

## **INDEPENDENT AUDITOR'S REPORT**

To,

### **The Members of Mobisoc Technology Private Limited**

#### **Report on the Ind AS Financial Statements**

We have audited the accompanying Ind AS financial statements of Mobisoc Technology Private Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2017 and the statement of Profit and Loss, 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 Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statement that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with Rule 7 of Companies (Accounts) Rules, 2014 and Companies (Indian Accounting Standards) Rules, 2015, as amended..

This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records , relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

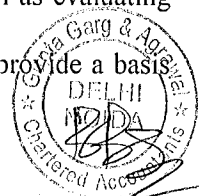
#### **Auditor's responsibility**

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit. We have taken into account the provision of the Act, the accounting and auditing standards and matters which are required to be included in audit report under the provision of the Act and the Rules made there under.

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

An audit involves performing procedures to obtain the audit evidence about the amounts and the disclosure in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

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



## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements gives 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 including the Ind AS, of the state of affairs (financial position) of the Company as at 31<sup>st</sup> March, 2017, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

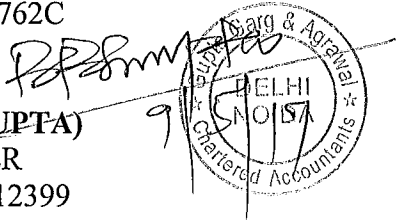
1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure '1' a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by section 143 (3) of the Act, we report that :
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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, the cash flow statement and statement of changes in equity dealt with by this report are in agreement with the books of account.
  - d) In our opinion, the aforesaid Ind As financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Indian Accounting Standards) Rules, 2015, as amended.
  - e) On the basis of the written representation received from the Directors as on 31<sup>st</sup> March, 2017 taken on record by the Board of Directors, none of the Directors is disqualified as on 31<sup>st</sup> March, 2017 from being appointed as a Director in terms of Section 164(2) of the Act.
  - f) With respect to the adequate internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report; and
  - 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 financial position.
    - ii) the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii) there has been no amounts which are required to be transferred to the Investor Education and Protection Fund by the company.



- iv) The Company has provided requisite disclosures in the Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the management (refer note no. 40(A)).

**For GUPTA GARG & AGRAWAL**  
CHARTERED ACCOUNTANTS  
FRN 505762C

**(B. B. GUPTA)**  
PARTNER  
M. No. 012399



Place: Noida  
Date : 09.05.2017

RE: Mobisoc Technology Private Limited ('the Company')

ANNEXURE "1" REFERRED TO IN PARAGRAPH OF OUR REPORT OF EVEN DATE

The comments are in seriatim of the order

(i) (a) The Company is maintaining proper records of its Fixed Assets showing full particulars including quantitative details and situation thereof.

(b) As per the information given by the management, the physical verification of fixed assets was carried out at the end of the financial year. No discrepancy on such verification noticed by the management and reported to us.

(c) As per books of accounts verified by us and according to the information and explanations given by the management the company does not have immovable properties and as such the sub clause is not applicable.

(ii) The Company does not have any inventory; as such the clause is not applicable.

(iii) As per the information and explanations given to us and certified by the management and verified from the books of account, the company has not granted any loans secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained in pursuance of Section 189 of the Companies Act, 2013, as such there are no comments on sub clauses a), b) and c).

(iv) In our opinion and according to the information and explanations given to us, the provisions of Section 185 and 186 of the Companies Act, 2013 have been complied.

(v) The Company has not accepted any deposits from the public and as such the clause is not applicable.

(vi) To the best of our knowledge and as per information and explanations given to us by the management, the central government has not prescribed maintenance of cost records under section 148(1) of the Companies Act, 2013 for the products/services of the Company.

(vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance fund, income-tax, sales-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues applicable to it.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance fund, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues were outstanding at the period end, for a period of more than six months from the date they became payable.

(b) According to information and explanations given to us, there are no dues of income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax and cess which have not been deposited with the appropriate authorities on account of any dispute.

(viii) The Company does not have any loan from Bank, Institutions or Debenture holders, and as such clause is not applicable.



(ix) As per the information and explanations given to us by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments and term loan hence, there are no comments in this regard.

(x) To the best of our knowledge and according to the information and explanations given to us no fraud by the company and no material fraud on the company has been noticed and reported during the year.

(xi) In the absence of payment of managerial remuneration as per the provisions of Section 197 read with Schedule V of the Act, the clause is not applicable.

(xii) The clause is not applicable as the company is not a 'Nidhi Company'.

(xiii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the Ind AS financial statements and according to the information and explanations given by the management, transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the Ind AS financial statements, as required by the applicable accounting standards.

(xiv) As per the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and as such there are no comments in this regard.

(xv) As per the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him.

(xvi) As per the information and explanations given to us, the provisions of Section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

**For GUPTA GARG & AGRAWAL  
CHARTERED ACCOUNTANTS  
FRN 505762C**

**(B.B. GUPTA)  
PARTNER  
M. No. 012399**



Place: Noida  
Date: 09.05.2017

## **ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF MOBISOC TECHNOLOGY PRIVATE LIMITED**

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

To the members of Mobisoc Technology Private Limited

We have audited the internal financial controls over financial reporting of Mobisoc Technology Private Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

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

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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.

#### **Auditor's Responsibility**

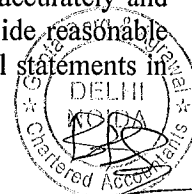
Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified 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 judgement, including the assessment of the risks of material misstatement of the Ind AS 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 internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls Over Financial Reporting**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in



accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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.

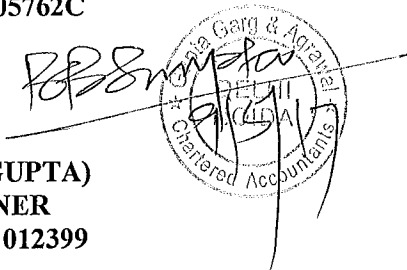
### **Opinion**

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, 2017, 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.

**For GUPTA GARG & AGRAWAL  
CHARTERED ACCOUNTANTS  
FRN 505762C**

**(B.B. GUPTA)  
PARTNER  
M. No. 012399**

Place: Noida  
Date: 09.05.2017

A handwritten signature in black ink, appearing to read 'B.B. Gupta', is written over a circular stamp. The stamp contains the text 'Gupta Garg & Agrawal Chartered Accountants' around the perimeter and 'FRN 505762C' in the center. The signature and stamp are crossed out with a diagonal line.

**MOBISOC TECHNOLOGY PRIVATE LIMITED**  
**CIN :- U72300DL2006PTC151960**  
**Regd. Address :- D-60, Street No. C-5, Sainik Farms, New Delhi 110062**  
**Balance Sheet as at March 31, 2017**

Amount in INR

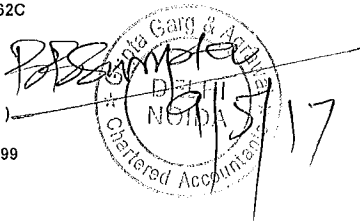
Particulars	Notes No.	As at Mar 31, 2017	As at Mar 31, 2016	As at Apr 01, 2015
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment	3	1,904,449	2,437,761	4,683,766
Intangible Assets	4	1,074,621	5,576,964	9,824,900
<b>Financial assets</b>				
(i) Others	5	2,998,178	3,368,466	-
Deferred tax assets	6	2,104,540	2,193,740	-
Non Current Tax Assets (Net)	7	4,538,890	4,538,890	6,731,000
		<u>12,620,678</u>	<u>18,115,821</u>	<u>21,239,666</u>
<b>Current assets</b>				
<b>Financial assets</b>				
(i) Current Investments	8	-	-	54,512,833
(ii) Loans	9	42,000,000	42,162,500	95,000
(iii) Trade Receivable	10	31,144,165	25,648,117	5,295,631
(iv) Cash and cash equivalents	11	2,516,583	4,255,243	3,900,424
(v) Other Bank Balances other than (iv) above	11	6,488,715	15,185,996	3,345,854
(vi) Other Financial Assets	12	9,669,977	6,382,079	142,342
Current Tax Assets(Net)	13	21,081,382	22,484,048	18,924,164
Other Current Assets	14	2,282,465	1,887,901	2,598,252
		<u>115,183,287</u>	<u>118,005,884</u>	<u>88,814,500</u>
<b>Total Assets</b>		<u><u>127,803,965</u></u>	<u><u>136,121,705</u></u>	<u><u>110,054,166</u></u>
<b>Equity and liabilities</b>				
<b>Equity</b>				
Equity Share capital	15	100,100,000	100,100,000	100,100,000
Other Equity	16	(5,000,491)	(3,297,243)	(4,501,861)
		<u>95,099,509</u>	<u>96,802,757</u>	<u>95,598,139</u>
<b>Liabilities</b>				
<b>Non-Current Liabilities</b>				
Provisions	17	2,450,037	2,049,674	2,210,274
		<u>2,450,037</u>	<u>2,049,674</u>	<u>2,210,274</u>
<b>Current Liabilities</b>				
<b>Financial Liabilities</b>				
(i) Trade payables	18	14,709,708	22,324,110	2,178,865
(ii) Other financial liabilities	19	10,987,022	10,444,451	7,139,436
Current Tax Liabilities	13	-	1,324,000	-
Other Current Liabilities	20	2,271,662	1,294,035	813,950
Provisions	21	2,286,028	1,882,678	2,113,502
		<u>30,254,420</u>	<u>37,269,274</u>	<u>12,245,753</u>
		<u>32,704,457</u>	<u>39,318,948</u>	<u>14,456,027</u>
<b>TOTAL Equity and Liabilities</b>		<u><u>127,803,965</u></u>	<u><u>136,121,705</u></u>	<u><u>110,054,166</u></u>

Summary of significant accounting policies 1-2

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

As per our attached report of even date  
For Gupta Garg & Agrawal  
Chartered Accountants  
FRN : 505762C

( B.B.Gupta )  
Partner  
M. No. 012399



For and on behalf of the Board of Directors of  
Mobisoc Technology Private Limited

Director & Manager  
(Sunil Kapoor)  
(DIN 05322540)

C.F.O.  
(Sanjeev Kumar Jain)

Director  
(Madhusudan Venkatachary)  
(DIN 02650160)

Company Secretary  
(Akansha Sharma)  
(Memb. No. A41576)

Place : Noida  
Date : 09/05/2017



**MOBISOC TECHNOLOGY PRIVATE LIMITED**  
**CIN :- U72300DL2006PTC151960**  
**Regd. Address :- D-60, Street No. C-5, Sainik Farms, New Delhi 110062**  
**Statement of profit and loss for the year ended 31 March, 2017**

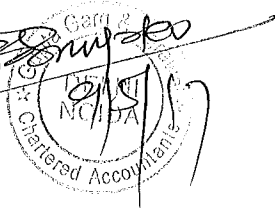
Amount in INR

Particulars	Notes No.	For the Year Ended Mar 31, 2017	For the Year Ended Mar 31, 2016
<b>Income</b>			
Revenue From Operations	22	141,141,302	159,670,818
Other Income	23	6,488,745	3,695,402
<b>Total Income</b>		<b>147,630,047</b>	<b>163,366,220</b>
<b>Expenses</b>			
Purchases of Services	24	41,004,943	55,780,872
Operating Expenses	25	19,970,202	20,446,540
Employee Benefits Expense	26	54,844,966	58,761,355
Finance Cost	27	29,186	-
Depreciation and amortization expense	28	5,337,943	7,227,562
Other Expenses	29	27,968,672	19,529,418
<b>Total Expenses</b>		<b>149,155,912</b>	<b>161,745,747</b>
<b>Profit(loss) before tax</b>		<b>(1,525,865)</b>	<b>1,620,473</b>
<b>Tax Expenses</b>			
(i) Current Tax	31	27,830	3,516,110
(ii) Deferred tax (Net)		(89,200)	2,193,740
<b>Profit/(Loss) for the period from continuing operations</b>		<b>(1,642,895)</b>	<b>298,103</b>
<b>Other comprehensive income</b>			
(i) Items that will not be reclassified to profit or loss			
Actuarial Gain/(loss)	32	(60,353)	906,517
(ii) Re-measurement gains (losses) on defined benefit plans			
(iii) Income Tax relating to items that will be reclassified to profit or loss			
<b>Total Comprehensive Income for the period(Comprising Profit/(loss) and Other Comprehensive Income for the period)</b>		<b>(1,703,248)</b>	<b>1,204,620</b>
<b>Earning per share</b>			
(i) Basic	33	(0.17)	0.52
(ii) Diluted		(0.17)	0.52

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

As per our attached report of even date  
For Gupta Garg & Agrawal  
Chartered Accountants  
FRN : 505762C

( B.B.Gupta )  
Partner  
M. No. 012399



For and on behalf of the Board of Directors of  
Mobisoc Technology Private Limited

Director & Manager  
(Sunil Kapoor)  
(DIN 05322540)

C.F.O.  
(Sanjeev Kumar Jain)

Director  
(Madhusudan Venkatachary)  
(DIN 02650160)

Company Secretary  
(Akansha Sharma)  
(Memb. No. A41576)

Place : Noida  
Date : 09/05/2017

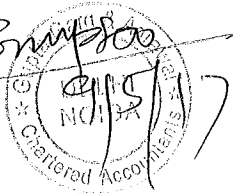
**MOBISOC TECHNOLOGY PRIVATE LIMITED**  
**CIN :- U72300DL2006PTC151960**  
**Regd. Address :- D-60, Street No. C-5, Sainik Farms, New Delhi 110062**  
**Statement of Cash Flows as at March 31, 2017**

Amount in INR

	For the 12 Months ended 31-Mar-2017 Rs.	For the 12 Months ended 31-Mar-2016 Rs.
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax from continuing operations	(1,525,865)	1,620,473
Profit/(loss) before tax from discontinued operations	-	-
<b>Profit before tax</b>	<b>(1,525,865)</b>	<b>1,620,473</b>
<b>Adjustment to reconcile profit before tax to net cash flows</b>		
Depreciation and impairment of property, plant and equipment	835,600	2,979,626
Amortisation and impairment of intangible assets	4,502,343	4,247,936
Gain on Investment	-	(1,292,489)
Finance income (including fair value change in financial instruments)	(5,323,369)	(1,935,705)
Finance costs (including fair value change in financial instruments)	29,186	-
<b>Working capital adjustments</b>		
Movements in provisions, gratuity and government grants	803,713	(391,424)
Increase in trade and other receivables and prepayments	(9,178,510)	(25,881,872)
Increase in trade and other payables	(6,094,203)	23,930,345
	<b>(15,951,104)</b>	<b>3,276,890</b>
Taxes Paid	50,836	(3,559,884)
Exceptional Item	(60,353)	906,517
<b>Net cash flows from operating activities</b>	<b>(15,960,621)</b>	<b>623,523</b>
<b>Investing Activities</b>		
Purchase of property, plant and equipment	(302,290)	(733,620)
Interest received (finance income)	5,323,369	1,935,705
Sale of Investment	-	55,805,322
Loan Given	-	(42,000,000)
Loan to Staff & Others	162,500	(67,500)
<b>Net cash flows used in investing activities</b>	<b>5,183,579</b>	<b>14,939,907</b>
<b>Financing Activities</b>		
Interest paid	(29,186)	-
<b>Net cash flows from/(used in) financing activities</b>	<b>(29,186)</b>	<b>-</b>
Cash and cash equivalents at the year end	<b>(10,806,228)</b>	<b>15,563,430</b>
Cash and cash equivalents at the beginning of the year	22,809,705	7,246,275
<b>Cash and cash equivalents at year end</b>	<b>12,003,477</b>	<b>22,809,705</b>
Cash in hand	28,680	11,169
Cheques in hand	-	-
With banks- on current account	8,976,619	19,430,070
With banks- on deposit accounts	2,998,178	3,368,466
<b>Total cash and cash equivalents</b>	<b>12,003,477</b>	<b>22,809,705</b>

As per our report of even date  
**For Gupta Garg & Agrawal**  
**Chartered Accountants**  
 FRN: 505762C

( B.B.Gupta )  
 Partner  
 M. No. 012399



Place : Noida  
 Date : 09/05/2017

For and on behalf of the Board of Directors of  
 Mobisoc Technology Private Limited

Director & Manager  
 (Sunil Kapoor)  
 (DIN 05322540)

C.F.O.  
 (Sanjeev Kumar Jain)

Director  
 (Madhusudan Venkatachary)  
 (DIN 02650160)

Company Secretary  
 (Akansha Sharma)  
 (Memb. No. A41576)

**MOBISOC TECHNOLOGY PRIVATE LIMITED**

**CIN :- U72300DL2006PTC151960**

**Regd. Address :- D-60, Street No. C-5, Sainik Farms, New Delhi 110062**

**Notes to financial statements as at ended Mar 31, 2017**

**1. Corporate Information**

Mobisoc Technology Private Limited is engaged in software development activities and providing management and support services in the field of telecommunication technology.

**2. Significant accounting policies**

**2.1 Basis of preparation**

The financial statements of the Company has been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015

For all periods up to and including the year ended 31 March 2016, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended 31 March 2017 are the first, the Company has prepared in accordance with Ind AS.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The standalone financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)

**2.2 Summary of Significant Accounting Policies**

**a) Current versus non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- ▶ Expected to be realised or intended to be sold or consumed in normal operating cycle
- ▶ Held primarily for the purpose of trading
- ▶ Expected to be realised 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

All other assets are classified as non-current

A liability is current when:

- ▶ It is expected to be settled in 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

The Company classifies all other liabilities as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The company

**b. Foreign currencies**

The Company's standalone financial statements are presented in INR.

**Transactions and balances**

Transactions in foreign currencies are initially recorded by the Company's in its functional currency spot rates at the date the transaction first qualifies for recognition.

Foreign-currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the balance sheet date. The gains or losses resulting from such translations are included in net profit in the statement of profit and loss.

Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. Revenue, expense and cash-flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

**c. Fair value measurement**

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

For all other financial instruments the carrying amounts approximates fair value due to the short maturity of those 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 Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

External valuers are involved for valuation of significant assets, such as properties and unquoted financial assets, and significant liabilities.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

- ▶ Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- ▶ Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable



#### d. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

##### Sale of Services

Revenue from sale of services is recognized at the end of each month of the services rendered.

##### Income from services

Revenue from value added services are recognized as per arrangement with the customers at the end of each month/period in which the services are rendered.

##### Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "Interest income" in the statement of profit and loss.

#### e. Taxes

##### Current income tax

Tax expense comprises of current 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. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

##### Deferred tax

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each balance sheet date, the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the Minimum Alternative tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the profit and loss account and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

#### f. Property, plant and equipment.

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets

Based on technical evaluation, the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence, the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year end.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under "Capital work-in-progress". Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in net profit in the statement of profit and loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the statement of profit and loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

#### g. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. Amortization methods and useful lives are reviewed periodically including at each financial year end.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

#### h. Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate:

- ▶ The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- ▶ Its intention to complete and its ability and intention to use or sell the asset
- ▶ How the asset will generate future economic benefits



- ▶ The availability of resources to complete the asset
- ▶ The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

During the period of development, the asset is tested for impairment annually.

#### **i. Impairment of non-financial 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's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups 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 transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

#### **j. Provisions**

Provisions are recognised 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. When the Company expects some or all of a provision to be reimbursed, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and 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 recognised as a finance cost.

#### **k. Retirement and other employee benefits**

i) Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre payment will lead to, for example, a reduction in future payment or a cash refund.

ii) Gratuity is a defined benefit obligation. The Company has created an approved gratuity fund for the future payment of gratuity to the employees. The costs of providing benefits under this plan are determined on the basis of actuarial valuation at each year-end. Actuarial valuation is carried out for the plan using the projected unit credit method. Gratuity liability of an employee, who leaves the Company before the close of the year and which is remaining unpaid, is provided on actual computation basis. Actuarial gains and losses are recognized in full in the period in which they occur in OCI (the statement of profit and loss)

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

iii) Compensated absences, which is expected to be utilized within the next 12 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. The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the leave as a current liability in the balance sheet to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where Company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

#### **l. 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.

##### **Financial assets**

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

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

###### **Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in following categories:

- ▶ Debt instruments at amortised cost

Equity instruments measured at fair value through other comprehensive income (FVTOCI)

##### **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, as appropriate.

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

The Company's financial liabilities include trade and other payables, and borrowings including bank overdrafts.

###### **Subsequent measurement**

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

###### **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 incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The company has not designated any financial liability as at fair value through profit and loss.

#### **borrowings**

After initial recognition, interest-bearing borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the 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 as finance costs in the statement of profit and loss.

This category generally applies

#### **Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

#### **Reclassification of financial**

The company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The company's senior management determines change in the business model as a result of external or internal changes which are significant to the company's operations. Such changes are evident to external parties. A change in the business model occurs when the company either begins or ceases to perform an activity that is significant to its operations. If the company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

#### **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

#### **a. Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.



**MOBISOC TECHNOLOGY PRIVATE LIMITED**  
**CIN :- U72300DL2006PTC151960**  
**Regd. Address :- D-60, Street No. C-5, Sainik Farms, New Delhi 110062**  
**Notes to financial statements as at Mar 31, 2017**

**Note 3: Property, plant and equipment**

Amount in INR

	Data Processing Machines	Office equipmetns	Furniture & Fixtures	Total
<b>COST</b>				
As at 1 April 2015	4,424,304	254,281	5,181	4,683,766
Additions	669,765	13,500	50,355	733,620
Acquisition of a subsidiary	-	-	-	-
Disposals	-	-	-	-
Discontinued operations	-	-	-	-
Revaluation recognised in OCI	-	-	-	-
Transfer*	-	-	-	-
Exchange differences	-	-	-	-
<b>At 31 March 2016</b>	<b>5,094,069</b>	<b>267,781</b>	<b>55,536</b>	<b>5,417,386</b>
Additions	194,129	108,160	-	302,289
Acquisition of a subsidiary	-	-	-	-
Disposals	-	-	-	-
Discontinued operations	-	-	-	-
Revaluation recognised in OCI	-	-	-	-
Transfer*	-	-	-	-
Exchange differences	-	-	-	-
<b>At 31 March 2017</b>	<b>5,288,198</b>	<b>375,941</b>	<b>55,536</b>	<b>5,719,675</b>
<b>Depreciation and impairment</b>				
As at 1 April 2015	-	-	-	-
Depreciation charge during the year	2,941,350	37,927	349	2,979,626
Disposals	-	-	-	-
Discontinued operations	-	-	-	-
Transfer*	-	-	-	-
Exchange differences	-	-	-	-
<b>At 31 March 2016</b>	<b>2,941,350</b>	<b>37,927</b>	<b>349</b>	<b>2,979,626</b>
Depreciation charge during the year	706,304	115,187	14,109	835,600
Disposals	-	-	-	-
Discontinued operations	-	-	-	-
Transfer*	-	-	-	-
Exchange differences	-	-	-	-
Impairment loss	-	-	-	-
<b>At 31 March 2017</b>	<b>3,647,654</b>	<b>153,114</b>	<b>14,459</b>	<b>3,815,226</b>

**NET BOOK VALUE (CARRYING VALUE)**

	Data Processing Machines	Office equipmetns	Furniture & Fixtures	Total
At 31 March 2017	1,640,544	222,827	41,077	1,904,449
At 31 March 2016	2,152,719	229,854	55,187	2,437,760
At 1 April 2015	4,424,304	254,281	5,181	4,683,766

**NET BOOK VALUE (CARRYING VALUE)**

	As at March 31, 2017	As at March 31, 2016	At 1 April 2015
Plant, property and Equipment	1,904,449	2,437,760	4,683,766
Capital work in progress	-	-	-



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 Notes to financial statements as at Mar 31, 2017

**Note 4: Intangible assets**

	Amount in INR		
	Licence	Customized software	Total
<b>COST</b>			
As at 1 April 2015	5,844,941	3,979,959	9,824,900
Additions – being internally developed	-	-	-
Acquisition of a subsidiary	-	-	-
Discontinued operations	-	-	-
<b>At 31 March 2016</b>	<b>5,844,941</b>	<b>3,979,959</b>	<b>9,824,900</b>
Additions – being internally developed	-	-	-
Acquisition of a subsidiary	-	-	-
Discontinued operations	-	-	-
<b>At 31 March 2017</b>	<b>5,844,941</b>	<b>3,979,959</b>	<b>9,824,900</b>
<b>Amortisation and Impairment</b>			
<b>Accumulated amortisation</b>			
As at 1 April 2015	-	-	-
Amortisation	2,972,987	1,274,949	4,247,936
Impairment	-	-	-
Discontinued operations	-	-	-
<b>At 31 March 2016</b>	<b>2,972,987</b>	<b>1,274,949</b>	<b>4,247,936</b>
<b>Amortisation</b>			
Amortisation	2,838,337	1,664,006	4,502,343
Discontinued operations	-	-	-
<b>At 31 March 2017</b>	<b>5,811,324</b>	<b>2,938,955</b>	<b>8,750,279</b>

**NET BOOK VALUE (CARRYING VALUE)**

	Customized		
	Licence	software	Total
At 31 March 2017	33,617	1,041,004	1,074,621
At 31 March 2016	2,871,954	2,705,010	5,576,964
At 1 April 2015	5,844,941	3,979,959	9,824,900

**NET BOOK VALUE (CARRYING VALUE)**

	As at March 31, 2017	As at March 31, 2016	At 1 April 2015
Other Intangible Assets	1,074,621	5,576,964	9,824,900





**5. Other Financial Assets**

Bank deposits with more than 12 months maturity

As at Mar 31, 2017	As at Mar 31, 2016	As at Apr 01, 2015
2,998,178	3,368,466	-
<b>2,998,178</b>	<b>3,368,466</b>	<b>-</b>

**6 . DEFERRED TAX**

Accelerated depreciation for tax purposes

Post-employment benefits

Gratuity

Provision for Doubtful Debts

Deferred tax expense/(income)

As at Mar 31, 2017	As at Mar 31, 2016	As at Apr 01, 2015
(203,220)	3,986	-
1,042,716	1,434,082	-
807,448	755,672	-
457,596	-	-
<b>2,104,540</b>	<b>2,193,740</b>	<b>-</b>

Reflected in the balance sheet as follows:

Balance

Deferred tax assets (continuing operations)

Deferred tax liabilities:

Continuing operations

Discontinued operations

Deferred tax Asset/ (liabilities), Net

2,193,740	-	-
114,021	2,193,740	-
(203,220)	-	-
-	-	-
<b>2,104,540</b>	<b>2,193,740</b>	<b>-</b>

Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

**7. Mat Credit Entitlement**

Opening

Adjustment

Balance at the end of year

As at Mar 31, 2017	As at Mar 31, 2016	As at Apr 01, 2015
4,538,890	6,731,000	6,731,000
-	(2,192,110)	-
<b>4,538,890</b>	<b>4,538,890</b>	<b>6,731,000</b>

**8. Current Investments****Investment in Mutual Funds**

Nil (Nil) (265690) ICICI Prudential Income Plan

Nil (Nil) (1000000) ICICI Prudential FMP Series

Nil (Nil) (934520) IDFC Super Saver Income Fund -Growth

As at Mar 31, 2017	As at Mar 31, 2016	As at Apr 01, 2015
-	-	11,661,586
-	-	10,917,000
-	-	31,934,247
-	-	<b>54,512,833</b>

Current

Non-Current

Total FVTOCI investments

-	-	<b>54,512,833</b>
-	-	-
-	-	<b>54,512,833</b>

**9. Loans (Unsecured considered good unless otherwise stated)****Loans to related party**

Loan to Fellow Subsidiary

**Other Loans**

Loan to Employee

**Total loans**

Current

Non-Current

42,000,000	42,000,000	-
-	162,500	95,000
<b>42,000,000</b>	<b>42,162,500</b>	<b>95,000</b>
42,000,000	42,162,500	95,000
-	-	-
<b>42,000,000</b>	<b>42,162,500</b>	<b>95,000</b>

Loans are non-derivative financial assets which generate a fixed interest income for the Company. The carrying value may be affected by changes in the credit risk of the counterparties.

**10. Trade receivables**

Trade receivables

Receivables from related parties

**Total Trade receivables**

As at Mar 31, 2017	As at Mar 31, 2016	As at Apr 01, 2015
11,386,691	11,043,844	-
19,757,474	14,604,273	5,295,631
<b>31,144,165</b>	<b>25,648,117</b>	<b>5,295,631</b>

Secured, considered good

Unsecured, considered good

Doubtful

31,144,165	25,648,117	5,295,631
1,522,277	-	-
<b>32,666,442</b>	<b>25,648,117</b>	<b>5,295,631</b>

**Impairment and allowance for doubtful debts**

Secured, considered good

Unsecured, considered good

Doubtful

-	-	-
-	-	-
(1,522,277)	-	-
<b>-1,522,277</b>	<b>-</b>	<b>-</b>

Total Trade receivables

<b>31,144,165</b>	<b>25,648,117</b>	<b>5,295,631</b>
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	As at Mar 31, 2017	As at Mar 31, 2016	As at Apr 01, 2015
<b>11. Cash and Cash Equivalent</b>			
<b>Balances with banks:</b>			
On current accounts	2,487,904	4,244,074	3,870,186
Deposits with original maturity of less than three months	-	-	-
Bank Deposits for more than 3 months original maturity period but due within 12 months from balance sheet date	6,488,715	15,185,996	3,345,854
Cash on hand	28,679	11,169	30,238
<b>Total Cash and Cash Equivalent</b>	<b>9,005,298</b>	<b>19,441,239</b>	<b>7,246,278</b>

<b>Other Bank Balances</b>			
Deposits with original maturity of more than Twelve months	2,998,178	3,368,466	-

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, more than 3 months and in some cases more than 12 months also, depending on the immediate cash requirements of the company, and earn interest at the respective short-term deposit rates.

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

	As at Mar 31, 2017	As at Mar 31, 2016	As at Apr 01, 2015
<b>Balances with banks:</b>			
On current accounts	2,487,904	4,244,074	3,870,186
Cash on hand	28,679	11,169	30,238
Deposits with original maturity of less than three months	-	-	-
Bank Deposits for more than 12 months original maturity period but due within 12 months from balance sheet date	6,488,715	15,185,996	3,345,854
Deposits with original maturity of more than Twelve months	2,998,178	3,368,466	-
<b>TOTAL Cash and Cash Equivalent</b>	<b>12,003,476</b>	<b>22,809,705</b>	<b>7,246,278</b>

<b>Balances with banks:</b>			
Current Balance	9,005,298	19,441,239	7,246,278
Non-Current Balance	2,998,178	3,368,466	-
	<b>12,003,476</b>	<b>22,809,705</b>	<b>7,246,278</b>
<b>TOTAL Cash and Cash Equivalent</b>	<b>12,003,476</b>	<b>22,809,705</b>	<b>7,246,278</b>

**Break up of financial assets carried at amortised cost**

Loans	42,000,000	42,162,500	225,333
Trade receivable (note 10)	31,144,165	25,648,117	5,295,631
Cash and cash equivalents (note 11)	12,003,476	22,809,705	7,246,278
<b>Total financial assets carried at amortised cost</b>	<b>85,147,641</b>	<b>90,620,322</b>	<b>12,767,242</b>

	As at Mar 31, 2017	As at Mar 31, 2016	As at Apr 01, 2015
<b>12. Other Financial Assets</b>			
Interest Receivable on ICD	4,803,024	834,025	-
Interest accrued on fixed deposits with banks	49,990	165,082	27,342
Security Deposit	50,000	100,000	115,000
Unbilled Revenue	4,766,963	5,282,972	-
	<b>9,669,977</b>	<b>6,382,079</b>	<b>142,342</b>

<b>13. Current Tax Assets</b>			
Advance Income Tax	21,081,382	22,484,048	18,924,164
Less: Provision for Tax	-	(1,324,000)	-
	<b>21,081,382</b>	<b>21,160,048</b>	<b>18,924,164</b>

<b>14. Other Current Assets</b>			
Balances with statutory / government authorities	282,200	406,510	781,277
Advances recoverable in cash or kind	1,811,516	1,292,643	1,777,240
Prepaid Expenses	188,749	188,748	39,735
	<b>2,282,465</b>	<b>1,887,901</b>	<b>2,598,252</b>





15. Equity Share Capital:

Equity shares of INR 10 each issued, subscribed and fully paid	No. of shares	Amount in Rs.
At 1 April 2015	10,010,000	100,100,000
At 31 March 2016	10,010,000	100,100,000
Issue of share capital	-	-
At 31 March 2017	10,010,000	100,100,000

16. Other Equity

For the year ended 31 March, 2015

	Attributable to the equity holders of the parent		
	Retained earnings	FVTOCI reserve	Total
	Amount in INR		
Balance as at 1 April 2014	(4,501,863)	-	(4,501,863)
Profit for the period	-	-	-
Other comprehensive income/ (expense)	-	-	-
Total comprehensive income for the year	-	-	-
At 01 April 2015	(4,501,863)	-	(4,501,863)
For the year ended 31 March, 2016			
Balance as at 1 April 2015	(4,501,863)	-	(4,501,863)
Profit for the period	298,103	-	298,103
Other comprehensive income/ (expense)	-	906,517	906,517
Total comprehensive income for the year	298,103	906,517	1,204,620
At 31 March 2016	(4,203,760)	906,517	(3,297,243)
For the year ended 31 March, 2017			
Balance as at 1 April 2016	(3,297,243)	-	(3,297,243)
Profit for the period	(1,642,895)	-	(1,642,895)
Other comprehensive income/ (expense)	-	(60,353)	(60,353)
Total comprehensive income for the year	(1,642,895)	(60,353)	(1,703,248)
At 31 March 2017	(4,940,138)	(60,353)	(5,000,491)



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17. Provisions	As at Mar 31, 2017	As at Mar 31, 2016	As at Apr 01, 2015
Provision for Employee Benefits	2,450,037	2,049,674	2,210,274
Provision for Gratuity	-	-	-
Provision for Leave Benefits	-	-	-
	<b>2,450,037</b>	<b>2,049,674</b>	<b>2,210,274</b>
	-	-	-
18. Trade payables	As at Mar 31, 2017	As at Mar 31, 2016	As at Apr 01, 2015
Trade payables	12,732,190	4,847,415	1,654,827
Trade payables to related parties	1,977,518	17,476,695	524,038
	<b>14,709,708</b>	<b>22,324,110</b>	<b>2,178,865</b>
	14,709,708	22,324,110	2,178,865
	-	-	-
19. Other financial liabilities	As at Mar 31, 2017	As at Mar 31, 2016	As at Apr 01, 2015
Employee related Payable	10,987,022	10,444,451	7,139,436
	<b>10,987,022</b>	<b>10,444,451</b>	<b>7,139,436</b>
	-	-	-
20. Other Current liabilities	As at Mar 31, 2017	As at Mar 31, 2016	As at Apr 01, 2015
Indirect Taxes and Duties Payable	2,180	-	-
TDS Payable	1,734,986	880,190	391,678
Employee Statutory Deductions	534,496	413,845	422,272
Other Payable	-	-	-
	<b>2,271,662</b>	<b>1,294,035</b>	<b>813,950</b>
	-	-	-
21. Provisions	As at Mar 31, 2017	As at Mar 31, 2016	As at Apr 01, 2015
Provision for Employee Benefits	236,085	236,085	274,752
Provision for Gratuity	2,049,943	1,646,593	1,838,751
Provision for Leave Benefits	2,286,028	1,882,678	2,113,503

Terms and conditions of the above financial liabilities:

Trade payables are non-interest bearing and are normally settled on 60-day terms.  
Other payables are non-interest bearing and have an average term of three months.  
Interest payable is normally settled quarterly throughout the financial year.



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	For the year ended Mar 31, 2017	For the year ended Mar 31, 2016
<b>22. Revenue from operations:</b>		
Sale of Services (Airtime)	41,004,943	55,780,872
Rendering of services	100,138,359	103,889,946
	<b>141,141,302</b>	<b>159,670,818</b>
<b>23. Other income:</b>		
Other non-operating income		
Profit on sale of Investment	-	1,725,297
Provisions and unclaimed balances written back (net)	877,365	32,138
Miscellaneous income	3,021	2,262
	<b>880,386</b>	<b>1,759,697</b>
<b>Finance income:</b>		
Bank Deposits Interest	910,911	951,477
Interest on Loan to bodies corporates	4,410,000	984,228
Interest on Loan to Employee	2,458	-
Income Tax Refund	284,990	-
	<b>5,608,359</b>	<b>1,935,705</b>
<b>Total Other Income</b>	<b>6,488,745</b>	<b>3,695,402</b>
<b>24. Purchase of Services</b>		
Airtime Purchased	41,004,943	55,780,872
	<b>41,004,943</b>	<b>55,780,872</b>
<b>25. Operating Expenses</b>		
Value Added Service Charges	19,970,202	20,446,540
	<b>19,970,202</b>	<b>20,446,540</b>
<b>26. Employee benefits expense</b>		
Salaries, wages and bonus	49,660,490	54,354,959
Contribution to provident and other funds	3,052,125	2,539,930
Gratuity expense	924,202	793,788
Staff welfare expenses	1,208,149	1,072,678
	<b>54,844,966</b>	<b>58,761,355</b>
<b>27. Finance costs</b>		
Interest on Tds	29,186	-
Interest on debts and borrowings	-	-
	<b>29,186</b>	<b>-</b>
<b>28. Depreciation and amortization expense</b>		
Depreciation of tangible assets	835,600	2,979,626
Amortization of intangible assets	4,502,343	4,247,936
	<b>5,337,943</b>	<b>7,227,562</b>



**29. Other Expense**

	For the year ended Mar 31, 2017	For the year ended Mar 31, 2016
Rent	6,174,000	7,868,762
Rates & Taxes	208,265	38,557
Repairs and maintenance Others	249,963	154,877
Business Promotion Exp	40,013	28,750
Commission on sales - other than sole selling agent	615,101	836,074
Travelling & Conveyance Exp.	811,598	777,348
Vehicle expenses	6,949,381	4,716,049
Communication Exp.	2,550,688	2,239,812
Legal and Professional fees	1,527,215	992,044
Director Sitting Fees	390,000	390,000
Audit fees (Refer details below)	170,000	170,000
Exchange Rate Fluctuation Loss	1,208,524	242,706
Provision for doubtful debts and advances	1,522,277	-
Loss on disposal of Fixed Assets	-	432,808
Bad debts written off	4,998,979	-
Printing & Stationery	-	89,994
Membership & Subscription	-	119,312
Bank Charges	-	15,773
Miscellaneous Expenses	552,667	416,552
	<b>27,968,672</b>	<b>19,529,418</b>

**As Auditor:**

Audit fee	100,000	100,000
Tax audit fee	25,000	25,000
Limited review	45,000	45,000
	<b>170,000</b>	<b>170,000</b>

**30. Exceptional items**

Bid defence costs

-	-
-	-

**31. Income Tax**

The major components of income tax expense for the years ended 31 March 2017 and 31 March 2016 are:

**Consolidated statement of profit and loss:****Profit or loss section**

	For the year ended Mar 31, 2017	For the year ended Mar 31, 2016
<b>Current income tax:</b>		
Current income tax charge	27,830	3,516,110
<b>Deferred tax:-</b>		
Relating to origination and reversal of temporary differences	(89,200)	2,193,740
<b>Income tax expense reported in the statement of profit or loss</b>	<b>(61,370)</b>	<b>1,322,370</b>

**32. OCI section**

Net gain on hedge of net investment

Net loss/(gain) on remeasurements of defined benefit plans

Income tax charged to OCI

	For the year ended Mar 31, 2017	For the year ended Mar 31, 2016
	(60,353)	906,517
	(60,353)	906,517



### 33. Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the parent (after adjusting for interest on the convertible preference shares) by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

	As at March 31, 2017	As at March 31, 2016
Profit attributable to equity holders of the parent:		
Continuing operations	-1,703,248	1,204,620
Discontinued operation	-	-
<b>Profit attributable to equity holders of the parent for basic earnings</b>	<b>-1,703,248</b>	<b>1,204,620</b>
Interest on convertible preference shares	-	-
<b>Profit attributable to equity holders of the parent adjusted for the effect of dilution</b>	<b>-1,703,248</b>	<b>1,204,620</b>
Weighted average number of Equity shares for basic EPS*	10,010,000	10,010,000
Effect of dilution:		
Share options	-	-
Convertible preference shares	-	-
<b>Weighted average number of Equity shares adjusted for the effect of dilution *</b>	<b>10,010,000</b>	<b>10,010,000</b>

\* The weighted average number of shares takes into account the weighted average effect of changes in treasury share transactions during the year. There have been no other transactions involving Equity shares or potential Equity shares between the reporting date and the date of authorisation of these financial statements.





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**34. Segment information**

**Business Segment**

Primary segments: Business Segments

The Company is engaged in the business of software development, providing management support services in the field of telecommunication technology. The entire operations are governed by the same set of risk and returns, hence, the entire business considered as business segment. The entire business was considered as a single segment in terms of Ind AS-108 on Segment Reporting.

Secondary Segments: Geographical Segment

The following table shows the distribution of revenue by geographical location of customers, regardless of where the goods were produced / services were rendered from

Particulars	Amount in INR		
	For the period ended March31, 2017	For the period ended March31, 2016	For the period ended April01, 2015
Domestic Market	91,608,132	114,974,059	85,416,483
Overseas Market	49,533,170	44,696,759	27,122,934
<b>Total</b>	<b>141,141,302</b>	<b>159,670,818</b>	<b>112,539,417</b>

The following table shows the distribution of the Company's consolidated trade receivables by geographical market:

Particulars	Amount in INR		
	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Domestic Market	24,305,058	20,648,438	3,085,079
Overseas Markets	8,361,365	4,999,679	2,210,552
<b>Total</b>	<b>32,666,443</b>	<b>25,648,117</b>	<b>5,295,631</b>

The following table shows the carrying amount of fixed assets and additions to tangible and intangible fixed assets by geographical area in which the assets are located:

Particulars	Amount in INR		
	Carrying amount of tangible and intangible fixed assets*		
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
Domestic Market	2,979,070	8,014,725	14,508,666
Overseas Markets	-	-	-
<b>Total</b>	<b>2,979,070</b>	<b>8,014,725</b>	<b>14,508,666</b>

Particulars	Amount in INR		
	Additions to tangible and intangible fixed assets		
	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Domestic Market	-	733,620	-
Overseas Markets	-	-	-
<b>Total</b>	<b>-</b>	<b>733,620</b>	<b>-</b>



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**35. Fair values**

Set out below, is a comparison by class of the carrying amounts and fair value of the company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

	Carrying value			Fair value		
	31-Mar-17	31-Mar-16	1-Apr-15	31-Mar-17	31-Mar-16	1-Apr-15
<b>Financial assets</b>						
Other financial assets	2,998,178	3,368,466	-	2,998,178	3,368,466	-
<b>Total</b>	<b>2,998,178</b>	<b>3,368,466</b>	<b>95,000</b>	<b>2,998,178</b>	<b>3,368,466</b>	<b>-</b>

The management assessed that cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of the quoted notes and bonds are based on price quotations at the reporting date. The fair value of unquoted instruments, loans from banks and other financial liabilities, obligations under finance leases, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. In addition to being sensitive to a reasonably possible change in the forecast cash flows or the discount rate, the fair value of the equity instruments is also sensitive to a reasonably possible change in the growth rates. The valuation requires management to use unobservable inputs in the model, of which the significant unobservable inputs are disclosed in the tables below. Management regularly assesses a range of reasonably possible alternatives for those significant unobservable inputs and determines their impact on the total fair value.

The fair values of the unquoted equity shares have been estimated using a DCF model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments.

The fair values of the remaining FVTOCI financial assets are derived from quoted market prices in active markets.

The fair values of the company's interest-bearing borrowings and loans are determined by using DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at 31 March 2016 was assessed to be insignificant.



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36. Gratuity Plans

	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
Gratuity plan	2,686,122	2,285,759	2,485,026
<b>TOTAL</b>	<b>2,686,122</b>	<b>2,285,759</b>	<b>2,485,026</b>

Mobisoc Technology Pvt.Ltd. has a defined benefit gratuity plan in India. The defined benefit gratuity plan is a final salary plan for employees, which requires contributions to be made to a separately administered fund. 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 level of benefits provided depends on the member's length of service and salary at retirement age.  
 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:

**Gratuity Plan**  
**Net benefit expense 31 March 2016 (recognised in profit or loss)**

	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
Current service cost	741,341	601,198	615,211
Interest cost on benefit obligation	182,861	192,590	187,549
<b>Net benefit expense</b>	<b>924,202</b>	<b>793,788</b>	<b>802,760</b>

Changes in the present value of the defined benefit obligation are, as follows :

	As at March 31, 2017
Defined benefit obligation at 1 April 2015	2,485,026
Interest cost	192,590
Current service cost	601,198
Benefits paid	(86,538)
Exchange differences	(906,517)
<b>Defined benefit obligation at 31 March 2016</b>	<b>2,285,769</b>
Interest cost	182,861
Current service cost	741,341
Benefits paid	(584,192)
Exchange differences	60,353
<b>Defined benefit obligation at 31 March 2017</b>	<b>2,686,122</b>

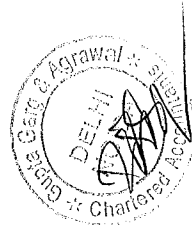


Changes in the defined benefit obligation and fair value of plan assets as at 31 March 2017:

	Gratuity cost charged to profit or loss			Remeasurement gains/(losses) in other comprehensive income								
	1-Apr-16	Service Cost	Net interest expense	Sub-total included in profit or loss (Note 26)	Benefits paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI	Contributions by employer	31-Mar-17
Defined benefit obligation	2,285,759	741,341	182,861	924,202	(584,192)		60,353			60,353	-	2,686,122
Fair value of plan assets	-	-	-	-	-	-	-	-	-	-	-	-
Benefit liability	2,285,759	741,341	182,861	924,202	(584,192)		60,353			60,353	-	2,686,122

Changes in the defined benefit obligation and fair value of plan assets as at 31 March 2016:

	Gratuity cost charged to profit or loss			Remeasurement gains/(losses) in other comprehensive income								
	1-Apr-15	Service Cost	Net interest expense	Sub-total included in profit or loss (Note 26)	Benefits paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI	Contributions by employer	31-Mar-16
Defined benefit obligation	2,485,026	601,198	192,590	793,788	(86,538)	18,147	(906,517)			(906,517)	-	2,285,759
Fair value of plan assets	-	-	-	-	-	18,147	-	-	-	-	-	-
Benefit liability	2,485,026	601,198	192,590	793,788	(86,538)	18,147	(906,517)			(906,517)	-	2,285,759



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

The Company's principal financial liabilities, comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance and support the operations of the Company. The Company's principal financial assets include Inventories, loans, trade receivables, cash and cash equivalents and other financial assets that derive directly from its operations. The Company has also given loans to its fellow subsidiary Companies. The Company also holds FVTPL investments and investment in subsidiary companies measured at cost.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management advises on financial risks and the appropriate financial risk governance framework. The senior management provides assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

**Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, FVTPL investments. Company is not affected by commodity risk.

The sensitivity analyses in the following sections relate to the position as at 31 March 2017 and 31 March 2016.

The sensitivity analyses have been prepared on the basis that the amount of net debt and the ratio of fixed to floating interest rates of the debt instruments are all constant.

The analyses exclude the impact of movements in market variables on the carrying values of gratuity and other post- retirement obligations and provisions.

The following assumptions have been made in calculating the sensitivity analyses:

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2017 and 31 March 2016.

The sensitivity of equity is calculated by considering the effect of any associated cash flow of a net investment in a foreign subsidiary at 31 March 2017 for

**Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's Short-term debt obligations with floating interest rates and loan advanced by Company to fellow subsidiaries and a body corporate.

The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate borrowings.

**Interest rate sensitivity**

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of borrowings affected, With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, present rate is MCLR plus 1.10%, the impact of change in rate is as follows:

In case of loans given to fellow subsidiaries and body corporate, the impact of change in interest rate is given below:-

	Increase/decrease in basis points	Amount in INR Effect on profit before tax
31-Mar-17	50	210,000 (210,000)
31-Mar-16	50	210,000 (210,000)

**Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency) and the Company's net investments in foreign subsidiaries.

**Foreign**

The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Company's exposure to foreign currency changes for all other currencies is not material.

	Change in Rates	Amount in INR	
		Effect on profit before tax	Effect on pre-tax equity
31 March 2017	USD	5% -5%	418,069 (418,069)
31 March 2016	USD	5%	249,984 (249,984)



**Other risk**

The Company operates in a service sector on revenue sharing model. There is downward revision of revenue shares frequently, as a result, the revenue of Company may reduce depending upon percentage decrease in revenue share of Company with the operators.

**Credit risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

**Trade receivables**

Customer credit risk is managed by the Company's established credit policy, procedures and control relating to customer credit risk management. Credit An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 9. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

**Financial instruments and cash deposits**

Credit risk from balances with banks and financial institutions is managed in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. All investments are reviewed by the Company's Board of Directors on a quarterly basis. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

**Liquidity risk**

The Company monitors its risk of a shortage of funds using a liquidity planning tool.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bill discounting facility. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

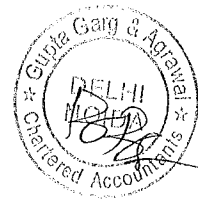
The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

Year ended	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Total
<b>31 March 2017</b>					
Trade payables		6,071,270	8,638,438		14,709,708
Other Financial Liabilities		9,396,445	1,590,578		10,987,023
		<b>15,467,715</b>	<b>10,229,016</b>	-	<b>25,696,731</b>
<b>Year ended 31 March 2016</b>					
Trade payables		3,160,008	19,164,101		22,324,109
Other Financial Liabilities		7,753,829	2,690,622		10,444,451
		<b>10,913,837</b>	<b>21,854,723</b>	-	<b>32,768,561</b>
<b>Year ended 31 March 2015</b>					
Trade payables		605,438	1,573,427		2,178,865
Other Financial Liabilities		7,139,436			7,139,436
		<b>7,744,874</b>	<b>1,573,427</b>	-	<b>9,318,301</b>

**Excessive risk concentration**

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.



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**Notes to financial Statement as at Mar 31, 2017**

**38 - Capital Management**

For the purpose of the company's capital management, capital includes issued equity capital, convertible preference shares, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the company's capital management is to maximise the shareholder value.

Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The company's policy is to keep the gearing ratio between 20% and 40%. Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations.

	<u>31-Mar-17</u>	<u>31-Mar-16</u>	<u>1-Apr-15</u>
	INR lacs	INR lacs	INR lacs
Trade payables & Other payables	27,968,393	34,062,596	10,132,251
Less: cash and cash equivalents	(12,003,476)	(22,809,705)	(7,246,278)
<b>Net debt</b>	<b>15,964,917</b>	<b>11,252,891</b>	<b>2,885,973</b>
Convertible preference shares	-	-	-
Equity	100,100,000	100,100,000	100,100,000
Total capital	100,100,000	100,100,000	100,100,000
<b>Capital and net debt</b>	<b>116,064,917</b>	<b>111,352,891</b>	<b>102,985,973</b>

In order to achieve this overall objective, the company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.



### 39. First-time adoption of Ind AS

These financial statements, for the year ended 31 March 2017, are the first the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2016, 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 2017, together with the comparative period data as at and for the year ended 31 March 2016, 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 2015, 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 2015 and the financial statements as at and for the year ended 31 March 2016.

#### 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.

Ind AS 101 also requires that Indian GAAP carrying amount of goodwill must be used in the opening Ind AS balance sheet (apart from adjustments for goodwill impairment and recognition or derecognition of intangible assets). In accordance with Ind AS 101, the Company has tested goodwill for impairment at the date of transition to Ind AS. No goodwill impairment was deemed necessary at 1 April 2015.

The Company has not applied Ind AS 21 The Effects of Changes in Foreign Exchange Rates retrospectively to fair value adjustments and goodwill from business combinations that occurred before the date of transition to Ind AS. Such fair value adjustments and goodwill are treated as assets and liabilities of the parent rather than as assets and liabilities of the acquiree. Therefore, those assets and liabilities are already expressed in the functional currency of the parent or are non-monetary foreign currency items and no further translation differences occur.

#### Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets.

Accordingly, the Company has elected to measure all of its property, plant and equipment, intangible assets at their previous GAAP carrying value.

Freehold land and buildings (properties), other than investment property, were carried in the balance sheet prepared in accordance with Indian GAAP on the basis of valuations performed on 30 June 2014. Accordingly, the company has not revalued the property at 1 April 2015 again.

Company has assessed all arrangements/contracts, whether it contain lease, based on conditions in place as at the date of transition, ie 1st April, 2015

Since there is no change in the functional currency, the Company has elected to continue with the carrying value for all of its investment property as recognised in its Indian GAAP financial as deemed cost at the transition date.

The cumulative translation differences for all foreign operations are deemed to be zero at the date of transition to Ind AS

The gain or loss on a subsequent disposal of any foreign operation must exclude translation differences that arose before the date of transition to Ind AS and shall include later translation differences.

The exemption applies to all cumulative translation differences arising from the translation of foreign operations.

The Company has designated unquoted equity instruments held at 1 April 2014 as fair value through OCI investments.

#### Estimates

The estimates at 1 April 2015 and at 31 March 2016 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items where application of Indian GAAP did not require estimation:

FVTOCI – unquoted equity shares  
FVTOCI – debt securities

Impairment of financial assets based on expected credit loss model

The estimates used by the company to present these amounts in accordance with Ind AS reflect conditions at 1 April 2015, the date of transition to Ind AS and as of 31 March 2016.

In separate financial statements, a first-time adopter that subsequently measures an investment in a subsidiary, joint ventures or associate at cost, may measure such investment at cost (determined in accordance with Ind AS 27) or deemed cost (fair value or previous GAAP carrying amount) in its separate opening Ind AS balance sheet.

#### Defined benefit plan:

Both under Indian GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, remeasurements [comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability] are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI.

#### Other comprehensive income

Under Indian GAAP, the Company has not presented other comprehensive income (OCI) separately. Hence, it has reconciled Indian GAAP profit or loss to profit or profit or loss as per Ind AS. Further, Indian GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

#### Statement of cash flows

The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows.





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Notes to Financial Statements for the period March 31, 2017

40. (A) Every Company Shall disclose the details of specified Bank Notes (SBNs) held and transacted during the

Disclosure in other notes		(Amount in INR)	
Particulars	SBNs	Other Denomination Notes	Total
Closing Cash in hand as on 08.11.2016	10,000	410	10,410
(+) Permitted Receipts		70,000	70,000
(-) Permitted payments		35,000	35,000
(-) Amount Deposited in Banks	10,000	-	10,000
Closing Cash in hand as on 30.12.2016	-	35,410	35,410

40. (B) Related Party Disclosure

a) Name of the Related Parties

**Ultimate Holding Company**

- Smart Global Corporate Holdings Pvt. Ltd. (formerly known as Spice Global Investments Pvt. Ltd.) (Holding co. of Spice Connect Pvt. Ltd.)

**Holding Companies**

- Spice Connect Pvt Ltd (formerly known as Smart Ventures Pvt.Ltd.) (Holding co. of Spice Mobility Ltd.)
- Spice Mobility Ltd.(Formerly known as S Mobility Ltd) (Holding Company of Spice Digital Ltd)
- Spice Digital Limited

**Subsidiary Company** NIL

**Associate Company** NIL

**Other Related Parties with whom transactions have taken place during the period**  
**Fellow Subsidiaries Companies**

- Spice Online Retail Private Ltd.
- Hotspot Sales & Solutions Pvt Ltd
- Spice VAS (Africa) Pte. Ltd.
- New Spice Sales & Solutions Ltd.(formerly known as Spice Retail Ltd.)

Names of the enterprises in which any combination of the above companies hold more than 50% Nil

Associates and joint Ventures and Investing Party or ventures in respect of which the Reporting Enterprise is an associate or a JV Nil

**Key Management Personnel**

Name	Designation
Sunil Kapoor	Director & Manager
Sanjeev Kumar Jain	CFO
Ruchi Shrivastava	Company Secretary(resigned on 03-April-2017)
Akansha Sharma	Company Secretary(appointed on 9-May-2017)

b) Related party transactions attached as Annexure-1

As per our attached report of even date  
For Gupta Garg & Agrawal  
Chartered Accountants  
FRN : 505762C

( B.B.Gupta )  
Partner  
M. No. 012399

Place : Noida  
Date : 09/05/2017

For and on behalf of the Board of Directors

Director  
(Sunil Kapoor)  
(DIN 05322540)

CFO  
(Sanjeev Kumar Jain)

Director  
(Madhusudan Venkatachary)  
(DIN 02650160)

Company Secretary  
(Akansha Sharma)  
(Memb. No. A41576)

**MOBISOC TECHNOLOGY PRIVATE LIMITED**

CIN :- U72300DL2006PTC151960

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Notes to financial statements for the Period ended Mar 31, 2017

**Annexure -1**

Particulars	Related Party Transactions			
		For the year ending March, 2017	For the year ending March, 2016	For the year ending April, 2015
<b>I) Transactions</b>				
<b>i) Operating Income</b>				
Spice Digital Ltd..	Holding Company	21,600,000	24,300,000	24,300,000
Spice VAS (Africa) Pte. Ltd.	Fellow Subsidiary	49,533,170	44,696,759	27,122,934
<b>ii) Airtime sale</b>				
Spice Digital Ltd..	Holding Company	41,004,943	55,671,434	32,289,954
Spice Online Retail Pvt. Ltd.	Fellow Subsidiary	-	-	22,400,000
<b>iii) Airtime purchase</b>				
Spice Digital Ltd.	Holding Company	-	-	947,189
<b>iv) Value added Expenses</b>				
Spice Digital Ltd..	Holding Company	605,206	17,476,695	-
<b>v) Rent Paid</b>				
Spice Mobility Ltd.	Holding Company	5,124,000	7,868,762	4,906,612
Spice Digital Ltd.	Holding Company	1,050,000	-	-
<b>vi) Commission Expenses</b>				
Spice Digital Ltd.	Holding Company	2,498,130	836,074	757,910
New Spice Sales & Solutions Ltd.	Fellow Subsidiary	-	-	377,556
Spice Online Retail Pvt Ltd.	Fellow Subsidiary	-	-	92,308
<b>vii) Telephone Exp</b>				
Spice Digital Ltd.	Holding Company	-	-	433,247
<b>viii) Payment / Reim to related parties</b>				
Spice Digital Ltd.	Holding Company	-	7,296,978	311,382
<b>ix) Loan given during the year</b>				
New Spice Sales & Solutions Ltd.	Fellow Subsidiary	-	40,000,000	-
Spice Online Retail Pvt Ltd.	Fellow Subsidiary	-	2,000,000	-
<b>x) Interest Income</b>				
New Spice Sales & Solutions Ltd.	Fellow Subsidiary	701,918	964,091	-
Spice Online Retail Pvt Ltd.	Fellow Subsidiary	210,000	20,137	-
Hotspot Sale & Solutions Pvt. Ltd.	Fellow Subsidiary	3,498,082	-	-
<b>II) Balances at the year end</b>				
<b>i) Receivables</b>				
Spice Digital Ltd.	Holding Company	11,396,095	9,604,595	3,085,079
Spice VAS (Africa) Pte. Ltd.	Fellow Subsidiary	8,361,385	4,999,679	2,210,552
Spice Labs Pvt. Ltd.	Fellow Subsidiary	-	20,493	50,090
<b>ii) Payable</b>				
Spice Digital Ltd. (Prov of Value added Service)	Holding Company	605,206	17,476,695	-
Spice Mobility Ltd.	Holding Company	1,372,312	-	-
Spice Online Retail Pvt Ltd.	Fellow Subsidiary	-	-	92,308
Spice VAS Tanzania Ltd.	Fellow Subsidiary	-	-	432,000
<b>iii) Loan Receivable</b>				
Hotspot Sale & Solutions Pvt Ltd.	Fellow Subsidiary	40,000,000	40,000,000	-
Spice Online Retail Pvt Ltd.	Fellow Subsidiary	2,000,000	2,000,000	-
<b>iv) Interest Receivable</b>				
New Spice Sales & Solutions Ltd.	Fellow Subsidiary	1,447,627	815,902	-
Spice Online Retail Pvt Ltd.	Fellow Subsidiary	207,123	18,123	-
Hotspot Sale & Solutions Pvt Ltd.	Fellow Subsidiary	3,148,274	-	-

