than 3 months	93	663
Cash on hand	9	14
	2,205	3,474
		-708.87

Summary of Significant accounting policies
The accompanying notes are an integral part of financial statements

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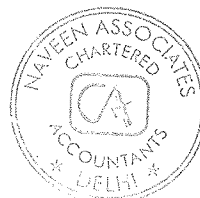
Date : 29-05-2018
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For Telecare Network India Private Limited

Mukesh
Mukesh Kumar Gupta
DIN:- 00031013
Director

Neelish
Neelish Gupta
DIN:- 00030782
Director

Parul
Parul Molri
PAN: APUPM4043E
Company Secretary



Telecare Network India Private Limited
CIN: U64202DL2003PTC119799

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

For the year ended 31 March 2018

	Share capital		Other equity - Reserves and surplus			Amount in Lacs
	No. of shares	Amount	Retained earnings	Securities premium	Total	
As at 1 April 2017	29,687,600	2,969	3,555	2,718	6,273	
Profit for the year	-	-	49	-	49	
Other comprehensive income	-	-	8	-	8	
Total comprehensive income	-	-	57	-	57	
As at 31 March 2018	29,687,600	2,969	3,611	2,718	6,329	

For the year ended 31 March 2017

	Share capital		Other equity - Reserves and surplus			Amount in Lacs
	No. of shares	Amount	Retained earnings	Securities premium	Total	
As at 1 April 2016	29,687,600	2,968.76	3,268	2,718	5,986	
Profit for the year	-	-	287	-	287	
Other comprehensive income	-	-	-	-	-	
Total comprehensive income	-	-	287	-	287	
As at 31 March 2017	29,687,600	2,969	3,555	2,718	6,273	

Summary of Significant accounting policies
The accompanying notes are an integral part of financial statements

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For Naveen Associates (FRN: 007238N)

Aanchal Jain

Aanchal Jain
Partner
M.No. 541412

Date : 29-05-2018
Place : New Delhi

Neetesh Gupta
Neetesh Gupta
DIN: 00030782
Director

Parul Molri
Parul Molri
PAN: APUPM4043E
Company Secretary



Notes to the Financial Statements

1. Corporate Information

Teleecare Networks India Private Limited ("the Company") is a private company incorporated on 08/04/2003. The company is engaged mainly in the business of trading of mobile handsets and 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.

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

Income from export incentives such as duty export incentives 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.


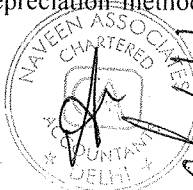


Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. Except for land, property, plant and equipment is depreciated using the straight-line method over the useful lives of the related assets as presented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




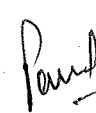
Initial recognition and measurement

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

- 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:

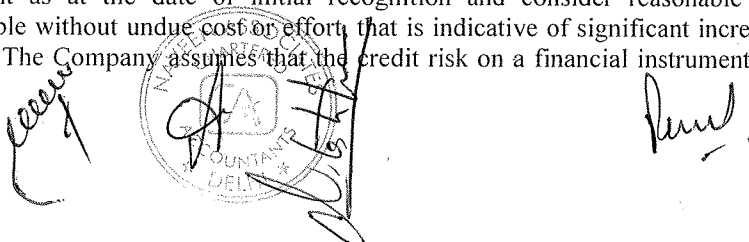
- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement, and either the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


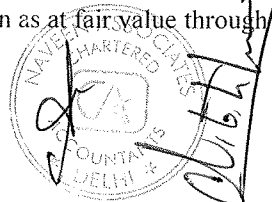

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

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.

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.

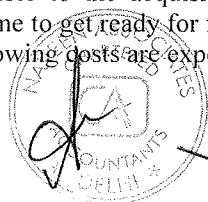
Company as a lessee

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.

Arjun

Abulhasan
Daniel

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.

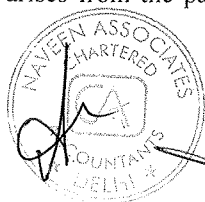
Defined Benefit Plan

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:

Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average 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's operating business are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products/services. The Company operates in two geographical segments: Domestic and International markets.

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.

There is no significant effect of the transition from Previous GAAP to Ind AS on the Company's equity, statement of profit and loss and statement of cash flow.

2.4. Recent Indian Accounting Standards (Ind AS)

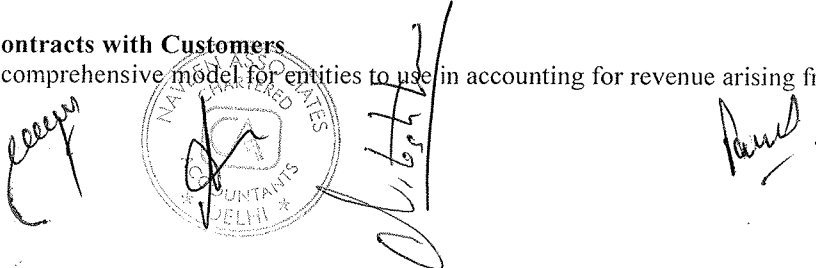
Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2018 has notified the following new and amendments to Ind ASs which the Company has not applied as they are effective for annual periods beginning on or after April 1, 2018:

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



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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:



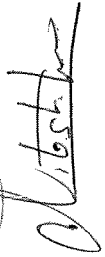

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligation in contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognize revenue when (or as) the entity satisfies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

Telecare Network India Private Limited

CIN: U64202DL2003PTC119799

Notes to Financial Statements for the year ended 31 March 2018

3. Property, plant and equipment

	Furniture and fittings	Vehicles	Office equipment	Computers	Total
	INR in Lacs	INR in Lacs	INR in Lacs	INR in Lacs	INR in Lacs
Cost or valuation					
At 1 April 2016	170	121	102	128	521
Additions	1	59	485	12	557
Disposals	-	-	-	-4	-4
At 31 March 2017	171	180	587	136	1,074
Additions	1	27	4	4	36
Disposals	-	-	-	-	-
At 31 March 2018	173	206	590	140	1,109
Depreciation and impairment					
At 1 April 2016	131	95	80	90	395
Deprecation charge for the year	11	5	67	20	103
Disposals	-	-	-	-3	-3
At 31 March 2017	141	99	147	108	495
Deprecation charge for the year	9	31	103	13	156
Disposals	-	-	-	-	-
At 31 March 2018	151	130	250	120	651
Net book value					
At 31 March 2018	22	76	340	19	458
At 31 March 2017	30	81	439	28	578
At 1 April 2016	40	26	22	38	125

4. Intangible Assets

	Computer Software	Total
	INR	INR
Cost or valuation		
At 1 April 2016	59	59
Additions	8	8
At 31 March 2017	67	67
Additions	44	44
Disposals	-	-
At 31 March 2018	111	111
Depreciation and impairment		
At 1 April 2016	44	44
Deprecation charge for the year	10	10
At 31 March 2017	54	54
Deprecation charge for the year	28	28
Disposals	-	-
At 31 March 2018	82	82
Net book value		
At 31 March 2018	29	29
At 31 March 2017	13	13
At 1 April 2016	15	15

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Telecare Network India Private Limited

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Notes to the financial statements as at March 31, 2018

5. 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
(a) Investments			
Investments at cost (fully paid)			
Investment in equity instruments (unquoted)			
Subsidiaries			
19,76,080 (31 March 2017: 19,76,080, 1 April 2016: 19,16,080) equity shares of International Value Retail Private Limited	707	707	704
25,10,000 (31 March 2017: 10,000, 1 April 2016: 10,000) equity shares of GDN Enterprises Private Limited	251	1	1
3,50,00,000 (31 March 2017: 10,000, 1 April 2016: 10,000) equity shares of MPS Telecom Retail Private Limited	3,500	1	1
1,83,33,910 (31 March 2017: 1,83,33,910, 1 April 2016: 1,83,33,910) equity shares of Telecare Network BD Private Limited	127	127	127
Associates			
29,68,300 (31 March 2017: 29,68,300, 1 April 2016: 29,68,300) equity shares of Travancore Marketing Private Limited	297	297	297
Others			
3,514 (31 March 2017: 3,514) equity shares of Sunny Digital Home Entertainment Private Limited	0	0	-
Investments at fair value through profit and loss			
Other investments			
Quoted			
Investment in mutual funds			
2,00,000 (31 March 2017: 2,00,000, 1 April 2016: 2,00,000) units of SBI Infrastructure Co.	3	2	2
Unquoted			
Investments in Keyman Life insurance policy			
SBI Life Insurance Company	60	40	20
	4,945	1,175	1,151
Aggregate amount of quoted investments	3	2	2
Aggregate amount of unquoted investments	4,942	1,173	1,150
Aggregate amount of impairment in value of investments	-	-	-

Detail of significant investments in subsidiaries are as below:

Name of the subsidiaries	Place of Incorporation	% Shareholding		
		31-Mar-18	31-Mar-17	01-Apr-16
International Value Retail Private Limited	India	99%	99%	97%
GDN Enterprises Private Limited	India	100%	100%	100%
MPS Telecom Retail Private Limited	India	100%	100%	100%
Telecare Network BD Private Limited	Bangladesh	99%	99%	99%

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Telecare Network India Private Limited

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Notes to the financial statements as at March 31, 2018

(b) Other financial assets

Deposits with original maturity of more than 12

months

Interest receivable

	314	311	313
	0	0	0
	314	311	313

6. 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
Current tax:		
Current income tax charge	74	164
Deferred tax:		
Relating to origination and reversal of temporary differences	-34	12
Income tax expense reported in the statement of profit or loss	40	175
OCI section		
Net loss/(gain) on remeasurements of defined benefit plans	12	-
Income tax charged to OCI	4	-
Total Tax charged for the year	44	175

Reconciliation of tax expense and the accounting profit

	As at 31-Mar-18 INR in Lacs	As at 31-Mar-17 INR in Lacs
Accounting profit before tax	89	462
At India's statutory income tax rate of 33.063% (31 March 2017: 33.063%)	30	153
Non-deductible expenses	15	23
	44	175
Income tax expense reported in the statement of profit and loss	40	175
Income tax charged to OCI	4	-
Total Tax charged for the year	44	175

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	30	-12
Deferred tax expense/(income)	30	-12

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	93	63	75
	93	63	75

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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	-	63
Tax income/(expense) during the period recognised in profit or loss	-	34
Tax income/(expense) during the period recognised in OCI	-	-4
Closing balance as at 31 March	93	63

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
Stock-in-trade	4,438	3,210	4,490
	4,438	3,210	4,490

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
(a) Trade receivables			
Unsecured, considered good	5,182	5,539	4,830
Secured, considered good	3,360	5,085	3,054
	8,542	10,624	7,883
(b) Cash and cash equivalents			
Cash on hand	9	14	9
Balances with banks in current accounts	2,103	2,797	2,846
Deposits with original maturity of less than 3 months	93	663	-
	2,205	3,474	2,855
(c) Bank balances other than cash and cash equivalents			
Deposits with original maturity of more than 3 months but less than 12 months	1,565	1,969	1,896
	1,565	1,969	1,896
(d) Loans			
Unsecured, considered good			
Loans/ advances given	4,054	6,326	3,417
Loans / advances to related parties	-	835	878
	4,054	7,161	4,295
(e) Other financial assets			
Interest receivable	25	43	53
Security deposits	27	25	58
Claims receivable	-	1	13
	52	68	124

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	743	189	1,113
Customs duty refund receivable	1,720	1,986	1,986
Taxes recoverable	488	117	51
Prepaid expenses	30	32	38
Income Tax Refundable (A.Y 16-17)	0	0	-
	2,982	2,325	3,187

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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
Authorised shares			
450,00,000 (31 March, 2017: 450,00,000, 1 April, 2016: 450,00,000) equity shares of INR 10 each	4,500.00	4,500.00	4,500.00
Issued, subscribed and fully paid-up shares			
2,96,87,600 (31 March, 2017: 2,96,87,600, 1 April, 2016: 2,96,87,600) equity shares of INR 10 each	2,969	2,969	2,969
	<u>2,969</u>	<u>2,969</u>	<u>2,969</u>

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

	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	29,687,600	2,969	29,687,600	2,969	29,687,600	2,969
Issued during the period	-	-	-	-	-	-
Outstanding at the end of the period	<u>29,687,600</u>	<u>2,969</u>	<u>29,687,600</u>	<u>2,969</u>	<u>29,687,600</u>	<u>2,969</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 shareholders.

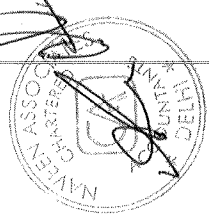
(c) Details of shareholders holding more than 5% shares in the Company

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						
GRA Enterprises Ltd.	-	0%	10,216,600	34%	10,216,600	34%
Mr. Deepesh Gupta	3,726,450	13%	3,726,450	13%	3,726,450	13%
Optimus Infracore Ltd.	15,934,200	54%	5,717,600	19%	-	0%
Mr. Mukesh Gupta	2,850,000	10%	2,850,000	10%	2,850,000	10%
Param Export & Construction Pvt. Ltd.	2,750,000	9%	2,750,000	9%	2,750,000	9%
Mr. Neetesh Gupta	2,726,550	9%	2,726,550	9%	2,726,550	9%
Mobiphone Network India Pvt. Ltd.	-	0%	-	0%	3,717,600	13%
United Online India Pvt. Ltd.	450,000	2%	450,000	2%	2,450,000	8%

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.

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Telecare Network India Private Limited

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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
(a) Borrowings			
Vehicle loans (secured)	71	60	12
Less: Current maturities of long-term debt disclosed under "Other current financial liabilities"	-20	-13	-5
	<u>51</u>	<u>47</u>	<u>7</u>

*Vehicle loans are secured against vehicles

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
Provision for employee benefits			
Gratuity	105	84	123
	<u>105</u>	<u>84</u>	<u>123</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
(a) Borrowings			
Loans repayable on demand			
from banks	3,408	4,107	4,399
from others	2,763	1,962	-
Buyer's credit	-	542	2,457
	<u>6,171</u>	<u>6,612</u>	<u>6,856</u>

Notes:

- Working Capital Loans from existing financier are secured by first ranking pari passu charge over entire current assets of the Company including stocks of finished goods, stock in trade, goods in transit, book debts and other current assets of the company (Present & Future)
- Working capital loans from HDFC & Standard Chartered bank do not hold pari passu charge along with existing bankers.
- Part of Buyer's Credit is secured by charge over Fixed Deposits

(b) Trade payables*	12,973	11,756	7,620
*Includes amount due to related parties (refer Note 32)			

(c) Other financial liabilities

Current maturities of long-term debts	20	13	5
Salaries and other expenses payable	306	285	271
Security deposits from customers	407	195	103
Schemes and claims payable	7	2,324	2,475
	<u>741</u>	<u>2,817</u>	<u>2,853</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	258	283	359
Taxes and other statutory dues payable	46	66	84
Others	20	-	-
	<u>324</u>	<u>349</u>	<u>443</u>

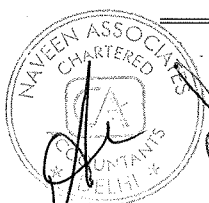
15. Current provisions

	As at 31-Mar-18 INR in Lacs	As at 31-Mar-17 INR in Lacs	As at 01-Apr-16 INR in Lacs
Provision for employee benefits			
Gratuity	3	2	-
	<u>3</u>	<u>2</u>	<u>-</u>

16. Current tax liabilities (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
Provision for tax (net of advance tax)	10	64	261
	<u>10</u>	<u>64</u>	<u>261</u>

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Telecare Network India Private Limited

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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	70,352	62,448
Other operating revenues	1,650	777
	<u>72,002</u>	<u>63,225</u>

18. Other income

	31-Mar-18	31-Mar-17
	INR in Lacs	INR in Lacs
Interest income	192	157
Rental income	-	2
Profit on sale of property, plant and equipment	-	14
Net gain on investments carried at fair value through profit and loss	1	-
Miscellaneous income	7	9
	<u>200</u>	<u>182</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	3,210	4,490
Less: Inventories of stock-in-trade at the end of the year	-4,438	-3,210
	<u>-1,228</u>	<u>1,280</u>

20. Employee benefits expense

	31-Mar-18	31-Mar-17
	INR in Lacs	INR in Lacs
Salaries, wages and bonus	2,368	2,259
Directors remuneration	156	156
Contribution to provident and other funds	121	60
Staff welfare expenses	23	18
	<u>2,667</u>	<u>2,493</u>

21. Finance costs

	31-Mar-18	31-Mar-17
	INR in Lacs	INR in Lacs
Other borrowing costs	77	55
Interest on others	7	-
Bank commission and charges	164	184
Interest on loans	706	786
	<u>956</u>	<u>1,026</u>

22. Depreciation and amortization expense

	31-Mar-18	31-Mar-17
	INR in Lacs	INR in Lacs
Depreciation on tangible assets	156	103
Amortisation of intangible assets	28	10
	<u>184</u>	<u>113</u>

23. Other expenses

	31-Mar-18	31-Mar-17
	INR in Lacs	INR in Lacs
Direct Expenses		
Clearing & Forwarding Expenses	8	10
Consumable Store	9	21
Custom Duty	60	171
Freight Inward	619	672
Schemes & Claims	2,493	1,135
Stock Transfer Charges	73	46

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Notes to the financial statements as at March 31, 2018

Other Expenses

Audit Fees	6	3
Advertisement & Publicity	56	85
AMC Charges	1	1
Bank Charges	7	6
BIS Certification	23	53
Branch Expenses- China	80	75
Business Promotion Expenses	92	66
Commission Expense	85	11
Compensation for in warranty	365	203
Conveyance Expenses	8	11
Domain & Hosting	3	5
Donation	14	4
Filing fees	1	1
Freight Outward	295	274
Insurance Premium	61	84
Interest on statutory dues	12	40
Legal & Professional Fees	103	53
Misc. Expenses	24	15
Mobile & Internet Expenses	82	75
Office Expenses	8	6
Packaging Expenses	28	12
Postage, Courier & Cartage Expenses	22	6
Power & Fuel Expenses	23	25
Printing & Stationery	11	8
Prior Period Exp	2	-
Rates & Taxes	41	13
Recruitment Exp	2	2
Rent Paid	184	168
Repair & Maintenance	29	66
Research & Development Expenses	25	11
Royalty / IPR	172	-
Server Hosting & Maintenance Fees	9	6
Tour & Travel	334	258
Warehouse Management Expenses	5	17
Watch & Ward	17	18
Website Development Exp	0	6
	5,189	3,741

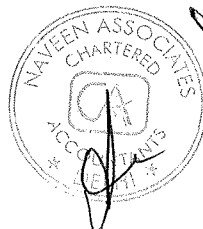
***Payment to auditor**

	31-Mar-18	31-Mar-17
	INR in Lacs	INR in Lacs
As auditor:		
Audit fee	3	2
Tax audit fee	1	1
Taxation Fees	2	1
	6	3

24. Earnings per share

	31-Mar-18	31-Mar-17
	INR in Lacs except	INR in Lacs except
	EPS	EPS
Profit attributable to equity holders of the parent	57	287
Weighted average number of equity shares	297	297
Basic and diluted earnings per share	0.19	0.97

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Telecare Network India Private Limited

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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 benefits) 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.

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Telecare Network India Private Limited

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Notes to Financial Statements for the year ended 31 March 2018

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.

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 instruments were as follows :

Particulars		Currency	Amount in foreign currency	Amount in INR
Trade payables	31-Mar-18	USD	6,814,568	443,247,429
	31-Mar-17	USD	10,622,399	988,741,475
	01-Apr-16	USD	9,733,676	645,662,928

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 both secured and 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.



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Notes to Financial Statements for the year ended 31 March 2018

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.

27. Post employment benefit plans: Gratuity

The Company has a funded defined benefit gratuity plan.

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 in Lacs	INR in Lacs
Defined benefit obligation		
Balance as at beginning of the year	96	-
Current service cost	30	32
Interest cost	7	-
Benefits paid	(8)	(2)
Remeasurement (gains)/losses in other comprehensive income	(12)	67
Balance as at end of the year	115	96


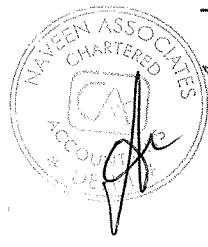
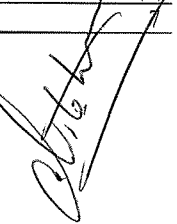

Reconciliation of the opening and closing balances of the fair value of plan assets

	31-Mar-18	31-Mar-17
	INR in Lacs	INR in Lacs
Fair value of plan assets		
Balance as at beginning of the year	11	-
Expected return on plan assets	1	1
Actuarial gains and losses	(0)	-
Contributions by the employer	3	11
Benefits paid	(8)	(1)
Balance as at end of the year	7	11

The above mentioned plan assets are entirely represented by funds invested with SBI Life Insurance Company Limited.

Total expense recognised in profit or loss

	31-Mar-18	31-Mar-17
	INR in Lacs	INR in Lacs
Current service cost	30	-
Interest cost	7	-
Expected return on plan assets	(1)	(1)
	-1	-1

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Notes to Financial Statements for the year ended 31 March 2018

Total amount recognised in other comprehensive income

	31-Mar-18	31-Mar-17
	INR in Lacs	INR in Lacs
Experience losses/(gains)	(11)	-
Gains from change in demographic assumptions	-	-
(Gains) / Losses from change in financial assumptions	(1)	-
Remeasurements on Liability	(12)	-
Return on plan assets, excluding interest income	0	-
Remeasurements on plan assets	0	-
Net remeasurements recognised in OCI	(12)	-

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	7.75%	7.50%
Expected rates of return on any plan assets	7.75%	0
Expected rates of salary increase	5.00%	5.00%
Employee turnover		
Upto 30 years	5%	2%
From 31 to 44 years	3%	2%
Above 44 years	2%	2%
Mortality	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate

Sensitivity Analysis of the defined benefit obligation

	31-Mar-18	31-Mar-17
	INR in Lacs	INR in Lacs
a) Impact of the change in discount rate		
Present value of obligation at the end of the period	115	96
Impact due to increase of 1 %	101	83
Impact due to decrease of 1 %	131	113
b) Impact of the change in salary increase		
Present value of obligation at the end of the period	115	96
Impact due to increase of 1 %	132	113
Impact due to decrease of 1 %	101	83

28. 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.

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Teleecare Network India Private Limited

CIN: U64202DL2003PTC119799

Notes to Financial Statements for the year ended 31 March 2018

29. Commitments and contingencies

a. 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 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. 1,83,94,035 (31 March 2017: Rs. 1,67,91,659) on such lease is included in Rent

b. Contingent liabilities

Nature	Financial year	31-Mar-18	31-Mar-17	01-Apr-16
		INR in Lacs	INR in Lacs	INR in Lacs
Sales tax Bihar	2011-12	15	-	-
Sales tax Bihar	2012-13	55	-	-
Sales tax Bihar	2013-14	88	-	-
Sales tax Bihar	2013-14	-	5	5
Sales Tax Bihar	2014-15	83	-	-
Sales Tax Bihar	2015-16	127	-	-
Sales tax Punjab	2011-12	5	-	-
Sales Tax UP	2011-12	44	473	473
Sales Tax UP	2013-14	57	-	-
Sales tax West Bengal	2014-15	12	-	-
Sales Tax Tamilnadu	2014-15	8	-	-
Sales Tax Tamilnadu	2015-16	49	-	-
Sales Tax Telengana	2013 to 2016	186	-	-
Sales Tax Karnataka	2009-10	-	10	-
Sales Tax Haryana	2013-14	57	-	-
Income tax CIT Appeal	AY 2015-16	14	-	-
	2007-08 to			
Income tax TDS demands	2016-17	21	21	-
		<u>823</u>	<u>509</u>	<u>478</u>

c. Corporate Guaranty

Guaranty given on behalf of	Guaranty given to	Purpose	31-Mar-18	31-Mar-17	01-Apr-16
			INR in Lacs	INR in Lacs	INR in Lacs
GDN Enterprises Private Limited	Tata Finance	Term Loan	-	456	456
GDN Enterprises Private Limited	Indusind Bank	Import LC	6,500 *	-	-
GDN Enterprises Private Limited	Indusind Bank	Term Loan	3,600	-	-
Optiemus Infracom Limited	Indusind Bank	Cash Credit	1,000	-	-
			<u>11,100</u>	<u>456</u>	<u>456</u>

Note:

* This is sub limit of credit facilities of Rs. 70 Crores sanctioned by IndusInd Bank in favour of Teleecare Networks India Private Limited.

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Teleecare Network India Private Limited

CIN: U64202DL2003PTC119799

Notes to Financial Statements for the year ended 31 March 2018

30. Fair value measurements

a. Break-up of Financial instruments carried at Fair value through profit or loss

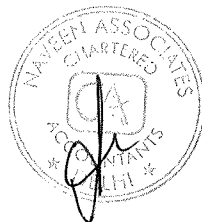
	31-Mar-18	31-Mar-17	01-Apr-16
	INR in Lacs	INR in Lacs	INR in Lacs
Financial assets			
Investments	4,945	1,175	1,151
	<u>4,945</u>	<u>1,175</u>	<u>1,151</u>

b. Break-up of Financial instruments carried at amortised costs

	31-Mar-18	31-Mar-17	01-Apr-16
	INR in Lacs	INR in Lacs	INR in Lacs
Financial assets			
Loans	4,054	7,161	4,295
Trade receivables	8,542	10,624	8,592
Cash and cash equivalents	2,205	3,474	2,855
	1,565	1,969	1,896
Bank balances other than cash and cash equivalents			
Other financial assets	52	68	124
	<u>16,419</u>	<u>23,296</u>	<u>17,761</u>
Financial liabilities			
Borrowings	6,171	6,612	6,856
Trade payables	12,973	11,756	7,620
Other financial liabilities	741	2,817	2,853
	<u>19,885</u>	<u>21,186</u>	<u>17,329</u>

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

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Prasad

31. Segment reporting

The primary segment reporting format is determined to be business segments as the company's risks and rates of return are affected predominantly by differences in the nature of services rendered. Secondary information is reported geographically. The operating businesses are organized and managed separately according to the nature of the services provided, with each segment representing a strategic business unit that offers different services and serves different markets.

Business Segments:

The Company organized its operations into two major businesses: Software sale and Others which includes marketing and software services, software related professional services, training revenue and others. A description of the types of products and services provided by each reportable segment is as follows:

The Company organized its operations into two major businesses: Sale of software and Others. A description of the types of products and services provided by each reportable segment is as follows:

It has following primary revenue stream

1. Sale of mobile handsets and accessories

It is trading of mobile handsets and accessories through its showrooms

2. Sale of set-top boxes

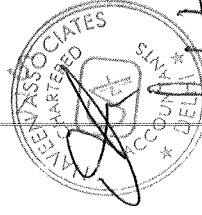
The Company deals in purchase and sale of set-top boxes

The following table presents segment revenue, segment results and segment assets/ liabilities as at March 31, 2018.

i. Business segment

Particulars	Telecommunication - Mobile Handset and Accessories						Others		Total	
	31-Mar-18 INR	31-Mar-17 INR	01-Apr-16 INR	31-Mar-18 INR	31-Mar-17 INR	01-Apr-16 INR	31-Mar-18 INR	31-Mar-17 INR	01-Apr-16 INR	01-Apr-16 INR
Revenue										
External sales	72,002	62,511	N.A	-	156	N.A	72,002	62,667	N.A	N.A
Total revenue	72,002	62,511	N.A	-	156	N.A	72,002	62,667	N.A	N.A
Segment Results - Profit	1,164	1,043	N.A	(108)	16	N.A	1,057	1,059	N.A	N.A
Unallocated expenses										
Operating profit										
Finance costs										
Other income										
Profit Before Tax										
Current Tax										
Deferred Tax credit/ (charge)										
Net Profit after tax										
Segment assets	29,323	30,433	26,008	354	538	1,111	29,678	30,971	27,119	
Unallocated corporate assets										
Total Assets	29,323	30,433	26,008	354	538	1,111	29,678	30,971	27,119	
Segment liabilities	20,309	21,232	17,171	71	498	993	20,380	21,730	18,164	
Unallocated corporate liabilities										
Total Liabilities	20,309	21,232	17,171	71	498	993	20,380	21,730	18,164	
Other Segment Information										
Capital Expenditure:										
Tangible Assets										N.A
Intangible assets										N.A
Depreciation / Amortisation										N.A
ii. Geographical segments										
The Company operates in single geographical segments and has its operations in India only.										

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Teleecare Network India Private Limited

CIN: U64202DL2003PTC119799

Notes to the financial statements for the year ended March 31, 2018

32. Related Party Disclosures

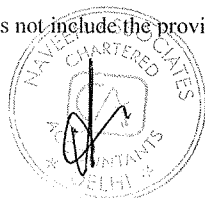
Names of related parties and related party relationship

Holding Company	Optimus Infracom Limited
Subsidiary Companies	GDN Enterprises Private Limited International value Retail Private Limited MPS Telecom Retail Private Limited Teleecare Network BD Private Limited
Key managerial personnel and their relatives	Mr. Mukesh Gupta (Director) Mr. Neetesh Gupta (Director) Ms. Parul Molri (Company Secretary) Mr. Deepesh Gupta (relative of directors) Mr. Neetesh Deepesh Gupta (relative of directors) Mrs. Ramneek Gupta (relative of directors) Mrs. Rekha Goel (relative of directors)
Associates / entities in which KMP/ relatives of KMP can exercise significant influence	GRA Enterprise Limited Optimus Infracom Limited Travncore Marketing Private Limited

Balances	Amount of transaction		Balance receivable/(payable) as on		
	31-Mar-18 INR in Laacs	31-Mar-17 INR in Laacs	31-Mar-18 INR in Laacs	31-Mar-17 INR in Laacs	01-Apr-16 INR in Laacs
Director Remuneration					
Mr. Neetesh Gupta	90	90	(10)	(5)	(2)
Mr. Mukesh Gupta	66	66	(8)	(3)	(3)
Salary					
Mrs. Ramneek Gupta	18	11	(1)	(1)	-
Mrs. Rekha Goel	-	5	-	-	-
Sales					
Optimus Infracom Ltd	148	-	-	-	-
Optimus Electronics Limited	1,533	-	-	-	-
GDN Enterprises Pvt Ltd	27,750	22,116	3,168	1,656	2,254
MPS Telecom Retails Pvt Ltd	21	3,704	79	136	1,642
International value Retail Pvt Ltd	13	-	6	-	-
Purchase					
Optimus Infracom Ltd	5,312	478	(7,337)	(1,543)	(1,501)
Optimus Electronics Limited	1,878	-	(78)	-	-
GDN Enterprises Pvt Ltd	27,481	29,917	-	-	-
GDN Enterprises Pvt Ltd	1	-	-	-	-
MPS Retail Telecom Pvt Ltd	9	-	-	-	-
Rental & Other Expenses					
Optimus Infracom Ltd	110	52	-	-	-
GDN Enterprises Pvt Ltd	56	-	-	-	-
Fidelity Logistics Pvt Ltd	27	-	0	-	-
MPS Retail Telecom Pvt Ltd	187	-	-	-	-
MPS Telecom Private Limited	313	-	-	-	-
Service Income and other incomes					
Optimus Infracom Ltd	194	3	-	-	-
Optimus Electronics Limited	21	-	-	-	-
Loan Given					
MPS Telecom Retail Pvt Ltd	-	-	1,894	-	-
International value Retail Pvt Ltd	-	-	300	-	-
Travncore Marketing Pvt Ltd	-	-	188	-	-

*Note: The remuneration to key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined

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