ROUTE MOBILE LIMITED

ANNUAL REPORT 2017 - 2018

Contents of this Report

Company Information

Board of Directors:

Chandrakant Jagannath Gupta	- Chairman
Chamelidevi Chandrakant Gupta	- Director (till November 22, 2017)
Bhavesh Suresh Jain	- Independent Director (till November 22, 2017)
Pratheek Shrwankumar Agarwal	- Independent Director (till November 22, 2017)
Sudha Navandar	- Independent Director (w.e.f. November 22, 2017)
Sandipkumar Gupta	- Director
Ankit Paleja	- Independent Director (w.e.f. November 22, 2017)
Ramachandran Sivathanu	- Independent Director (w.e.f. November 22, 2017)
Rajdipkumar Gupta	- Managing Director & Group CEO

Chief Financial Officer:

Pratik R. Joshi (till November 07, 2017)

Suresh Jankar (w.e.f. November 07, 2017)

Company Secretary:

Gaurav D. Jhunjhunwala (till November 07, 2017)

Pratik R. Joshi (w.e.f. November 07, 2017)

Audit Committee:

Sudha Navandar	- Chairperson
Ramachandran Sivathanu	- Member
Sandipkumar Gupta	- Member

Stakeholders Relationship Committee:

Ankit Paleja	- Chairman
Ramachandran Sivathanu	- Member
Rajdipkumar Gupta	- Member

Nomination and Remuneration Committee:

Ramachandran Sivathanu	- Chairman
Sudha Navandar	- Member
Sandipkumar Gupta	- Member

Corporate Social Responsibility Committee (CSR):

Ankit Paleja	- Chairman
Chandrakant Gupta	- Member
Sandipkumar Gupta	- Member

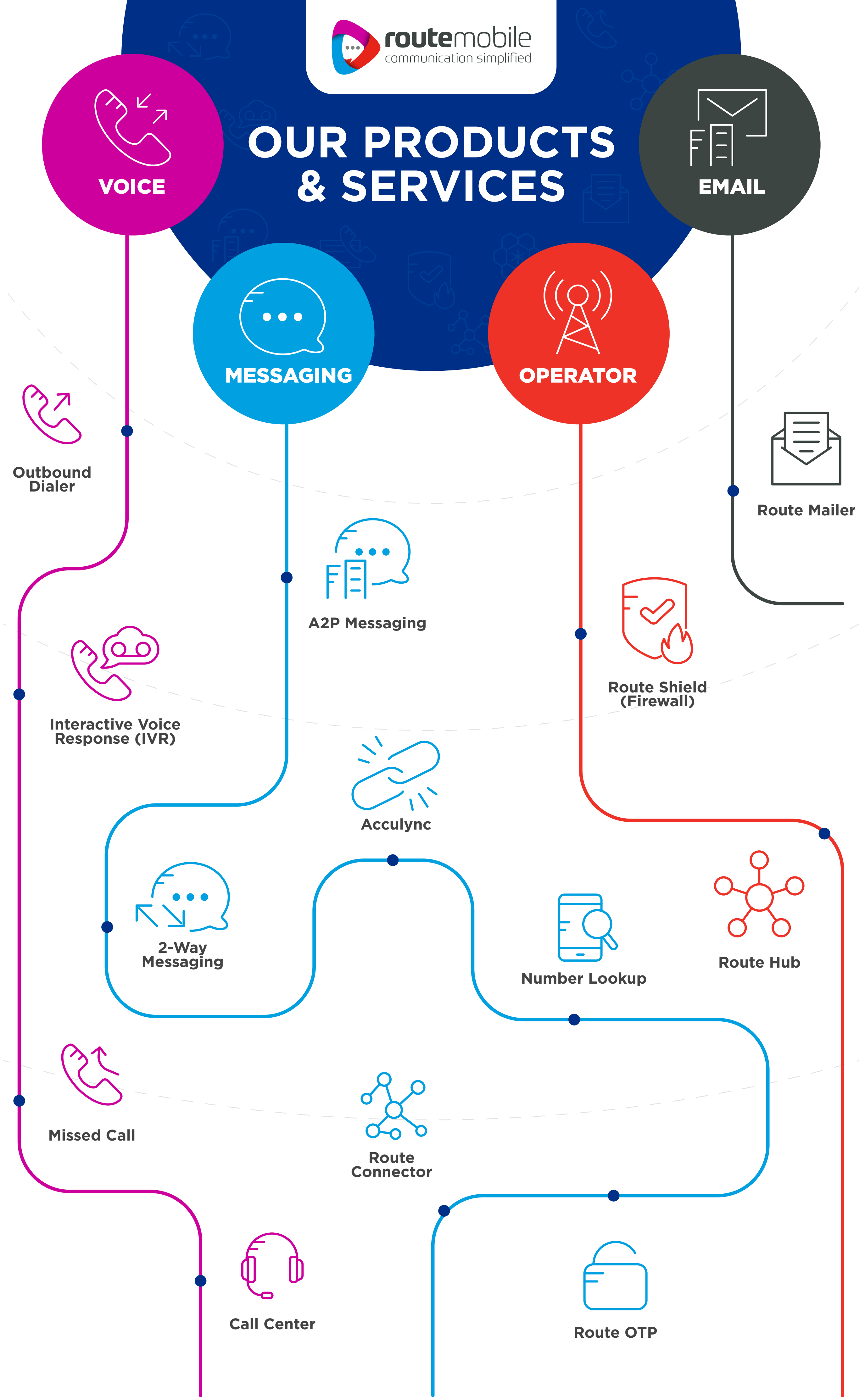
Statutory Auditors:

Walker Chandiok & Co LLP
Chartered Accountants
(FRN: 001076N/N500013)

Registered Office:

4th Dimension, 3rd Floor,
Mind Space, Malad (West),
Mumbai – 400 064

Tel. No. 022-4033 7676
Fax No. 022-4033 7650
E-mail: complianceofficer@routemobile.com
Website: www.routemobile.com


routemobile
communication simplified
OUR PRODUCTS & SERVICES
VOICE
EMAIL
MESSAGING
OPERATOR
Outbound Dialer
Route Mailer
A2P Messaging
Route Shield (Firewall)
Interactive Voice Response (IVR)
Acculync
2-Way Messaging
Number Lookup
Route Hub
Missed Call
Route Connector
Call Center
Route OTP

Chairman's Speech

Dear Shareholders,

We are in really exciting times. The world is going digital and digital enterprise communication is increasing manifold times. The use cases of digital enterprise communication are expanding across industries and technological innovation in the digital communication space is evolving at a very fast space. Being a global company, Route Mobile Limited is enabler of such enterprise digital communication across the globe and we put a significant impetus on keeping ourselves abreast with all the technological innovations happening in the digital communication space across the globe. I am glad to inform that we have maintained similar momentum as witnessed in 2016 & 2017. Our consolidated revenue increased by 10.35% to ₹ 50,494.73/- lakhs as compared to ₹ 45,758.09/- lakhs in the previous year.

With growing internet penetration, business models are evolving and cloud communication services are being used by enterprises for streamlining back-end operations as well as for engaging with customers, employees and other stakeholders. The size of the global A2P messaging market (including only directly connected A2P revenue) was US $ 37.9 billion in 2017 and it's estimated to grow at CAGR of 4.4 % (Source: Juniper Report).

Being a leading cloud communication platform service provider, our client includes some of the Fortune Global 500 companies. We were ranked second globally as a tier 1 A2P service provider for 2017 (Source: ROCCO Report). We have been able to diversify our service offerings in the operator segment with the acquisition of 365squared Limited to include SMS filtering, analytics and monetization services. We proactively help mobile operators identify A2P revenue leakage and monetize the same. In addition, we assist MNOs in securing their networks and improve their understanding of how A2P messages terminate on their network. We have also expanded our service offerings by adding BPO services to our product portfolio through the acquisition of Call 2 Connect India Private Limited.

We believe our global presence coupled with our enhanced and diversified product portfolio gives us a very robust platform to continue our strong growth trajectory.

Our Commitment

We are committed to making RML a world class Company, benchmarked to global standard of quality, operational performance, efficiency, and customer care there by creating substantial value for all our stakeholders.

Warm Regards,

Chandrakant Gupta

Notice of Annual General Meeting

Notice is hereby given that the 14th Annual General Meeting of the Members of Route Mobile Limited (Formerly known as Routesms Solutions Limited) will be held on Saturday, September 22, 2018 at 4th Dimension, 3rd Floor, Mind Space, Malad (West), Mumbai – 400 064 at 11:00 a.m. to transact the following business:

ORDINARY BUSINESS:

1. (a) To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended 31st March, 2018 together with the Reports of the Board of Directors' and Auditors thereon;

   (b) To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2018 together with the Reports of the Board of Directors and Auditors thereon;

2. To declare a Final dividend of Rs. 1.5 per equity share of 10/- each for the Financial year 2017-18;

3. To appoint a Director in place of Mr. Chandrakant Gupta (DIN: 01636981), who retires by rotation and being eligible offers himself for re-appointment;

By Order of the Board of Directors of
Route Mobile Limited
(Formerly known as Routesms Solutions Limited)

Chandrakant Gupta
Chairman and Director
DIN.: 01636981

Date: 15 September, 2018

Place: Mumbai
CIN: U72900MH2004PLC146323

Registered Office:
4th Dimension, 3rd Floor,
Mind Space, Malad (West),
Mumbai – 400 064

Tel. No. 022-4033 7676
Fax No. 022-4033 7650
E-mail: complianceofficer@routemobile.com
Website: www.routemobile.com

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

2. The duly filled proxy form in order to be effective must be duly filled and deposited at the Registered Office of the Company not less than 48 hours before the time fixed for commencement of the Annual General Meeting.

3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

4. Corporate Members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board Resolution to the Company, authorizing their representative to attend and vote on their behalf at the meeting.

5. Members/proxies/authorized representatives are requested to bring the dully filled attendance slip enclosed herewith to attend meeting.

6. Queries proposed to be raised at the Annual General Meeting may be sent to the Company at its registered office at least seven days prior to the date of Annual General Meeting to enable the management to compile the relevant information to reply the same in the meeting.

7. If the final dividend, as recommended by the Board of Directors, is approved at the ensuing AGM, payment of such dividend will be made to the shareholders whose names appearing in the Register of Members as on September 15, 2018 (Record Date), within 30 days from the date of Annual General Meeting.

8. The Notice of the AGM along with the Annual Report 2017-18 is being sent by means of hand delivery.

9. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the Annual General Meeting.

Details of Directors seeking re-appointment at the Annual General Meeting pursuant to Clause 1.2.5 of Secretarial Standard-2 are given under:

Name of the Director	Mr Chandrakant Gupta
Age	65
Qualification	H.S.C
Experience	Mr. Chandrakant Gupta has experience in management and administration matters.
Terms & Conditions of Re-appointment	Retire by rotation
Remuneration sought to be paid	-
Remuneration last drawn	-
Date of first appointment on the Board	15/02/2007
Shareholding in the Company as on March 2018	4.60%
Relationship with other Directors	Mrs. Chamelidevi Gupta – Wife Mr. Sandipkumar Gupta – Son Mr. Rajdipkumar Gupta - Son
Number of Meetings attended during the year	8
Other Directorships/ Memberships/ Chairmanship on other Boards as on March 31, 2018	1. CELLENT TECHNOLOGIES (INDIA) PRIVATE LIMITED 2. SPHERE EDGE CONSULTING (INDIA) PRIVATE LIMITED 3. SANRAJ HOTELS AND RESORTS PRIVATE LIMITED 4. AHANA ENTERTAINMENT PRIVATE LIMITED 5. SHREM RESORT PRIVATE LIMITED 6. START CORP INDIA PRIVATE LIMITED 7. COBX GAMING PRIVATE LIMITED 8. HORIZON SPORTS INDIA PRIVATE LIMITED

Directors' Report

To
The Members,

Your Directors have pleasure in presenting 14th Annual Report of the Company together with the Audited standalone and consolidated Financial Statements for the financial year ended 31st March, 2018.

1. FINANCIAL RESULTS:

The Company's performance along with its subsidiaries during the financial year ended 31st March, 2018 as compared to the previous financial year, is summarized below:

(Rs. in Lakhs)

Particulars	For the financial year ended 31st March, 2018		For the financial year ended 31st March, 2017	
	Standalone	Consolidated	Standalone	Consolidated
Income	19,875.91	50,948.52	20,851.59	46,483.20
Less: Expenses	18,115.03	45,202.92	13,810.28	38,334.36
Profit before tax	1,760.88	5,745.60	7,041.31	8,148.84
Less: Current tax	772.40	1,097.82	1,912.31	2,171.21
Tax adjustment in respect of earlier years	3.78	-	24.33	-
-				
Deferred Tax	(109.61)	(104.42)	(55.78)	(61.60)
Profit for the year	**1094.31**	**4,752.20**	**5,160.45**	**6,039.23**
Total other comprehensive income (net of tax)	**2.05**	**280.95**	**6.37**	**(436.56)**
Total comprehensive income for the year	**1,096.36**	**5,033.15**	**5,166.82**	**5,602.67**

b. OPERATIONS:

The Company is among the leading cloud-communication platform service providers to enterprises, over-the-top ("OTT") players and mobile network operators. The Company's range of services includes messaging, voice, email and SMS filtering, analytics and monetization. The Company offers a range of cloud-communication services to clients across diverse sectors including banking and financial services, aviation, retail, e-commerce, logistics, healthcare, hospitality, media and entertainment, pharmaceuticals and telecom.

The Company's operations are internally aligned into the following business verticals: (i) enterprise and OTT; (ii) mobile operator; and (iii) business process outsourcing ("BPO").

Enterprise and OTT. Enterprise and OTT vertical primarily provides cloud-communication platform services to enterprises. Enterprise cloud-communication platform services and solutions include: A2P messaging that includes enterprise messaging, 2Way messaging, enterprise email sender and Acculync; voice application services, which enable enterprises to, via the cloud, connect incoming and outgoing voice calls to their applications and systems. Other voice services include interactive voice response, Click2Call, missed call facility, outbound dialer, and international wholesale voice services.

Operator. Through owned communications platform and managed services, the Company provides software and service solutions to mobile operators globally. Main service offerings in this segment include SMS filtering, analytics, and monetization, and hubbing solutions.

Business Process Outsourcing (BPO). The Company provides a range of voice, non-voice and consulting services as part of our BPO services. The services include client support, technical support, booking and collection services. Non-voice services include client support through email and chat, IT support, billing and data processing. As part of consulting services, the Company provides support to clients with programme management for credit/debit cards, e-commerce, e-wallet and e-governance services.

During the year under review, Company has achieved the net comprehensive income of Rs. 1,096.36 lakhs (on consolidated basis Rs. 5,033.15 lakhs) as against Rs. 5,166.82 lakhs (on consolidated basis Rs. 5,602.67 lakhs) in the previous year.

In F.Y. 2016 - 2017 the Company received one time dividend from its subsidiary to the tune of Rs. 3,554 lakhs which resulted in other Income of Rs. 4,009.67 lakhs as against Rs. 369.87 lakhs in F.Y 2017 - 2018.

Further the purchase of messaging services increased by 37% from Rs. 10,086.29 lakhs to Rs. 13,776.41 lakhs primarily due to increase in import purchase of message services from Rs. 1,696.89 lakhs in F.Y 2016 - 2017 to Rs. 4,133.67 in Financial Year 2017 - 2018.

For the same period revenue from operation increase by 16% from Rs. 16,841.92 lakhs in F.Y. 2016 - 2017 to Rs. 19,506.04 lakhs in F.Y. 2017 - 2018.

c. REPORT ON PERFORMANCE OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES:

During the year under review the companies listed in Annexure I to this report have become or ceased to be Company's subsidiaries, joint venture or associate companies.

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013, a statement containing salient features of financial statements of subsidiaries, associates, and joint venture companies in AOC-1 is provided as Annexure A.

d. DIVIDEND:

The Board of Directors has recommended final dividend of Rs. 1.5/- per equity Share of Rs. 10/- each which if approved, will absorbe Rs. 750 lakhs/-.

e. TRANSFER TO RESERVES:

During the year under review, the Board of Directors has recommended transfer of Rs. 10,96.36 lakhs of the Net Profits to Reserves and Surplus Account.

f. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR 2018

INITIAL PUBLIC OFFERING (IPO):

The Company proposed to raise the funds up to an aggregate of Rs. 400 crore by Initial Public Offering (IPO) of fresh issue (the "Fresh Issue") together with an offer for sale, of up to 65,00,000 Equity Shares of the Company held by certain existing shareholders of the Company in accordance with the SEBI ICDR Regulations, at a price to be determined by the book building process in terms of the SEBI ICDR Regulations.

During the financial year, the Company has received In-Principle approval from BSE Limited and National Stock Exchange of India Limited for listing of equity shares of the Company.

The Company has filed Drat Red Herring Prospectus with Securities and Exchange Board of India (SEBI) dated January 23, 2018 and the Company has received final observation letter from SEBI dated August 16, 2018.

APPEAL AGAINST DEMAND NOTICE ISSUED BY COMMISSIONER OF CENTRAL GOODS AND SERVICE TAX (CGST):

During the previous year your company received show cause cum demand notice (SCDN) no. DGCEI/NZU/I&IS"C"/12(3)30/2016 dated April 21, 2017 from Service tax department for the period F.Y 2011-12 to 2015-16 towards the demand for Service Tax based on reverse charge on the purchase of messages from its foreign vendors and sold to their overseas customer. The Commissioner of CGST has confirmed the demand vide its order dated June 27, 2018.

The Company has sought independent two Legal opinions and have also appointed an independent senior advocate to file an appeal with Customs, Excise and Service Tax Appellate Tribunal (CESTAT) against the said order.

g. REVISION OF FINANCIAL STATEMENT:

During the year under review, there was no revision of the financial statements pertaining to previous financial years except as required under Indian Accounting Standard.

h. PARTICULARS OF CONTRACTS OR ARRANGEMENT WITH RELATED PARTIES:

All the related party transactions are entered on arm's length basis, in the ordinary course of business and are in compliance with the applicable provisions of the Companies Act, 2013. Accordingly, no transactions are being reported in Form AOC-2 in terms of Section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014.

The details of contracts and arrangements with Related Parties of the Company for the financial year ended March 31, 2018, are given in Notes to the Standalone Financial Statements, forming part of the Annual Report.

i. DISCLOSURE OF INTERNAL FINANCIAL CONTROLS:

The Internal Financial Controls with reference to financial statements as designed and implemented by the Company are adequate.

The Board of Directors has laid down standards, processes and procedures for implementing the internal financial controls across the organization. After considering the framework of existing internal financial controls and compliance systems; work performed by the Internal, Statutory and Secretarial Auditors and External Consultants; reviews performed by the Management and relevant Board Committees including the Audit Committee, the Board of Directors is of the opinion that the Company's internal financial controls with reference to the financial statements were adequate and effective during the financial year 2017-18.

j. PARTICULARS OF LOANS, GUARANTEES, INVESTMENTS AND SECURITIES:

In accordance with the provisions of Section 134(3)(g) read with Section 186(4) of the Companies Act, 2013, full particulars of loans given, investments made, guarantees given and securities provided, if any, have been disclosed in the financial statements.

k. ANNUAL EVALUATION OF DIRECTORS, COMMITTEE AND BOARD:

Evaluation of performance of all Directors is undertaken annually. The Company has implemented a system of evaluating performance of the Board of Directors and of its Committees and Directors on the basis of a structured questionnaire which comprises evaluation criteria taking into consideration various performance related aspects.

The Board of Directors has expressed their satisfaction with the evaluation process.

l. EMPLOYEES STOCK OPTION SCHEMES:

The Company appreciates the critical role played by the employees at all levels in the organizational growth. It strongly feels that the value created by the employee of the Company should be shared with them. To promote the culture of employee ownership and as well as to attract, retain, motivate and incentivize critical talents, your Company has issued employee stock options under an employee stock option plan namely 'Route Mobile Limited - Employee Stock Option Plan 2017' ("ESOP 2017") to the employees of the Company and its Subsidiary Company (ies), as determined from time to time.

The information pertaining to Employee Stock Options is attached as Annexure - II.

m. GRANT OF LOAN TO THE ROUTE MOBILE EMPLOYEE WELFARE TRUST:

The Company has set-up an Employee Welfare Trust namely Route Mobile Employee Welfare Trust ("Trust") and approved the proposal for sanction of an interest free loan and / or provision of a guarantee / security in connection with a loan availed by employees subject to limit of not exceeding five percent of the paid up capital and free reserves of the Company as on 31st March, 2017.

Particulars of the Trustees

Sr. No.	Name	Address	Nationality
1	Mr. Anil Kumar Sinha	1001 Natasha Tower, Plot No 13107 Bunglows, Juhu Versova Link Road, Andheri West, Mumbai 400061	Indian
2	Ms. Sushma Gedam	102, Bld. No. 3A, Shalibhadra Nagar, B. P. Road, Bhayander (E), Thane 401105	Indian
3	Mr. Rakeshkumar Nayak	D-13, Matru Krupa Kunj, Behind Ambaji Temple, Carter Road. 3, Borivali (E), Mumbai 400 066	Indian

2. MATTERS RELATED TO DIRECTORS AND KEY MANAGERIAL PERSONNEL:

a. Board of Directors:

i) APPOINTMENTS

Based on the recommendation of Nomination and Remuneration Committee, Mr. Ankit Paleja (DIN: 06975564); Mr. Ramachandran Sivathanu (DIN: 07613555) and Mrs. Sudha Navandar (DIN: 02804964) were appointed as an Additional (Independent) Directors on the Board of the Company for a period of five years with effect from November 22, 2017 to hold the office up to the date of next Annual General Meeting. The said Independent Directors are not liable to retire by rotation.

The appointment of the said directors was approved by the members at the Extra Ordinary General Meeting held on December 4, 2017

ii) CESSATION

Mr. Bhavesh Jain (DIN: 06819171), Mr. Pratheek Agarwal (DIN: 07237928) and Mrs. Chamelidevi Gupta (DIN: 02743720) have tendered their resignation with effect from November 22, 2017, due to their other commitments. The Board of Directors places on record the valuable contribution made by them to the growth of the Company, during their tenure as Director of the Company.

iii) RETIRE BY ROTATION

In terms of Section 152(6) of the Companies Act, 2013 and Article 158(2) & 159 (1) (2) of the Articles of Association of your Company, Mr. Chandrakant Gupta (DIN: 01636981) Non-Executive Director is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment. In the opinion of your Directors, Mr. Chandrakant Gupta has requisite experience and therefore, your Directors recommend his re-appointment at the ensuing Annual General Meeting.

b. Key Managerial Personnel:

Due to internal change in the portfolio of Key Managerial Personnel, Mr. Pratik Joshi resigned as Chief Financial Officer of the Company w.e.f. November 07, 2017 and appointed as the Company Secretary and

Compliance Officer from the said date. Mr. Gaurav Jhunjhunwala Company Secretary resigned w.e.f. November 07, 2017. Mr. Suresh Jankar was appointed as the Chief Financial Officer of the Company by the Board of Directors at their meeting held on October 5, 2017 w.e.f. November 07, 2017.

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel of the Company as on date are:

Mr. Rajdipkumar Gupta - Managing Director and Group CEO;
Mr. Suresh Jankar - Chief Financial Officer;
Mr. Pratik Joshi - Company Secretary and Compliance Officer.

c. Declarations given by Independent Directors:

The Company has received and taken on record the declarations received from all the Independent Directors of the Company pursuant to Section 149(6) of the Companies Act, 2013 confirming their independence vis-à-vis the Company.

3. DISCLOSURES RELATED TO BOARD, COMMITTEES AND POLICIES:

a. Meetings of the Board:

In accordance with the provisions of Companies Act, 2013, 9 (Nine) Meetings of Board of Directors were held during the financial year under review.

Details of attendance of each Director in the Board Meetings and General Body Meeting held during the financial year are given as under:

Name of Directors	No. of Board Meetings	
	Held	Attended
Mr. Rajdipkumar Gupta	9	9
Mr. Sandipkumar Gupta	9	8
Mr. Chandrakant Gupta	9	8
Mrs. Chamelidevi Gupta*	9	6
Mr. Bhavesh Jain*	9	6
Mr. Pratheek Agarwal*	9	6
Mr. Ankit Paleja**	9	3
Mrs. Sudha Navandar**	9	2
Mr. Ramachandran Sivathanu**	9	3

*resigned with effect from November 22, 2017
** appointed with effect from November 22, 2017

4 (Four) Extra-Ordinary General Meetings of Members were held during the financial year as on April 18, 2017; May 22, 2017; October 12, 2017 and December 4, 2017. The details of which are as under:

Date of the Meeting	Agenda
April 18, 2017	1) Appointment of Joint Statutory Auditors of the Company.
May 22, 2017	1) Appointment of Mr. Rajdipkumar Gupta (DIN: 01272947) as Managing Director of the Company in place of holding Existing Designation as Whole Time Director of the Company.
October 12, 2017	1) Increase in Borrowing Powers. 2) Approval of Issue of Equity Shares. 3) Approval of 'Route Mobile Limited – Employee Stock Option Plan – 2017'. 4) Approval of Grant of Employee Stock Options to the Employees / Directors of Subsidiary Companies of the Company under ESOP 2017. 5) Approval of Grant of Loan to the Route Mobile Employee Welfare Trust. 6) Authority to make Investments and Provide Loans and Guarantee as per Section 186 of the Companies Act, 2013.
December 04, 2017	1) Appointment of Mr. Ankit Paleja as an Non-Executive Independent Director of the Company. 2) Appointment of Mr. Ramachandran Sivathanu as an Non-Executive Independent Director of the Company. 3) Appointment of Mrs. Sudha Navandar as an Non-Executive Independent Director of the Company.

b. Director's Responsibility Statement:

In terms of Section 134(5) of the Companies Act, 2013, in relation to the audited financial statements of the Company for the year ended 31st March, 2018, the Board of Directors hereby confirms that:

a. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
b. such accounting policies have been selected and applied consistently and the Directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2018 and of the profit of the Company for that year;
c. proper and sufficient care was taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
d. the annual accounts of the Company have been prepared on a going concern basis;
e. proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively;

c. Nomination and Remuneration Committee:

The Nomination and Remuneration Committee of the Company has been constituted in accordance with the Section 178 of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Nomination and Remuneration Committee comprised of three members as on date:

Name of Director	Category	Designation
Mr. Ramachandran Sivathanu	Independent Director	Chairman
Mrs. Sudha Navandar	Independent Director	Member
Mr. Sandipkumar Gupta	Non - Executive Director	Member

Changes in the Committee membership:
Mr Bhavesh Jain ceased to be the Chairman of the Committee effective November 22, 2017; Mr. Pratheek Agarwal and Mrs. Chamelidevi Gupta ceased to be members of the committee effective November 22, 2017 due to their resignation from the directorship.

Mr. Ramachandran Sivathanu Mrs. Sudha Navandar and Mr. Sandipkumar Gupta were nominated as Members of the Committee effective November 22, 2017. Mr. Ramachandran Sivathanu was appointed as the Chairman of the said Committee.

The Company Secretary acts as the secretary to the Nomination and Remuneration Committee.

The Nomination & Remuneration Committee met 4 (Four) times during the year under review i.e., on April 25, 2017; October 5, 2017; October 13, 2017 & November 22, 2017.

Terms of Reference of the Nomination and Remuneration Committee:

The Nomination and Remuneration Committee shall be responsible for, among other things, as may be required by the stock exchanges from time to time, the following:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of independent directors and the Board;
- Devising a policy on Board diversity; and
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
- Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:
    - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992or the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 to the extent each is applicable; or
    - The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003.
- Performing such other activities as may be delegated by the Board of Directors and/or are statutorily prescribed under any law to be attended to by the Nomination and Remuneration Committee."

d. Audit Committee:

The Audit Committee of the Company in accordance with Section 177 of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been constituted. Present Audit Committee comprised of three members as on date:

Name of Director	Category	Designation
Mrs. Sudha Navandar	Independent Director	Chairperson
Mr. Ramachandran Sivathanu	Independent Director	Member
Mr. Sandipkumar Gupta	Non - Executive Director	Member

Changes in the Committee membership:
Mr. Bhavesh Jain ceased to be the Chairman of the Committee; Mr. Pratheek Agarwal ceased to be members of the committee effective November 22, 2017 due to their resignation from the directorship as directors of the Company.

Mr. Ramachandran Sivathanu and Mrs. Sudha Navandar were nominated as Members of the Committee effective November 22, 2017.

The Company Secretary acts as the secretary to the Audit Committee.

The Audit Committee met 4 (Four) times during the year under review i.e., on April 17, 2017; September 5, 2017, October 5, 2017 & January 17, 2018.

Terms of Reference of the Audit Committee:

The Audit Committee shall be responsible for, among other things the following:

A. Powers of Audit Committee

The Audit Committee shall have powers, including the following:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

B. Role of Audit Committee

The role of the Audit Committee shall include the following:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;

2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;

3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

   a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
   b. Changes, if any, in accounting policies and practices and reasons for the same;
   c. Major accounting entries involving estimates based on the exercise of judgment by management;
   d. Significant adjustments made in the financial statements arising out of audit findings;
   e. Compliance with listing and other legal requirements relating to financial statements;
   f. Disclosure of any related party transactions; and
   g. Qualifications in the draft audit report.

5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;

6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

8. Approval of any subsequent modification of transactions of the company with related parties;

9. Scrutiny of inter-corporate loans and investments;

10. Valuation of undertakings or assets of the company, wherever it is necessary;

11. Evaluation of internal financial controls and risk management systems;

12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

14. Discussion with internal auditors of any significant findings and follow up there on;

15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

17. Looking into the reasons for substantial defaults in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

18. Reviewing the functioning of the whistle blower mechanism;

19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate; and

20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee shall mandatorily review the following information:

- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- Management letters / letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses; and
- The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee."

e. Corporate Social Responsibility Committee:

The Corporate Social Responsibility Committee is in accordance with the Section 135 read with Rule 5 of the Companies (CSR Policy) Rules, 2014 of the Companies Act, 2013. Corporate Social Responsibility Committee comprised of three members as on date:

Name of Director	Category	Designation
Mr. Ankit Paleja	Independent Director	Chairman
Mr. Chandrakant Gupta	Non - Executive Director	Member
Mr. Sandipkumar Gupta	Non - Executive Director	Member

Mr. Pratheek Agarwal and Mr. Bhavesh Jain ceased to be members of the Committee effective November 22, 2017, due to their resignation from the directorship.

The Company Secretary acts as the secretary to the Corporate Social Responsibility Committee.

Corporate Social Responsibility Committee has been entrusted with the responsibility of formulating and recommending to the Board, Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, monitoring the implementation of the framework of the CSR Policy and recommending the amount to be spent on CSR activities. The Committee met once during the financial year, i.e., on March 28, 2018. The details of amount spent towards CSR activities during the financial year have been provided in Annexure - III. The CSR Policy is placed on the website of the Company www.routemobile.com.

f. Stakeholders Relationship Committee:

The Stakeholders Relationship Committee was constituted by the Board of Directors of the Company in accordance with Section 178 of the Companies Act 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Stakeholders Relationship Committee comprised of three members as on date:

Name of Director	Category	Designation
Mr. Ankit Paleja	Independent Director	Chairman
Mr. Ramachandran Sivathanu	Independent Director	Member
Mr. Rajdipkumar Gupta	Managing Director	Member

Terms of Reference of the Stakeholders Relationship Committee:

The Stakeholders Relationship Committee shall be responsible for, among other things, as may be required by the stock exchanges from time to time, the following:

- Considering and resolving grievances of shareholders', debenture holders and other security holders;
- Redressal of grievances of the security holders of the Company, including complaints in respect of allotment of Equity Shares, transfer of Equity Shares, non-receipt of declared dividends, balance sheets of the Company, etc.;
- Allotment of Equity Shares, approval of transfer or transmission of Equity Shares, debentures or any other securities;
- Issue of duplicate certificates and new certificates on split/consolidation/renewal, etc.; and
- Carrying out any other function contained in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as and when amended from time to time.

g. IPO Committee

The IPO Committee was constituted by the Board of Directors of the Company for smooth functioning of the IPO work. The said Committee comprises of three members as on date:

Name of Director	Category	Designation
Mr. Chandrakant Gupta	Non–Executive Director	Chairman
Mr. Sandipkumar Gupta	Non–Executive Director	Member
Mr. Rajdipkumar Gupta	Managing Director	Member

The Company Secretary acts as the secretary to the IPO Committee.

Terms of reference of the IPO Committee

(a) Approving amendments to the memorandum of association and the articles of association of the Company;

(b) Approving all actions required to dematerialize the Equity Shares, including seeking the admission of the Equity Shares into the Central Depository Services (India) Limited (the "CDSL") and the National Securities Depository Limited (the "NSDL");

(c) Finalizing and arranging for the submission of the DRHP, the RHP, the Prospectus and the preliminary and final international wrap and any amendments, supplements, notices or corrigenda thereto, to appropriate government and regulatory authorities, institutions or bodies;

(d) Approving a code of conduct as may be considered necessary by the Board or the IPO Committee or as required under Applicable Laws for the Board, officers of the Company and other employees of the Company;

(e) Issuing advertisements as it may deem fit and proper in accordance with Applicable Laws;

(f) Approving suitable policies, including on insider trading, whistle blower/vigil mechanism, risk management and other corporate governance requirement that may be considered necessary by the Board or the IPO Committee or as may be required under Applicable Laws in connection with the Offering;

(g) Deciding on the size and all other terms and conditions of the Offering and/or the number of Equity Shares to be offered and transferred in the Offering, including any Pre-IPO Placement, Reservation, Green Shoe Option and any rounding off in the event of any oversubscription as permitted under Applicable Laws;

(h) Taking all actions as may be necessary or authorized in connection with the Offering;

(i) Appointing and instructing book running lead managers, lead managers, syndicate members, placement agents, bankers to the Offering, the registrar to the Offering, bankers of the Company, managers, underwriters, guarantors, escrow agents, accountants, auditors, legal counsels, depositories, trustees, custodians, credit rating agencies, monitoring agencies, advertising agencies and all such persons or agencies as may be involved in or concerned with the Offering and whose appointment is required in relation to the Offering, including any successors or replacements thereof;

(j) Opening bank accounts, share/securities accounts, escrow or custodian accounts, in India or abroad, in Rupees or in any other currency, in accordance with Applicable Laws;

(k) Entering into agreements with, and remunerating all such book running lead managers, lead managers, syndicate members, placement agents, bankers to the Offering, the registrar to the Offering, bankers of the Company, managers, underwriters, guarantors, escrow agents, accountants, auditors, legal counsels, depositories, trustees, custodians, credit rating agencies, monitoring agencies, advertising agencies, and all other agencies or persons as may be involved in or concerned with the Offering, including any successors or replacements thereof, by way of commission, brokerage, fees or the like;

(l) Seeking the listing of the Equity Shares on the Stock Exchanges, submitting listing applications to the Stock Exchanges and taking all such actions as may be necessary in connection with obtaining such listing, including, without limitation, entering into the listing agreements with the Stock Exchanges;

(m) Seeking, if required, the consent of the Company's lenders and lenders of its subsidiaries, parties with whom the Company has entered into various commercial and other agreements, all concerned government and regulatory authorities in India or outside India, and any other consents that may be required in connection with the Offering;

(n) Submitting undertaking/certificates or providing clarifications to the SEBI and the Stock Exchanges;

(o) Determining the price at which the Equity Shares are offered and transferred to investors in the Offering in accordance with Applicable Laws, in consultation with the Selling Shareholder and the book running lead managers and/or any other advisors, and determining the discount, if any, proposed to be offered to eligible categories of investors;

(p) Determining the price band and minimum lot size for the purpose of bidding, any revision to the price band and the final Offering price after bid closure;

(q) Determining the bid opening and closing dates;

(r) Finalizing the basis of allocation and transfer of Equity Shares to retail investors/non-institutional investors/qualified institutional buyers and any other investor in consultation with the book running lead managers, the Stock Exchanges and/or any other entity;

(s) Approving/taking on record the transfer of the Equity Shares;

(t) Opening with the bankers to the Offering, escrow collection banks and other entities such accounts as are required under Applicable Laws;

(u) To issue receipts/allotment letters/confirmations of allotment notes either in physical or electronic mode representing the underlying equity shares in the capital of the Company with such features and attributes as may be required and to provide for the tradability and free transferability thereof as per market practices and regulations, including listing on one or more stock exchange(s), with power to authorize one or more officers of the Company to sign all or any of the aforesaid documents;

(v) Severally authorizing Mr. Chandrakant Gupta, Mr. Sandipkumar Gupta and Mr. Rajdipkumar Gupta (each, an "Authorized Officer"), for and on behalf of the Company, to execute and deliver, on a several basis, any agreements and arrangements as well as amendments or supplements thereto that the Authorized Officer considers necessary, desirable or expedient, in connection with the Offering, including, without limitation, engagement letters, memoranda of understanding, the listing agreements with the stock exchanges, the registrar's agreement, the depositories' agreements, the offer agreement with the book running lead managers (and other entities as appropriate), the underwriting agreement, the syndicate agreement, the cash escrow agreement, the share escrow agreement, confirmation of allocation notes, the advertisement agency agreement and any undertakings and declarations, and to make payments to or remunerate by way of fees, commission, brokerage or the like or reimburse expenses incurred in connection with the Offering, the book running lead managers, lead managers, syndicate members, placement agents, bankers to the Offering, registrar to the Offering, bankers of the Company, managers, underwriters, guarantors, escrow agents, accountants, auditors, legal counsel, depositories, trustees, custodians, credit rating agencies, monitoring agencies, advertising agencies, and all such persons or agencies as may be involved in or concerned with the Offering including any successors or replacements thereof; and any such agreements or documents so executed and delivered and acts, deeds, matters and things done by any such Authorized Officer shall be conclusive evidence of the authority of the Authorized Officer and the Company in so doing;

(w) Severally authorizing the Authorized Officers to take any and all action in connection with making applications, seeking clarifications and obtaining approvals (or entering into any arrangement or agreement in respect thereof) in connection with the Offering, including, without limitation, applications to, and clarifications or approvals from the GoI, the RBI, the SEBI, the RoC, and the Stock Exchanges and that any such action already taken or to be taken is hereby ratified, confirmed and/or approved as the act and deed of the Authorized Officer and the Company, as the case may be;

(x) Severally authorizing the Authorized Officers, for and on behalf of the Company, to execute and deliver any and all documents, papers or instruments and to do or cause to be done any and all acts, deeds, matters or things as any such Authorized Officer may deem necessary, desirable or expedient in order to carry out the purposes and intent of the foregoing resolutions or the Offering; and any documents so executed and delivered or acts, deeds, matters and things done or caused to be done by any such Authorized Officer shall be conclusive evidence of the authority of such Authorized Officer and the Company in so doing and any such document so executed and delivered or acts, deeds, matters and things done or caused to be done by any such Authorized Officer prior to the date hereof are hereby ratified, confirmed and approved as the act and deed of the Authorized Officer and the Company, as the case may be; and

(y) Executing and delivering any and all documents, papers or instruments and doing or causing to be done any and all acts, deeds, matters or things as the IPO Committee may deem necessary, desirable or expedient in order to carry out the purposes and intent of the foregoing resolutions or the Offering; and any documents so executed and delivered or acts, deeds, matters and things done or caused to be done by the IPO Committee shall be conclusive evidence of the authority of the IPO Committee in so doing."

h. Risk Management Policy:

Risks are events, situations or circumstances which may lead to negative consequences on the Company's businesses. Risk management is a structured approach to manage uncertainty. A Risk Management Policy has been formulated by the Audit Committee of the Company to analyze and deal with various risks posing potential threats to the Company. The Board has also adopted a Risk Management Policy. Key business risks and their mitigation are considered in day-to-day working of the Company.

i. Internal Control Systems:

Adequate internal control systems commensurate with the nature of the Company's business and size and complexity of its operations are in place has been operating satisfactorily. Internal control systems comprising of policies and procedures are designed to ensure reliability of financial reporting, timely feedback on achievement of operational and strategic goals, compliance with policies, procedure, applicable laws and regulations and that all assets and resources are acquired economically, used efficiently and adequately protected.

j. Payment of remuneration / commission to Managing Director / Whole Time Director from Holding or Subsidiary Companies:

Below are the details of remuneration paid to our Managing Director by our Subsidiaries during Fiscal 2018:

Name of the Subsidiary	Name of the Director	Remuneration paid
Route Mobile (UK) Limited	Rajdipkumar Gupta	GBP 8,064

4. AUDITORS AND REPORTS:

The matters related to Auditors and their Reports are as under:

a. Observations of Statutory Auditors on Accounts for the year ended 31st March 2018:

The observations made by the Statutory Auditors in their report for the financial year ended 31st March, 2018 read with the explanatory notes therein are self-explanatory and therefore, do not call for any further explanation or comments from the Board under Section 134(3) of the Companies Act, 2013.

b. Fraud Reporting:

The Statutory Auditors of the Company have not reported any fraud as specified under the second proviso of Section 143(12) of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) for the time being in force).

c. Secretarial audit:

Pursuant to the provisions of Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, the Company obtained Secretarial Audit Report for the financial year 2017-18. The Secretarial Audit Report is annexed to this Report as Annexure IV. The said Report does not contain any qualification, reservation or adverse remark(s).

5. OTHER DISCLOSURES:

Other disclosures as per provisions of Section 134 of the Act read with Companies (Accounts) Rules, 2014 are furnished as under:

a. Extract of Annual Return:

Pursuant to the provisions of Section 134(3)(a) of the Companies Act, 2013, extract of the Annual Return for the financial year ended 31st March, 2018 made under the provisions of Section 92(3) of the Act is attached as Annexure - V which forms part of this Report.

b. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo:

The particulars as required under the provisions of Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 in respect of conservation of energy and technology absorption have not been furnished considering the nature of activities undertaken by the Company during the year under review.

Details of foreign exchange earned and used during the year are as follows:

(Rs. In Lakhs)

Particulars	1st April, 2017 to 31st March, 2018 [Current F.Y.]	1st April, 2016 to 31st March, 2017 [Previous F.Y.]
Actual Foreign Exchange Earnings	8,798.00	12,211.53
Actual Foreign Exchange Outgo	4,154.22	17,25.96

6. GENERAL:

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on the following items during the year under review:

1. Details relating to deposits covered under Chapter V of the Companies Act, 2013;
2. Occurrence of events, between the period from end of the financial year of the Company and the date of the report, which could affect the Company's financial position.
3. Significant or material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status and Company's operations in future;
4. Issue of equity shares with differential rights as to dividend, voting or otherwise;
5. Non-exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Act read with Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014;

7. Your directors further state that pursuant to the provisions of Sexual Harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013, no case pertaining to sexual harassment at workplace has been reported to the Company during financial year 2017-18.

8. ACKNOWLEDGEMENTS AND APPRECIATION:

Your Directors take this opportunity to thank the customers, shareholders, suppliers, bankers, business partners/associates, financial institutions and Central and State Governments for their consistent support and encouragement to the Company.

For and on behalf of the Board of Directors

Chandrakant Gupta
Chairman and Director
DIN: 01636981

Date: 15 September, 2018

Place: Mumbai
CIN: U72900MH2004PLC146323

Registered Office:
4th Dimension, 3rd Floor,
Mind Space, Malad (West),
Mumbai – 400 064

Tel. No. 022-4033 7676
Fax No. 022-4033 7650
E-mail: complianceofficer@routemobile.com
Website: www.routemobile.com

ANNEXURE-I

Companies which became / ceased to be Company's Subsidiaries, Joint Ventures or Associate Companies as per the provisions of the Companies Act, 2013:

1. Companies/Bodies Corporate which became Subsidiaries:

Sr. No.	Name of the Company	Date of Incorporation	Date of becoming subsidiary
1.	Call 2 Connect India Private Limited	03/06/2003	19/04/2017

2. Companies / Bodies Corporate which became step down Subsidiaries:

Sr. No.	Name of the Company	Date of Incorporation	Date of becoming subsidiary
1.	Route Mobile INC	06/07/2017	06/07/2017
2.	Route Connect (Kenya) Ltd	26/07/2017	26/07/2017
3.	365square Ltd	06/12/2012	01/10/2017
4.	Route Mobile Lanka (Private) Limited	23/03/2018	23/03/2018
5.	Route Mobile Uganda Limited	26/03/2018	26/03/2018

3. Companies / Bodies Corporate which are under process of dissolution:

Sr. No.	Name of the Company
1.	Defero Mobile Pte. Ltd.

For and on behalf of the Board of Directors

Chandrakant Gupta
Chairman & Director
DIN: 01636981

Annexure A

FORM AOC- 1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of Subsidiaries/Associate Companies/Joint Ventures

Part "A": Subsidiaries

Sr. No.	Name of the Subsidiary	Routesms Solutions Nigeria Limited	Routesms Solutions FZE	*Route Mobile (UK) Limited [Previously known as Routesms Solutions (UK) Limited] (Consolidated)	Route Mobile PTE Ltd	Sphere Edge Consulting (India) Private Limited	Cellent Technologies (India) Private Limited	Start Corp India Private Limited	Call 2 Connect India Private Limited
1	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31/03/2018	31/03/2018	31/03/2018	31/03/2018	31/03/2018	31/03/2018	31/03/2018	31/03/2018
2	Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries.	1 NAIRA = 0.181187 INR	1 AED = 17.7187INR	1 GBP = 91.265 INR	1 SGD = 49.6817 INR	INR	INR	INR	INR
3	Share capital	35,22,694	7,86,457	15,24,000	12,37,831	1,00,000	4,97,000	1,00,000	12,66,660
4	Reserves and Surplus	3,04,06,270	70,32,84,859	10,65,64,528	(1,66,20,334)	6,77,46,666	1,10,14,835	91,79,113	(2,42,16,897)
5	Total Assets	10,53,16,244	98,91,63,686	2,95,63,26,548	14,69,348	11,57,45,530	2,39,80,652	1,10,91,150	14,94,30,634
6	Total Liabilities	10,53,16,244	98,91,63,686	2,95,63,26,548	14,69,348	11,57,45,530	2,39,80,652	1,10,91,150	14,94,30,634
7	Investments	-	-	-	-	-	-	-	-
8	Turnover	47,87,94,105	1,60,72,50,544	2,06,54,32,013	-	9,11,52,189	8,82,62,706	3,15,11,158	15,31,66,336
8	Profit before taxation	2,22,86,908	34,74,77,851	7,19,07,644	(1,60,58,695)	18,20,754	71,40,284	45,75,709	(4,06,76,871)
10	Provision for taxation	(71,66,023)	-	(2,04,33,207)	-	5,21,032	20,46,673	25,17,142	-
11	Profit after taxation	1,51,20,885	34,74,77,851	5,14,74,437	(1,60,58,695)	12,99,722	50,93,611	20,58,567	(4,06,70,871)
12	Proposed Dividend	-	-	-	-	-	-	-	-
13	Extent of shareholding (in %)	100%	100%	100%	100%	100%	100%	100%	100%

Route Mobile U.K. Limited [Previously known as Routesms Solutions (UK) Limited] has a wholly-owned subsidiary viz. Route Mobile Hong Kong Limited (Formerly known as Route Voice Limited) situated in Hong Kong, Route Mobile Ltd (Ghana) situated in Ghana, Route Mobile Inc situated in Virginia, USA, Route Connect (Kenya) Limited situated in Kenya, 365 Square Limited situated in Malta and Route Mobile (Bangladesh) Limited situated in Bangladesh, Route Mobile Malta Limited situated in Malta.

1. Names of the Subsidiaries which are yet to commence operations:
   a. Route Mobile Lanka (Private) Limited.
   b. Route Mobile Uganda Limited.

2. Names of the Subsidiaries which have been liquidated or sold during the year:
   Defero Mobile Pte Ltd, Singapore - The process has been initiated by the Board of Directors of the said Company to wind up the operations of the Company. The necessary orders from the authority is expected to receive during the year.

Part "B": Associates and Joint Ventures

1	Name of the Associates or Joint Ventures	N.A.	N.A.	N.A.
2	Latest Audited Balance Sheet date	N.A.	N.A.	N.A.
3	Date on which the Associate or Joint Venture was associated or acquired	N.A.	N.A.	N.A.
4	Shares of the Associate or Joint Venture held by the Company on the year end			
	No.	N.A.	N.A.	N.A.
	Amount of investment in the Associate or Joint Venture	N.A.	N.A.	N.A.
	Extent of holding (in %)	N.A.	N.A.	N.A.
5	Description of how there is significance influence	N.A.	N.A.	N.A.
6	Reason why the Associate or Joint Venture is not consolidated	N.A.	N.A.	N.A.
7	Net worth attributable to shareholding as per latest audited Balance Sheet	N.A.	N.A.	N.A.
8	**Profit or Loss for the year**			
	i) Considered in consolidation	N.A.	N.A.	N.A.
	ii) Not Considered in consolidation	N.A.	N.A.	N.A.

1. Names of the Associate / Joint Venture which are yet to commence operations: NIL

2. Names of the Associate / Joint Venture which have been liquidated or sold during the year: NIL

For and on behalf of the Board of Directors
Route Mobile Limited
(Formerly known as "Routesms Solutions Limited")

Chandrakant Gupta
Chairman and Director
DIN: 01636981

Date: 15 September, 2018

Place: Mumbai
CIN: U72900MH2004PLC146323

Registered Office:
4th Dimension, 3rd Floor,
Mind Space, Malad (West),
Mumbai – 400 064

Tel. No. 022-4033 7676
Fax No. 022-4033 7650
E-mail: complianceofficer@routemobile.com
Website: www.routemobile.com

ANNEXURE II

A) Employee's Stock Options as on March 31, 2018

Options Granted	Options Vested	Options exercised	The total number of shares arising as a result of exercise of options	Options lapsed	The exercise price	Variation of terms of options	Money realized by exercise of options	Total number of options in force	Employee wise details of options granted to:-
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
14,52,500	Nil	Nil	Nil	Nil	Rs. 300/-	Nil	Nil	14,52,500	i) Key Managerial Personnel:- Details as included in "Note 1" ii) any other employee who receives a grant of options in any one year of options amounting to 5% or more of total options granted during that year:- Details as included in "Note 2" iii) identified employees who were granted options, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant:- Nil

Note 1:-

(i) Key Managerial Personnel:-

Name of senior managerial personnel	Total number of options granted	Total number of options cancelled/forfeited	Total number of options outstanding
Suresh Jankar	40,000	Nil	40,000
Pratik Joshi	10,000	Nil	10,000

Note 2:-

(ii) any other employee who receives a grant of options in any one year of options amounting to 5% or more of total options granted during that year:-

Name of employee	Number of options granted
Rahul Pandey	150,000

For and on behalf of the Board of Directors

Chandrakant Gupta
Chairman & Director
DIN: 01636981

ANNEXURE - III

Annual Report on CSR Activities

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web- link to the CSR policy and projects and programs is on the following website i.e. www.routemobile.com

2. The composition of the CSR Committee is as follows:

Name	Category	Designation
Mr. Ankit Paleja	Independent Director	Chairman
Mr. Sandipkumar Gupta	Non - Executive Director	Member
Mr. Chandrakant Gupta	Non - Executive Director	Member

3. Average Net Profit of the Company for last three financial years is Rs. 43,21,77,505 /-

4. Prescribed CSR Expenditure (two percent of the amount as per item 3 above): Rs. 86,43,550/-

5. Details of CSR spent during the financial year:
   (a) Total amount to be spent for the financial year: Rs. 86,43,550/-
   (b) Amount unspent if any: Rs. 44,22,350/-
   (c) Manner in which the amount spent during the financial year is detailed below:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	**CSR Project or activity identified**	**Sector in which the project is covered clause no. of schedule VII to the Companies Act, 2013, as amended)**	**Project or programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken**	**Amount outlay (budget) project or programs wise**	**Amount spent on the projects or programs Sub heads (1) Direct Expenditure on projects and programs (2)Overheads**	**Cumulative expenditure upto the reporting period**	**Amount spent Direct or through implementing agency***
1	Education for differently abled people.	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	Mapusa, Goa	15,00,000	15,00,000	15,00,000	Donation to Aastha
2	National School Games organizing committee	Training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports.	Mumbai, Maharashtra.	1,00,000	1,00,000	1,00,000	Donation to National School Games Organizing Committee
3	Promotion of Sports.	Training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports.	Mumbai, Maharashtra.	14,400	14,400	14,400	Direct
4	Providing required set of sports equipments.	Training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports.	Mumbai, Maharashtra.	31,800	31,800	31,800	Direct

5	One day General Medical Camp	Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.	Mumbai, Maharashtra.	5,00,000	5,00,000	5,00,000	Donation to R.K.HIV & AIDS RESEARCH & CARE CENTRE
6	Upliftment of backward paradhi community	Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.	Yavatmal, Maharashtra.	20,00,000	20,00,000	20,00,000	Donation to Deendayal Bahuuddeshiya Prasarak Mandal Yavatmal
7	Promotion of sports by funding Tournament Entry fees for eligible candidates	Training to promote rural sports, nationally Olympic sports, Olympic sports and Olympic sports.	Mumbai, Maharashtra.	75,000	75,000	75,000	Direct
Total				**42,21,200**	**42,21,200**	**42,21,200**	

6. The Company has already identified suitable projects and is in process of implementing the same in phased manner with an intent to ensure positive impact of CSR activities and allocate the limited resources in a calibrated manner. Hence the entire amount towards CSR for these identified projects could not be spent in the current Financial Year. The Company shall endeavor to ensure that the amount required to be spent under the CSR shall be disbursed appropriately.

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and policy of the Company.

For and on behalf of the Board of Directors

Chandrakant Gupta
Chairman & Director
DIN:01636981

Ankit Paleja
Chairman of CSR Committee

Date: 15 September, 2018

Place: Mumbai
CIN: U72900MH2004PLC146323

Registered Office:
4th Dimension, 3rd Floor,
Mind Space, Malad (West),
Mumbai – 400 064

Tel. No. 022-4033 7676
Fax No. 022-4033 7650
E-mail: complianceofficer@routemobile.com
Website: www.routemobile.com

ANNEXURE IV

SECRETARIAL AUDIT REPORT

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018

To,
The Members,
ROUTE MOBILE LIMITED
Mumbai

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Route Mobile Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the financial year ended on 31st March, 2018, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company as given in **Annexure I**, for the Financial Year ended on March 31, 2018, according to the provisions of:

(i) The Companies Act, 2013 ("the Act") and the rules made there under to the extent applicable;

(ii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder and;

(iii) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment.

Provisions of the Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder and following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act") were not applicable to the Company under the financial year under report:-

(i) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(ii) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(iii) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(iv) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(v) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

(vi) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

(vii) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

(viii) The Securities and Exchange Board of India (Registrars to a Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client; and

(ix) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with other Acts, Laws and Regulations applicable specifically to the Company as per the list given in **Annexure-II**.

We have also examined compliance with the applicable clauses of Secretarial Standards including the revised Secretarial Standards applicable with effect from October 1, 2017 issued by The Institute of Company Secretaries of India and approved by the Central Government under Section 118(10) of the Companies Act, 2013 and during the financial year under report, the Company has generally complied with the provisions of the Act, Rules, Guidelines, Standards, etc.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings except such meetings wherein the Directors unanimously consented for shorter notice. Further, agenda and detailed notes on agenda were sent generally within specified time limit, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

There were no dissenting member's views during the year under report and hence the same was not required to be captured and recorded as part of the minutes.

Based on the records and process explained to us for compliances under the provisions of other specific acts applicable to the Company, we report that there are adequate systems and processes commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the year under report, the Company has undertaken the following events / actions having major bearing on the Company's affairs in pursuance to the above referred laws, rules, standards etc.

Obtained Shareholders' approval for the below mentioned matters in accordance with the provisions of the Companies Act, 2013 read with the relevant rules made thereunder namely:

Type of General meeting	Purpose of passing Shareholders' Resolutions
Extra-ordinary General Meeting held on April 18, 2017	Appointment of Walker Chandiok & Co. LLP, Chartered accountant, as Joint Statutory Auditors of the Company till the conclusion of the Seventeenth Annual General Meeting.
Extra-ordinary General Meeting held on October 12, 2017	- Authorising the Board of Directors to borrow from time to time such sum(s) of money(ies) which together with the money(ies) already borrowed by the Company in terms of Section 180(1)(c) of the Companies Act, 2013 shall not exceed Rs. 500,00,00,000/- (Rupee Five Hundred Crores Only); - Issue and offer of Equity Shares of the Company of Rs. 10/- (Rupees Ten Only) each by way of Initial Public Offering; and - Create, offer and grant to the eligible employees Route Mobile Limited - Employee stock options Plan 2017; - Create, offer and grant to the employees/ Directors of Subsidiary Companies Route Mobile Limited under Employee stock options Plan 2017; - Approval of grant of Loan to the Route Mobile Employee Welfare Trust; and - Authorising the Board of Directors to give Loans or guarantee or provide any securities or to make investmtent in securities in terms of Section 186 of the Companies Act, 2013 shall not exceed Rs. 200,00,00,000/- (Rupee Two Hundred Crores Only).
Annual General Meeting held on September 22, 2017	Alteration of Memorandum of Association pursuant to change in Main object of the Company

For RATHI & ASSOCIATES
COMPANY SECRETARIES

HIMANSHU S. KAMDAR
PARTNER
MEMBERSHIP NO. FCS 5171
C.P. NO.: 3030

Place: Mumbai
Date: SEPTEMBER 15, 2018

ANNEXURE-I

List of documents verified

1. Memorandum & Articles of Association of the Company;
2. Annual Report for the financial year ended 31st March 2017;
3. Minutes of the meetings of the Board of Directors, Audit Committee, Nomination & Remuneration Committee and Corporate Social Responsibility Committee held during the financial year along with Attendance Register;
4. Minutes of General Body Meetings held during the financial year under report;
5. Statutory Registers viz.
   - Register of Directors & Key Managerial Personnel and their Shareholding
   - Register of Contracts with Related Party and Contracts and Bodies etc. in which Directors' are interested
   - Register of loans, guarantees and security and acquisition made by the Company
   - Register of Charges
6. Agenda papers circulated to all the Directors/members for the Board meeting and the statutory Committee Meetings;
7. Declarations received from the Directors of the Company pursuant to the provisions of 184 and 149(7) of the Companies Act, 2013;
8. e-Forms filed by the Company from time to time under applicable provisions of the Companies Act, 2013 and attachments thereof during the financial year under report;
9. Documents related to payments of dividend made to its shareholders during the financial year under report;
10. Various Policies made under the Companies Act, 2013 and relevant rules made thereunder;

ANNEXURE-II

- Telecom Regulatory Authority of India
- Information Technology Act
- The Trademarks Act, 1999
- Indian Copyright Act, 1957
- Designs Act, 2000
- The Indian Patent Act, 1970

ANNEXURE V

FORM NO. MGT - 9
EXTRACT OF ANNUAL RETURN

as on financial year ended on 31st March, 2018
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

CIN	U72900MH2004PLC146323
Registration Date	14th May, 2004
Name of the Company	Route Mobile Limited (Formerly known as RouteSms Solutions Limited)
Category / Sub-Category of the Company	Company Limited by shares/ Indian Non-Government Company
Address of the Registered office and contact details	4th Dimension, 3rd Floor, Mind space, Malad (West), Mumbai - 400 064.
Whether listed Company	No
Name, Address and Contact details of Registrar and Transfer Agent, if any.	Karvy Computershare Private Limited Karvy Selenium, Tower B, Plot No 31-32., Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad 500 032, India. Tel: +91 40 6716 1500 Email: einward.ris@karvy.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10 % or more of the total turnover of the company shall be stated: -

Sr. No.	Name and Description of main products/ services	NIC Code*	% to total turnover of the Company
1.	Other Information Service activities n.e.c.	63999	98.14%

** As per National Industrial Classification – 2008, Ministry of Statistics and Programme Implementation.*

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No.	Name and address of the Company	CIN / GLN	Holding / subsidiary / associate	% of shares held	Applicable section of the Companies Act, 2013
1.	**Sphere Edge Consulting (India) Private Limited** Address:- Office 408, Evershine Mall, Mind Space New Link Road, Malad (West), Mumbai – 400 064	U74140MH2007PTC171900	Wholly-owned Subsidiary	100%	2(87)
2.	**Cellent Technologies (India) Private Limited** Address:- 401, Fourth Floor, Evershine Mall, New link Road, Malad (West), Mumbai - 400064	U64202MH2003PTC140310	Wholly-owned Subsidiary	100%	2(87)
3.	**Start Corp India Private Limited** Address:- 401, Fourth Floor, Evershine Mall, New link Road, Malad West, Mumbai - 400064	U72900MH2004PTC149576	Wholly-owned Subsidiary	100%	2(87)
4.	**Route Mobile (UK) Limited [Formerly known as Routesms Solutions (UK) Limited]** Address: - 183-189 The Vale, London, W3 7RW	-	Wholly-owned Subsidiary	100%	2(87)

5.	**Routesms Solutions FZE** Address:- P. O. Box: 31291, Al-Jazeera Al-Hamra, Ras Al Khaimah, United Arab Emirates	-	Wholly-owned Subsidiary	100%	2(87)
6.	**Routesms Solutions Nigeria Limited** Address:- Suite 405, 4th Floor, AHCN Towers, CIPM Road, Central Business District, Alausa, Ikeja, Lagos	-	Wholly-owned Subsidiary	100%	2(87)
7.	**Route Mobile PTE Ltd** Address:- 180B, Bencoolen Street #04-03 The Bencoolen, Singapore (189648)	-	Wholly-owned Subsidiary	100%	2(87)
8.	**Call 2 Connect India Private Limited** Address: 401, Fourth Floor, Evershine Mall, New link Road, Malad West, Mumbai – 400064.	U72900MH2003PTC140693	Wholly-owned Subsidiary	100%	2(87)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):

i. Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	5,00,00,000	-	5,00,00,000	100	4,30,00,000	-	4,30,00,000	86	-14
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other (Trust)	-	-	-	-	50,00,000	-	50,00,000	10	10
Sub-total(A)(1):	**5,00,00,000**	**-**	**5,00,00,000**	**100**	**4,80,00,000**	**-**	**4,80,00,000**	**96**	**-4**
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A)(2):	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)1)+(A)(2)	**5,00,00,000**	**-**	**5,00,00,000**	**100**	**4,80,00,000**	**-**	**4,80,00,000**	**96**	**-4**
B. Public Shareholding									
(1) Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-

i) Others (Trust)	-	-	-	-	20,00,000	-	20,00,000	4	4
Sub-total (B)(1):	**-**	**-**	**-**	**-**	**20,00,000**	**-**	**20,00,000**	**4**	**4**
(2) Non-Institutions									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-		-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh		-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
HUF	-	-	-	-	-	-	-	-	-
Sub-total(B)(2):	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Public Shareholding (B)=(B)(1)+(B)(2)	**-**	**-**	**-**	**-**	**20,00,000**	**-**	**20,00,000**	**4**	**4**
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**5,00,00,000**	**-**	**5,00,00,000**	**100**	**5,00,00,000**	**-**	**5,00,00,000**	**100**	**-**

ii. Shareholding of Promoters:

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1.	Mr. Sandipkumar Gupta	1,50,00,000	30	-	1,44,00,000	28.80	-	-1.20
2.	Mr. Rajdipkumar Gupta	1,50,00,000	30	-	1,44,00,000	28.80	-	-1.20
3.	CC Gupta Family Trust	-	-	-	50,00,000	10	-	10
4.	Mr. Chandrakant Gupta	50,00,000	10	-	23,00,000	4.60	-	-5.40
5.	Mrs. Chamelidevi Gupta	50,00,000	10	-	23,00,000	4.60	-	-5.40
6.	Mrs. Sunita Gupta	45,00,000	9	-	43,20,000	8.64	-	-0.36
7.	Mrs. Sarika Gupta	45,00,000	9	-	43,20,000	8.64	-	-0.36
8.	Mr. Sandipkumar Gupta (HUF)	3,12,500	0.625	-	3,00,000	0.60	-	-0.025
9.	Mr. Rajdipkumar Gupta (HUF)	3,12,500	0.625	-	3,00,000	0.60	-	-0.025
10.	Mr. Chandrakant Gupta (HUF)	3,75,000	0.75	-	3,60,000	0.72	-	-0.03
	Total	**50000000**	**100**	**-**	**48000000**	**96**	**-**	**-4**

iii. Change in Promoter's Shareholding:

Sr. No.	Name of the Promoters	Shareholding at the beginning of the year (01.04.2017)		Cumulative Shareholding during the year (01.04.2017 to 31.03.2018)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Mr. Sandipkumar Gupta	1,50,00,000	30	1,50,00,000	30
	Less: Sale of Shares dated 10.08.2017	-	-	6,00,000	1.20
	At the end of the year	-	-	1,44,00,000	28.80

2.	Mr. Rajdipkumar Gupta	1,50,00,000	30	1,50,00,000	30
	Less: Sale of Shares dated 10.08.2017	-	-	6,00,000	1.20
	At the end of the year	-	-	1,44,00,000	28.80
3.	Mr. Chandrakant Gupta	50,00,000	10	50,00,000	10
	Less: Sale of Shares dated 10.08.2017	-	-	2,00,000	0.4
	Less: Transferred dated 15.01.2018	-	-	25,00,000	5
	At the end of the year	-	-	23,00,000	4.6
4.	Mrs. Chamelidevi Gupta	50,00,000	10	50,00,000	10
	Less: Sale of Shares dated 10.08.2017	-	-	2,00,000	0.4
	Less: Transferred dated 15.01.2018	-	-	25,00,000	5
	At the end of the year	-	-	23,00,000	4.6
5.	Mrs. Sunita Gupta	45,00,000	9	45,00,000	9
	Less: Transferred dated 10.08.2017	-	-	1,80,000	0.36
	At the end of the year	-	-	43,20,000	8.64
6.	Mrs. Sarika Gupta	45,00,000	9	45,00,000	9
	Less: Transferred dated 10.08.2017	-	-	1,80,000	0.36
	At the end of the year	-	-	43,20,000	8.64
7.	Mr. Chandrakant Gupta (HUF)	3,75,000	0.75	3,75,000	0.75
	Less: Transferred dated 10.08.2017	-	-	15,000	0.03
	At the end of the year	-	-	3,60,000	0.72
8.	Mr. Sandipkumar Gupta (HUF)	3,12,500	0.625	3,12,500	0.625
	Less: Transferred dated 10.08.2017	-	-	12,500	0.025
	At the end of the year	-	-	3,00,000	0.60
9.	Mr. Rajdipkumar Gupta (HUF)	3,12,500	0.625	3,12,500	0.625
	Less: Transferred dated 10.08.2017	-	-	12,500	0.025
	At the end of the year	-	-	3,00,000	0.60

iv. Shareholding Pattern of Top Ten Shareholders (Other Than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	Name of the Top Ten Shareholder	Shareholding at the beginning of the year (01.04.2017)		Cumulative Shareholding during the year (01.04.2017 to 31.03.2018)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Krisharya Trust	-	-	-	-
	Add: Purchase of Shares dated 10.08.2017	-	-	20,00,000	4
	At the end of the year	-	-	20,00,000	4

v. Shareholding of Directors and Key Managerial Personnel:

Sr. No.	For each of the Directors and KMP	Shareholding at the beginning of the year (01.04.2017)		Cumulative Shareholding during the year (01.04.2017 to 31.03.2018)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Mr. Sandipkumar Gupta	1,50,00,000	30	1,50,00,000	30
	Less: Sale of Shares dated 10.08.2017	-	-	6,00,000	1.2
	At the end of the year	-	-	1,44,00,000	28.8
2.	Mr. Rajdipkumar Gupta	1,50,00,000	30	1,50,00,000	30
	Less: Sale of Shares dated 10.08.2017	-	-	6,00,000	1.2
	At the end of the year	-	-	1,44,00,000	28.8
3.	Mr. Chandrakant Gupta	50,00,000	10	50,00,000	10
	Less: Sale of Shares dated 10.08.2017	-	-	2,00,000	0.4
	Less: Transferred dated 15.01.2018	-	-	25,00,000	5
	At the end of the year	-	-	23,00,000	4.6
4.	Mrs. Chamelidevi Gupta (up to November 22, 2017)	50,00,000	10	50,00,000	10
	Less: Sale of Shares dated 10.08.2017	-	-	2,00,000	0.4
	Less: Transferred dated 15.01.2018	-	-	25,00,000	5
	At the end of the year	50,00,000	10	23,00,000	4.6
5.	Mr. Bhavesh Jain (up to November 22, 2017)	-	-	-	-
	Add:	-	-	-	-
	At the end of the year	-	-	-	-
6.	Mr. Pratheek Agarwal (up to November 22, 2017)	-	-	-	-
	Add:	-	-	-	-
	At the end of the year	-	-	-	-
7.	Mr. Ankit Paleja (w.e.f. November 22, 2017)	-	-	-	-
	Add:	-	-	-	-
	At the end of the year	-	-	-	-
8.	Mrs. Sudha Navandar (w.e.f. November 22, 2017)	-	-	-	-
	Add:	-	-	-	-
	At the end of the year	-	-	-	-
9.	Mr. Ramachandran Sivathanu (w.e.f. November 22, 2017)	-	-	-	-
	Add:	-	-	-	-
	At the end of the year	-	-	-	-

V. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Amount in Rs.)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	150,000,000	-	-	150,000,000
ii) Interest due but not paid	110,819	-	-	110,819
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	150,110,819	-	-	150,110,819
Change in Indebtedness during the financial year				
i) Addition	331,225,409	6,94,83,472	-	400,708,881
ii) Reduction	263,317,007	5,88,81,421	-	32,21,98,428
iii) Net Change	67,908,401	1,06,02,051	-	7,85,10,452
Indebtedness at the end of the financial year				
i) Principal Amount	217,908,401	1,06,02,051	-	22,85,10,452
ii) Interest due but not paid	343,975	-	-	3,43,975
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	218,252,376	1,06,02,051	-	22,88,54,427

VI. Remuneration of Directors and Key Managerial Personnel:

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Amount in Rs.)

Sr. No.	Particulars of Remuneration	Name of MD/ WTD/ Manager		Total Amount
		Mr. Rajdipkumar Gupta Managing Director (w.e.f. May 1, 2017)	Mr. Sandipkumar Gupta Managing Director (up to April 30, 2017)	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	92,00,000	-	92,00,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission			
	- as % of profit	-	-	-
	- others, specify	-	-	-
5.	Others, please specify	-	-	-
	Total (A)	92,00,000	-	92,00,000
	Ceiling as per the Act			**Rs. 1,85,73,750**

B. Remuneration to other directors:

(Amount in Rs.)

Sr. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Mr. Pratheek Agarwal*	Mr. Bhavesh Jain*	Mr. Ankit Paleja#	Mrs. Sudha Navandar#	Mr. Ramachandran Sivathanu#	
1.	Independent Directors						
	• Fee for attending board / committee meetings	65,000	65,000	75,000	1,00,000	1,25,000	4,30,000
	• Commission	-	-	-	-	-	-
	• Others, please specify						
	Total (1)	**65,000**	**65,000**	**75,000**	**1,00,000**	**1,25,000**	**4,30,000**
		Mr. Sandipkumar Gupta$	Mr. Chandrakant Gupta	Mrs. Chamelidevi Gupta*			
2.	Other Non-Executive Directors						
	• Fee for attending board / committee meetings	1,65,000	75,000	50,000	-	-	2,90,000
	• Commission	-	-	-	-	-	-
	• Others, please specify	-	4,50,000	-	-	-	4,50,000
	Total (2)	**1,65,000**	**525,000**	**50,000**	**-**	**-**	**7,40,000**
	Total (B)=(1+2)	**-**	**-**	**-**	**-**	**-**	**11,70,000**

* Mrs. Chamelidevi Gupta, Resigned as Director and Mr. Pratheek Agarwal; Mr. Bhavesh Jain Resigned as Independent Director w.e.f. November 22, 2017.

Mr. Ankit Paleja, Mrs. Sudha Navandar and Mr. Ramachandran Sivathanu were appointed as Independent Director w.e.f. November 22, 2017.

$ Mr. Sandipkumar Gupta resigned from position of Managing Director and was appointed as Non-Executive Director w.e.f. May 1, 2017.

C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD:

(Amount in Rs.)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		Mr. Suresh Dhau Jankar - CFO	Mr. Gaurav Jhunjhunwala - Company Secretary	Mr. Pratik Rohit Joshi - Company Secretary	Total
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	16,00,502	3,63,279	6,77,142	**26,40,924**
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	**-**
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	-	-	-	**-**
2.	Stock Option#	-	-	-	**-**
3.	Sweat Equity	-	-	-	**-**

4.	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total	**16,00,502**	**3,63,280**	**6,77,142**	**26,40,924**

* Mr. Suresh Jankar was appointed as Chief Financial Officer of the Company w.e.f. November 7, 2017.

* Mr. Pratik Joshi, resigned from the post of Chief Financial Officer w.e.f. November 7, 2017 and was appointed as the Company Secretary of the Company w.e.f. November 7, 2017.

* Mr. Gaurav Jhunjhunwala resigned from the post of Company Secretary of the Company w.e.f. November 7, 2017.

\# Mr. Suresh Jankar; Mr. Pratik Joshi and Mr. Gaurav Jhunjhunwala also received ESOP's under Company's ESOP Scheme 2017.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty					
Punishment			NIL		
Compounding					
B. DIRECTORS					
Penalty					
Punishment			NIL		
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment			NIL		
Compounding					

For and on behalf of the Board of Directors
Route Mobile Limited
(Formerly known as "Routesms Solutions Limited")

Chandrakant Gupta
Chairman & Director
DIN: 01636981

Date: 15 September, 2018

Place: Mumbai
CIN: U72900MH2004PLC146323

Registered Office:
4th Dimension, 3rd Floor,
Mind Space, Malad (West),
Mumbai – 400 064

Tel. No. 022-4033 7676
Fax No. 022-4033 7650
E-mail: complianceofficer@routemobile.com
Website: www.routemobile.com

Standalone Financial Statement

Independent Auditor's Report on Financial Statements

To the Members of Route Mobile Limited (Formerly known as 'Routesms Solutions Limited')

Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of Route Mobile Limited (Formerly known as 'Routesms Solutions Limited') (the "Company"), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the "Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.

4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether these standalone financial statements are free from material misstatement.

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

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

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS specified under Section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2018, its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matter

9. We draw attention to Note 43(A)(i) of the accompanying standalone financial statements wherein it is stated that the Company has received a demand notice for service tax liability under the provisions of the Finance Act, 1994 aggregating to ₹ 2,500.28 lakhs (excluding interest and penalty) for the period from October 2011 to March 2016. Based on the legal opinion obtained, the management is of the view that the outcome of the appeal being filed with relevant appellate authorities in respect of aforementioned disputed dues will be in the favour of the Company, and accordingly, no provision for liability has been recognised in the accompanying standalone financial statements. Our opinion is not qualified in respect of this matter.

Other Matter

10. The comparative financial information for the transition date opening balance sheet as at 1 April 2016 prepared in accordance with Ind AS included in these standalone financial statements, is based on the previously issued statutory financial statements for the year ended 31 March 2016 prepared in accordance with Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) which were audited by the predecessor auditor whose report dated 31 December 2016 expressed an unmodified opinion on those standalone financial statements, and have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have been audited by us. Further, the Company had prepared a separate set of statutory financial statements for the year ended 31 March 2017 in accordance with Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) on which we issued auditor's report to the shareholders of the Company dated 5 September 2017. These financial statements have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have also been audited by us. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

11. As required by Section 197(16) of the Act, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under Section 197 read with Schedule V to the Act.

12. As required by the Companies (Auditor's Report) Order, 2016 (the "Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.

13. Further to our comments in Annexure A, 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 standalone financial statements dealt with by this report are in agreement with the books of account;

    d. in our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act;

    e. the matter described in paragraph 9 under the Emphasis of Matter paragraph, in case of an unfavourable decision against the Company, in our opinion, may have an adverse effect on the functioning of the Company;

    f. on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as at 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act;

    g. we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 15 September 2018 as per Annexure B expressed an unmodified opinion;

    h. 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 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

        i. the Company, as detailed in Note 43 to the standalone financial statements, has disclosed the impact of pending litigations on 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 were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;

iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016 which are not relevant to these standalone financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Khushroo B. Panthaky
Partner
Membership No.: 42423

Place: Mumbai
Date: 15 September 2018

Annexure A

Based on the audit procedures performed for the purpose of reporting a true and fair view on the standalone financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.

(c) The title deeds of all the immovable properties (which are included under the head "Property, plant and equipment") are held in the name of the Company.

(ii) The Company does not have any tangible inventory. Accordingly, the provisions of clause 3 of the Order are not applicable.

(iii) The Company has granted unsecured loans to companies covered in the register maintained under Section 189 of the Act; and with respect to the same:

(a) in our opinion the terms and conditions of grant of such loans are not, prima facie, prejudicial to the Company's interest;

(b) the schedule of repayment of principal and payment of interest has been stipulated and the repayment/receipts of the principal amount and the interest are regular;

(c) there is no overdue amount in respect of loans granted to such companies.

(iv) In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans, investments, guarantees and security.

(v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's services. Accordingly, the provisions of clause 3 of the Order are not applicable.

(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, goods and service tax, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, though there has been a slight delay in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

(b) The dues outstanding in respect of income-tax, sales-tax, service-tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ in lakhs)	Amount paid under Protest (₹ in lakhs)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Finance Act, 1994	Service tax on purchases of messaging services	2,500.28	-	2011-12 to 2015-16 (Financial year)	Customs, Excise and Service Tax Appellate Tribunal	The Company is in the process of filing an appeal with Customs, Excise and Service Tax Appellate Tribunal

Annexure A to the Independent Auditor's Report of even date to the members of Route Mobile Limited (Formerly known as 'Routesms Solutions Limited'), on the standalone financial statements for the year ended 31 March 2018

(viii) The Company has not defaulted in repayment of loans or borrowings to any bank or financial institution or government during the year. The Company did not have any outstanding debentures during the year.

(ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) and did not have any term loans outstanding during the year. Accordingly, the provisions of clause 3 of the Order are not applicable.

(x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.

(xi) Managerial remuneration has been paid by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.

(xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3 of the Order are not applicable.

(xiii) In our opinion, all transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable, and the requisite details have been disclosed in the standalone financial statements, as required by the applicable Ind AS.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.

(xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Khushroo B. Panthaky
Partner
Membership No.: 42423

Place: Mumbai
Date: 15 September 2018

Annexure B

Independent Auditor's report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")

1. In conjunction with our audit of the standalone financial statements of Route Mobile Limited (Formerly known as 'Routesms Solutions Limited') (the "Company") as at and for the year ended 31 March 2018, we have audited the internal financial controls over financial reporting (IFCoFR) of the Company as of that date.

Management's Responsibility for Internal Financial Controls

2. The Company's Board of Directors 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 ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('the ICAI'). 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 the Company's business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note issued by the ICAI. 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 IFCoFR were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding of IFCoFR, 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 financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's IFCoFR.

Meaning of Internal Financial Controls over Financial Reporting

6. A company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's IFCoFR 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

7. Because of the inherent limitations of IFCoFR, 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 IFCoFR to future periods are subject to the risk that IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Annexure B to the Independent Auditor's Report of even date to the members of Route Mobile Limited (Formerly known as 'Routesms Solutions Limited'), on the standalone financial statements for the year ended 31 March 2018

Opinion

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

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Khushroo B. Panthaky
Partner
Membership No.: 42423

Place: Mumbai
Date: 15 September 2018

Standalone Financial Statement

Balance Sheet

Balance Sheet as at 31 March 2018
(₹ in lakhs, except for share data, and if otherwise stated)

	Note	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Assets				
Non-current assets				
Property, plant and equipment	2	1,315.75	1,567.58	799.21
Capital work-in-progress		-	-	120.98
Intangible assets	3	63.01	159.27	45.63
Financial assets				
Investments	4	2,402.44	1,409.11	62.47
Other non-current financial assets	5	131.29	422.55	2,624.97
Deferred tax assets (net)	6	208.23	99.46	47.05
Non-current tax assets (net)	7	291.02	319.22	-
Other non-current assets	8	914.70	803.34	228.47
		5,326.44	**4,780.53**	**3,928.78**
Current assets				
Financial assets				
Trade receivables	9	5,269.90	2,331.08	1,681.05
Cash and cash equivalents	10	292.09	2,073.37	490.53
Other bank balances	11	1,658.58	2,882.41	2,029.05
Loans	12	2,597.60	-	-
Other current financial assets	13	290.10	178.74	227.60
Other current assets	14	509.20	123.91	157.72
		10,617.47	**7,589.51**	**4,585.95**
Total assets		**15,943.91**	**12,370.04**	**8,514.73**
Equity and liabilities				
Equity				
Equity share capital	15	5,000.00	5,000.00	2,000.00
Other equity	16	3,373.61	3,027.25	860.43
		8,373.61	**8,027.25**	**2,860.43**

Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings	17	159.74	258.34	-
Provisions	18	135.08	100.16	90.90
Other non-current liabilities	19	25.07	15.98	7.83
		319.89	**374.48**	**98.73**
Current liabilities				
Financial liabilities				
Borrowings	20	2,271.84	1,500.00	-
Trade payables	21	3,825.39	1,039.54	565.93
Other current financial liabilities	22	974.75	423.79	354.41
Provisions	23	74.89	47.15	12.83
Current tax liabilities (net)	24	-	-	23.71
Other current liabilities	25	103.54	957.83	4,598.69
		7,250.41	**3,968.31**	**5,555.57**
Total equity and liabilities		**15,943.91**	**12,370.04**	**8,514.73**
Significant accounting policies and other explanatory information	**1 to 51**			

This is the Balance Sheet referred to in our report of even date

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Khushroo B. Panthaky
Partner
Membership No.: 42423

Place : Mumbai
Date : 15 September 2018

For and on behalf of the Board of Directors

Chandrakant Gupta
Chairman and Director
(DIN No. 01636981)

Sandipkumar Gupta
Director
(DIN No. 01272932)

Rajdipkumar Gupta
Managing Director
(DIN No. 01272947)

Pratik Joshi
Company Secretary

Suresh Jankar
Chief Financial Officer

Place : Mumbai
Date : 15 September 2018

Standalone Financial Statement

Statement of Profit & Loss

Statement of Profit and Loss for the year ended 31 March 2018
(₹ in lakhs, except for share data, and if otherwise stated)

	Note	Year ended 31 March 2018	Year ended 31 March 2017
Revenue from operations	26	19,506.04	16,841.92
Other Income	27	369.87	4,009.67
Total Income		**19,875.91**	**20,851.59**
Expenses			
Purchases of messaging services	28	13,776.41	10,086.29
Employee benefits expense	29	2,186.18	1,828.97
Finance costs	30	75.32	50.74
Depreciation and amortisation expense	31	580.18	485.14
Other expenses	32	1,496.94	1,359.14
Total expenses		**18,115.03**	**13,810.28**
Profit before tax		**1,760.88**	**7,041.31**
Tax expense			
Current tax	33	772.40	1,912.31
Tax adjustment in respect of earlier years		3.78	24.33
Deferred tax credit		(109.61)	(55.78)
		666.57	**1,880.86**
Profit for the year		**1,094.31**	**5,160.45**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Measurements of defined employee benefit plans		2.89	9.74
Income tax relating to above items		(0.84)	(3.37)
Total other comprehensive income (net of tax)		**2.05**	**6.37**
Total comprehensive income for the year		**1,096.36**	**5,166.82**

Earnings per equity share:	46		
Basic and diluted (in ₹)		2.19	10.32
Face value per share (in ₹)		10.00	10.00
Significant accounting policies and other explanatory information	**1 to 51**		

This is the Statement of Profit and Loss referred to in our report of even date

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Khushroo B. Panthaky
Partner
Membership No.: 42423

Place : Mumbai
Date : 15 September 2018

For and on behalf of the Board of Directors

Chandrakant Gupta
Chairman and Director
(DIN No. 01636981)

Sandipkumar Gupta
Director
(DIN No. 01272932)

Rajdipkumar Gupta
Managing Director
(DIN No. 01272947)

Pratik Joshi
Company Secretary

Suresh Jankar
Chief Financial Officer

Place : Mumbai
Date : 15 September 2018

Standalone Financial Statement

Statement of Changes in Equity

Statement of changes in equity for the year ended 31 March 2018
(₹ in lakhs, except for share data, and if otherwise stated)

a.

Equity share capital	**Number**	**Amount**
Balance as at 1 April 2016	2,00,00,000	2,000.00
Issue of bonus shares	3,00,00,000	3,000.00
Balance as at 31 March 2017	**5,00,00,000**	**5,000.00**
Issue of shares	-	-
Balance as at 31 March 2018	**5,00,00,000**	**5,000.00**

b. **Other equity**

	Reserves and Surplus	**Total other equity**
	Retained Earnings	
Balance as at 1 April 2016	**860.43**	**860.43**
Profit for the year	5,160.45	5,160.45
Other comprehensive income for the year	6.37	6.37
Total Comprehensive income for the year ended 31 March 2017	**5,166.82**	**5,166.82**
Issue of bonus shares	(3,000.00)	(3,000.00)
Balance as at 31 March 2017	**3,027.25**	**3,027.25**
Profit for the year	1,094.31	1,094.31
Other comprehensive income for the year	2.05	2.05
Total Comprehensive income for the year ended 31 March 2018	**1,096.36**	**1,096.36**
Dividend paid	(750.00)	(750.00)
Dividend distribution tax (refer note 16(i))	-	-
Balance as at 31 March 2018	**3,373.61**	**3,373.61**

Significant accounting policies and other explanatory information **1 to 51**

This is the Statement of Changes in Equity referred to in our report of even date

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Khushroo B. Panthaky
Partner
Membership No.: 42423

Place : Mumbai
Date : 15 September 2018

For and on behalf of the Board of Directors

Chandrakant Gupta
Chairman and Director
(DIN No. 01636981)

Sandipkumar Gupta
Director
(DIN No. 01272932)

Rajdipkumar Gupta
Managing Director
(DIN No. 01272947)

Pratik Joshi
Company Secretary

Suresh Jankar
Chief Financial Officer

Place : Mumbai
Date : 15 September 2018

Standalone Financial Statement

Statement of Cash Flow

Cash flow statement for the year ended 31 March 2018
(₹ in lakhs, except for share data, and if otherwise stated)

		Year ended 31 March 2018	Year ended 31 March 2017
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net Profit before tax	**1,760.88**	**7,041.31**
	Adjustments for :		
	Financial asset measured at amortised cost	0.39	1.89
	Depreciation and amortisation expense	580.18	485.14
	Advances and trade receivable written off	61.41	134.24
	Interest income on fixed deposits	(172.45)	(304.30)
	Provision for doubtful debts and advances	40.97	11.33
	Loss on sale of property, plant and equipment	-	9.28
	Interest on delayed payment of income taxes	-	25.98
	Interest on borrowings from bank	36.92	2.61
	Interest on finance lease obligation	20.43	9.04
	Other borrowing cost	15.35	1.05
	Unrealised foreign exchange loss	88.30	26.43
	Dividend income	-	(3,554.03)
	Liabilities no longer payable, written back	(66.47)	(136.36)
	Provision for lease equalisation	9.09	8.15
	Operating profit before working capital changes	**2,375.00**	**3,761.76**
	Adjustments for working capital:		
	(Increase)/Decrease in trade receivables	(3,001.73)	(794.15)
	(Increase) in financial assets and other assets	(3,449.55)	(294.74)
	Increase/(Decrease) in trade payables, provisions and other liabilities	2,348.33	(2,851.94)
	Cash used in operating activities	**(1,727.95)**	**(179.07)**
	Direct taxes paid (net)	(747.98)	(2,305.56)
	Net cash used in operating activities	**(2,475.93)**	**(2,484.63)**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of property, plant and equipment	(60.10)	(1,275.47)
	Fixed deposits matured	1,507.27	1,363.21
	Proceeds from sale of property, plant and equipment (including refund of capital advances)	260.33	35.99
	Investment in subsidiaries	(993.33)	(1,346.64)
	Dividend income received	-	3,554.03
	Interest received	221.50	299.53
	Net cash generated from investing activities	**935.67**	**2,630.65**

C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Repayment of non-current borrowings (including finance lease obligations)	(91.41)	(51.60)
	Interest paid	(70.37)	(11.59)
	Dividend paid	(750.00)	-
	Proceeds from current borrowings (net)	502.15	1,500.00
	Net cash (used in) / generated from financing activities	**(409.63)**	**1,436.81**
	Net (decrease) / increase in cash and cash equivalents (A+B+C)	**(1,949.89)**	**1,582.84**
	Opening balance of cash and cash equivalents	2,073.37	490.54
	Closing balance of cash and cash equivalents	**123.48**	**2,073.37**

Reconciliation of cash and cash equivalents as per the Statement of cash flows:

Cash and cash equivalents	292.09	2,073.37
Bank overdraft	(168.61)	-
Balances as per statement of cash flows	**123.48**	**2,073.37**

Note:

The Cash Flow Statement has been prepared under Indirect Method as set out in Indian Accounting Standard (Ind AS)- 7, "Statement of Cash Flows".

Significant accounting policies and other explanatory information **1 to 51**

This is the Cash Flow Statement referred to in our report of even date

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Khushroo B. Panthaky
Partner
Membership No.: 42423

Place : Mumbai
Date : 15 September 2018

For and on behalf of the Board of Directors

Chandrakant Gupta
Chairman and Director
(DIN No. 01636981)

Sandipkumar Gupta
Director
(DIN No. 01272932)

Rajdipkumar Gupta
Managing Director
(DIN No. 01272947)

Pratik Joshi
Company Secretary

Suresh Jankar
Chief Financial Officer

Place : Mumbai
Date : 15 September 2018

Company Overview

Route Mobile Limited (RML), (the "Company") was incorporated on 14 May 2004. The Company is a cloud communication provider to enterprises, over-the-top players and mobile network operators.

The Company has its registered office in Mumbai. The financial statements for the year ended 31 March 2018 were approved by Board of Directors and authorised for issue on 15 September 2018.

1. Significant accounting policies and assumptions

(i) Statement of compliance

In accordance with the notification issued by the Ministry of corporate affairs (MCA), the Company has adopted Indian Accounting standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 w.e.f. 01 April 2017. Previous period figures have been restated to comply with Ind AS, in accordance with Ind AS 101, First time adoption of Indian Accounting Standards. The Company has presented reconciliation from the presentation of the financial statements under Accounting standards notified under the Companies (Accounting Standards) Rules, 2014 ("Previous GAAP") to Ind AS of shareholder's equity as at 31 March 2017 and 01 April 2016 and of the total comprehensive income for the year ended 31 March 2017.

(ii) Basis of preparation

The separate financial statements have been prepared to comply in all material aspects with the Indian Accounting Standards (Ind AS) notified under Section 133 of Companies Act, 2013 (the "Act") read with the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act and rules framed thereunder.

Till the year ended 31 March 2017, the financial statements of the Company were prepared to comply in all material respects with the Accounting Standards (previous GAAP) specified as per Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 and other provisions of the Act. These are the first financial statements of the Company prepared in accordance with Ind AS applicable to the Company from the year beginning 01 April 2017, consequent to the MCA notification dated 16 February 2015. In accordance with Ind AS 101, the transition date to Ind AS is 1 April 2016, accordingly, the comparatives for the previous year ended 31 March 2017 and balances as on 1 April 2016 reported under previous GAAP have been restated as per Ind AS. Refer note 40 for understanding the transition from previous GAAP to Ind AS and its effect on the Company's financial position, financial performance and cash flows.

The financial statements have been prepared under the historical cost convention and on accrual basis, except for certain financial assets and liabilities, defined benefit plan liabilities measured at fair value.

Current and non-current classification: Assets and liabilities are classified as current if it is expected to realise or settle within 12 months after the balance sheet date. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

(iii) Critical estimates and judgements

The preparation of these financial statements in conformity with Ind AS requires management to make estimates, assumptions and exercise judgement in applying the accounting policies that affect the reported amounts of a¬ssets, liabilities and disclosure of contingent liabilities at the date of financial statements and the reported amounts of income and expenses during the year.

The Management believes that these estimates are prudent and reasonable and are based upon the Management's best knowledge of current events and actions. Actual results could differ from these estimates and differences between actual results and estimates are recognised in the periods in which the results are known or materialised.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

- **Impairment of investments**

  The Company reviews its carrying value of investments carried at amortised cost annually, or more frequently when there is an indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

- **Useful lives of property, plant and equipment and Intangible assets**

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

- **Valuation of deferred tax assets**

  The Company reviews the carrying amount of deferred tax assets at the end of each reporting period. The policy for the same has been explained in point (viii)

- **Defined benefit obligation**

  The cost of post-employment benefits is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases and mortality rates. Due to the long term nature of these plans, such estimates are subject to significant uncertainty. The assumptions used are disclosed in Note 44.

- **Fair value of financial instruments**

  The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. In applying the valuation techniques, management makes maximum use of market inputs and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date. For details of the key assumptions used and the impact of changes to these assumptions see Notes 36 and 37.

- **Impairment of financial assets**

  The impairment provisions for financial assets disclosed are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

- **Share-based payments**

  Estimating fair value for share-based payments requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. The estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 48.

- **Contingencies**

  Management has estimated the possible outflow of resources at the end of each annual reporting financial year, if any, in respect of contingencies/litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

(iv) Revenue recognition

Revenue is measured at the fair value of consideration received or receivable. Revenue is recognised only when it can be reliably measured and it is probable that the economic benefits will flow to the Company. Amount disclosed as revenue are reported net of discounts and applicable taxes which are collected on behalf of the government.

(i) Revenue from messaging services – The Company recognises revenue based on the usage of messaging services. The revenue is recognised when the Company's services are used based on the specific terms of the contract with customers.

Technical and support services – Income from technical and support services rendered to its group companies is recorded on an accrual basis at a fully loaded cost plus mark-up on such costs.

Amounts received or billed in advance for services to be performed in future are recorded as advances from customers / advance billing. Liquidated damages and penalties are accounted as per the contract terms wherever there is a delayed delivery attributable to the Company and when there is a reasonable certainty with which the same can be estimated.

(ii) Profit on sale of investments is recorded on transfer of title from the Company and is determined as the difference between the sale price and carrying value of the investment.

(iii) Dividend are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

(iv) Interest income for all debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

(v) Leases

Finance lease

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee or from the lessor to the Company as the case may be.

Company as a lessee

Lease rentals are capitalised at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as finance lease obligations. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return.

Company as a lessor

Amounts due from lessees under finance leases are recorded as receivables based on Company's net investment in the lease. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

Operating lease

Leases where the lessor effectively retains substantially all risks and benefits incidental to ownership of the asset are classified as Operating lease.

Company as a lessee

Operating lease payments (net of any incentive received from the lessor) are recognised as an expense in the Statement of Profit and Loss on a straight line basis over the lease term unless the payments are structured to increase in line with general inflation to compensate for the lessor's expected inflationary costs.

Company as a lessor

Rental income from operating lease is recognised on a straight line basis over the lease term unless the same is in line with general inflation to compensate for the expected inflationary costs. Initial direct costs incurred in negotiating and arranging an operating lease is recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

(vi) Borrowing costs

Borrowing costs attributable to the acquisition and construction of qualifying assets are capitalised as part of the cost of such assets up to the date such assets are ready for their intended use. Other borrowing costs are charged to profit or loss. Borrowing cost is calculated using effective interest rate on the amortised cost of the instrument.

(vii) Foreign currency

The functional currency of the Company is Indian rupee.

Transactions in foreign currency are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the Balance sheet date and exchange gains or losses arising on settlement and restatement are recognised in the Statement of Profit and Loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated at year end.

(viii) Income taxes

Income tax expense comprises Current tax expenses and net change in the deferred tax assets or liabilities during the year. Current and deferred taxes are recognised in the Statement of profit and loss, except when they relate to item that are recognised in Other comprehensive income or directly in Equity, in which case, the current and deferred tax are also recognised in Other comprehensive income or directly in Equity respectively.

Current Income taxes

The current income tax includes income taxes payable by the Company computed in accordance with the tax laws applicable in the jurisdiction in which the Company operates. Advance taxes and provision for current income tax are presented in the Balance sheet after offsetting the advance tax paid and income tax provision arising in the same jurisdiction and where the relevant tax paying units intend to settle the asset and liability on a net basis.

Deferred income taxes

Deferred income tax is recognised using Balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of recognition.

Deferred tax assets are recognised to the extent future taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets are reviewed at each reporting date and reduced to the extent it is no longer probable that sufficient taxable profit will be available to allow deferred income tax assets to be utilised. At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent it has become reasonably certain, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India which is likely to give future economic benefits in the form of availability of setoff against future income tax liability. Accordingly, MAT is recognised as deferred tax assets in the Balance sheet when the assets can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

(ix) Financial instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial assets or financial liability.

(I) Financial assets

Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Company reclassifies debt investments when and only when its business model for managing those assets change.

Initial measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Subsequent measurement of debt instruments

Subsequent measurement of debt instruments depend on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

- <u>Amortised cost:</u> Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

- Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

- Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

De-recognition of financial assets

A financial asset is de-recognised only when
- The Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Cash and cash equivalents

Cash and cash equivalents for the purpose of the cash flow statement comprise of the cash on hand and at bank and current investments with an original maturity of three months or less. Cash and cash equivalents consists of balances with banks which are unrestricted for withdrawal and usage.

For the purpose of the 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.

(II) Financial liabilities

Borrowings and other financial liabilities are initially recognised at fair value (net of transaction costs incurred). Difference between the fair value and the transaction proceeds on initial recognition is recognised as an asset / liability based on the underlying reason for the difference.

Subsequently, all financial liabilities are measured at amortised cost using the effective interest rate method.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss. The gain / loss is recognised in other equity in case of transactions with shareholders.

(x) Investment in subsidiaries

Investments in subsidiaries are accounted at cost less impairment in accordance with Ind AS 27 - Separate financial statements. Refer note 39 for the list of investments.

(xi) Property, plant and equipment (including Capital Work-in-Progress)

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes inward freight, adjustment for GST credit, taxes and expenses incidental to acquisition and installation, up to the point the asset is ready for its intended use.

Assets acquired but not ready for use or assets under construction are classified under Capital work in progress.

(xii) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

(xiii) Depreciation/Amortisation

Depreciation on Property, plant and equipment is provided to the extent of depreciable amount on written down value method (WDV) over the useful lives of assets as determined by the management which is in line with Part-C of Schedule II of the Act with residual value of 5%, except servers and network (part of Computers).

Servers and networks are depreciated over a period of five years, based on internal assessment and technical evaluation carried out by the management, and which represents the period over which they expect to use these assets.

Computer software is amortized over a period of three years on straight line basis.

Leasehold improvements are amortised over the period of lease or their estimated useful life, whichever is lower, on a straight-line basis.

Depreciation on assets acquired under finance lease is spread over the lease period or useful life, whichever is lower on straight line basis.

Depreciation is calculated pro-rata from/to the date of addition/deletion.

(xiv) Impairment of assets

Non-financial assets

The carrying amount of the non-financial assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal /external factors. An impairment loss is recognised whenever the carrying amount of an asset or a cash generating unit exceeds its recoverable amount. The recoverable amount of the assets (or where applicable, that of the cash generating unit to which the asset belongs) is estimated as the higher of its net selling price and its value in use. Impairment loss is recognised in the statement of profit and loss.

After impairment, depreciation / amortisation is provided on the revised carrying amount of the asset over its remaining useful life.

A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation / amortisation if there was no impairment.

Financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109, Financial Instruments, which requires expected lifetime losses to be recognised on initial recognition of the receivables.

(xv) Employee benefits

All short term employee benefits are accounted on undiscounted basis during the accounting period based on services rendered by employees and recognised as expenses in the Statement of Profit and Loss.

The Company's contribution to Provident Fund and Employees State Insurance Scheme is determined based on a fixed percentage of the eligible employees' salary and charged to the Statement of Profit and Loss on accrual basis. The Company has categorised its Provident Fund and the Employees State Insurance Scheme as a defined contribution plan since it has no further obligations beyond these contributions.

The Company's liability towards gratuity, being defined benefit plan is accounted for on the basis of an independent actuarial valuation using the projected unit credit method, done at the year end. Gratuity liability is not funded and the payments are made to the employees directly when they leave the organisation post completion of 5 years of service or at the time of retirement (with minimum 5 years of service), whichever is earlier.

Service cost and the net interest cost is included in employee benefit expense in the Statement of profit and loss. Actuarial gains and losses arising on the measurement of defined benefit obligation is credited/charged to other comprehensive income.

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

(xvi) Provisions, contingent liabilities and contingent assets

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on management estimate of the amount required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognised in the financial statements. However, it is disclosed only when an inflow of economic benefits is probable.

(xvii) Earnings per share

Basic earnings per share are computed by dividing net profit after tax (excluding other comprehensive income) by the weighted average number of equity shares outstanding during the year.
Diluted earnings per share is computed by dividing net profit after tax (excluding other comprehensive income) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share.

(xviii) Business combinations

Business combinations are accounted for using the acquisition method as per Ind AS 103, Business combinations. The cost of an acquisition is measured at the fair value of the assets transferred, equity instruments issued and liabilities assumed at the date of acquisition, which is the date on which control is transferred to the Company. Identified assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition. Transaction costs that the Company incurs in connection with a business combination such as stamp duty, legal fees, due diligence fees and other professional and consulting fees are expensed as incurred.

(xix) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting, nature of the products / process, organisation structure as well as differential risks and returns, using the information provided to the board of directors and chief operating officer, together, the chief operating decision maker ('CODM').

(xx) Share based payments

Share-based compensation benefits are provided to employees via the "ROUTE MOBILE LIMITED" Employee Stock Option Plan 2017 (the 'ESOP scheme'). The fair value of options granted under the Employee Stock Option Plan 2017 is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (e.g., the entity's share price)
- excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period), and
- including the impact of any non-vesting conditions (e.g. the requirement for employees to serve or hold shares for a specific period of time).

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

(xxi) Standard issued but not yet effective

Recent accounting pronouncements
Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs(""MCA"") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The amendment will come into force from 1 April 2018. The Company is evaluating the requirement of the amendment and the impact on the financial statements. The effect on adoption of Ind AS 21 is expected to be insignificant."

Ind AS 115

On 28 March 2018, the Ministry of Corporate Affairs (MCA), in consultation with the National Advisory Committee on Accounting Standards, has issued Companies (Indian Accounting Standards) Amendment Rules, 2018 to amend the Companies (Indian Accounting Standards) Rules, 2015. This results in introduction of Ind AS 115, Revenue from Contracts with customers, that comprehensively revamps the revenue recognition guidance. Consequently, Ind AS 18 and Ind AS 11 have been withdrawn, and other standards are suitably modified. The amendment is applicable to the Company from 01 April 2018. The Company is currently assessing the potential impact of this amendment.

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2018
(₹ in lakhs, except for share data, and if otherwise stated)

2. Property, plant and equipment

Particulars	Building	Furniture and Fixtures	Leasehold improvements	Vehicles	Office equipment	Computers#	Total
Gross block							
As at 01 April 2016	**331.00**	**117.27**	**-**	**210.61**	**51.12**	**952.31**	**1,662.31**
Additions	-	286.65	238.00	140.35	14.88	576.89	**1,256.77**
Disposals	-	(76.57)	-	(38.52)	(28.76)	(2.89)	**(146.74)**
Balance as at 31 March 2017	**331.00**	**327.35**	**238.00**	**312.44**	**37.24**	**1,526.31**	**2,772.34**
Additions	-	1.63	-	6.50	9.56	214.40	**232.09**
Disposals	-	-	-	-	-	-	**-**
Balance as at 31 March 2018	**331.00**	**328.98**	**238.00**	**318.94**	**46.80**	**1,740.71**	**3,004.43**
Accumulated depreciation and amortisation							
Balance as at 01 April 2016	**111.59**	**77.86**	**-**	**115.31**	**37.15**	**521.19**	**863.10**
Depreciation and amortisation charge	10.16	67.04	41.03	61.10	8.20	255.61	**443.14**
Disposals	-	(48.22)	-	(30.62)	(21.23)	(1.41)	**(101.48)**
Balance as at 31 March 2017	**121.75**	**96.68**	**41.03**	**145.79**	**24.12**	**775.39**	**1,204.76**
Depreciation and amortisation charge	10.38	59.97	49.24	53.67	8.81	301.85	**483.92**
Disposals	-	-	-	-	-	-	**-**
Balance as at 31 March 2018	**132.13**	**156.65**	**90.27**	**199.46**	**32.93**	**1,077.24**	**1,688.68**
Net block							
Balance as at 1 April 2016	**219.41**	**39.41**	**-**	**95.30**	**13.97**	**431.12**	**799.21**
Balance as at 31 March 2017	**209.25**	**230.67**	**196.97**	**166.65**	**13.12**	**750.92**	**1,567.58**
Balance as at 31 March 2018	**198.87**	**172.33**	**147.73**	**119.48**	**13.87**	**663.47**	**1,315.75**

includes gross value of assets taken on finance lease aggregating to ₹ 377.24 lakhs as at 31 March 2018 (31 March 2017: ₹ 377.24 lakhs, 1 April 2016: Nil), accumulated depreciation of ₹ 108.98 lakhs as at 31 March 2018 (31 March 2017: ₹ 8.38 lakhs, 1 April 2016: Nil) and depreciation for the year ended 31 March 2018 ₹ 100.60 lakhs (31 March 2017: ₹ 8.38 lakhs, 1 April 2016: Nil).

Refer Note 35 for information on Property, plant and equipment pledged as security.

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2018
(₹ in lakhs, except for share data, and if otherwise stated)

(₹ in lakhs, except for share data, and if otherwise stated)

3. Intangible assets

Particulars	**Computer Software**	**Total**
Gross block		
As at 01 April 2016	**104.38**	**104.38**
Additions	155.64	155.64
Disposals	-	-
Balance as at 31 March 2017	**260.02**	**260.02**
Additions	-	-
Disposals	-	-
Balance as at 31 March 2018	**260.02**	**260.02**
Accumulated amortisation		
Balance as at 01 April 2016	**58.75**	**58.75**
Amortisation charge	42.00	42.00
Reversal on disposal of assets	-	-
Balance as at 31 March 2017	**100.75**	**100.75**
Amortisation charge	96.26	96.26
Reversal on disposal of assets	-	-
Balance as at 31 March 2018	**197.01**	**197.01**
Net block		
Balance as at 01 April 2016	**45.63**	**45.63**
Balance as at 31 March 2017	**159.27**	**159.27**
Balance as at 31 March 2018	**63.01**	**63.01**

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2018
(₹ in lakhs, except for share data, and if otherwise stated)

		As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
4.	**Non-current investments**			
	Investments in equity shares - Unquoted, fully Paid-up			
	Investments in subsidiaries:			
	Route Mobile (UK) Limited 31 March 2018: 20,000 (31 March 2017: 20,000, 1 April 2016: 20,000) shares of GBP 1 each	15.24	15.24	15.24
	Sphere Edge Consulting India Private Limited 31 March 2018: 10,000 (31 March 2017: 10,000, 1 April 2016: 10,000) shares of ₹ 1 each	11.00	11.00	11.00
	RouteSMS Solutions (FZE) Limited 31 March 2018: 41,725 (31 March 2017: 41,725, 1 April 2016: 5,000) shares of AED 1 each	7.86	7.86	1.00
	RouteSMS Solutions Nigeria Limited 31 March 2018: 10,000,000 (31 March 2017: 10,000,000, 1 April 2016: 10,000,000) shares of NRN 1 each	35.23	35.23	35.23
	Cellent Technologies India Private Limited 31 March 2018: 49,700 (31 March 2017: 49,700, 1 April 2016: Nil) shares of ₹ 10 each	1,127.40	1,127.40	-
	Start Corp India Private Limited 31 March 2018: 10,000 (31 March 2017: 10,000, 1 April 2016: Nil) shares of ₹ 10 each	200.00	200.00	-
	Route Mobile Pte. Ltd. - Singapore 31 March 2018: 25,000 (31 March 2017: 25,000, 1 April 2016: Nil)shares of SGD 1 each	12.38	12.38	-
	Call 2 Connect India Private Limited 31 March 2018: 126,666 (31 March 2017: Nil, 1 April 2016: Nil) shares of ₹ 10 each	993.33	-	-
		2,402.44	**1,409.11**	**62.47**
	Aggregate amount of unquoted investments	2,402.44	1,409.11	62.47
	Aggregate amount of impairment in value of investments	-	-	-
5.	**Other non-current financial assets**			
	Unsecured, considered good, unless otherwise stated			
	Security deposits	127.42	128.18	112.14
	Loans and advances to employees	3.51	6.50	5.50
	Fixed deposits with bank having maturity of more than 12 months	-	283.44	2,500.00
	Interest accrued but not due on fixed deposits	0.36	4.43	7.33
		131.29	**422.55**	**2,624.97**
6.	**Deferred tax assets (net)**			
	Deferred tax liability arising on account of :			
	Depreciation and amortisation	-	13.25	34.47
	Total deferred tax liabilities	**-**	**13.25**	**34.47**

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2018
(₹ in lakhs, except for share data, and if otherwise stated)

		As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
	Deferred tax assets arising on account of :			
	Depreciation and amortisation	44.00	-	-
	Provision for compensated absences	10.53	7.80	-
	Provision for gratuity	49.42	43.18	35.90
	Provision for expenses	55.05	17.40	5.21
	Provision for doubtful debts	49.23	44.33	40.41
	Total deferred tax assets	**208.23**	**112.71**	**81.52**
	Deferred tax assets (net)	**208.23**	**99.46**	**47.05**
7.	**Non-current tax assets (net)**			
	Advance income tax (Net of provision ₹ 2,710.70 lakhs, 31 March 2017: ₹1,938.30 lakhs)	291.02	319.22	-
		291.02	**319.22**	**-**
8.	**Other non-current assets**			
	Capital advances	-	260.33	44.38
	Advances other than capital advances			
	Balance with government authorities	893.04	510.50	141.50
	Prepaid expenses	21.66	32.51	42.59
		914.70	**803.34**	**228.47**
9.	**Trade receivables**			
	Unsecured, considered good	3,728.83	1,736.58	1,484.46
	Receivables from related parties (Unsecured, considered good)(refer note 41)	1,541.07	594.50	196.59
	Unsecured, considered doubtful	142.34	128.09	116.76
	Less: Provision for bad and doubtful debts	(142.34)	(128.09)	(116.76)
		5,269.90	**2,331.08**	**1,681.05**
10.	**Cash and cash equivalents**			
	Cash on hand	0.80	0.78	3.59
	Balances with banks:			
	- in current accounts	120.31	734.17	347.99
	- in EEFC accounts	99.06	27.10	136.43
	- in deposit accounts with maturity upto 3 months	71.28	1,307.97	-
	- wallets balances	0.64	3.35	2.52
		292.09	**2,073.37**	**490.53**

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2018
(₹ in lakhs, except for share data, and if otherwise stated)

		As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
11.	**Other bank balances**			
	Deposits with maturity of more than 3 months but less than 12 months	17.08	681.02	1,662.68
	Balances with bank held as margin money	342.85	701.39	366.37
	Balances with bank held towards bank guarantee	1,298.65	1,500.00	-
		1,658.58	**2,882.41**	**2,029.05**
12.	**Current loans**			
	Unsecured, considered good, unless otherwise stated			
	Loan to related parties (refer note 41)	2,597.60	-	-
		2,597.60	**-**	**-**
	#Disclosure as per Section 186 of the Companies Act, 2013			
	Balance as at the period/ year end	2,597.60	-	-
	Maximum amount outstanding at any time during the year	3,620.84	-	-
	For working capital purpose	2,597.60	-	-
13.	**Other current financial assets**			
	Unsecured, considered good, unless otherwise stated			
	Security deposits	137.29	71.86	122.40
	Loans and advances to employees	5.74	15.79	24.96
	Other receivables	14.20	3.19	-
	Interest accrued but not due on fixed deposits	42.92	87.90	80.24
	Accrued interest on loans to related parties (refer note 41)	89.95	-	-
		290.10	**178.74**	**227.60**
14.	**Other current assets**			
	Advances other than capital advances			
	Prepaid expenses	117.97	61.32	18.03
	Advance to suppliers	19.46	15.21	110.27
	Unamortised share issue expenses	371.77	-	-
	Advances to related parties** (refer note 41)	26.72	47.38	29.42
	Less: Provision for bad and doubtful advances	(26.72)	-	-
		509.20	**123.91**	**157.72**
	**Due by company in which director is a director	-	26.72	29.42

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2018
(₹ in lakhs, except for share data, and if otherwise stated)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
15. Equity share capital			
Authorised capital			
100,000,000 (31 March 2017: 100,000,000, 1 April 2016: 4,00,00,000) equity shares of ₹ 10 each	10,000.00	10,000.00	4,000.00
Issued, subscribed and fully paid up			
50,000,000 (31 March 2017: 50,000,000, 1 April 2016: 20,000,000) equity shares of ₹ 10 each	5,000.00	5,000.00	2,000.00
	5,000.00	5,000.00	2,000.00

	As at 31 March 2018		As at 31 March 2017	
	Number	Amount	Number	Amount
(a) Reconciliation of equity shares outstanding at the beginning and at the end of the reporting period				
Balance at the beginning of the year	5,00,00,000	5,000.00	2,00,00,000	2,000.00
Add: Bonus shares issued during the year	-	-	3,00,00,000	3,000.00
Balance at the end of the year	**5,00,00,000**	**5,000.00**	**5,00,00,000**	**5,000.00**

(b) Rights, preferences and restrictions attached to equity shares

The Company has one class of equity shares having a par value of ₹ 10 each. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except interim dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company after distribution of all preferential amounts and the distribution will be in proportion to the number of equity shares held in the Company.

(c) Shareholders holding more than 5% of the equity shares in the Company

	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Number of shares	% of holding	Number of shares	% of holding	Number of shares	% of holding
Sandipkumar Gupta	1,44,00,000	28.80%	1,50,00,000	30.00%	60,00,000	30.00%
Rajdipkumar Gupta	1,44,00,000	28.80%	1,50,00,000	30.00%	60,00,000	30.00%
CC Gupta Family Trust	50,00,000	10.00%	NA	NA	NA	NA
Chandrakant Gupta	*	*	50,00,000	10.00%	20,00,000	10.00%
Chamelidevi Gupta	*	*	50,00,000	10.00%	20,00,000	10.00%
Sunita Gupta	43,20,000	8.64%	45,00,000	9.00%	18,00,000	9.00%
Sarika Gupta	43,20,000	8.64%	45,00,000	9.00%	18,00,000	9.00%

* The holding as at 31 March 2018 is less than 5%.

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2018
(₹ in lakhs, except for share data, and if otherwise stated)

(d) Aggregate number of bonus shares issued during the period of five years immediately preceding the reporting date:

	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Number	**Amount**	**Number**	**Amount**	**Number**	**Amount**
Equity shares allotted as fully paid bonus shares	-	-	3,00,00,000	3,000.00	1,80,00,000	1,800.00

16. Other equity

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Surplus in the statement of Profit and loss	3,373.61	3,027.25	860.43
Total other equity	**3,373.61**	**3,027.25**	**860.43**

	Reserves and Surplus	Total other equity
	Retained Earnings	
Balance as at 1 April 2016	**860.43**	**860.43**
Profit for the year	5,160.45	5,160.45
Other comprehensive income for the year	6.37	6.37
Total Comprehensive income for the year ended 31 March 2017	**5,166.82**	**5,166.82**
Issue of bonus shares	(3,000.00)	(3,000.00)
Balance as at 31 March 2017	**3,027.25**	**3,027.25**
Profit for the year	1,094.31	1,094.31
Other comprehensive income for the year	2.05	2.05
Total Comprehensive income for the year ended 31 March 2018	**1,096.36**	**1,096.36**
Dividend Paid	(750.00)	(750.00)
Dividend distribution tax (refer note (i) below)	-	-
Balance as at 31 March 2018	**3,373.61**	**3,373.61**

Nature and purpose of reserves

Surplus in the statement of profit and loss

Retained earnings pertain to the accumulated earnings made by the Company over the years.

(i) Note

For the year ended 31 March 2017, the Board of Directors at its meeting held on 4 September 2017 had recommended final dividend of ₹ 750 lakhs (₹ 1.5 per equity share) which was approved by the shareholders in the Annual General Meeting of the Company held on 22 September 2017. The final dividend was declared and paid during the current year ended 31 March 2018. During the financial year 2016-17, the Company had received dividend from its foreign subsidiary, RouteSMS Solutions (FZE) Limited ("RSMS Dubai") amounting to ₹ 3,554.03 lakhs. Tax on such dividend received, was paid by the Company u/s 115BBD of the Income tax Act, 1961.

While computing the amount of dividend liable to payment of Dividend Distribution Tax (DDT) u/s 115-O, based on Section 115-O(1A)(i)(b) of the Income tax Act, 1961, the additional income-tax to be charged will be based on the amount of dividend to be declared by the Company as reduced by the amount of dividend, if any, received from a foreign subsidiary company and tax on such balance dividend is payable by the domestic company u/s 115BBD.

As tax u/s 115BBD was paid by the Company on the dividend received and such dividend received is greater than the amount of dividend declared, no dividend distribution tax is payable on the dividend declared by the Company during the year ended 31 March 2018.

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2018
(₹ in lakhs, except for share data, and if otherwise stated)

		As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
17.	**Non current borrowings**			
	Secured			
	Finance lease obligations	257.17	348.58	-
	Vehicle loans from banks	-	-	22.93
	Less : Current maturities of non-current borrowings (refer note 22)	(97.43)	(90.24)	(22.93)
		159.74	**258.34**	**-**

Nature of security and terms of repayment for non-current borrowings

Particulars	Maturity date	Terms of repayment	Security	Interest rate (%)
(a) Vehicle loan from banks	7 March 2017	Monthly installment	Hypothecation of vehicles purchased against the loan	10.01% p.a.
(b) Finance lease obligations				
Obligations under finance leases (Computers and computers services)	8 September 2020	Quarterly installment	Assets obtained on finance lease (computers and computer servers)	1.40% - 2.26% per quarter

Net debt reconciliation :

Particulars	Non-current borrowings (including current maturity)	Current borrowings	Cash and cash equivalents and bank overdrafts
Net debt as on 01 April 2017	349.69	1,500.00	2,073.37
Cash flows (net)	(91.41)	502.15	(1,949.89)
Foreign exchange loss	-	101.08	-
Finance costs	20.43	52.27	-
Finance costs paid	(21.54)	(48.83)	-
Net debt as at 31 March 2018	**257.17**	**2,106.67**	**123.48**

		As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
18.	**Non-current provisions**			
	Provision for employee benefits			
	Gratuity (refer note 44 (II))	135.08	100.16	90.90
		135.08	**100.16**	**90.90**
19.	**Other non-current liabilities**			
	Lease equalisation reserve	25.07	15.98	7.83
		25.07	**15.98**	**7.83**

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2018
(₹ in lakhs, except for share data, and if otherwise stated)

		As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
20.	**Current Borrowings**			
	Secured			
	Working capital loan from bank	2,010.47	1,500.00	-
	Bank overdraft	168.61	-	-
	Unsecured			
	Loans from related parties (refer note 41)	92.76	-	-
	(Interest free, repayable on demand)			
		2,271.84	**1,500.00**	**-**

a. Nature of security for Working capital loan from bank and Bank overdraft:

For March 2018

(i) secured by way of exclusive charge over the current assets and movable fixed assets

(ii) Equitable mortgage of commercial and residential property situated in Mumbai and Goa

(iii) personal guarantees of the directors (Rajdipkumar Gupta, Sandipkumar Gupta and Chandrakant Gupta)

For March 2017

(i) secured by way of first charge on fixed deposits

b. Interest rate :

For working capital loan from bank: 3 months Libor plus 150 bps i.e. 2.65% p.a. - 3.51% p.a. as on 31 March 2018 (31 March 2017: 2.93% p.a.)

For Bank overdraft: 1.45% spread over and above 6 months Marginal cost lending rate (MCLR) i.e. 10.50% p.a. as on 31 March 2018 (31 March 2017: Nil)

		As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
21.	**Trade payables**			
	Dues of micro and small enterprises (refer note 42)	-	-	-
	Payable to related parties (refer note 41)	3,142.84	13.91	233.88
	Dues of creditors other than micro and small enterprises	682.55	1,025.63	332.05
		3,825.39	**1,039.54**	**565.93**
22.	**Other current financial liabilities**			
	Current maturity of non-current borrowings (refer note 17)	97.43	90.24	22.93
	Interest accrued but not due on borrowings	3.44	1.11	-
	Book overdraft	-	126.31	-
	Security deposits	20.17	20.20	3.70
	Capital creditors	197.15	25.16	170.49
	Dues to employees	0.84	2.72	70.19
	Outstanding expenses	655.72	158.05	87.10
		974.75	**423.79**	**354.41**

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2018
(₹ in lakhs, except for share data, and if otherwise stated)

		As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
23.	**Current Provisions**			
	Provisions for employee benefits			
	Gratuity (refer note 44 (II))	38.75	24.62	12.83
	Compensated absences (refer note 44 (III))	36.14	22.53	-
		74.89	**47.15**	**12.83**
24.	**Current tax liabilities (net)**			
	Provision for tax (net of advance tax 01 April 2016: ₹1,602.86 lakhs)	-	-	23.71
		-	**-**	**23.71**
25.	**Other current liabilities**			
	Statutory dues	37.08	83.92	39.90
	Advance from customers	66.46	873.91	4,558.79
		103.54	**957.83**	**4,598.69**

Note: There are no amounts due to be transferred to the Investor Education and Protection Fund as at the year end.

		Year ended 31 March 2018	Year ended 31 March 2017
26.	**Revenue from operations**		
	Sale of services		
	Messaging services	17,213.45	15,642.62
	Technical and support services	2,292.59	1,199.30
		19,506.04	**16,841.92**
27.	**Other income**		
	Interest income on financial assets measured at amortised cost:		
	- Fixed deposits	172.45	304.30
	- Security deposits	11.97	11.32
	- Loan to subsidiary companies	98.20	-
	Liabilities no longer payable, written back	66.47	136.36
	Rental income	20.44	3.66
	Dividend income from subsidiary company	-	3,554.03
	Miscellaneous income	0.34	-
		369.87	**4,009.67**
28.	**Purchases of messaging services**		
	Domestic	9,642.75	8,389.40
	Import	4,133.66	1,696.89
		13,776.41	**10,086.29**

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2018
(₹ in lakhs, except for share data, and if otherwise stated)

		Year ended 31 March 2018	Year ended 31 March 2017
29.	**Employee benefits expense**		
	Salaries, wages and bonus (refer note 44 (II and III))	2,003.65	1,683.83
	Contribution to provident fund and other funds (refer note 44 (I))	11.49	5.32
	Staff welfare expense	171.04	139.82
		2,186.18	**1,828.97**
30.	**Finance costs**		
	Interest on borrowings from bank	36.92	2.61
	Interest on finance lease obligation	20.43	9.04
	Interest on delayed payment of statutory dues	2.62	12.06
	Interest on delayed payment of income taxes	-	25.98
	Other borrowing cost	15.35	1.05
		75.32	**50.74**
31.	**Depreciation and amortisation expense**		
	Depreciation on property, plant and equipment (refer note 2)	483.92	443.14
	Amortisation on intangible assets (refer note 3)	96.26	42.00
		580.18	**485.14**
32.	**Other expenses**		
	Power and fuel	47.63	38.62
	Repairs and maintenance - Building	43.16	49.95
	Repairs and maintenance - Others	119.42	77.99
	Insurance	4.85	6.84
	Rent (refer note 45)	287.73	266.27
	Rates and taxes	22.83	75.41
	Communication	242.08	108.93
	Travelling and conveyance	233.84	145.61
	Printing and stationery	9.39	15.52
	Business promotion	63.28	108.87
	Donations	2.66	1.36
	Expenditure on Corporate Social Responsibility (refer note 47)	42.21	13.39
	Legal and professional charges	69.31	192.18
	Auditor's remuneration (refer note below)	37.84	37.19
	Advances and trade receivable written off	61.41	134.24
	Provision for doubtful debts and advances	40.97	11.33
	Net loss on foreign currency transactions and translation	89.97	21.86
	Loss on sale of property, plant and equipment	-	9.28
	Bank charges	3.06	4.27

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2018
(₹ in lakhs, except for share data, and if otherwise stated)

		Year ended 31 March 2018	Year ended 31 March 2017
	Sitting fees to directors	7.20	1.80
	Miscellaneous expenses	68.10	38.23
		1,496.94	**1,359.14**

Note:

	Auditors' remuneration (excluding tax)		
	As auditor		
	Statutory audit	31.50	36.18
	Tax audit	-	1.01
	In other capacity		
	Other services*	74.25	-
	Reimbursement of expenses*	1.27	-
		107.02	**37.19**

* Including ₹ 69.18 lakhs paid towards assurance services in connection with the Initial Public Offering of equity shares of the Company and disclosed as 'Unamortised share issue expenses' in note 14.

33.	**Tax expense**		
	Current tax expense		
	Current tax for the year	772.40	1,912.31
	Tax adjustment in respect of earlier years	3.78	24.33
	Total current tax expense	**776.18**	**1,936.64**
	Deferred taxes	(108.77)	(52.41)
		667.41	**1,884.23**
33.1	**Tax reconciliation (for profit and loss)**		
	Profit before income tax expense	1,760.88	7,041.31
	Tax at the rate of 34.608%	609.41	2,436.86
	Tax effect of amounts which are not deductible / not taxable in calculating taxable income		
	Donation	0.92	0.47
	CSR expenses	14.61	4.63
	Dividend income taxed at special rate	-	(615.06)
	Interest on income tax	-	8.99
	Capital expenditure	-	20.39
	Tax adjustment of prior years	3.78	24.33
	Change in tax rates	39.22	-
	Others	(0.53)	3.62
	Income tax expense	**667.41**	**1,884.23**

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2018
(₹ in lakhs, except for share data, and if otherwise stated)

		As at 01 April 2016 Deferred tax assets/ (Liabilities)	Credit/(charge) in statement of Profit and Loss	Credit/(charge) in Other comprehensive income	As at 31 March 2017 Deferred tax assets/ (Liabilities)
34.	**The movement in deferred tax assets and liabilities during the year ended 31 March 2017 and 31 March 2018 are as follows:**				
	Depreciation and amortisation	(34.47)	21.22	-	(13.25)
	Provision for compensated absences	-	7.80	-	7.80
	Provision for gratuity	35.90	10.65	(3.37)	43.18
	Provision for expenses	5.21	12.19	-	17.40
	Provision for doubtful debts	40.41	3.92	-	44.33
	Total	**47.05**	**55.78**	**(3.37)**	**99.46**
	Depreciation and amortisation	(13.25)	57.25	-	44.00
	Provision for compensated absences	7.80	2.73	-	10.53
	Provision for gratuity	43.18	7.08	(0.84)	49.42
	Provision for expenses	17.40	37.65	-	55.05
	Provision for doubtful debts	44.33	4.90	-	49.23
	Total	**99.46**	**109.61**	**(0.84)**	**208.23**

		As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
35.	**Assets Pledged as security**			
	Current Assets			
	Fixed deposits lien by bank against working capital loan	-	1,500.00	-
	Trade receivables	5,269.90	-	-
	Other bank balances	1,658.58	-	-
	Loans	2,597.60	-	-
	Other current financial assets	290.10	-	-
	Other current assets	509.20	-	-
		10,325.38	**1,500.00**	**-**
	Non Current Assets			
	Moveable fixed assets	700.89	-	-
	Building	198.87	-	-
	Computers	268.26	368.86	-
	Total non-current assets Pledged as security	**1,168.02**	**368.86**	**-**
	Total assets Pledged as security	**11,493.40**	**1,868.86**	**-**

(₹ in lakhs, except for share data, and if otherwise stated)

36. Fair value measurements

Financial instruments by category:

Particulars	31 March 2018 Amortised cost	31 March 2017 Amortised cost	01 April 2016 Amortised cost
Financial Assets - Non-current			
Other non-current financial assets	131.29	422.55	2,624.97
Financial Assets - Current			
Trade receivables	5,269.90	2,331.08	1,681.05
Cash and cash equivalents	292.09	2,073.37	490.53
Other bank balances	1,658.58	2,882.41	2,029.05
Loans	2,597.60	-	-
Other current financial assets	290.10	178.74	227.60
Financial Liabilities - Non-current			
Borrowings (including current maturity)	257.17	348.58	22.93
Financial Liabilities - current			
Borrowings	2,271.84	1,500.00	-
Trade payables	3,825.39	1,039.54	565.93
Other current financial liabilities	877.32	333.56	331.47

I. Fair value hierarchy

The fair values of the financial assets and liabilities are included at the amount 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.
This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows below:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. For example, listed equity instruments that have quoted market price.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

II. Valuation techniques used to determine fair value

Significant valuation techniques used to value financial instruments include:

The fair values for Security deposits, loan to employees and finance lease obligations are based on discounted cash flows using a discount rate determined considering the borrowing rate quotation received from the bank.

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2018
(₹ in lakhs, except for share data, and if otherwise stated)

III. Assets and liabilities which are measured at amortised cost for which fair values are disclosed (It is categorised under Level 2 of fair value hierarchy)

Particulars	31 March 2018		31 March 2017		1 April 2016	
	Fair Value	Carrying amount	Fair Value	Carrying amount	Fair Value	Carrying amount
Financial Assets - Non-current						
Other non-current financial assets						
- Security deposits	125.75	127.42	128.30	128.18	113.27	112.14
- Loan to employees (including current maturity)	8.03	8.90	9.53	11.17	9.40	11.05
Financial Liabilities - Non-current						
Borrowings (including current maturities of non-current borrowing)	225.83	257.17	337.15	348.58	22.93	22.93
During the periods mentioned above, there have been no transfers amongst the levels of hierarchy.						
The carrying amounts of trade receivables, cash and bank balances, current loans, other current financial assets, trade payables, current borrowings and other current financial liabilities are considered to be approximately equal to their fair value.						

37. Financial risk management

The Company is exposed primarily to fluctuations in foreign currency exchange rates, credit risk, liquidity risk and interest rate risk which may adversely impact the fair value of its financial instrument. The Company has a risk management policy which covers risk associated with the financial assets and liabilities. The risk management policy is approve by Board of Directors. The focus of the Board of Directors is to assess the unpredictibility of the financial environment and to mitigate potential adverse effect on the financial performance of the Company.

The Company's principal financial liabilities comprises of borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables, and cash and bank balances and bank deposits that derive directly from its operations.

A Credit risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms and obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of credit worthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and credit worthiness of the customer on continuous basis to whom the credit has been granted after obtaining necessary approvals for credit. The financial instruments that are subject to concentration of credit risk principally consists of trade receivables, loans, cash and bank balances and bank deposits.

To manage credit risk, the Company follows a policy of providing 30-90 days credit to the domestic customers. In case of foreign debtors, majority of the sales are made either against advance payments or on a credit period upto 30 days to reputed customers. The credit limit policy is established considering the current economic trends of the industry in which the company is operating. However, the trade receivables are monitored on a periodic basis for assessing any significant risk of non-recoverability of dues and provision is created accordingly.

Bank balances and deposits are held with only high rated banks and majority of other security deposits are placed majorly with government agencies.

The table below provide details regarding past dues receivables as at each reporting date:

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Upto 3 months	4,323.48	2,182.95	1,513.24
3 - 6 months	689.78	56.03	143.12
6 - 12 months	244.43	118.35	90.57
More than one year	154.55	101.84	50.88
Total	**5,412.24**	**2,459.17**	**1,797.81**
Provision for expected credit loss created	142.34	128.09	116.76

(₹ in lakhs, except for share data, and if otherwise stated)

B Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to maintain optimum levels of liquidity and to ensure that funds are available for use as per requirement.
The liquidity risk principally arises from obligations on account of following financial liabilities viz. borrowings, trade payables and other financial liabilities.

The Company's corporate finance department is responsible for liquidity and funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments at each reporting date:

As at 31 March 2018

Particulars	Upto 1 year	Between 1 and 3 years	Total
Financial Liabilities - Non-Current			
Borrowings (including current maturity of non-current borrowings)	114.67	172.01	286.68
Financial Liabilities - Current			
Borrowings	2,271.84	-	2,271.84
Trade payables	3,825.39	-	3,825.39
Other current financial liabilities	877.32	-	877.32
Total	**7,089.22**	**172.01**	**7,261.23**

As at 31 March 2017

Particulars	Upto 1 year	Between 1 and 3 years	Total
Financial Liabilities - Non-Current			
Borrowings (including current maturity of non-current borrowings)	114.67	286.68	401.36
Financial Liabilities - Current			
Borrowings	1,500.00	-	1,500.00
Trade payables	1,039.54	-	1,039.54
Other current financial liabilities	333.56	-	333.56
Total	**2,987.77**	**286.68**	**3,274.46**

As at 1 April 2016

Particulars	Upto 1 year	Between 1 and 3 years	Total
Financial Liabilities - Current			
Trade payables	565.93	-	565.93
Other current financial liabilities	331.47	-	331.47
Total	**897.40**	**-**	**897.40**

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2018
(₹ in lakhs, except for share data, and if otherwise stated)

C 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: Foreign currency risk, interest rate risk and price risk. The company's exposure to market risk is primarily on account of foreign currency exchange rate risk.

(i) 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 risk primarily relates to fluctuations in trade payables and trade receivables denominated in USD and EUR against the functional currency of the company.

In respect of the foreign currency transactions, the company does not hedge the exposures since the management believes that the same is insignificant in nature and also it will be offset to some extent by the corresponding receivables and payables which will be in the nature of natural hedge.

The company's exposure to foreign currency risk at the end of reporting period are as under:

Particulars	31 March 2018		31 March 2017		1 April 2016	
	USD	EUR	USD	EUR	USD	EUR
Financial liabilities						
Trade Payables	-	2,545.84	509.85	34.42	7.88	404.72
Borrowings	497.59	1,512.88	-	-	-	-
Exposure to foreign currency risk (liabilities)	**497.59**	**4,058.72**	**509.85**	**34.42**	**7.88**	**404.72**
Financial assets						
Trade Receivable	1,057.01	544.45	157.55	106.04	16.90	658.22
Bank Balance	91.27	7.79	17.08	10.02	25.43	111.00
Others	-	1,626.95	-	-		
Exposure to foreign currency risk assets	**1,148.28**	**2,179.19**	**174.63**	**116.06**	**42.33**	**769.22**
Net exposure to foreign currency risk assets/ (liabilities)	**650.69**	**(1,879.53)**	**(335.22)**	**81.64**	**34.45**	**364.50**

Sensitivity to foreign currency risk

The following table demonstrates the sensitivity due to changes in USD and EUR rates with all other variables held constant. The below impact on the Company's profit before tax is based on changes in the fair value of unhedged foreign currency monetary assets and liabilities at balance sheet date:

Currencies	31 March 2018		31 March 2017	
	Increase by 2%	Decrease by 2%	Increase by 2%	Decrease by 2%
USD	13.00	(13.00)	(6.71)	6.71
EUR	(37.60)	37.60	1.64	(1.64)

(ii) Cash flow and fair value interest rate risk

Interest rate risk arises from the sensitivity of the financial liabilities to changes in market rate of interest. The entity's exposure to the risk of changes in market interest rate relates primarily to the current borrowings with floating interest rate.
The entity availed a short term debt upto a tenure of 6 months, for meeting its working capital requirement (in Foreign currency). However, the entity expects that the interest rate risk is insignificant considering the tenure of borrowing.

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2018
(₹ in lakhs, except for share data, and if otherwise stated)

38. Capital Management

The Company's financial strategy aims to support its strategic priorities and provide adequate capital to its businesses for growth and creation of sustainable stakeholder value. The Company funds its operation primarily through internal accruals. The Company aims at maintaining a strong capital base largely towards supporting the future growth of its business as a going concern.

The Company consider the following component of its Balance sheet to be managed capital: Equity Share capital and Other Equity as shown in the balance sheet includes Retained earnings.

The amounts managed as capital by the Company are summarised below:

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Equity Share Capital	5,000.00	5,000.00	2,000.00
Other Equity	3,373.61	3,027.25	860.43

Loan covenants

In case of the variable rate borrowing facility availed by the Company there are various financial covenants i.e. the externally imposed capital requirements, which are standard in nature; mainly relating to EBITDA margin, Current ratio and debt-equity ratio specified in the loan agreements. These covenants are monitored by the Company on a regular basis. There has been no default on the financial covenants or on the loans taken by the Company, outstanding as at 31 March 2018.

Dividend:

Particulars	31 March 2018	31 March 2017
Equity dividend		
Final Dividend of ₹ 1.50 (For the year ended 31 March 2016: Nil) per fully paid equity share for the year ended 31 March 2017	750.00	-
Dividends not recognised at the end of the reporting period		
In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of ₹. 1.5 (31 March 2017: ₹. 1.50) per fully paid equity share This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	750.00	750.00

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2018
(₹ in lakhs, except for share data, and if otherwise stated)

39. Investments in subsidiaries:

Sr. No.	Subsidiary	Name of the Subsidiary	Principal place of business and country of incorporation	Proportion of ownership interest 31 March 2018	Proportion of ownership interest 31 March 2017	Proportion of ownership interest 01 April 2016	Method of accounting #
1	Subsidiary	Route Mobile (UK) Limited	UK	100%	100%	100%	Cost
2	Subsidiary	Sphere Edge Consulting India Private Limited	India	100%	100%	100%	Cost
3	Subsidiary	RouteSMS Solutions (FZE) Limited	UAE	100%	100%	100%	Cost
4	Subsidiary	RouteSMS Solutions Nigeria Limited	Nigeria	100%	100%	100%	Cost
5	Subsidiary	Cellent Technologies India Private Limited	India	100%	100%	-	Cost
6	Subsidiary	Start Corp India Private Limited	India	100%	100%	-	Cost
7	Subsidiary	Route Mobile Pte. Ltd. - Singapore	Singapore	100%	100%	-	Cost
8	Subsidiary	Call 2 Connect India Private Limited	India	100%	-	-	Cost

As on the date of transition, the Company has measured the investments at deemed cost i.e. previous GAAP carrying amounts

40. First time adoption of Ind AS

First Ind AS Financial statements

These are the Company's first separate financial statements prepared in accordance with Ind AS applicable as at 31 March 2018.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31 March 2018, the comparative information presented in these financial statements for the year ended 31 March 2017 and in the preparation of an opening Ind AS balance sheet at 1 April 2016 (the date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2014 and other relevant provisions of the Act (previous GAAP or Indian GAAP).

An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes:

A Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemption and mandatory exemption applied in the transition from Previous GAAP to Ind AS.

i) Optional exemptions availed

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 and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. 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 and intangible assets at their previous GAAP carrying value.

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2018
(₹ in lakhs, except for share data, and if otherwise stated)

Investment in subsidiaries

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its investment in subsidiaries as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

Accordingly, the Company has elected to measure all of its investment in subsidiaries at their previous GAAP carrying value.

Business Combination

Ind AS 101 provides the option to apply Ind AS 103, "Business combinations" prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combination prior to the transition date.

The Company has availed the business combination exemption on first time adoption of Ind AS and accordingly the business combinations prior to date of transition have not been restated as per the accounting prescribed under Ind AS 103 – Business combinations.
The Company applies the requirements of Ind AS 103 – Business combinations to business combinations occurring after the date of transition to Ind AS

ii) Mandatory exceptions applied

Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.
Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP except where Ind AS required a different basis for estimates as compared to the previous GAAP.

De-recognition of financial assets and liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.
The Company has applied the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.
The Company has classified its financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2018
(₹ in lakhs, except for share data, and if otherwise stated)

B First time adoption reconciliations

Reconciliation of equity from previous GAAP to Ind AS

Particulars	**Note**	**As at 31 March 2017**	**As at 01 April 2016**
Equity as per previous GAAP		8,044.03	2,903.64
GAAP adjustments:			
Impact of transaction cost incurred on account of business combination	B.1	(6.32)	-
Impact on account of prior period expenses	B.2	-	(61.90)
Impact of financial assets measured at amortised cost	B.3	(2.26)	(0.38)
Impact of straight lining of rent expenses	B.4	(15.98)	(7.83)
Impact on account of valuation of defined benefit obligations	B.5	3.44	4.24
Impact of deferred taxes on the above adjustments	B.7	4.34	22.66
Total - GAAP adjustments		**(16.78)**	**(43.21)**
Equity as per Ind AS		**8,027.25**	**2,860.43**

Reconciliation of total comprehensive income from previous GAAP to Ind AS

Particulars	**Note**	**Year ended 31 March 2017**
Net Profit for the year as per previous GAAP		5,140.39
GAAP adjustments:		
Impact of transaction cost incurred on account of business combination	B.1	(6.32)
Impact on account of prior period expenses	B.2	61.90
Impact of financial assets measured at amortised cost	B.3	(1.88)
Impact of straight lining of rent expenses	B.4	(8.15)
Impact on account of valuation of defined benefit obligations	B.5	(0.80)
Impact of reclassification of actuarial gains / losses on defined benefit obligations in other comprehensive income	B.6	(9.74)
Impact of deferred taxes on the above adjustments	B.7	(14.95)
Total - GAAP adjustments		**20.06**
Net profit after tax as per Ind AS		**5,160.45**
Impact of reclassification of actuarial gains / losses on defined benefit obligations in other comprehensive income	B.6	9.74
Impact of deferred taxes on the above adjustments	B.7	(3.37)
Other comprehensive income,net of tax		**6.37**
Total comprehensive income as per Ind AS		**5,166.82**

Impact of Ind AS adoption on the statement of cash flows for the year ended 31 March 2017 -

All the adjustments on account of Ind AS are non - cash in nature and hence, there is no material impact on the cash flows in the cash flow statement.

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2018
(₹ in lakhs, except for share data, and if otherwise stated)

Explanations to reconciliations

B.1 Impact of transaction cost incurred on account of business combination

Previous GAAP - The transaction cost incurred on acquisition of business is included as cost of Investments.

Ind AS - As per Ind AS 103, the acquirer shall account for acquisition-related costs as expenses in the period in which the costs are incurred and the services are received.
Consequent to the change, the impact of ₹ 6.32 lakhs was made in the Statement of profit and loss for the year ended 31 March 2017 and equity as at 31 March 2017.

B.2 Impact on account of prior period expenses

Previous GAAP - Prior period items are included in determination of net profit or loss of the year in which the error pertaining to a prior period is discovered and are separately disclosed in the statement of profit and loss.

Ind AS - Prior period errors are corrected retrospectively by restating the comparative amount for prior period presented in which the error occurred or if the error occurred before the earliest period presented by restating the opening reserves.

Consequent to the change, the impact on equity at the date of transition is ₹ 61.90 lakhs and consequential impact of ₹ 61.90 lakhs is given in statement of profit and loss for the year ended 31 March 2017.

B.3 Impact of financial assets measured at amortised cost

Previous GAAP - The interest free deposits given to lessor / vendor are recorded at their gross transaction value.

Ind AS - Deposits given are financial assets and are initially recognised at fair value.
The difference between the fair value and transaction value of the deposits has been recognised as prepaid rent / prepaid expenses and amortised over deposit period. Subsequently, the deposit will be measured at amortised cost resulting into recognition of finance expense and accrual of finance income in the statement of profit and loss.

Consequent to this change, impact of ₹ 0.38 lakhs was made on the transition date and subsequent impact of ₹ 1.88 lakhs was made in the statement of profit and loss for the year ended 31 March 2017 and cumulative impact of ₹ 2.26 lakhs on equity as at 31 March 2017.

B.4 Impact of straight lining of rent expenses

Previous GAAP - The rent expenses was recognised as per rate specified in the rent agreement.

Ind AS - Lease payments should be recognised as an expense in the Statement of profit and loss on a straight line basis over the lease term. However, if the escalation of operating lease is in line with the expected general inflation then lease expense should not be straight lined.

Consequent to the change, the impact of ₹ 7.83 lakhs was made on the transition date and subsequently impact of ₹ 8.15 lakhs was made in the statement of profit and loss for the year ended 31 March 2017 and cumulative impact of ₹ 15.98 lakhs on equity as at 31 March 2017.

B.5 Impact on account of valuation of defined benefit obligations

Previous GAAP - Employee benefit expenses on defined benefit obligations is recognised in statement of profit and loss as per AS - 15.

Ind AS - Employee benefit expenses on defined benefit obligations is recognised in statement of profit and loss as per projected unit credit method stated in Ind AS 19 and actuarial gain / (loss) on defined benefit obligation is pass through other comprehensive income.

Consequent to the change, the impact of ₹ 4.24 lakhs was made on the transition date and subsequently impact of ₹ 0.80 lakhs was made in the statement of profit and loss for the year ended 31 March 2017 and cumulative impact of ₹ 3.44 lakhs on equity as at 31 March 2017.

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2018
(₹ in lakhs, except for share data, and if otherwise stated)

B.6 Impact of recognising actuarial gains / losses on defined benefit obligations in other comprehensive income

Previous GAAP - Actuarial gains / losses on defined benefit obligations is recognised in statement of profit and loss.

Ind AS - Actuarial gains / losses on defined benefit obligations is recognised in other comprehensive income (OCI). Consequently, actuarial gains of ₹ 9.74 lakhs has been recognised in OCI.

B.7 Impact on account of deferred taxes

The impact of transition adjustments together with Ind AS mandate of using balance sheet approach (against profit and loss approach in the previous GAAP) for computation of deferred tax has impacted the reserves on date of transition, with consequential impacts to the statement of profit and loss for the subsequent years.

Consequent to the change, the impact of ₹ 22.66 lakhs was made on the transition date and subsequently impact of ₹ 14.95 lakhs was made in profit and loss for the year ended 31 March 2017, ₹ 3.37 lakhs in the other comprehensive income for the year ended 31 March 2017 and cumulative impact of ₹ 4.34 lakhs on equity as at 31 March 2017.

41. Related party disclosures as required under Indian Accounting Standard 24, "Related party disclosures" are given below:

a) Names of related parties and description of relationship:

Description of relationship	**Names of related parties**
(i) Subsidiaries	Sphere Edge Consulting India Private Limited
	RouteSMS Solutions (UK) Limited
	Routesms Solutions Nigeria Limited
	RouteSMS Solutions (FZE) Limited
	Route Mobile Pte. Ltd. - Singapore
	Cellent Technologies India Private Limited
	Start Corp India Private Limited
	Call2Connect India Private Limited (with effect from 1 April 2017)
(ii) Fellow subsidiaries	Defero Mobile Pte Limited (till 31 January 2018)
(with whom transactions have taken place)	Route Voice Limited
	Route Mobile Ghana Ltd
	Route Mobile LLC
	Route Mobile Inc
(iii) Key Management Personnel (KMP)	Rajdipkumar Gupta
(with whom transactions have taken place)	Sandipkumar Gupta
	Chandrakant Gupta
	Pratik Joshi, Chief Financial Officer (till 6 November 2017), Company Secretary (with effect from 7 November 2017)
	Suresh Jankar, Chief Financial Officer (with effect from 7 November 2017)
	Gaurav Jhunjhunwala, Company Secretary (till 6 November 2017)
	Pratheek Aggarwal (independent director till 22 November 2017)
	Bhavesh Jain (independent director till 22 November 2017)
	Sudha Navandar (independent director with effect from 22 November 2017)
	Ankit Paleja (independent director with effect from 22 November 2017)

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2018
(₹ in lakhs, except for share data, and if otherwise stated)

	Ramachandran Sivathanu (independent director with effect from 22 November 2017)
(iv) Entities in which KMP/relatives of KMP can exercise significant influence	Graphixide Services Private Limited
(with whom transactions have taken place)	29 Three Holidays Private Limited
	Spectrum Technologies
	Cobx Gaming Private Limited
	Chandrakant Gupta HUF
	Rajdipkumar Gupta HUF
	Sandipkumar Gupta HUF
(v) Relatives of KMP	Chamelidevi Gupta
	Sarika Gupta
	Sunita Gupta
	Tanvi Gupta

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2018
(₹ in lakhs, except for share data, and if otherwise stated)

Particulars	Subsidiaries/Fellow subsidiary		Key Management Personnel (KMP)		Entities in which KMP/relatives of KMP exercise significant influence		Relatives of KMP	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Purchase of messaging services								
Sphere Edge Consulting India Private Limited	1,065.22	5,826.47	-	-	-	-	-	-
Spectrum Technologies	-	-	-	-	992.31	1,018.01	-	-
RouteSMS Solutions (UK) Limited	2,982.93	-	-	-	-	-	-	-
RouteSMS Solutions (FZE) Limited	984.62	-	-	-	-	-	-	-
Routesms Solutions Nigeria Limited	77.80	-	-	-	-	-	-	-
Route Mobile LLC	16.79	-	-	-	-	-	-	-
Route Mobile Ghana Ltd	4.95	-	-	-	-	-	-	-
Route Mobile Inc	28.53	-	-	-	-	-	-	-
Sale of messaging services								
Start Corp India Private Limited	282.55	190.96	-	-	-	-	-	-
Cellent Technologies India Private Limited	-	0.38	-	-	-	-	-	-
RouteSMS Solutions (FZE) Limited	270.18	-	-	-	-	-	-	-
RouteSMS Solutions (UK) Limited	127.74	-	-	-	-	-	-	-
Route Mobile LLC	11.78	-	-	-	-	-	-	-
Travelling and conveyance expense								
29 Three Holidays Private Limited	-	-	-	-	193.40	132.61	-	-
Business promotion								
Graphixide Services Private Limited	-	-	-	-	-	6.29	-	-
Technical and support services								
RouteSMS Solutions (UK) Limited	522.97	239.91	-	-	-	-	-	-

(₹ in lakhs, except for share data, and if otherwise stated)

Particulars	Subsidiaries/Fellow subsidiary		Key Management Personnel (KMP)		Entities in which KMP/relatives of KMP exercise significant influence		Relatives of KMP	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Routesms Solutions Nigeria Limited	204.25	137.99	-	-	-	-	-	-
RouteSMS Solutions (FZE) Limited	1,482.42	736.27	-	-	-	-	-	-
Route Voice Limited	66.57	67.05	-	-	-	-	-	-
Route Mobile Pte. Ltd. - Singapore	16.38	-	-	-	-	-	-	-
Defero Mobile Pte Limited	-	18.08	-	-	-	-	-	-
Trade receivable written off								
Defero Mobile Pte Limited	18.08	-	-	-	-	-	-	-
Expenses reimbursed by other company								
RouteSMS Solutions (UK) Limited	6.80	0.62	-	-	-	-	-	-
RouteSMS Solutions (FZE) Limited	12.38	2.44	-	-	-	-	-	-
Cellent Technologies India Private Limited	3.70	1.10	-	-	-	-	-	-
Graphixide Services Private Limited	-	-	-	-	-	0.71		-
Start Corp India Private Limited	-	0.96	-	-	-	-	-	-
Call 2 Connect India Private Limited	0.10	-	-	-	-	-	-	-
Expenses reimbursed								
RouteSMS Solutions (FZE) Limited	-	7.04	-	-	-	-	-	-
Call 2 Connect India Private Limited	0.82	-	-	-	-	-	-	-
Cellent Technologies India Private Limited	1.34	-	-	-	-	-	-	-
Graphixide Services Private Limited	-	-	-	-	0.28			
Route Voice Limited	0.58	-	-	-	-	-	-	-
Sandipkumar Gupta	-	-	3.00	-	-	-	-	-

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2018
(₹ in lakhs, except for share data, and if otherwise stated)

Particulars	Subsidiaries/Fellow subsidiary		Key Management Personnel (KMP)		Entities in which KMP/relatives of KMP exercise significant influence		Relatives of KMP	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Rental income								
29 Three Holidays Private Limited	-	-	-	-	1.20	0.35	-	-
Cellent Technologies India Private Limited	1.20	0.35	-	-	-	-	-	-
Start Corp India Private Limited	1.20	0.35	-	-	-	-	-	-
Call 2 Connect India Private Limited	16.84	-	-	-	-	-	-	-
Rental expense								
Cobx Gaming Private Limited	-	-	-	-	21.60	-	-	-
Investment in Subsidiaries								
RouteSMS Solutions (FZE) Limited	-	6.86	-	-	-	-	-	-
Cellent Technologies India Private Limited	-	1,127.40	-	-	-	-	-	-
Start Corp India Private Limited	-	200.00	-	-	-	-	-	-
Route Mobile Pte. Ltd. - Singapore	-	12.38	-	-	-	-	-	-
Call 2 Connect India Private Limited	993.33	-	-	-	-	-	-	-
Advance given								
Rajdipkumar Gupta	-	-	10.33	140.17	-	-	-	-
Sandipkumar Gupta	-	-	-	120.16	-	-	-	-
Advance repaid								
Rajdipkumar Gupta	-	-	10.33	-	-	-	-	-
Refund of advance towards purchase of flat								
Rajdipkumar Gupta	-	-	140.17	-	-	-	-	-

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2018
(₹ in lakhs, except for share data, and if otherwise stated)

Particulars	Subsidiaries/Fellow subsidiary		Key Management Personnel (KMP)		Entities in which KMP/relatives of KMP exercise significant influence		Relatives of KMP	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Sandipkumar Gupta	-	-	120.16	-	-	-	-	-
Loans given								
Call 2 Connect India Private Limited	2,062.31	-	-	-	-	-	-	-
RouteSMS Solutions (UK) Limited	1,560.53	-	-	-	-	-	-	-
Advances given								
Sphere Edge Consulting India Private Limited	-	20.58	-	-	-	-	-	-
Amount received on behalf of others								
Route Mobile Ghana Ltd	13.26	-	-	-	-	-	-	-
Interest income on Loan								
RouteSMS Solutions (UK) Limited	14.50	-	-	-	-	-	-	-
Call 2 Connect India Private Limited	83.70	-	-	-	-	-	-	-
Loan repaid								
Call 2 Connect India Private Limited	1,077.04	-	-	-	-	-	-	-
Remuneration to Directors*								
Rajdipkumar Gupta	-	-	92.00	146.00	-	-	-	-
Sandipkumar Gupta	-	-	-	146.00	-	-	-	-
Remuneration to KMP*								
Pratik Joshi	-	-	6.77	5.75	-	-	-	-

* Gratituity lialibility and compensated absences are determined for the company as a whole. Therefore, the same cannot be dicslosed for the key managerial personnel separately.

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2018
(₹ in lakhs, except for share data, and if otherwise stated)

Particulars	Subsidiaries/Fellow subsidiary		Key Management Personnel (KMP)		Entities in which KMP/relatives of KMP exercise significant influence		Relatives of KMP	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Gaurav Jhunjhunwala	-	-	3.63	5.50	-	-	-	-
Chandrakant Gupta	-	-	4.50	4.50	-	-	-	-
Suresh Jankar	-	-	16.01	-	-	-	-	-
Directors Sitting fees								
Chamelidevi Gupta	-	-	-	-	-	-	0.50	0.60
Sandipkumar Gupta	-	-	1.65	-	-	-	-	-
Chandrakant Gupta	-	-	0.75	-	-	-	-	-
Pratheek Aggarwal	-	-	-	-	-	-	0.65	0.60
Bhavesh Jain	-	-	-	-	-	-	0.65	0.60
Sudha Navandar	-	-	-	-	-	-	1.00	-
Ankit Paleja	-	-	-	-	-	-	0.75	-
Ramachandran Sivathanu	-	-	-	-	-	-	1.25	-
Loans taken from related parties								
Rajdipkumar Gupta	-	-	321.00	-	-	-	-	-
Chandrakant Gupta	-	-	75.00	-	-	-	-	-
Sandipkumar Gupta	-	-	94.00	-	-	-	-	-
Chamelidevi Gupta	-	-	-	-	-	-	75.00	-
Sarika Gupta	-	-	-	-	-	-	67.50	-
Sunita Gupta	-	-	-	-	-	-	42.50	-

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2018
(₹ in lakhs, except for share data, and if otherwise stated)

Particulars	Subsidiaries/Fellow subsidiary		Key Management Personnel (KMP)		Entities in which KMP/relatives of KMP exercise significant influence		Relatives of KMP	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Loans repaid to related parties								
Rajdipkumar Gupta	-	-	272.24	-	-	-	-	-
Chandrakant Gupta	-	-	75.00	-	-	-	-	-
Sandipkumar Gupta	-	-	50.00	-	-	-	-	-
Chamelidevi Gupta	-	-	-	-	-	-	75.00	-
Sarika Gupta	-	-	-	-	-	-	67.50	-
Sunita Gupta	-	-	-	-	-	-	42.50	-
Provision for doubtful debts								
Graphixide Services Private Limited	-	-	-	-	26.72	-	-	-
Server expenses								
RouteSMS Solutions (UK) Limited	5.23	-	-	-	-	-	-	-
RouteSMS Solutions (FZE) Limited	8.10	-	-	-	-	-	-	-
Issue of bonus shares								
Sandipkumar Gupta	-	-	-	900.00	-	-	-	-
Rajdipkumar Gupta	-	-	-	900.00	-	-	-	-
Chandrakant Gupta	-	-	-	300.00	-	-	-	-
Chamelidevi Gupta	-	-	-	-	-	-	-	300.00
Sunita Gupta	-	-	-	-	-	-	-	270.00
Sarika Gupta	-	-	-	-	-	-	-	270.00
Chandrakant Gupta HUF	-	-	-	-	-	22.50	-	-
Rajdipkumar Gupta HUF	-	-	-	-	-	18.75	-	-
Sandipkumar Gupta HUF	-	-	-	-	-	18.75	-	-

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2018
(₹ in lakhs, except for share data, and if otherwise stated)

Particulars	Subsidiaries/Fellow subsidiary		Key Management Personnel (KMP)		Entities in which KMP/relatives of KMP exercise significant influence		Relatives of KMP	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Dividend received								
RouteSMS Solutions (FZE) Limited	-	3,554.03	-	-	-	-	-	-
Dividend Paid								
Sandipkumar Gupta	-	-	225.00	-	-	-	-	-
Rajdipkumar Gupta	-	-	225.00	-	-	-	-	-
Chandrakant Gupta	-	-	75.00	-	-	-	-	-
Chamelidevi Gupta	-	-	-	-	-	-	75.00	-
Sunita Gupta	-	-	-	-	-	-	67.50	-
Sarika Gupta	-	-	-	-	-	-	67.50	-
Chandrakant Gupta HUF	-	-	-	-	5.64	-	-	-
Rajdipkumar Gupta HUF	-	-	-	-	4.68	-	-	-
Sandipkumar Gupta HUF	-	-	-	-	4.68	-	-	-
Salaries, wages and bonus								
Sarika Gupta	-	-	-	-	-	-	-	4.00
Sunita Gupta	-	-	-	-	-	-	-	4.00
Tanvi Gupta	-	-	-	-	-	-	-	4.00

(₹ in lakhs, except for share data, and if otherwise stated)

Particulars	Subsidiaries/Fellow subsidiary			Key Management Personnel (KMP)			Entities in which KMP/ relatives of KMP exercise significant influence			Relatives of KMP		
	31 March 2018	31 March 2017	1 April 2016	31 March 2018	31 March 2017	1 April 2016	31 March 2018	31 March 2017	1 April 2016	31 March 2018	31 March 2017	1 April 2016
b) Balances outstanding at the end of the year												
Amount receivable												
RouteSMS Solutions (UK) Limited	523.57	240.53	92.78	-	-	-	-	-	-	-	-	-
Routesms Solutions Nigeria Limited	286.09	195.42	56.32	-	-	-	-	-	-	-	-	-
Route Voice Limited	165.62	98.46	31.41	-	-	-	-	-	-	-	-	-
Defero Mobile Pte Limited	-	18.08	-	-	-	-	-	-	-	-	-	-
RouteSMS Solutions (FZE) Limited	547.22	8.50	-	-	-	-	-	-	-	-	-	-
29 Three Holidays Private Limited	-	-	-	-	-	-	2.19	0.36	0.45	-	-	-
Route Mobile Pte. Ltd. - Singapore	16.38	-	-	-	-	-	-	-	-	-	-	-
Call 2 Connect India Private Limited	13.17	-	-	-	-	-	-	-	-	-	-	-
Start Corp India Private Limited	0.36	32.46	-	-	-	-	-	-	-	-	-	-
Cellent Technologies India Private Limited	0.35	0.69	-	-	-	-	-	-	-	-	-	-
Spectrum Technologies	-	-	-	-	-	-	-	-	15.26	-	-	-
Sphere Edge Consulting India Private Limited	-	-	0.37	-	-	-	-	-	-	-	-	-
Amount payable												
29 Three Holidays Private Limited	-	-	-	-	-	-	-	13.91	-	-	-	-
Sphere Edge Consulting India Private Limited	651.05	-	-	-	-	-	-	-	-	-	-	-
Spectrum Technologies	-	-	-	-	-	-	22.34	-	-	-	-	-
RouteSMS Solutions (FZE) Limited	323.85	-	233.88	-	-	-	-	-	-	-	-	-
Routesms Solutions Nigeria Limited	77.61	-	-	-	-	-	-	-	-	-	-	-
RouteSMS Solutions (UK) Limited	2,016.30	-	-	-	-	-	-	-	-	-	-	-
Route Mobile LLC	4.95	-	-	-	-	-	-	-	-	-	-	-
Route Mobile Ghana Ltd	18.21	-	-	-	-	-	-	-	-	-	-	-
Route Mobile INC	28.53	-	-	-	-	-	-	-	-	-	-	-

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2018
(₹ in lakhs, except for share data, and if otherwise stated)

Particulars	Subsidiaries/Fellow subsidiary			Key Management Personnel (KMP)			Entities in which KMP/ relatives of KMP exercise significant influence			Relatives of KMP		
	31 March 2018	31 March 2017	1 April 2016	31 March 2018	31 March 2017	1 April 2016	31 March 2018	31 March 2017	1 April 2016	31 March 2018	31 March 2017	1 April 2016
Advance from customers												
Start Corp India Private Limited	17.77	-	-	-	-	-	-	-	-	-	-	-
Loan payable												
Rajdipkumar Gupta	-	-	-	48.76	-	-	-	-	-	-	-	-
Sandipkumar Gupta	-	-	-	44.00	-	-	-	-	-	-	-	-
Loan receivable												
Call 2 Connect India Private Limited	985.27	-	-	-	-	-	-	-	-	-	-	-
RouteSMS Solutions (UK) Limited	1,612.33	-	-	-	-	-	-	-	-	-	-	-
Interest receivable												
Call 2 Connect India Private Limited	75.33	-	-	-	-	-	-	-	-	-	-	-
RouteSMS Solutions (UK) Limited	14.62	-	-	-	-	-	-	-	-	-	-	-
Advances receivable												
Rajdipkumar Gupta	-	-	-	-	140.17	-	-	-	-	-	-	-
Sandipkumar Gupta	-	-	-	-	120.16	-	-	-	-	-	-	-
Sphere Edge Consulting India Private Limited	-	20.66	11.33	-	-	-	-	-	-	-	-	-
Graphixide Services Private Limited	-	-	-	-	-	-	-	26.72	29.42	-	-	-
Sitting fees payable												
Chamelidevi Gupta	-	-	-	-	-	-	-	-	-	-	0.36	0.28

Particulars	Subsidiaries/Fellow subsidiary			Key Management Personnel (KMP)			Entities in which KMP/ relatives of KMP exercise significant influence			Relatives of KMP		
	31 March 2018	31 March 2017	1 April 2016	31 March 2018	31 March 2017	1 April 2016	31 March 2018	31 March 2017	1 April 2016	31 March 2018	31 March 2017	1 April 2016
Amount Payable												
Rajdipkumar Gupta	-	-	-	-	-	29.83	-	-	-	-	-	-
Sandipkumar Gupta	-	-	-	-	-	29.83	-	-	-	-	-	-

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs vide cash/bank payment. There have been no guarantees received or provided for any related party receivables or payables. For the year ended 31 March 2018, Company has recorded any impairment of receivables/advances of ? 44.80 lakhs relating to amounts owed by related parties (31 March 2017: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2018
(₹ in lakhs, except for share data, and if otherwise stated)

42. There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31 March 2018. This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

43. Contingent liabilities and commitments

	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
A] Contingent liabilities			
Claims against the Company not acknowledged as debts			
(i) Service tax matter *	2,500.28	2,500.28	-
(ii) Guarantees given on behalf of the Company by banks	361.22	701.39	366.37
	2,861.50	**3,201.67**	**366.37**
B] Other commitment			
For payment of lease	221.43	443.63	1,061.31
For purchase of property	-	54.67	-
	221.43	**498.30**	**1,061.31**

*The above figure does not include amounts towards certain additional penalty and interest that may devolve on the Company in the event of an adverse outcome as the same is subjective and not capable of being presently quantified.

(i) Service tax matter

The Service tax department ("department") had issued a Show Cause cum Demand Notice (SCDN) to the Company vide letter F No. DGCEI/MZU/I&IS'C'/12(3)30/2016 dated April 2017, based on the understanding that the Company has not discharged the service tax liability under reverse charge on the purchases of messages from its foreign vendors and sold to their overseas customers, demand pertaining to the period October 2011 to March 2016, amounting to ₹ 2,500.28 lakhs excluding Interest and penalty. The said matter was under dispute with Commissioner.
The Commissioner of CGST, Mumbai has confirmed the demand vide his order dated 27 June 2018.
The Company is in process to file an appeal with Customs, Excise and Service Tax Appellate Tribunal, Mumbai (CESTAT) and paid an amount of □ 187.52 lakhs under protest.
Based on grounds outlined in an independent legal opinion, the Management believes that the outcome will be in the favour of the Company and accordingly no provision for liability has been recognised in the financial statements and the demand has been disclosed as contingent liability.

(ii) The Company has provided letter committing continuing financial support to its subsidiary: Route Mobile Pte. Ltd. - Singapore to meet its day to day obligation/commitment; to the extent this entity may be unable to meet its obligation.

44. Employee benefits

I. Contribution to Defined contribution plan, recognised as expenses for the year as under :

	Year ended 31 March 2018	Year ended 31 March 2017
Employer contribution to provident fund	4.69	2.88
Employer's Contribution to Employees State Insurance Scheme	6.80	2.44
	11.49	**5.32**

II. Defined Benefit Plans: -

The Company provides for gratuity benefit under a defined benefit retirement scheme (the "Gratuity Scheme") as laid out by the Payment of Gratuity Act, 1972 of India covering eligible employees. Liabilities with regard to the Gratuity Scheme are determined by actuarial valuation carried out using the Projected Unit Credit Method by an independent actuary in accordance with Indian Accounting Standard-19, 'Employee Benefits'. The Gratuity Scheme is a non-funded scheme and the Company intends to discharge this liability through its internal resources.

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2018
(₹ in lakhs, except for share data, and if otherwise stated)

The following table sets out the unfunded status of the Gratuity Scheme in respect of employees of the Company:

	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
(a) Change in present value of benefit obligation			
Projected Benefit Obligation ("PBO") at the beginning of the year	124.78	103.73	85.64
Current service cost	27.56	23.44	18.45
Past service cost	19.86	-	-
Interest cost	7.59	7.35	6.14
Remeasurements due to:			
- Effect of change in financial assumptions	(3.79)	4.56	0.55
- Effect of change in demographic assumptions	-	(0.55)	-
- Effect of experience adjustments	0.90	(13.75)	(7.05)
Benefits paid	(3.07)	-	-
Present value of obligation at the end of the year	**173.83**	**124.78**	**103.73**

	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
(b) Current / Non current benefit obligation			
Current	38.75	24.62	12.83
Non-current	135.08	100.16	90.90
Amount recognised in the Balance sheet	**173.83**	**124.78**	**103.73**

	Year ended 31 March 2018	Year ended 31 March 2017
(c) Amount recognised in the Statement of Profit and Loss		
Current service cost	27.56	23.44
Interest cost	7.59	7.35
Past service cost	19.86	-
Total expense included in "Employee benefits expense"	**55.01**	**30.79**
(d) Amount recognised in Other Comprehensive Income (OCI)		
Remeasurements due to:		
- Effect of change in financial assumptions	(3.79)	4.56
- Effect of change in demographic assumptions	-	(0.55)
- Effect of experience adjustments	0.90	(13.75)
Actuarial (gain)/ loss recognised in Other comprehensive income	**(2.89)**	**(9.74)**

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2018
(₹ in lakhs, except for share data, and if otherwise stated)

(e) Assumptions

	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Discount rate	7.25%	6.75%	7.55%
Salary escalation rate	10.00%	10.00%	12% for first three years and 8% thereafter
Withdrawal Rate	20.00%	20.00%	15.00%
Mortality Table	Indian assured lives mortality (2006-08) ultimate	Indian assured lives mortality (2006-08) ultimate	Indian assured lives mortality (2006-08) ultimate

(f) Sensitivity Analysis:

Defined benefit obligation	173.83	124.78	103.73

	31 March 2018		31 March 2017	
	Decrease	Increase	Decrease	Increase
Discount rate	177.61	170.19	127.49	122.15
Impact of increase/decrease in 50 bps on DBO	2.18%	-2.10%	2.18%	-2.11%
Salary growth rate	171.00	176.64	122.83	126.80
Impact of increase/decrease in 50 bps on DBO	-1.63%	1.62%	-1.57%	1.62%

Expected cash flow :

31 March 2018		31 March 2017	
Year	Amount	Year	Amount
1	38.74	1	19.32
2	25.36	2	21.19
3	23.40	3	16.58
4	21.95	4	15.56
5	20.99	5	14.59
6 to 10	68.11	6 to 10	48.56

III. Compensated absences

The Company provided for ₹ 13.61 lakhs (31 March 2017: ₹ 22.53 lakhs) towards compensated absences during the year ended 31 March 2018.

45. Leases

a. The Company has entered into Operating lease agreements for few office facilities and such leases are basically cancellable in nature.

Lease rent expense recognised in the Statement of profit and loss for the year ended 31 March 2018 in respect of operating leases is ₹ 287.73 lakhs (31 March 2017: ₹ 266.27 lakhs)

Certain non-cancellable operating leases extend upto a maximum of three years from their respective dates of inception. Some of such lease agreements have a price escalation clause. Maximum obligations on long term non-cancellable operating leases in accordance with the rent stated in the respective agreements are as under:

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2018
(₹ in lakhs, except for share data, and if otherwise stated)

Particulars	**As at 31 March 2018**	**As at 31 March 2017**	**As at 01 April 2016**
Not later than 1 year	214.97	226.75	205.68
Later than 1 year but not later than 5 years	6.46	216.88	855.63
Later than 5 years	-	-	
Total	**221.43**	**443.63**	**1,061.31**

b. The Company has taken computers and computer servers on finance lease. The future lease rent payable on such assets taken on finance lease are as follows:

Particulars	**As at 31 March 2018**	**As at 31 March 2017**	**As at 01 April 2016**
Minimum lease payments			
Not later than 1 year	114.67	114.67	-
Later than 1 year but not later than 5 years	172.01	286.68	-
Later than 5 years	-	-	-
Present value of minimum lease payments			
Not later than 1 year	97.43	90.24	-
Later than 1 year but not later than 5 years	159.74	258.34	-
Later than 5 years	-	-	-

46. Earnings per share

The amount considered in ascertaining the Company's earnings per share constitutes the net profit after tax. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also the weighted average number of shares which could have been issued on conversion of all dilutive potential shares.

Particulars	**Year ended 31 March 2018**	**Year ended 31 March 2017**
Net profit after tax attributable to equity shareholders	1,094.31	5,160.45
Weighted average number of shares outstanding during the year - Basic and diluted	5,00,00,000	5,00,00,000
Basic and diluted earnings per share (₹)	2.19	10.32
Nominal value per equity share (₹)	10.00	10.00

Diluted EPS is not impacted due to Route Mobile Limited - Employee Stock Option Plan 2017 as no Option was vested under this scheme.

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2018
(₹ in lakhs, except for share data, and if otherwise stated)

47. Contribution towards Corporate Social Responsibility (CSR)

	31 March 2018	31 March 2017
Details of CSR expenditure during the financial year: -		
Amount required to be spent as per section 135 of the Act	86.43	47.29
Amount spent during the year on,		
(i) Construction/acquisition of any assets	-	-
(ii) For purpose other (i) above	42.21	13.39

48. Employee Stock Option Plan (ESOP)

The Company has implemented Employee Stock Option Plans for the key employees of the Company and its subsidiaries through Route Mobile Employee Welfare Trust (the 'Trust') formed for the purpose. All the options issued by the Company are equity share based options which have to be settled in equity shares only. The shares to be allotted to employees under the Route Mobile Limited- Employee Stock Option Plan 2017 (the 'ESOP scheme'). The shareholders at its meeting held on 12 October 2017 approved grant of 2,500,000 employee share options to eligible employees under the ESOP scheme.

II. The position of the Employee Stock Option Scheme of the Company as at 31 March 2018 is as under:

Sr. No.	Particulars	ESOP Scheme
1	Details of approval	Resolution passed by Nomination and Remuneration committee resolution dated 05 October 2017 and the shareholders, in the Extra ordinary General Meeting held on 12 October 2017 had approved the grant of 2,500,000 employee stock options in accordance with the ESOP Scheme, equivalent to 5% of the issued and paid up share capital of the Company as at 31 March 2018.
2	Implemented through	Trust
3	Total number of stock options approved	25,00,000
4	Total number of stock options granted	14,52,500
5	Vesting schedule	Each 25% of granted options shall vest on 12 October 2018, 12 October 2019, 12 October 2020 and 12 October 2021 respectively.
6	Maximum term of Options granted (years)	4 years
7	Source of shares (Primary, Secondary or combination)	Primary
8	Exercise price per option	₹ 300/-
9	The exercise period and process of exercise	Exercise anytime within five year from date of vesting

II. Method used to account for ESOP

The Company has recorded compensation cost for all grants made to employees under the fair value based method of accounting. The fair value of each option granted is estimated on the date of grant using Discounted cash flow method. There was no material changes in the fair value of the option from the date of valuation to reporting date, hence there is no charge in the statement of profit and loss on account of ESOP.

III. Weighted average exercise price of Options granted during the year:

Exercise price equals fair market value	₹ 300
Exercise price is greater than fair market value	Nil
Exercise price is less than fair market value	Nil

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2018
(₹ in lakhs, except for share data, and if otherwise stated)

IV. Weighted average fair value of Options granted during the year:

Exercise price equals fair market value	₹ 300
Exercise price is greater than fair market value	Nil
Exercise price is less than fair market value	Nil

V. Employee-wise details of options granted during the financial year 2017-18:

(i) Employees who were granted, options amounting to 5% or more of the options granted during the year

Sr. No.	Name of Employees	Designation	Exercise Price per share (₹)	Number of Options granted during the year
1	Mr. Rahul Pandey	Chief Credit Officer	300.00	1,50,000

(ii) Identified employees who were granted options, equal to or exceeding 1% of the issued capital of the company at the time of grant

Sr. No.	Name of Employees	Designation	Exercise Price per share (₹)	Number of Options granted during the year
1	Nil	Nil	Nil	Nil

VI. The movement of stock options during the year ended 31 March 2018 are summarized below:

	Number of options
Outstanding at the beginning of the year	Nil
Options granted during the year	14,52,500
Options Forfeited / lapsed during the year	Nil
Options exercised during the year	Nil
Options expired during the year	Nil
Options outstanding at the end of the year	14,52,500
Options exercisable at the end of the year	Nil

VII. The exercise price and expected remaining contractual life (comprising the vesting period and exercise period) of options outstanding as at 31 March 2018 is as follows:

Sr. No.	Grant Date	Number of Option granted	Vesting Date	Exercise End Date	Exercise Price per share (₹)	Expected remaining contractual life (Months)
1	13 October 2017	3,63,125	12 October 2018	12 October 2023	300	66 months
2	13 October 2017	3,63,125	12 October 2019	12 October 2024	300	78 months
3	13 October 2017	3,63,125	12 October 2020	12 October 2025	300	90 months
4	13 October 2017	3,63,125	12 October 2021	12 October 2026	300	102 months

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2018
(₹ in lakhs, except for share data, and if otherwise stated)

VIII. Assumptions:

Sr. No.	Particulars	Particulars
1	Risk Free Interest Rate	6.70%
2	Expected Life (year)	4
3	Expected Volatility	56%
4	Market Risk Premium	8.82%
5	Cost of debt	11.00%
6	Terminal Growth Rate	4.00%
7	Cost of capital	11.06%

49. Segment reporting

In accordance with Indian Accounting Standard (Ind AS) 108 "Operating Segments", segment information has been given in the Consolidated financial statements of Route Mobile Limited, and therefore, no separate disclosure on segment information is given in these financial statements.

50. The Company has plans for Initial Public Offering (IPO) of its equity shares and has already filed the Draft Red Herring Prospectus (DRHP) with the Securities and Exchange Board of India (SEBI).

51. Events occurring after Balance sheet date

The Board of Directors at its meeting held on 15 September 2018 have recommended final dividend of ₹ 750 lakhs (₹ 1.5 per equity share). The dividend proposed is subject to the approval of the shareholders in the ensuing Annual General Meeting.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Khushroo B. Panthaky
Partner
Membership No.: 42423

Place : Mumbai
Date : 15 September 2018

For and on behalf of the Board of Directors

Chandrakant Gupta
Chairman and Director
(DIN No. 01636981)

Sandipkumar Gupta
Director
(DIN No. 01272932)

Rajdipkumar Gupta
Managing Director
(DIN No. 01272947)

Pratik Joshi
Company Secretary

Suresh Jankar
Chief Financial Officer

Place : Mumbai
Date : 15 September 2018

Consolidated Financial Statement

Independent Auditor's Report on Consolidated Financial Statements

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of Route Mobile Limited (Formerly known as 'Routesms Solutions Limited') (the "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as the "Group"), which comprise the Consolidated Balance Sheet as at 31 March 2018, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated 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 Consolidated Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (the "Act") that give a true and fair view of the consolidated state of affairs (consolidated financial position), consolidated profit or loss (consolidated financial performance including other comprehensive income), consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The Holding Company's Board of Directors and the respective Board of Directors/management of the subsidiaries included in the Group, are responsible for the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. Further, in terms of the provisions of the Act, the respective Board of Directors/management of the companies included in the Group, covered under the Act, are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

4. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether these consolidated financial statements are free from material misstatement.

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

7. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 10 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on these consolidated financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements/consolidated financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs (consolidated financial position) of the Group as at 31 March 2018, their consolidated profit (consolidated financial performance including other comprehensive income), their consolidated cash flows and consolidated changes in equity for the year ended on that date.

Emphasis of Matter

9. We draw attention to Note 48 (i) of the accompanying consolidated financial statements wherein it is stated that the Holding Company has received a demand notice for service tax liability under the provisions of the Finance Act, 1994 aggregating to ₹ 2,500.28 lakhs (excluding interest and penalty) for the period from October 2011 to March 2016. Based on the legal opinion obtained, the management is of the view that the outcome of the appeal being filed with relevant appellate authorities in respect of aforementioned disputed dues will be in the favour of the Holding Company, and accordingly, no provision for liability has been recognised in the accompanying consolidated financial statements. Our opinion is not modified in respect of this matter.

Other Matters

10. We did not audit the financial statements/ consolidated financial statements of seven subsidiaries, whose financial statements/ consolidated financial statements reflect total assets of ₹ 34,415.15 lakhs and net assets of ₹ 1,935.04 lakhs as at 31 March 2018, total revenues of ₹ 29,083.19 lakhs and net cash outflows amounting to ₹ 1,471.74 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements/ consolidated financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid s ubsidiaries is based solely on the reports of the other auditors.

Further, of these subsidiaries, three subsidiaries are located outside India whose financial statements/ consolidated financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements/ consolidated financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the reports of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

11. The comparative consolidated financial information for the transition date consolidated opening balance sheet as at 1 April 2016 prepared in accordance with Ind AS included in these consolidated financial statements, is based on the previously issued statutory financial statements for the year ended 31 March 2016 prepared in accordance with Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) which were audited by the predecessor auditor whose report dated 31 December 2016 expressed an unmodified opinion on those consolidated financial statements, and have been adjusted for the differences in the accounting principles adopted by the Group on transition to Ind AS, which have been audited by us. Further, the Company had prepared a separate set of consolidated financial statements for the year ended 31 March 2017 in accordance with Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules,

2014 (as amended) on which we issued auditor's report to the shareholders of the Company dated 5 September 2017. These consolidated financial statements have been adjusted for the differences in the accounting principles adopted by the Group on transition to Ind AS, which have also been audited by us. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

12. As required by Section 197(16) of the Act, based on our audit and on the consideration of the reports of the other auditors, referred to in paragraph 10, on separate financial statements of the subsidiaries, we report that the Holding Company and its subsidiary companies, covered under the Act, paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under Section 197 read with Schedule V to the Act.

13. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements/ consolidated financial statements and other financial information of the subsidiaries, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements;

    b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

    c) The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

    d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act;

    e) The matter described in paragraph 9 under the Emphasis of Matters paragraph, in case of an unfavourable decision against the Holding Company, in our opinion, may have an adverse effect on the functioning of the Holding Company;

    f) On the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiary companies covered under the Act, none of the directors of the Group companies covered under the Act, are disqualified as at 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act;

    g) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, and its subsidiary companies covered under the Act and the operating effectiveness of such controls, refer to our separate report in "Annexure A";

    h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements/ consolidated financial statements as also the other financial information of the subsidiaries:

        (i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group as detailed in Note 48 to the consolidated financial statements;

        (ii) The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

        (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies covered under the Act during the year ended 31 March 2018;

        (iv) The disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016 which are not relevant to these consolidated financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Khushroo B. Panthaky
Partner
Membership No.: 42423

Place: Mumbai

Date: 15 September 2018

Annexure A to the Independent Auditor's Report of even date to the members of Route Mobile Limited (Formerly known as 'Routesms Solutions Limited'), on the consolidated financial statements for the year ended 31 March 2018

Annexure A

Independent Auditor's Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")

1. In conjunction with our audit of the consolidated financial statements of Route Mobile Limited (Formerly known as 'Routesms Solutions Limited') (the "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as the "Group"), as at and for the year ended 31 March 2018, we have audited the internal financial controls over financial reporting ("IFCoFR") of the Holding Company and its four subsidiary companies, which are companies covered under the Act, as at that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding Company and its four subsidiary companies, which are companies covered under the Act, are 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 (the "Guidance Note") issued by the Institute of Chartered Accountants of India (the "ICAI"). 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 the Company's 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 Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the IFCoFR of the Holding Company and its four subsidiary companies, which are companies covered under the Act, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note issued by the ICAI. 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 IFCoFR were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR includes obtaining an understanding of IFCoFR, 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 financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the IFCoFR of the Holding Company and its four subsidiary companies, which are companies covered under the Act, as aforesaid.

Meaning of Internal Financial Controls over Financial Reporting

6. A company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's IFCoFR include 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.

Annexure A to the Independent Auditor's Report of even date to the members of Route Mobile Limited (Formerly known as 'Routesms Solutions Limited'), on the consolidated financial statements for the year ended 31 March 2018

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of IFCoFR, 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 IFCoFR to future periods are subject to the risk that the IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion and based on the consideration of the reports of the other auditors on IFCoFR of the four subsidiary companies, the Holding Company and its four subsidiary companies, which are companies covered under the Act, have in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at 31 March 2018, based on internal control over financial reporting criteria established by the Holding Company and its four subsidiary companies, which are companies covered under the Act, as aforesaid, 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.

Other Matter

9. We did not audit the IFCoFR in so far as it relates to four subsidiary companies, which are companies covered under the Act, whose financial statements reflect total assets of ₹ 3,002.48 lakhs and net assets of ₹ 656.87 lakhs as at 31 March 2018, total revenues of ₹ 3,640.92 lakhs and net cash outflows amounting to ₹ 1,428.77 lakhs for the year ended on that date, as considered in the consolidated financial statements. The IFCoFR in so far as it relates to such subsidiary companies have been audited by other auditors whose reports have been furnished to us by the management and our report on the adequacy and operating effectiveness of the IFCoFR for the Holding Company and its four subsidiary companies, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such four subsidiary companies is based solely on the reports of the auditors of such companies. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditors.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Khushroo B. Panthaky
Partner
Membership No.: 42423

Place: Mumbai
Date: 15 September 2018

Consolidated Financial Statement

Consolidated Balance Sheet

Consolidated Balance sheet as at 31 March 2018
(₹ in lakhs, except for share data, and if otherwise stated)

	Note	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Assets				
Non-current assets				
Property, plant and equipment	2	2,340.44	1,709.80	830.93
Capital work-in-progress		-	-	120.98
Goodwill	3	8,314.07	1,376.58	10.00
Other intangible assets	4	7,551.13	179.90	80.96
Financial assets				
Investment in associate accounted using equity method	5	-	4.31	4.68
Other non-current financial assets	6	427.11	423.15	2,639.96
Deferred tax assets (net)	7	209.28	106.01	47.05
Non-current tax assets (net)	8	577.76	498.74	63.84
Other non-current assets	9	951.50	803.34	228.47
		20,371.29	**5,101.83**	**4,026.87**
Current assets				
Financial assets				
Investments	10	-	0.37	-
Trade receivables	11	9,729.15	3,263.18	2,416.29
Cash and cash equivalents	12	2,351.46	8,079.80	14,178.78
Other bank balances	13	7,908.37	3,013.72	2,029.05
Loans	14	-	69.45	-
Other current financial assets	15	417.75	215.03	227.07
Other current assets	16	1,555.73	322.08	157.72
		21,962.46	**14,963.63**	**19,008.91**
Total assets		**42,333.75**	**20,065.46**	**23,035.78**
Equity and liabilities				
Equity				
Equity share capital	17	5,000.00	5,000.00	2,000.00
Other equity	18	12,093.83	7,692.99	5,088.97
Non-controlling interest		(65.91)	51.78	-
Total Equity		**17,027.92**	**12,744.77**	**7,088.97**

Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings	19	524.40	258.34	-
Provisions	20	142.19	101.61	90.90
Deferred tax liabilities (net)	21	4.66	7.44	0.49
Other non-current liabilities	22	40.09	15.98	7.83
		711.34	**383.37**	**99.22**
Current liabilities				
Financial liabilities				
Financial liabilities				
Borrowings	23	7,777.34	1,500.00	-
Trade payables	24	5,608.97	3,599.55	4,794.65
Other current financial liabilities	25	10,097.13	467.14	401.31
Provisions	26	76.44	66.72	12.83
Current tax liabilities (net)	27	379.13	132.42	119.11
Other current liabilities	28	655.48	1,171.49	10,519.69
		24,594.49	**6,937.32**	**15,847.59**
Total equity and liabilities		**42,333.75**	**20,065.46**	**23,035.78**
Significant accounting policies and other explanatory information	**1 to 55**			

This is the Consolidated Balance Sheet referred to in our report of even date

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Khushroo B. Panthaky
Partner
Membership No.: 42423

Place : Mumbai
Date : 15 September 2018

For and on behalf of the Board of Directors

Chandrakant Gupta
Chairman and Director
(DIN No. 01636981)

Sandipkumar Gupta
Director
(DIN No. 01272932)

Rajdipkumar Gupta
Managing Director
(DIN No. 01272947)

Pratik Joshi
Company Secretary

Suresh Jankar
Chief Financial Officer

Place : Mumbai
Date : 15 September 2018

Consolidated Financial Statement

Consolidated Statement of Profit and Loss

Consolidated Statement of Profit and Loss for the year ended 31 March 2018
(₹ in lakhs, except for share data, and if otherwise stated)

	Note	Year ended 31 March 2018	Year ended 31 March 2017
Revenue from operations	29	50,494.73	45,758.09
Other Income	30	453.79	725.11
Total Income		**50,948.52**	**46,483.20**
Expenses			
Purchases of messaging services and network and hardware services	31	34,074.66	32,534.61
Employee benefits expense	32	5,045.78	2,596.29
Finance costs	33	609.84	75.28
Depreciation and amortisation expense	34	1,245.48	541.45
Other expenses	35	4,227.16	2,586.73
Total expenses		**45,202.92**	**38,334.36**
Profit before tax		**5,745.60**	**8,148.84**
Tax expense	36		
Current tax		1,097.82	2,171.21
Deferred tax credit		(104.42)	(61.60)
		993.40	**2,109.61**
Profit for the year		**4,752.20**	**6,039.23**
Other comprehensive income	37		
(i) (a) Items that will not be reclassified to profit or loss		2.89	9.74
(b) Tax expense / (benefit) on items that will not be reclassified to profit or loss		(0.84)	(3.37)
(i) (a) Items that will be reclassified to profit or loss		278.90	(442.93)
(b) Tax expense / (benefit) on items that will be reclassified to profit or loss		-	-
Total other comprehensive income (net of tax)		**280.95**	**(436.56)**
Total comprehensive income for the year		**5,033.15**	**5,602.67**
Profit is attributable to:			
Owners		4,868.85	6,040.56
Non-controlling interest		(116.65)	(1.33)

Other comprehensive income is attributable to:			
Owners		281.99	(436.54)
Non-controlling interest		(1.04)	(0.02)
Total comprehensive income is attributable to:			
Owners		5,150.84	5,604.02
Non-controlling interest		(117.69)	(1.35)
Earnings per equity share:	52		
Basic and diluted (in ₹)		9.74	12.08
Face value per share (in ₹)		10.00	10.00
Significant accounting policies and other explanatory information	**1 to 55**		

This is the Consolidated Statement of Profit and Loss referred to in our report of even date

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Khushroo B. Panthaky
Partner
Membership No.: 42423

Place : Mumbai
Date : 15 September 2018

For and on behalf of the Board of Directors

Chandrakant Gupta
Chairman and Director
(DIN No. 01636981)

Sandipkumar Gupta
Director
(DIN No. 01272932)

Rajdipkumar Gupta
Managing Director
(DIN No. 01272947)

Pratik Joshi
Company Secretary

Suresh Jankar
Chief Financial Officer

Place : Mumbai
Date : 15 September 2018

Consolidated Financial Statement

Consolidated Statement of Changes in Equity

Consolidated Statement of Changes in Equity for the year ended 31 March 2018
(₹ in lakhs, except for share data, and if otherwise stated)

a.

Equity share capital	Note	Number of Shares	Amount
Balance as at 1 April 2016	17	2,00,00,000	2,000.00
Issue of bonus shares		3,00,00,000	3,000.00
Balance as at 31 March 2017		**5,00,00,000**	**5,000.00**
Issue of shares		-	-
Balance as at 31 March 2018		**5,00,00,000**	**5,000.00**

b. **Other equity**

Particulars	Attributable to owners				Non-controlling interest	Total
	Reserves and Surplus			Total other equity		
	Retained Earnings	Statutory Reserve	Foreign currency translation reserve			
Balance as at 1 April 2016	**5,088.97**	**-**	**-**	**5,088.97**	**-**	**5,088.97**
Profit for the year	6,040.56	-	-	6,040.56	(1.33)	6,039.23
Issue of shares to Non-controlling interest	-	-	-	-	53.13	53.13
Other comprehensive income for the year	6.37	-	(442.91)	(436.54)	(0.02)	(436.56)
Issue of bonus shares	(3,000.00)	-	-	(3,000.00)	-	(3,000.00)
Transfer to Statutory reserve	(0.34)	0.34	-	-	-	-
Balance as at 31 March 2017	**8,135.56**	**0.34**	**(442.91)**	**7,692.99**	**51.78**	**7,744.77**
Profit for the year	4,868.85	-	-	4,868.85	(116.65)	4,752.20
Other comprehensive income for the year	2.05	-	279.94	281.99	(1.04)	280.95
Dividend paid	(750.00)	-	-	(750.00)	-	(750.00)
Dividend distribution tax (refer note 18(a))	-	-	-	-	-	-
Balance as at 31 March 2018	**12,256.46**	**0.34**	**(162.97)**	**12,093.83**	**(65.91)**	**12,027.92**

Significant accounting policies and other explanatory information **1 to 55**

This is the Consolidated Statement of Changes in Equity referred to in our report of even date

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Khushroo B. Panthaky
Partner
Membership No.: 42423

Place : Mumbai
Date : 15 September 2018

For and on behalf of the Board of Directors

Chandrakant Gupta
Chairman and Director
(DIN No. 01636981)

Sandipkumar Gupta
Director
(DIN No. 01272932)

Rajdipkumar Gupta
Managing Director
(DIN No. 01272947)

Pratik Joshi
Company Secretary

Suresh Jankar
Chief Financial Officer

Place : Mumbai
Date : 15 September 2018

Consolidated Financial Statement

Statement of Consolidated Cash Flow

Consolidated Cash flow statement for the year ended 31 March 2018
(₹ in lakhs, except for share data, and if otherwise stated)

		Year ended 31 March 2018	Year ended 31 March 2017
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit before tax	**5,745.60**	**8,148.84**
	Adjustments for :		
	Financial asset measured at amortised cost	0.39	1.34
	Depreciation and amortisation expense	1,245.48	541.45
	Advances and trade receivable written off	228.64	228.44
	Interest income on fixed deposits	(311.28)	(337.67)
	Provision for doubtful debts and advances	43.43	11.33
	Interest on borrowings from bank	55.17	2.61
	Interest on finance lease obligation	20.43	9.04
	(Profit)/ loss on sale of property, plant and equipment	(3.00)	9.28
	Interest on delayed payment of income taxes	6.87	25.98
	Interest expenses on financial liability measured at amortised cost	479.04	-
	Other borrowings cost	24.16	1.05
	Unrealised foreign exchange loss	71.97	26.43
	Liabilities no longer payable, written back	(100.34)	(204.75)
	Others	-	8.15
	Operating profit before working capital changes	**7,506.56**	**8,471.52**
	Adjustments for working capital:		
	(Increase) in trade receivables	(4,890.30)	(895.91)
	(Increase) in financial assets and other assets	(1,700.11)	(276.19)
	Increase/(decrease) in trade payables, provisions and other liabilities	2,733.36	(10,661.32)
	Cash generated from operating activities	**3,649.51**	**(3,361.90)**
	Direct taxes paid (net)	(839.07)	(2,618.78)
	Net cash generated from/(used in) operating activities	**2,810.44**	**(5,980.68)**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Payment for purchase of property, plant and equipment	(594.84)	(1,433.92)
	Fixed deposits placed / (matured)	(4,612.22)	1,231.90
	Payment for acquisition of subsidiaries	(8,189.33)	(1,327.40)
	Proceeds from sale of property, plant and equipment	16.19	35.99
	Proceeds from sale of current investments	0.37	43.73
	Interest received	360.84	332.10
	Net cash (used in) investing activities	**(13,018.99)**	**(1,117.60)**

C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from non-current borrowings	396.03	-
	Repayment of non-current borrowings (including finance lease obligations)	(104.84)	(127.46)
	Issue of shares to non controlling interest	-	53.10
	Proceeds from current borrowings (net)	5,032.08	1,500.00
	Interest paid	(97.43)	(11.59)
	Final dividend paid	(750.00)	-
	Net cash generated from financing activities	**4,475.84**	**1,414.05**
D.	**CHANGES IN CURRENCY FLUCTUATIONS ARISING ON CONSOLIDATION**	(208.48)	(426.46)
	Net (decrease) in cash and cash equivalents (A+B+C+D)	**(5,941.19)**	**(6,110.69)**
	Opening balance of cash and cash equivalents	8,079.80	14,178.78
	Cash and cash equivalents taken over on acquisition (refer note 46)	44.24	11.71
	Closing balance of cash and cash equivalents	**2,182.85**	**8,079.80**

Cash and cash equivalents	2,351.46	8,079.80
Bank overdraft	(168.61)	-
Balances as per consolidated statement of cash flows	**2,182.85**	**8,079.80**

Note:

The Consolidated Cash Flow Statement has been prepared under Indirect Method as set out in Indian Accounting Standard (Ind AS)- 7, "Statement of Cash Flows".

Significant accounting policies and other explanatory information **1 to 55**

This is the Consolidated Cash Flow Statement referred to in our report of even date

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Khushroo B. Panthaky
Partner
Membership No.: 42423

Place : Mumbai
Date : 15 September 2018

For and on behalf of the Board of Directors

Chandrakant Gupta
Chairman and Director
(DIN No. 01636981)

Sandipkumar Gupta
Director
(DIN No. 01272932)

Rajdipkumar Gupta
Managing Director
(DIN No. 01272947)

Pratik Joshi
Company Secretary

Suresh Jankar
Chief Financial Officer

Place : Mumbai
Date : 15 September 2018

Consolidated Financial Statement

Notes to the Consolidated Financial Statements

Note 1:

(a) Corporate information

'Route Mobile Limited' (RML) (Formerly known as 'Routesms Solutions Limited'), (the "Company" or the "Holding Company"), subsidiaries (collectively referred to as the "Group") and it's associates are technology service providers for mobile communications industry with a focus on enterprise messaging except for Call 2 Connect India Private Limited which operates as a call centre. The Group is a cloud communication provider to enterprises, over-the-top players and mobile network operators except for Call 2 Connect India Private Limited which operates as a call centre.

The Company was incorporated on 14 May 2004 with the name Routesms Solutions Limited, which was changed to Route Mobile Limited with effect from 16 March 2016. The Company has its registered office in Mumbai.

The Consolidated financial statements (hereinafter referred to as "CFS") for the year ended 31 March 2018 were approved by Board of Directors and authorised for issue on 15 September 2018.

(b) Significant accounting policies and assumptions

(i) Statement of compliance

In accordance with the notification issued by the Ministry of corporate affairs, the Group has adopted Indian Accounting standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 w.e.f. 01 April 2017. Previous period figures have been restated to comply with Ind AS, in accordance with Ind AS 101, First time adoption of Indian Accounting Standards. The Group has presented reconciliation from the presentation of the consolidated financial statements under Accounting standards notified under the Companies (Accounting Standards) Rules, 2014 ("Previous GAAP") to Ind AS of shareholder's equity as at 31 March 2017 and 01 April 2016 and of the total comprehensive income for the year ended 31 March 2017.

(ii) Basis of preparation

The Group has prepared its consolidated financial statements to comply in all material respects with the provisions of the Companies Act, 2013 (the "Act") and rules framed thereunder. In accordance with the notification issued by the Ministry of Corporate Affairs, the Group has adopted Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 under Section 133 of the Act, with effect from 1 April 2017. Till 31 March 2017, the Group used to prepare its consolidated financial statements as per Companies (Accounting Standards) Rules, 2014 (Previous GAAP) read with rule 7 and other relevant provisions of the Act. There are the first Ind AS Financial Statements of the Company. The transition from Previous GAAP to Ind AS has been accounted for in accordance with Ind AS 101, "First Time Adoption of Indian Accounting Standards", with 1 April 2016 being the transition date and balance for the comparative period have been restated accordingly. As per Ind AS 101, the Company has presented a reconciliation of its transition from Previous GAAP to Ind AS of its total equity as at 1 April 2016 and 31 March 2017 and reconciliation of total comprehensive income and cash flow for the year ended 31 March 2017. Please refer note 42 for detailed information on the transition.

The consolidated financial statements have been prepared on a historical cost convention and accrual basis, except for the following assets and liabilities:

i) Certain financial assets and liabilities that are measured at fair value

ii) Defined benefit plans-plan assets measured at fair value

(iii) Critical estimates and judgements

The preparation of financial statements in conformity with Ind AS requires management to make estimates, assumptions and exercise judgement in applying the accounting policies that affect the reported amounts of a¬ssets, liabilities and disclosure of contingent liabilities at the date of financial statements and the reported amounts of income and expenses during the year.

The Management believes that these

estimates are prudent and reasonable and are based upon the Management's best knowledge of current events and actions. Actual results could differ from these estimates and differences between actual results and estimates are recognised in the periods in which the results are known or materialised.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

- **Impairment of investments**

  The Group reviews its carrying value of investments carried at amortised cost annually, or more frequently when there is an indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

- **Useful lives of property, plant and equipment and Intangible assets**

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

- **Valuation of deferred tax assets**

  The Group reviews the carrying amount of deferred tax assets at the end of each reporting period. The policy for the same has been explained in point (ix)

- **Defined benefit obligation**

  The cost of post-employment benefits is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases and mortality rates. Due to the long term nature of these plans, such estimates are subject to significant uncertainty. The assumptions used are disclosed in Note 45.

- **Fair value of financial instruments**

  The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. In applying the valuation techniques, management makes maximum use of market inputs and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date. For details of the key assumptions used and the impact of changes to these assumptions see Notes 39 and 40.

- **Impairment of financial assets**

  The impairment provisions for financial assets disclosed are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

- **Impairment of Goodwill**

  The Group estimates the value-in-use of the cash generating unit (CGU) based on the future cash flows after considering current economic conditions and trends, estimated future operating results and growth rate and anticipated future economic and regulatory conditions. The estimated cash flows are developed using internal forecasts. The discount rate used for the CGU's represent the weighted average cost of capital based on the historical market returns of comparable companies.

- **Share-based payments**

  Estimating fair value for share-based payments requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. The estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 51.

- **Contingencies:**

  Management has estimated the possible outflow of resources at the end of each annual reporting financial year, if any, in respect of contingencies/litigations against the Group as it is not possible to predict the outcome of pending matters with accuracy.

(iv) Principles of Consolidation and equity accounting

(a) Subsidiaries

The CFS incorporates the financial statements of Route Mobile Limited (RML) and entities controlled by RML and its subsidiaries.

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date by the control ceases.

The Group combines the financial statements of the parent and its subsidiaries, line by line by adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. The financial statements of the parent company and its subsidiaries have been consolidated using uniform accounting policies. When necessary, adjustments are made to the financial statements of the subsidiaries to bring their accounting policies in line with the Group's accounting policies. The financial statements of the subsidiary companies used in the consolidation are drawn upto the same reporting date as that of the parent i.e. year ended 31 March 2018.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

Refer note 44 for the list of subsidiaries considered in the CFS. Subsidiaries are consolidated from the date on which effective control is acquired and are excluded from the date that control ceases.

(b) Associate

Associate is an entity over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investment in associate is accounted for using the equity method of accounting, after initially being recognised at cost.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit and loss, and the Group's share of other comprehensive income of the investee in other comprehensive income. Dividend received or receivable from associates are recognised as reduction in the carrying amount of the investment.

When the Group's share of losses in an equity accounted investment equals or exceeds its interest in the entity, including any other unsecured long term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payment on behalf of the other entity.

Unrealised gains on transactions between the Group and its associate are eliminated to the extent of the Group's interest in the entity. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the assets transferred. Accounting policy of the equity accounted investee have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity accounted investment is tested for impairment.

(v) Revenue recognition

Revenue is measured at the fair value of consideration received or receivable. Revenue is recognised only when it can be reliably measured and it is probable that the economic benefits will flow to the Group. Amount disclosed as revenue are reported net of discounts and applicable taxes which are collected on behalf of the government.

(i) Revenue from messaging services – The Group recognises revenue based on the usage of message. The revenue is recognised when the Group's services are used based on the specific terms of the contract with customers.

Income from services is recognised when the service is rendered in terms of the agreements/ arrangements with parties, net of service tax or goods and service tax.

Amounts received or billed in advance for services to be performed in future are recorded as advances from customers / advance billing.

Liquidated damages and penalties are accounted as per the contract terms wherever there is a delayed delivery attributable to the Group and when there is a reasonable certainty with which the same can be estimated.

(ii) Profit on sale of investments is recorded on transfer of title from the Group and is determined as the difference between the sale price and carrying value of the investment.

(iii) Dividend are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be measured reliably.

(iv) Interest income for all debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

(vi) Leases

Finance lease

Leases are classified as finance leases when substantially all of the risks and rewards of ownership of the asset transfer from the Group to the lessee or from the lessor to the Group as the case may be.

Group as a lessee

Lease rentals are capitalised at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as finance lease obligations. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return.

Group as a lessor

Amounts due from lessees under finance leases are recorded as receivables based on Group's net investment in the lease. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

Operating lease

Leases where the lessor effectively retains substantially all risks and benefits incidental to ownership of the asset are classified as Operating lease.

Group as a lessee

Operating lease payments (net of any incentive received from the lessor) are recognised as an expense in the Statement of Profit and Loss on a straight line basis over the lease term unless the payments are structured to increase in line with general inflation to compensate for the lessor's expected inflationary costs.

Group as a lessor

Rental income from operating lease is recognised on a straight line basis over the lease term unless the same is in line with general inflation to compensate for the expected inflationary costs. Initial direct costs incurred in negotiating and arranging an operating lease is recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

(vii) Borrowing costs

Borrowing costs attributable to the acquisition and construction of qualifying assets are capitalised as part of the cost of such assets up to the date such assets are ready for their intended use. Other borrowing costs are charged to profit or loss. Borrowing cost is calculated using effective interest rate on the amortised cost of the instrument.

(viii) Foreign currency

The functional & presentation currency of the company is Indian rupee.

Transactions in foreign currency are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the Balance sheet date and exchange gains or losses arising on settlement and restatement are recognised in the Statement of Profit and Loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated at year end.

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(a) Assets and liabilities are translated at the closing rate on the balance sheet date

(b) Income and expenses are translated at the average exchange rate (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated based on rates prevailing at the date of transaction.

(c) All resulting exchange differences are recognised in other comprehensive income

When a foreign operation is sold, the associated exchange differences are reclassified to statement of profit and loss, as part of the gain or loss on sale.

Fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

(ix) Income taxes

Income tax expense comprises Current tax expenses and net change in the deferred tax assets or liabilities during the year. Current and deferred taxes are recognised in the Statement of profit and loss, except when they relate to item that are recognised in Other comprehensive income or directly in Equity, in which case, the current and deferred tax are also recognised in Other comprehensive income or directly in Equity respectively.

Current Income taxes

The current income tax includes income taxes payable by the Group computed in accordance with the tax laws applicable in the jurisdiction in which the parent company and its subsidiaries, associate operates and generate taxable income. Advance taxes and provision for current income tax are presented in the Balance sheet after offsetting the advance tax paid and income tax provision arising in the same jurisdiction and where the relevant tax paying units intend to settle the asset and liability on a net basis.

Deferred income taxes

Deferred income tax is recognised using Balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of recognition.

Deferred tax assets are recognised to the extent future taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets are reviewed at each reporting date and reduced to the extent it is no longer probable that sufficient taxable profit will be available to allow deferred income tax assets to be utilised. At each reporting date, the Group re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent it has become reasonably certain, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investment in subsidiaries and associate where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India which is likely to give future economic benefits in the form of availability of setoff against future income tax liability. Accordingly, MAT is recognised as deferred tax assets in the Balance sheet when the assets can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

(x) Financial instruments

Financial assets and liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial assets or financial liability.

(I) Financial assets

Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Group reclassifies debt investments when and only when its business model for managing those assets change.

Initial measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Subsequent measurement of debt instruments

Subsequent measurement of debt instruments depend on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- <u>Amortised cost:</u> Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

- Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method.

- Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

De-recognition of financial assets

A financial asset is de-recognised only when

- The Group has transferred the rights to receive cash flows from the financial asset or

- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Cash and cash equivalents

Cash and cash equivalents for the purpose of the cash flow statement comprise of the cash on hand and at bank and current investments with an original maturity of three months or less. Cash and cash equivalents consists of balances with banks which are unrestricted for withdrawal and usage.

For the purpose of the 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.

(II) Financial liabilities

Borrowings and other financial liabilities are initially recognised at fair value (net of transaction costs incurred). Difference between the fair value and the transaction proceeds on initial recognition is recognised as an asset / liability based on the underlying reason for the difference.

Subsequently, all financial liabilities are measured at amortised cost using the effective interest rate method

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss. The gain / loss is recognised in other equity in case of transactions with shareholders.

(xi) Property plant and equipment (including Capital Work-in-Progress)

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes inward freight, adjustment for GST credit, taxes and expenses incidental to acquisition and installation, up to the point the asset is ready for its intended use.

Assets acquired but not ready for use or assets under construction are classified under Capital work in progress.

(xii) Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

(xiii) Depreciation/Amortisation

Depreciation on Property, plant and equipment is provided to the extent of depreciable amount on written down value (WDV) method over the useful lives of assets as determined by the management which is in line with Part-C of Schedule II of the Companies Act, 2013 with residual value of 5%, except servers and network (part of Computers).

Servers and networks are depreciated over a period of five years, based on internal assessment and technical evaluation carried out by the management, and which represents the period over which they expect to use these assets.

Leasehold improvements are amortised over the period of lease or their estimated useful life, whichever is earlier, on a straight-line basis.

Depreciation on assets acquired under finance lease is spread over the lease period or useful life, whichever is shorter on a straight line basis.

Intangible assets are amortized on a straight line basis.

Following table summarises the nature of intangibles and their estimated useful lives :-

Nature of Intangibles	Useful lives
Computer software	5 years
Trade mark	5 years
License	5 years
Software	4 years
Customer relationship	10 years
Non-compete fees	7 years

Depreciation is calculated pro-rata from/to the date of addition/deletion.

(xiv) Impairment of assets

Non-financial assets

The carrying amount of the non-financial assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal /external factors. An impairment loss is recognised whenever the carrying amount of an asset or a cash generating unit exceeds its recoverable amount. The recoverable amount of the assets (or where applicable, that of the cash generating unit to which the asset belongs) is estimated as the higher of its net selling price and its value in use. Impairment loss is recognised in the statement of profit and loss.

After impairment, depreciation / amortisation is provided on the revised carrying amount of the asset over its remaining useful life.

A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation / amortisation if there was no impairment.

Financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the Group applies the simplified approach permitted by Ind AS 109, Financial Instruments, which requires expected lifetime losses to be recognised on initial recognition of the receivables.

(xv) Employee Benefits

All short term employee benefits are accounted on undiscounted basis during the accounting period based on services rendered by employees and recognised as expenses in the Statement of Profit and Loss.

The Group's contribution to Provident Fund and Employees State Insurance Scheme is determined based on a fixed percentage of the eligible employees' salary and charged to the Statement of Profit and Loss on accrual basis. The Group has categorised its Provident Fund and the Employees State Insurance Scheme as a defined contribution plan since it has no further obligations beyond these contributions.

The Group's liability towards gratuity, being defined benefit plan is accounted for on the basis of an independent actuarial valuation using the projected unit credit method, done at the year end. Gratuity liability is not funded and the payments are made to the employees directly when they leave the organisation post completion of 5 years of service or at the time of retirement (with minimum 5 years of service), whichever is earlier.

Service cost and the net interest cost is included in employee benefit expense in the consolidated statement of profit and loss. Actuarial gains and losses arising on the measurement of defined benefit obligation is credited/ charged to other comprehensive income.

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

(xvi) Provisions, contingent liabilities and contingent assets

A provision is recognised when the Group has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on management estimate of the amount required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent assets are not recognised in the financial statements. However, its is disclosed only when an inflow of economic benefits is probable.

(xvii) Earnings per share

Basic earnings per share are computed by dividing net profit after tax (excluding other comprehensive income) by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing net profit after tax (excluding other comprehensive income) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share.

(xviii) Business combinations

Business combinations are accounted for using the acquisition method as per Ind AS 103, Business combinations. The cost of an acquisition is measured at the fair value of the assets transferred, equity instruments issued and liabilities incurred / assumed at the date of acquisition, which is the date on which control is transferred to the Group. The cost of acquisition also includes the fair value of any contingent consideration. Identified assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition.

The Group recognises any non-controlling interest in the acquired entity on an acquisition by acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Purchase consideration paid in excess of the fair value of net identifiable assets acquired is recognised as goodwill. Where the fair value of identifiable assets and liabilities exceed the cost of acquisition, after reassessing the fair values of the net assets and contingent liabilities, the excess is recognised as capital reserve.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or financial liability. Amount classified as financial liability are subsequently remeasured at fair value with changes in fair value recognised in profit or loss.

Acquisition related costs incurred in connection with a business combination such as stamp duty, legal fees, due diligence fees and other professional and consulting fees are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss / other comprehensive income.

(xix) Share based payments

Share-based compensation benefits are provided to employees via the "ROUTE MOBILE LIMITED" Employee Stock Option Plan 2017 (the 'ESOP scheme'). The fair value of options granted under the Employee Stock Option Plan 2017 is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (e.g., the entity's share price)

- excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period), and

- including the impact of any non-vesting conditions (e.g. the requirement for employees to serve or hold shares for a specific period of time).

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

(xx) Standard issued but not yet effective

Recent accounting pronouncements

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs(""MCA"") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The amendment will come into force from 1 April 2018. The Company is evaluating the requirement of the amendment and the impact on the financial statements. The effect on adoption of Ind AS 21 is expected to be insignificant."

Ind AS 115

On 28 March 2018, the Ministry of Corporate Affairs (MCA), in consultation with the National Advisory Committee on Accounting Standards, has issued Companies (Indian Accounting Standards) Amendment Rules, 2018 to amend the Companies (Indian Accounting Standards) Rules, 2015. This results in introduction of Ind AS 115, Revenue from Contracts with customers, that comprehensively revamps the revenue recognition guidance. Consequently, Ind AS 18 and Ind AS 11 have been withdrawn, and other standards are suitably modified. The amendment is applicable to the Group from 01 April 2018. The Group is currently assessing the potential impact of this amendment.

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2018
(₹ in lakhs, except for share data, and if otherwise stated)

2. Property, plant and equipment

Particulars	Building	Furniture and fixtures	Leasehold improvements	Vehicles	Office equipment	Computers#	Total
Gross block							
As at 01 April 2016	**331.00**	**117.27**	**-**	**210.61**	**51.12**	**997.74**	**1,707.74**
Additions	-	289.78	238.00	140.35	19.40	727.54	**1,415.07**
Acquired on acquisition of subsidiaries (refer note 46)	-	-	-	-	0.08	3.03	**3.11**
Disposals	-	(76.57)	-	(38.52)	(28.76)	(2.89)	**(146.74)**
Foreign currency translations adjustment	-	(0.23)	-	-	(0.05)	1.60	**1.32**
Balance as at 31 March 2017	**331.00**	**330.25**	**238.00**	**312.44**	**41.79**	**1,727.02**	**2,980.50**
Additions	697.23	49.47	-	6.50	29.17	242.52	**1,024.89**
Acquired on acquisition of subsidiaries (refer note 46)	-	98.69	-	-	43.75	124.49	**266.93**
Disposals	-	(14.33)	-	-	-	-	**(14.33)**
Foreign currency translations adjustment	1.97	2.53	-	-	0.51	(12.97)	**(7.96)**
Balance as at 31 March 2018	**1,030.20**	**466.61**	**238.00**	**318.94**	**115.22**	**2,081.06**	**4,250.03**
Accumulated depreciation and amortisation							
Balance as at 01 April 2016	**111.59**	**77.86**	**-**	**115.31**	**37.15**	**534.90**	**876.81**
Depreciation and amortisation charge	10.16	67.67	41.03	61.10	8.91	299.51	**488.38**
Reversal on disposal of assets	-	(48.22)	-	(30.62)	(21.23)	(1.41)	**(101.48)**
Foreign currency translations adjustment	-	(0.05)	-	-	(0.01)	7.05	**6.99**
Balance as at 31 March 2017	**121.75**	**97.26**	**41.03**	**145.79**	**24.82**	**840.05**	**1,270.70**
Depreciation and amortisation charge	27.31	74.86	49.24	53.67	26.23	411.96	**643.27**
Reversal on disposal of assets	-	(1.14)	-	-	-	-	**(1.14)**
Foreign currency translations adjustment	0.05	0.24	-	-	0.07	(3.60)	**(3.24)**
Balance as at 31 March 2018	**149.11**	**171.22**	**90.27**	**199.46**	**51.12**	**1,248.41**	**1,909.59**

Net block							
Balance as at 1 April 2016	**219.41**	**39.41**	**-**	**95.30**	**13.97**	**462.84**	**830.93**
Balance as at 31 March 2017	**209.25**	**232.99**	**196.97**	**166.65**	**16.97**	**886.97**	**1,709.80**
Balance as at 31 March 2018	**881.09**	**295.39**	**147.73**	**119.48**	**64.10**	**832.65**	**2,340.44**

includes gross value of assets taken on finance lease aggregating to ₹ 377.24 lakhs as at 31 March 2018 (31 March 2017: ₹ 377.24 lakhs, 1 April 2016: Nil), accumulated depreciation of ₹ 108.98 lakhs as at 31 March 2018 (31 March 2017: ₹ 8.38 lakhs, 1 April 2016: Nil) and depreciation for the year ended 31 March 2018 ₹ 100.60 lakhs (31 March 2017: ₹ 8.38 lakhs, 1 April 2016: Nil).

The dubai property (grouped in Building) is registered in the personal name of Rajdipkumar Gupta and Sandipkumar Gupta.
Due to legal restriction in Dubai, through nominee agreement, the Dubai subsidiary has nominated Rajdipkumar Gupta and Sandipkumar Gupta to buy the property on its behalf for the benefit of the Dubai subsidiary and also to ensure compliance with Dubai Emirate laws.

Refer Note 38 for information on Property, plant and equipment pledged as security.

3. Goodwill

Particulars	Goodwill
As at 01 April 2016	**10.00**
Additions (refer note 46)	1,366.58
Foreign currency translations adjustment	-
Balance as at 31 March 2017	**1,376.58**
Additions (refer note 46)	6,731.71
Foreign currency translations adjustment	205.78
Balance as at 31 March 2018	**8,314.07**

Goodwill was tested for impairment annually in accordance with the Group's procedure for determining the recoverable value of such assets.

The recoverable amount of the Cash Generating Unit (CGU) is the higher of fair value less cost to sell (""FVLCTS"") and its value in use (""VIU""). The FVLCTS of the CGU is determined based on the market capitalisation approach. The VIU is determined based on discounted cash flow projections.

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2018
(₹ in lakhs, except for share data, and if otherwise stated)

4. Intangible Assets

Particulars	Computer Software	Trademark	License	Software	Customer relationship	Non - Compete fees	Total
Gross block							
As at 01 April 2016	163.25	-	-	-	-	-	163.25
Additions	155.64	-	-	-	-	-	155.64
Acquired on acquisition of subsidiaries (refer note 46)	-	0.30	0.12	-	-	-	0.42
Disposals	-	-	-	-	-	-	-
Foreign currency translations adjustment	(8.09)	-	-	-	-	-	(8.09)
Balance as at 31 March 2017	**310.80**	**0.30**	**0.12**	**-**	**-**	**-**	**311.22**
Additions	2.27	-	-	-	-	-	2.27
Acquired on acquisition of subsidiaries (refer note 46)	9.95	-	-	909.31	6,403.69	354.48	7,677.43
Disposals	-	-	-	-	-	-	-
Foreign currency translations adjustment	5.99	-	-	37.97	267.39	14.79	326.14
Balance as at 31 March 2018	**329.01**	**0.30**	**0.12**	**947.28**	**6,671.08**	**369.27**	**8,317.06**
Accumulated amortisation							
Balance as at 01 April 2016	82.29	-	-	-	-	-	82.29
Amortisation charge	52.96	0.05	0.06	-	-	-	53.07
Reversal on disposal of assets	-	-	-	-	-	-	-
Foreign currency translations adjustment	(4.04)	-	-	-	-	-	(4.04)
Balance as at 31 March 2017	**131.21**	**0.05**	**0.06**	**-**	**-**	**-**	**131.32**
Amortisation charge	113.46	0.06	0.03	149.25	315.33	24.08	602.21
Reversal on disposal of assets	-	-	-	-	-	-	-
Foreign currency translations adjustment	4.36	-	-	8.63	18.02	1.39	32.40
Balance as at 31 March 2018	**249.03**	**0.11**	**0.09**	**157.88**	**333.35**	**25.47**	**765.93**
Net block							
Balance as at 01 April 2016	**80.96**	**-**	**-**	**-**	**-**	**-**	**80.96**
Balance as at 31 March 2017	**179.59**	**0.25**	**0.06**	**-**	**-**	**-**	**179.90**
Balance as at 31 March 2018	**79.98**	**0.19**	**0.03**	**789.40**	**6,337.73**	**343.80**	**7,551.13**

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2018
(₹ in lakhs, except for share data, and if otherwise stated)

		As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
5.	**Non-current Investments**			
	Investments in equity shares - Unquoted			
	Associate - Defero Mobile (Thailand) Co. Ltd. 31 March 2018: Nil, (31 March 2017: 2,450, 01 April 2016: 2,450) equity shares of THB 100 each, fully paid up	-	4.31	4.68
		-	**4.31**	**4.68**
	Aggregate amount of unquoted investments	-	4.31	4.68
	Aggregate amount of impairment in value of investments	-	-	-
6.	**Other non-current financial assets**			
	Unsecured, considered good, unless otherwise stated			
	Security deposits	392.09	128.78	127.13
	Loans and advances to employees	33.66	6.50	5.50
	Fixed deposits with bank having maturity of more than 12 months	1.00	283.44	2,500.00
	Interest accrued but not due on fixed deposits	0.36	4.43	7.33
		427.11	**423.15**	**2,639.96**
7.	**Deferred tax assets (net)**			
	Deferred tax liability arising on account of :	-		
	Depreciation and amortisation	-	(7.14)	(34.47)
	Total deferred tax liabilities	**-**	**(7.14)**	**(34.47)**
	Deferred tax assets arising on account of :			
	Depreciation and amortisation	44.10	-	-
	Provision for compensated absences	10.53	7.80	-
	Provision for gratuity	49.74	43.62	35.90
	Provision for expenses	55.05	17.40	5.21
	Provision for doubtful debts and advances	49.86	44.33	40.41
	Total deferred tax assets	**209.28**	**113.15**	**81.52**
	Deferred tax assets (net)	**209.28**	**106.01**	**47.05**
8.	**Non-current tax assets (net)**			
	Advance income tax (net of provision)	577.76	498.74	63.84
		577.76	**498.74**	**63.84**

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2018
(₹ in lakhs, except for share data, and if otherwise stated)

		As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
9.	**Other non-current assets**			
	Capital advances	-	260.33	44.38
	Advances other than capital advances			
	Balance with government authorities	893.04	510.50	141.50
	Prepaid expenses	58.46	32.51	42.59
		951.50	**803.34**	**228.47**
10.	**Current investments**			
	Investments in mutual funds - Quoted			
	ICICI Mutual fund Liquid Plan Retail Daily Dividend (31 March 2018: Nil, 31 March 2017: 312.44 units of ₹ 118.51 each, 01 April 2016: Nil)	-	0.37	-
		-	**0.37**	**-**
	Aggregate amount of Quoted investments	-	0.37	-
	Aggregate amount of impairment in value of investments	-	-	-
11.	**Trade receivables**			
	Unsecured, considered good	9,729.15	3,263.18	2,416.29
	Unsecured, considered doubtful	144.80	128.09	116.76
	Less: Provision for bad and doubtful debts	(144.80)	(128.09)	(116.76)
		9,729.15	**3,263.18**	**2,416.29**
12.	**Cash and cash equivalents**			
	Cash on hand	4.42	1.36	6.20
	Balances with banks			
	- in current accounts	1,883.88	4,241.80	13,672.42
	- in EEFC accounts	114.24	64.69	136.43
	- in deposit accounts with maturity upto 3 months	348.28	3,768.60	361.21
	- wallets balances	0.64	3.35	2.52
		2,351.46	**8,079.80**	**14,178.78**
13.	**Other bank balances**			
	Deposits with maturity more than 3 months but less than 12 months	20.79	812.33	1,662.68
	Balances with bank held as margin money	342.85	701.39	366.37
	Balances with bank held as bank guarantee	7,544.73	1,500.00	-
		7,908.37	**3,013.72**	**2,029.05**

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2018
(₹ in lakhs, except for share data, and if otherwise stated)

		As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
14.	**Current loans**			
	Unsecured, considered good, unless otherwise stated			
	- Due from associate company	-	69.45	-
		-	**69.45**	**-**
15.	**Other current financial assets**			
	Unsecured, considered good, unless otherwise stated			
	Interest accrued but not due on deposits	43.21	88.70	80.24
	Security deposits	163.06	85.32	121.87
	Loans and advances to employees	49.12	40.93	24.96
	Other receivables	-	0.08	-
	Unbilled revenue	162.36	-	-
		417.75	**215.03**	**227.07**
16.	**Other current assets**			
	Advances other than capital advances			
	Advances to suppliers	603.41	169.94	110.27
	Balance with government authorities	106.75	20.00	-
	Unamortised share issue expenses	371.77	-	-
	Prepaid expenses	473.80	105.42	18.03
	Advances			
	- Due by companies in which director is a director	26.72	26.72	29.42
	Less: Provision for doubtful advances	(26.72)	-	-
		1,555.73	**322.08**	**157.72**
17.	**Equity share capital**			
	Authorised capital			
	100,000,000 (31 March 2017: 100,000,000, 1 April 2016: 40,000,000) equity shares of ₹ 10 each	10,000.00	10,000.00	4,000.00
	Issued, subscribed and fully paid up			
	50,000,000 (31 March 2017: 50,000,000, 1 April 2016: 20,000,000) equity shares of ₹ 10 each	5,000.00	5,000.00	2,000.00
		5,000.00	**5,000.00**	**2,000.00**

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2018
(₹ in lakhs, except for share data, and if otherwise stated)

		As at 31 March 2018		As at 31 March 2017	
		Number	Amount	Number	Amount
(a)	**Reconciliation of equity shares outstanding at the beginning and at the end of the reporting period**				
	Balance at the beginning of the year	5,00,00,000	5,000.00	2,00,00,000	2,000.00
	Add: Bonus shares issued during the year	-	-	3,00,00,000	3,000.00
	Balance at the end of the year	**5,00,00,000**	**5,000.00**	**5,00,00,000**	**5,000.00**

(b) Rights, preferences and restrictions attached to equity shares

The Holding Company has one class of equity shares having a par value of ₹ 10 each. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors of holding company is subject to the approval of the shareholders in the ensuing Annual General Meeting, except interim dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the company after distribution of all preferential amounts and the distribution will be in proportion to the number of equity shares held in the holding company.

(c) (c) Shareholders holding more than 5% of the shares

	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Number of shares	% of holding	Number of shares	% of holding	Number of shares	% of holding
Sandipkumar Gupta	1,44,00,000	28.80%	1,50,00,000	30.00%	60,00,000	30.00%
Rajdipkumar Gupta	1,44,00,000	28.80%	1,50,00,000	30.00%	60,00,000	30.00%
CC Gupta Family Trust	50,00,000	10.00%	NA	NA	NA	NA
Chandrakant Gupta	*	*	50,00,000	10.00%	20,00,000	10.00%
Chamelidevi Gupta	*	*	50,00,000	10.00%	20,00,000	10.00%
Sunita Gupta	43,20,000	8.64%	45,00,000	9.00%	18,00,000	9.00%
Sarika Gupta	43,20,000	8.64%	45,00,000	9.00%	18,00,000	9.00%

* The holding as at 31 March 2018 is less than 5%.

(d) Aggregate number of bonus shares issued during the period of five years immediately preceding the reporting date:

	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Number	Amount	Number	Amount	Number	Amount
Equity shares allotted as fully paid bonus shares	-	-	3,00,00,000	3,000	1,80,00,000	1,800

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2018
(₹ in lakhs, except for share data, and if otherwise stated)

		As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
18.	**Other equity**			
	Surplus in the statement of profit and loss	12,256.46	8,135.56	5,088.97
	Statutory reserve	0.34	0.34	-
	Foreign currency translation reserve	(162.97)	(442.91)	-
	Total other equity	**12,093.83**	**7,692.99**	**5,088.97**

	31 March 2018	31 March 2017
Surplus in the statement of profit and loss		
Balance at the beginning of the year	8,135.56	5,088.97
Add: Profit for the year	4,868.85	6,040.56
Add: Other comprehensive income for the year	2.05	6.37
Less: Transfer to Statutory reserve	-	(0.34)
Less: Issue of bonus shares	-	(3,000.00)
Less: Final dividend paid during the year	(750.00)	-
Less: Dividend distribution tax (refer note (a) below)	-	-
Balance at the end of the year	**12,256.46**	**8,135.56**
Statutory reserve		
Balance at the beginning of the year	0.34	-
Add: Transferred from Statement of Profit and Loss	-	0.34
Balance at the end of the year	**0.34**	**0.34**
Foreign currency translation reserve		
Balance at the beginning of the year*	(442.91)	-
Add/(Less): Movement during the year (net)	279.94	(442.91)
Balance at the end of the year	**(162.97)**	**(442.91)**
Other equity	**12,093.83**	**7,692.99**

Nature and purpose of reserves

(i) Surplus in the statement of profit and loss

Retained earnings pertain to the accumulated earnings made by the group over the years.

(ii) Statutory Reserve

The reserve is created by appropriating 10% of the net profits of Routesms Solutions FZE for the year as required by Article 9 of the Memorandum and Articles of Association of the Company.

(iii) Foreign currency translation reserve

Exchange difference arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit and loss when the net investment is disposed off.

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2018
(₹ in lakhs, except for share data, and if otherwise stated)

Note (a):

For the year ended 31 March 2017, the Board of Directors of Holding Company at its meeting held on 4 September 2017 had recommended final dividend of ₹ 750 lakhs (₹ 1.5 per equity share) which was approved by the shareholders in the Annual General Meeting of the Company held on 22 September 2017. The final dividend was declared and paid during the current year ended 31 March 2018. During the financial year 2016-17, the Holding Company had received dividend from its foreign subsidiary, RouteSMS Solutions (FZE) Limited ("RSMS Dubai") amounting to ₹ 3,554.03 lakhs. Tax on such dividend received, was paid by the Holding Company u/s 115BBD of the Income tax Act, 1961.

While computing the amount of dividend liable to payment of Dividend Distribution Tax (DDT) u/s 115-O, based on Section 115-O(1A)(i)(b) of the Income tax Act, 1961, the additional income-tax to be charged will be based on the amount of dividend to be declared by the Holding Company as reduced by the amount of dividend, if any, received from a foreign subsidiary company and tax on such balance dividend is payable by the domestic company u/s 115BBD.

As tax u/s 115BBD was paid by the Holding Company on the dividend received and such dividend received is greater than the amount of dividend declared, no dividend distribution tax is payable on the dividend declared by the Holding Company during the year ended 31 March 2018.

		As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
19.	**Non-current borrowings**			
	Secured			
	Finance lease obligations	257.17	348.58	-
	Term loan from bank	382.60	-	-
	Vehicle loans from banks	-	-	22.93
	Less : Current maturities of long-term borrowings (refer note 25)	(115.37)	(90.24)	(22.93)
		524.40	**258.34**	**-**

Nature of security and terms of repayment for non-current borrowings

Particulars	Maturity date	Terms of repayment	Security	Interest rate (%)
(a) Vehicle loan from banks	7 March 2017	Monthly instalment	Hypothecation of vehicles purchased against the loan	10.01% p.a.
(b) Finance lease obligations				
Obligations under finance leases (Computers and computer servers)	8 September 2020	Quarterly instalment	Assets obtained on finance lease (computers and computer servers)	1.40% - 2.26% per quarter
(c) Term loan from bank	20 September 2032	Monthly instalment	Office unit 403 Business Bay, Dubai	4.75% p.a for 1st year and thereafter 3 month EIBOR+4.49% margin (with minimum interest rate of 5.99% p.a.)

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2018
(₹ in lakhs, except for share data, and if otherwise stated)

Net debt reconciliation :

Particulars	Non-current borrowings (including current maturity)	Current borrowings	Cash and cash equivalents
Net debt as on 01 April 2017	349.69	1,500.00	8,079.80
Cash flows (net)	291.19	5,032.08	(5,941.19)
Loan taken over on acquisition (refer note 46)	-	991.89	44.24
Foreign exchange loss	-	84.76	-
Finance costs	33.66	66.10	-
Finance cost paid	(34.77)	(62.66)	-
Net debt as at 31 March 2018	**639.77**	**7,612.17**	**2,182.85**

		As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
20.	**Non-current Provisions**			
	Provisions for employee benefits			
	Gratuity (refer note 45)	142.19	101.61	90.90
		142.19	**101.61**	**90.90**
21.	**Deferred tax liabilities (net)**			
	Deferred tax liability arising on account of :			
	Depreciation and amortisation	8.91	7.44	0.49
	Total deferred tax liabilities			
	Deferred tax assets arising on account of :			
	Provision for gratuity	4.25	-	-
		4.66	**7.44**	**0.49**
22.	**Other non-current liabilities**			
	Lease equalisation reserve	40.09	15.98	7.83
		40.09	**15.98**	**7.83**
23.	**Current borrowings**			
	Secured			
	Working capital loan from bank*	7,515.97	1,500.00	-
	Bank overdraft*	168.61	-	-
	Unsecured			
	Loan from related parties	92.76	-	-
	(Interest free, repayable on demand)			
		7,777.34	**1,500.00**	**-**

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2018
(₹ in lakhs, except for share data, and if otherwise stated)

a. **Nature of security for Working capital loan from bank and Bank overdraft:**

For March 2018

Indian entity

(i) secured by way of exclusive charge over the current assets and movable fixed assets

(ii) Equitable mortgage of commercial and residential property situated in Mumbai and Goa

(iii) personal guarantees of the directors (Rajdipkumar Gupta, Sandipkumar Gupta and Chandrakant Gupta)

UK entity- secured by way of first charge on fixed deposits

For March 2017

Indian entity, (i) secured by way of first charge on fixed deposits

b. **Interest rate :**

For working capital loan from bank: Indian entity, 3 months Libor plus 150 bps i.e. 2.65% p.a. - 3.51% p.a. as on 31 March 2018 (31 March 2017: 2.93% p.a.)

For working capital loan from bank: UK entity, 0.75% plus cost of funds of the bank i.e. 0.9% p.a. as on 31 March 2018 (31 March 2017: Nil)

For Bank overdraft: 1.45% spread over and above 6 months Marginal cost lending rate (MCLR) i.e. 10.50% p.a. as on 31 March 2018 (31 March 2017: Nil)

		As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
24.	**Trade payables**			
	Dues of micro and small enterprises	-	-	-
	Dues of creditors other than micro and small enterprises	5,608.97	3,599.55	4,794.65
		5,608.97	**3,599.55**	**4,794.65**
25.	**Other current financial liabilities**			
	Current maturity of long-term borrowings (refer note 19)	115.37	90.24	22.93
	Interest accrued but not due on borrowings	3.44	1.11	-
	Security deposits	47.32	20.20	3.70
	Capital creditors	197.15	25.16	170.49
	Dues to employees	21.84	22.50	70.19
	Outstanding expenses	3,274.07	181.62	134.00
	Book overdraft	-	126.31	-
	Payable on account of business combination (refer note 46)	6,437.94	-	-
		10,097.13	**467.14**	**401.31**
26.	**Current provisions**			
	Provisions for employee benefits			
	Gratuity (refer note 45)	40.30	44.19	12.83
	Compensated absences	36.14	22.53	-
		76.44	**66.72**	**12.83**
27.	**Current tax liabilities (net)**			
	Provision for tax (net of advance tax)	379.13	132.42	119.11
		379.13	**132.42**	**119.11**

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2018
(₹ in lakhs, except for share data, and if otherwise stated)

		As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
28.	**Other current liabilities**			
	Statutory dues	389.39	130.83	99.63
	Advance from customers	266.09	1,040.66	10,420.06
		655.48	**1,171.49**	**10,519.69**

Note: There are no amounts due to be transferred to the Investor Education and Protection Fund as at the year end.

		Year ended 31 March 2018	Year ended 31 March 2017
29.	**Revenue from operations**		
	Sale of services - messaging services	43,885.49	45,545.29
	Network and hardware services	5,077.58	-
	Call center services	1,531.66	-
	Other operating revenue		
	Software development fees	-	212.80
		50,494.73	**45,758.09**
30.	**Other income**		
	Interest income on financial assets measured at amortised cost:		
	- Fixed deposits	311.28	337.67
	- Security deposits	17.23	11.32
	Liabilities no longer payable, written back	100.34	204.75
	Rental income	1.20	2.97
	Gain on disposal of investment	0.71	-
	Consultancy income	-	167.94
	Miscellaneous income	23.03	0.46
		453.79	**725.11**
31.	**Purchases of messaging services and network and hardware services**		
	Purchases of messaging services	30,204.63	32,534.61
	Network and hardware services	3,870.03	-
		34,074.66	**32,534.61**
32.	**Employee benefits expense**		
	Salaries, wages and bonus (refer note 45 (II and III))	4,758.34	2,395.68
	Contribution to provident fund and other funds (refer note 45 (I))	16.42	5.36
	Staff welfare expense	271.02	195.25
		5,045.78	**2,596.29**

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2018
(₹ in lakhs, except for share data, and if otherwise stated)

		Year ended 31 March 2018	Year ended 31 March 2017
33.	**Finance costs**		
	Interest on borrowings from bank	55.17	2.61
	Interest on finance lease obligation	20.43	9.04
	Interest on delayed payment of statutory dues	24.17	36.60
	Interest on delayed payment of income taxes	6.87	25.98
	Interest expenses on financial liability measured at amortised cost	479.04	-
	Other borrowing cost	24.16	1.05
		609.84	**75.28**
34.	**Depreciation and amortisation expense**		
	Depreciation on property, plant and equipment (refer note 2)	643.27	488.38
	Amortisation on intangible assets (refer note 4)	602.21	53.07
		1,245.48	**541.45**
35.	**Other expenses**		
	Power and fuel	158.58	42.56
	Repairs and maintenance - Buildings	44.18	74.59
	Repairs and maintenance - Others	178.37	111.47
	Insurance	18.28	8.90
	Rent (refer note 49)	849.94	517.39
	Rates and taxes	107.55	75.41
	Communication	382.51	146.73
	Travelling and conveyance	525.11	389.45
	Printing and stationery	18.47	20.61
	Business promotion	349.10	344.03
	Donations	2.66	1.36
	Expenditure on Corporate Social Responsibility (refer note 53)	42.21	13.39
	Legal and professional charges	428.70	398.28
	Auditor's remuneration (refer note below)	37.84	37.19
	Advances and trade receivable written off	228.64	228.44
	Provision for doubtful debts and advances	43.43	11.33
	Net loss on foreign currency transactions and translation	448.58	63.64
	Loss on sale of property, plant and equipment	-	9.28
	Bank charges	45.09	36.86
	Membership and subscription	0.69	1.06
	Sitting fees to directors	7.20	4.90
	Cost of technical and other manpower	51.37	-
	Miscellaneous expenses	258.66	49.86
		4,227.16	**2,586.73**

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2018
(₹ in lakhs, except for share data, and if otherwise stated)

	Year ended 31 March 2018	Year ended 31 March 2017
Note:		
Auditors' remuneration (excluding tax)		
As auditor		
Statutory audit	31.50	36.18
Tax audit	-	1.01
In other capacity		
Other services*	74.25	-
Reimbursement of expenses*	1.27	-
	107.02	**37.19**

* Including ₹ 69.18 lakhs paid towards assurance services in connection with the Initial Public Offering of equity shares of the Holding Company and disclosed as 'Unamortised share issue expenses' in note 16.

		Year ended 31 March 2018	Year ended 31 March 2017
36.	**Tax expense**		
	Current tax expense		
	Current tax for the year	1,080.40	2,137.47
	Tax adjustment in respect of earlier years	17.42	33.74
	Total current tax expense	**1,097.82**	**2,171.21**
	Deferred taxes		
	Deferred tax expense	(104.42)	(61.60)
	Total income tax expense	**993.40**	**2,109.61**
36.1	**Tax reconciliation (for profit and loss)**		
	Profit before tax	5,745.60	8,148.84
	Tax at the rate of 34.608%**	1,988.44	2,820.15
	Tax effect of amounts which are not deductible / not taxable in calculating taxable income		
	Permanent disallowances of expenses	13.98	43.79
	Depreciation on assets not qualifying for tax allowances	9.72	3.12
	Amortisation on assets not qualifying for tax allowances	93.10	-
	Effect of difference between Indian and foreign tax rates	(160.79)	(31.07)
	Tax adjustment of prior years	17.42	33.74
	Dividend income taxed at special rate*	-	603.93
	Effect of difference in taxes between Indian and non taxable subsidiaries	(1,202.55)	(1,324.47)
	Effect of difference in taxes between Indian and subsidiaries incurring losses	196.35	5.62
	Change in tax rates	39.22	-
	Others	(1.49)	(45.20)
	Income tax expense	**993.40**	**2,109.61**

(₹ in lakhs, except for share data, and if otherwise stated)

*Dividend income eliminated at consolidation, hence considered here.

**The tax rate used for reconciliation above is the corporate tax rate of 34.608% payable by Holding Company in India on taxable profits under Indian tax law.

36.2 The movement in deferred tax assets and liabilities during the year ended 31 March 2017 and 31 March 2018 are as follows:

	As at 01 April 2016 Deferred tax assets/ (Liabilities)	Credit/ (charge) in statement of Profit and Loss	Credit/(charge) in Other comprehensive income	Exchange difference	As at 31 March 2017 Deferred tax assets/ (Liabilities)
Depreciation and amortisation	(34.96)	26.60	-	(6.22)	(14.58)
Provision for compensated absences	-	7.80	-	-	7.80
Provision for gratuity	35.90	11.09	(3.37)	-	43.62
Provision for expenses	5.21	12.19	-	-	17.40
Provision for doubtful debts and advances	40.41	3.92	-	-	44.33
Total	**46.56**	**61.60**	**(3.37)**	**(6.22)**	**98.57**

	As at 01 April 2017 Deferred tax assets/ (Liabilities)	Credit/ (charge) in statement of Profit and Loss	Credit/(charge) in Other comprehensive income	Exchange difference	As at 31 March 2018 Deferred tax assets/ (Liabilities)
Depreciation and amortisation	(14.58)	47.30	-	2.47	35.19
Provision for compensated absences	7.80	2.73	-	-	10.53
Provision for gratuity	43.62	11.21	(0.84)	-	53.99
Provision for expenses	17.40	37.65	-	-	55.05
Provision for doubtful debts and advances	44.33	5.53	-	-	49.86
Total	**98.57**	**104.42**	**(0.84)**	**2.47**	**204.62**

37. Other comprehensive income

	Year ended 31 March 2018	Year ended 31 March 2017
Items that will be reclassified to profit or loss		
Gains and losses arising from translating the financial statements of foreign operations	278.90	(442.93)
Income tax relating to this item	-	-
Items that will not be reclassified to profit or loss		
Remeasurements of post defined employee benefit plans	2.89	9.74
Income tax relating to this item	(0.84)	(3.37)
	280.95	**(436.56)**

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2018
(₹ in lakhs, except for share data, and if otherwise stated)

		As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
38.	**Assets Pledged as security**			
	Current Assets			
	Fixed deposits lien by bank against working capital loan	7,544.73	1,500.00	-
	Trade receivables	5,269.90	-	-
	Other bank balances	363.64	-	-
	Loans	2,597.60	-	-
	Other current financial assets	290.10	-	-
	Other current assets	509.20	-	-
		16,575.17	**1,500.00**	**-**
	Non Current Assets			
	Moveable fixed assets	700.89		
	Computers	268.26	368.86	-
	Building	881.09	-	-
	Total non-current assets Pledged as security	**1,850.24**	**368.86**	**-**
	Total assets Pledged as security	**18,425.41**	**1,868.86**	**-**

39. Fair value measurements

Financial instruments by category:

Particulars	31 March 2018 Amortised cost	31 March 2017 Amortised cost	31 March 2017 FVTPL	01 April 2016 Amortised cost
Financial Assets - Non-current				
Other non-current financial assets	427.11	423.15	-	2,639.96
Financial Assets - Current				
Investments	-	-	0.37	-
Trade receivables	9,729.15	3,263.18	-	2,416.29
Cash and cash equivalents	2,351.46	8,079.80	-	14,178.78
Other bank balances	7,908.37	3,013.72	-	2,029.05
Loans	-	69.45	-	-
Other current financial assets	417.75	215.03	-	227.07
Financial Liabilities - Non-current				
Borrowings (including current maturities)	639.77	348.58	-	22.93
Financial Liabilities - Current				
Borrowings	7,777.34	1,500.00	-	-
Trade payables	5,608.97	3,599.55	-	4,794.65
Other current financial liabilities	9,981.75	376.90	-	378.38

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2018
(₹ in lakhs, except for share data, and if otherwise stated)

I. Fair value hierarchy

The fair values of the financial assets and liabilities are included at the amount 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.

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the Ind AS. An explanation of each level follows below.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. For example, listed equity instruments that have quoted market price.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

II. Valuation techniques used to determine fair value

Significant valuation techniques used to value financial instruments include:

The fair values for Security deposits, loan to employees, fixed deposits and finance lease obligations are based on discounted cash flows using a discount rate determined considering the borrowing rate quotation received from the bank.

III. Financial assets and liabilities measured at fair value Fair value hierarchy - recurring fair value measurement:

Particulars	31 March 2018	31 March 2017	01 April 2016
Investment in Mutual funds	-	0.37	-

Since the valuation of investment is done based on price available in the market, the investment is categorised as Level 1.

IV. Assets and liabilities which are measured at amortised cost for which fair values are disclosed (It is categorised under level 2 of fair value hierarchy)

Particulars	31 March 2018		31 March 2017		01 April 2016	
	Fair Value	Carrying amount	Fair Value	Carrying amount	Fair Value	Carrying amount
Financial Assets - Non-current						
Other non-current financial assets						
- Security deposits	390.42	392.09	128.30	128.78	128.27	127.13
- Loan to employees (including current maturity)	8.03	8.90	9.53	11.17	9.40	11.05
Fixed deposits with bank having maturity of more than 12 months	1.00	1.00	283.44	283.44	2,500.00	2,500.00
Financial Liabilities - Non-current						
Borrowings (including current maturities of finance lease obligations)	608.43	639.77	337.15	348.58	22.93	22.93

During the periods mentioned above, there have been no transfers amongst the levels of hierarchy.

The carrying amounts of trade receivables, cash and bank balances, current loans, other current financial assets, trade payables, current borrowings and other current financial liabilities are considered to be approximately equal to the fair value.

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2018
(₹ in lakhs, except for share data, and if otherwise stated)

40. Financial risk management

The Group is exposed primarily to fluctuations in foreign currency exchange rates, credit risk, liquidity risk and interest rate risk which may adversely impact the fair value of its financial instrument. The Group has a risk management policy which covers risk associated with the financial assets and liabilities. The risk management policy is approve by Board of Directors. The focus of the Board of Directors is to assess the unpredictability of the financial environment and to mitigate potential adverse effect on the financial performance of the group.

The Group's principal financial liabilities comprises of borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the group's operations. The group's principal financial assets include loans, trade and other receivables, and cash and bank balances and bank deposits that derive directly from its operations.

A Credit risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms and obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and credit worthiness of the customer on continuous basis to whom the credit has been granted after obtaining necessary approvals for credit. The financial instruments that are subject to concentration of credit risk principally consist of trade receivables, loans, cash and bank balances and bank deposits

To manage credit risk, the group follows a policy of providing 30-90 days credit to the domestic customers. In case of foreign debtors, majority of the sales are made either against advance payments or on a credit period upto 30 days to reputed customers. The credit limit policy is established considering the current economic trends of the industry in which the group is operating. However, the trade receivables are monitored on a periodic basis for assessing any significant risk of non-recoverability of dues and provision is created accordingly.

Bank balances and deposits are held with only high rated banks and majority of other security deposits are placed majorly with government agencies.

The table below provide details regarding past dues receivables as at each reporting date:

Particulars	**As at 31 March 2018**	**As at 31 March 2017**	**As at 1 April 2016**
Upto 3 months	7,309.43	2,844.56	1,506.19
3 - 6 months	1,933.22	167.81	740.83
6 - 12 months	256.52	177.29	148.62
More than one year	374.78	201.61	137.41
Total	**9,873.95**	**3,391.27**	**2,533.05**
Provision for expected credit loss created	144.80	128.09	116.76

B **Liquidity risk**

Liquidity risk is the risk that the group may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The group's objective is to maintain optimum levels of liquidity and to ensure that funds are available for use as per requirement.

The liquidity risk principally arises from obligations on account of following financial liabilities viz. borrowings, trade payables and other financial liabilities.

The group's corporate finance department is responsible for liquidity and funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the group's net liquidity position through rolling forecasts on the basis of expected cash flows.

The table below summarises the maturity profile of the group's financial liabilities based on contractual undiscounted payments at each reporting date:

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2018
(₹ in lakhs, except for share data, and if otherwise stated)

As at 31 March 2018

Particulars	Upto 1 year	Between 1 and 3 years	Beyond 3 years	Total
Financial Liabilities - Non-Current				
Borrowings (including current maturities)	152.94	251.56	457.43	861.93
Financial Liabilities - Current				
Borrowings	7,777.34	-	-	7,777.34
Trade payables	5,608.97	-	-	5,608.97
Other current financial liabilities	9,981.75	-	-	9,981.75
Total	**23,521.00**	**251.56**	**457.43**	**24,229.99**

As at 31 March 2017

Particulars	Upto 1 year	Between 1 and 3 years	Beyond 3 years	Total
Financial Liabilities - Non-Current				
Borrowings (including current maturities)	114.67	286.68	-	401.35
Financial Liabilities - Current				
Borrowings	1,500.00	-	-	1,500.00
Trade payables	3,599.55	-	-	3,599.55
Other current financial liabilities	376.90	-	-	376.90
Total	**5,591.12**	**286.68**	**-**	**5,877.80**

As at 31 March 2016

Particulars	Upto 1 year	Between 1 and 3 years	Beyond 3 years	Total
Financial Liabilities - Non-Current				
Borrowings (including current maturities)	22.93	-	-	22.93
Financial Liabilities - Current				
Trade payables	4,794.65	-	-	4,794.65
Other current financial liabilities	378.38	-	-	378.38
Total	**5,195.96**	**-**	**-**	**5,195.96**

C 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: Foreign currency risk, interest rate risk and price risk. The group’s exposure to market risk is primarily on account of foreign currency exchange rate risk.

(i) 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 risk primarily relates to fluctuations in borrowings, trade payables and trade receivables denominated in EUR, USD , AED, SGD, NPR, LKR, BDT and GBP against the functional currency of the group.

In respect of the foreign currency transactions, the group does not hedge the exposures since the management believes that the same is insignificant in nature and also it will be offset to some extent by the corresponding receivables and payables which will be in the nature of natural hedge.

The group's exposure to foreign currency risk at the end of reporting period are as under:

₹ in lakhs

Particulars	31 March 2018	31 March 2017	01 April 2016
Financial liabilities			
Trade Payables Euro	2,500.70	650.76	761.87
Trade Payables USD	1,674.26	1,234.24	53.43
Trade Payables AED	4.88	14.72	-
Trade Payables GBP	-	6.51	-
Trade Payables SGD	7.54	-	-
Trade Payables NPR	0.30	-	-
Trade Payables LKR	0.47	-	-
Trade Payables BDT	3.33	-	-
Borrowings USD	497.59	-	-
Borrowings Euro	7,018.38	-	-
Net exposure to foreign currency risk (liabilities)	**11,707.45**	**1,906.23**	**815.30**
Financial assets			
Trade Receivable Euro	1,651.65	626.18	745.04
Trade Receivable USD	2,386.79	514.86	28.73
Trade Receivable AED	-	0.02	-
Bank Balance USD	6,337.35	-	-
Bank Balance Euro	7.76	-	-
Net exposure to foreign currency risk (assets)	**10,383.55**	**1,141.06**	**773.77**
Net exposure to foreign currency assets/ (liabilities)	**(1,323.90)**	**(765.17)**	**(41.53)**

The following table demonstrates the sensitivity in EUR, USD, AED,SGD, NPR, LKR, BDT and GBP with all other variables held constant. The below impact on the group's profit before tax is based on changes in the fair value of unhedged foreign currency monetary assets and liabilities at balance sheet date:

Sensitivity to foreign currency risk

The following table demonstrates the sensitivity in foreign currency with all other variables held constant. The below impact on the Group's profit before tax is based on changes in the fair value of unhedged foreign currency monetary assets and liabilities at balance sheet date:

₹ in lakhs

Currencies	31 March 2018		31 March 2017	
	Increase by 2%	Decrease by 2%	Increase by 2%	Decrease by 2%
EUR	157.19	(157.19)	0.49	(0.49)
USD	(131.05)	131.05	14.39	(14.39)
AED	0.10	(0.10)	0.29	(0.29)
GBP	-	-	0.13	(0.13)
NPR	0.15	(0.15)	-	-
LKR	0.01	(0.01)	-	-
BDT	0.01	(0.01)	-	-

(ii) Price risk

The group is exposed to price risk from its investment in mutual funds classified in the balance sheet at fair value through profit and loss.

To manage its price risk arising from the investment, the Group has invested in the mutual fund after considering the risk and return profile of the mutual funds i.e. the debt profile of the mutual fund indicates that the debt has been given to creditworthy banks and other institutional parties and equity investment is made after considering the performance of the stock.

Sensitivity **₹ in lakhs**

Particulars	Impact on profit for the year ended 31 March 2018	Impact on profit for the year ended 31 March 2017
Impact on profit after tax for 5% increase in NAV	-	0.02
Impact on profit after tax for 5% decrease in NAV	-	(0.02)

(iii) Cash flow and fair value interest rate risk

Interest rate risk arises from the sensitivity of the financial liabilities to changes in market rate of interest. The group's exposure to the risk of changes in market interest rate relates primarily to the current borrowings with floating interest rate.
The entity availed a short term debt upto a tenure of 6 months for meeting its working capital requirement in foreign currency. However, the group expects that the interest rate risk is insignificant considering the tenure of borrowing.

41. Capital Management

The Group's financial strategy aims to support its strategic priorities and provide adequate capital to its businesses for growth and creation of sustainable stakeholder value. The Group funds its operation through internal accruals. The Group aims at maintaining a strong capital base largely towards supporting the future growth of its business & also to operate as a going concern.

The Group consider the following component of its Consolidated Balance sheet to be managed capital: Equity Share capital and Other Equity. Other Equity as shown in the balance sheet includes Retained earnings, Statutory reserve and Foreign currency translation reserve.

The amounts managed as capital by the Group are summarised as follows:

Particulars	**As at 31 March 2018**	**As at 31 March 2017**	**As at 1 April 2016**
Equity Share Capital	5,000.00	5,000.00	2,000.00
Other Equity	12,093.83	7,692.99	5,088.97

Loan covenants

In case of the variable rate borrowing facility availed by the Group there are various financial covenants i.e. the externally imposed capital requirements, which are standard in nature; mainly relating to EBITDA margin, Current ratio and debt-equity ratio specified in the loan agreements. These covenants are monitored by the Group on a regular basis. There has been no default on the financial covenants or on the loans taken by the Group, outstanding as at 31 March 2018.

Dividend:

Particulars	**31 March 2018**	**31 March 2017**
Equity dividend		
Final Dividend of ₹ 1.50 (For the year ended 31 March 2016: Nil) per fully paid equity share, for the year ended 31 March 2017	750.00	-
Dividends not recognised at the end of the reporting period		
In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of ₹ 1.5 (31 March 2017: ₹ 1.50) per fully paid equity share. This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	750.00	750.00

42. First time adoption of Ind AS

First Ind AS Financial statements

These are the Group's first financial statements prepared in accordance with Ind AS applicable as at 31 March 2018.

The accounting policies set out in note 1 have been applied in preparing the Consolidated financial statements for the year ended 31 March 2018, the comparative information presented in these consolidated financial statements for the year ended 31 March 2017 and in the preparation of an opening Ind AS balance sheet at 1 April 2016 (the date of transition). In preparing its opening Ind AS Consolidated balance sheet, the Group has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2014 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP).

An explanation of how the transition from previous GAAP to Ind AS has affected the group's financial position, financial performance and cash flows is set out in the following tables and notes:

A Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from Previous GAAP to Ind AS.

i) Optional exemptions availed

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 Consolidated financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets.

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

Business Combination

Ind AS 101 provides the option to apply Ind AS 103, "Business combinations" prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combination prior to the transition date.

The Group has availed the business combination exemption on first time adoption of Ind AS and accordingly the business combinations prior to date of transition have not been restated as per the accounting prescribed under Ind AS 103 – Business combinations.
The Group applies the requirements of Ind AS 103 – Business combinations to business combinations occurring after the date of transition to Ind AS.

Cumulative translation differences

Ind AS 21 requires translation differences arising on translation of foreign operations to be accumulated in a separate reserve within equity. Applying these requirements retrospectively would require an entity to determine the cumulative translation differences on transition date and separately classify these within equity. A first time adopter has the option not to comply with this requirement at the date of transition and can reset the cumulative translation differences to zero at the date of transition.

Accordingly, the Group has elected to reset the cumulative translation to zero on 01 April 2016 (date of transition).

(₹ in lakhs, except for share data, and if otherwise stated)

ii) Mandatory exceptions applied

Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP except where Ind AS required a different basis for estimates as compared to the previous GAAP.

De-recognition of financial assets and liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Group has applied the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

Non-controlling interests

Ind AS 110 requires entities to attribute the profit or loss and each component of other comprehensive income to the owners of the parent and to the non-controlling interests. This requirement needs to be followed even if this results in the non-controlling interests having a deficit balance. Ind AS 101 requires the above requirement to be followed prospectively from the date of transition. Consequently, the group has applied the above requirement prospectively.

Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

The Group has classified its financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

B First time adoption reconciliations

Reconciliation of equity from Previous GAAP to Ind AS

Particulars	Note	Equity as at 31 March 2017	Equity as at 01 April 2016
Equity as per previous GAAP		**12,761.55**	**7,132.18**
GAAP adjustments:			
Impact of transaction cost incurred on account of business combination	B.1	(6.32)	-
Impact on account of prior period expenses	B.2	-	(61.90)
Impact of financial assets measured at amortised cost	B.3	(2.26)	(0.38)
Impact of straight lining of rent expenses	B.4	(15.98)	(7.83)
Impact on account of valuation of defined benefit obligations	B.5	3.44	4.24
Impact of deferred taxes on the above adjustments	B.8	4.34	22.66
Total - GAAP adjustments		**(16.78)**	**(43.21)**
Equity as per Ind AS		**12,744.77**	**7,088.97**

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2018
(₹ in lakhs, except for share data, and if otherwise stated)

Reconciliation of total comprehensive income for the year 2016-17 from previous GAAP to Ind AS

Particulars	Note	Year ended31 March 2017
Net Profit for the year as per previous GAAP		**6,019.17**
GAAP adjustments:		
Impact of transaction cost incurred on account of business combination	B.1	(6.32)
Impact on account of prior period expenses	B.2	61.90
Impact of financial assets measured at amortised cost	B.3	(1.88)
Impact of straight lining of rent expenses	B.4	(8.15)
Impact on account of valuation of defined benefit obligations	B.5	(0.80)
Impact of reclassification of actuarial gains / (losses) on defined benefit obligations in other comprehensive income	B.6	(9.74)
Impact of deferred taxes on the above adjustments	B.8	(14.95)
Total - GAAP adjustments		**20.06**
Net profit after tax as per Ind AS		**6,039.23**
Impact of reclassification of actuarial gains / losses on defined benefit obligations in other comprehensive income	B.6	9.74
Impact of recognising exchange difference on translation of foreign operation in other comprehensive income	B.7	(442.93)
Impact of deferred taxes on the above adjustments	B.8	(3.37)
Other comprehensive income, net of tax		**(436.56)**
Total comprehensive income as per Consolidated Ind AS		**5,602.67**

Impact of Ind AS adoption on the consolidated statement of cash flows for the year ended 31 March 2017 -

All the adjustments on account of Ind AS are non - cash in nature and hence, there is no material impact on the cash flows in the consolidated cash flow statement.

Explanations to reconciliations

B.1 Impact of transaction cost incurred on account of business combination

Previous GAAP - The transaction cost incurred on acquisition of business is included as cost of Investments.

Ind AS - As per Ind AS 103, the acquirer shall account for acquisition-related costs as expenses in the period in which the costs are incurred and the services are received.
Consequent to the change, the impact of ₹ 6.32 lakhs was made in the statement of profit and loss for the year ended 31 March 2017 and equity as at 31 March 2017.

B.2 Impact on account of prior period expenses

Previous GAAP - Prior period items are included in determination of net profit or loss of the year in which the error pertaining to a prior period is discovered and are separately disclosed in the Statement of profit and loss.

Ind AS - Prior period errors are corrected retrospectively by restating the comparative amount for prior period presented in which the error occurred or if the error occurred before the earliest period presented by restating the opening reserves.

Consequent to the change, the impact on equity at the date of transition is ₹ 61.90 lakhs and consequential impact of ₹ 61.90 lakhs is given in statement of profit and loss for the year ended 31 March 2017.

B.3 Impact of financial assets measured at amortised cost

Previous GAAP - The interest free rent deposits given to lessor / vendor are recorded at their gross transaction value.

Ind AS - Deposits given are financial assets and are initially recognised at fair value.
The difference between the fair value and transaction value of the deposits has been recognised as prepaid rent / prepaid expenses and amortised over deposit period. Subsequently, the deposit will be measured at amortised cost resulting into recognition of finance expense and accrual of finance income in the statement of profit and loss.

Consequent to this change, impact of ₹ 0.38 lakhs was made on the transition date and subsequent impact of ₹ 1.88 lakhs was made in the statement of profit and loss for the year ended 31 March 2017 and cumulative impact of ₹ 2.26 lakhs on equity as at 31 March 2017.

B.4 Impact of straight lining of rent expenses

Previous GAAP - The rent expenses was recognised as per rate specified in the rent agreement.

Ind AS - Lease payments should be recognized as an expense in the statement of profit and loss on a straight line basis over the lease term. However, if the escalation on operating lease is in line with the expected general inflation then lease expense should not be straight line.

Consequent to the change, impact of ₹ 7.83 lakhs was considered on the transistion date and subsequently impact of ₹ 8.15 lakhs was considered in the statement of profit and loss for the year ended 31st March 2017 and cumulative impact of ₹ 15.98 lakhs on equity as at 31st March 2017.

B.5 Impact on account of valuation of defined benefit obligations

Previous GAAP - Employee benefit expenses on defined benefit obligations is recognised in statement of profit and loss as per AS - 15.

Ind AS - Employee benefit expenses on defined benefit obligations is recognised in statement of profit and loss as per projected unit credit method stated in Ind AS 19 and actuarial gain / (loss) on defined benefit obligation is routed through other comprehensive income.

Consequent to the change, the impact of ₹ 4.24 lakhs was made on the transition date and subsequently impact of ₹ 0.80 lakhs was made in the statement of profit and loss for the year ended 31 March 2017 and cumulative impact of ₹ 3.44 lakhs on equity as at 31 March 2017.

B.6 Impact of recognising actuarial gains / (losses) on defined benefit obligations in other comprehensive income

Previous GAAP - Actuarial gains / losses on defined benefit obligations is recognised in statement of profit and loss.

Ind AS - Actuarial gains / losses on defined benefit obligations is recognised in other comprehensive income (OCI). Consequently, actuarial gains of ₹ 9.74 lakhs has been recognised in OCI.

B.7 Impact of recognising exchange difference on translation of foreign operation in other comprehensive income

As required under Ind AS, foreign currency translation on conversion of overseas subsidiaries are accounted through other Comprehensive Income.

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2018
(₹ in lakhs, except for share data, and if otherwise stated)

B.8 Impact on account of deferred taxes

The impact of transition adjustments together with Ind AS mandate of using balance sheet approach (against profit and loss approach in the previous GAAP) for computation of deferred tax has impacted the reserves on date of transition, with consequential impacts to the statement of profit and loss for the subsequent years.

Consequent to the change, the impact of ₹ 22.66 lakhs was made on the transition date and subsequently impact of ₹ 14.95 lakhs was made in profit and loss for the year ended 31 March 2017, ₹ 3.37 lakhs in the other comprehensive income for the year ended 31 March 2017 and cumulative impact of ₹ 4.34 lakhs on equity as at 31 March 2017.

43. Related party disclosures:

a) Names of related parties and description of relationship:

Description of relationship	Names of related parties
(i) Directors and Key Management Personnel (KMP)	Rajdipkumar Gupta
(with whom transactions have taken place)	Sandipkumar Gupta
	Chandrakant Gupta
	Pratik Joshi, Chief Financial Officer (till 6 November 2017), Company Secretary (with effect from 7 November 2017)
	Suresh Jankar, Chief Financial Officer (with effect from 7 November 2017)
	Gaurav Jhunjhunwala, Company Secretary (till 6 November 2017)
	Pratheek Aggarwal (independent director till 22 November 2017)
	Bhavesh Jain (independent director till 22 November 2017)
	Sudha Navandar (independent director with effect from 22 November 2017)
	Ankit Paleja (independent director with effect from 22 November 2017)
	Ramachandran Sivathanu (independent director with effect from 22 November 2017)
(ii) Entities in which KMP/relatives of KMP can exercise significant influence	Graphixide Services Private Limited
(with whom transaction have taken place)	29 Three Holidays Private Limited
	Spectrum Technologies
	Cobx Gaming Private Limited
	Chandrakant Gupta HUF
	Rajdipkumar Gupta HUF
	Sandipkumar Gupta HUF
	Shrem resort Private Limited (with effect from 5 June 2017)
(iii) Associate	Defero Mobile (Thailand) Co. Ltd. (till 31 January 2018)
(iv) Relatives of KMP	Chamelidevi Gupta
	Sarika Gupta
	Sunita Gupta
	Tanvi Gupta

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2018
(₹ in lakhs, except for share data, and if otherwise stated)

(b) Details of related party transactions :

Particulars	Directors and Key Management Personnel (KMP)		Entities in which KMP/relatives of KMP exercise significant influence		Relatives of KMP		Associate	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Purchase of messaging services								
Spectrum Technologies	-	-	992.31	1,018.01	-	-	-	-
Travelling and conveyance								
29 Three Holidays Private Limited	-	-	501.60	311.08	-	-	-	-
Business promotion								
Graphixide Services Private Limited	-	-	-	6.29	-	-	-	-
Expenses reimbursed by other company								
Graphixide Services Private Limited	-	-	0.28	0.71	-	-	-	-
Sandipkumar Gupta	3.00	-	-	-	-	-	-	-
Expenses reimbursed to other company								
29 Three Holidays Private Limited	-	-	-	6.27	-	-	-	-
Advance given towards purchase of flat								
Rajdipkumar Gupta	-	140.17	-	-	-	-	-	-
Sandipkumar Gupta	-	120.16	-	-	-	-	-	-
Advances given								
Defero Mobile (Thailand) Co. Ltd.	-	-	-	-	-	-	-	74.98
Rajdipkumar Gupta	10.33	-	-	-	-	-	-	-
Shrem Resort Private Limited	-	-	501.00	-	-	-	-	-

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2018
(₹ in lakhs, except for share data, and if otherwise stated)

Particulars	Directors and Key Management Personnel (KMP)		Entities in which KMP/relatives of KMP exercise significant influence		Relatives of KMP		Associate	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Advances written off								
Defero Mobile (Thailand) Co. Ltd.	-	-	-	-	-	-	74.98	-
Provision for doubtful advances								
Graphixide Services Private Limited	-	-	26.72	-	-	-	-	-
Refund of Advances given								
Rajdipkumar Gupta	10.33	-	-	-	-	-	-	-
Shrem Resort Private Limited	-	-	501.00	-	-	-	-	-
Rent expense								
Cobx Gaming Private Limited	-	-	21.60	-	-	-	-	-
Rent income								
29 Three Holidays Private Limited	-	-	1.20	0.35	-	-	-	-
Refund of Advance towards purchase of Flat								
Rajdipkumar Gupta	140.17	-	-	-	-	-	-	-
Sandipkumar Gupta	120.16	-	-	-	-	-	-	-
Remuneration to Directors*								
Rajdipkumar Gupta	97.97	189.48	-	-	-	-	-	-
Sandipkumar Gupta	162.04	189.48	-	-	-	-	-	-

*Gratuity liability and compensated absences are determined for the Group as a whole. Therefore, the same cannot be disclosed for the key managerial personnel separately

(₹ in lakhs, except for share data, and if otherwise stated)

Particulars	Directors and Key Management Personnel (KMP)		Entities in which KMP/relatives of KMP exercise significant influence		Relatives of KMP		Associate	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Remuneration to KMP*								
Chandrakant Gupta	4.50	6.50	-	-	-	-	-	-
Pratik Joshi	6.77	5.75	-	-	-	-	-	-
Gaurav Jhunjhunwala	3.63	5.50	-	-	-	-	-	-
Suresh Jankar	16.01	-	-	-	-	-	-	-
Sitting fees to Directors								
Chamelidevi Gupta	-	-	-	-	0.50	0.60	-	-
Rajdipkumar Gupta	-	1.55	-	-	-	-	-	-
Sandipkumar Gupta	1.65	1.55	-	-	-	-	-	-
Chandrakant Gupta	0.75	-	-	-	-	-	-	-
Pratheek Aggarwal	0.65	-	-	-	-	0.60	-	-
Bhavesh Jain	0.65	-	-	-	-	0.60	-	-
Sudha Navandar	1.00	-	-	-	-	-	-	-
Ankit Paleja	0.75	-	-	-	-	-	-	-
Ramachandran Sivathanu	1.25	-	-	-	-	-	-	-
Loans taken from related parties								
Rajdipkumar Gupta	321.00	-	-	-	-	-	-	-
Sandipkumar Gupta	94.00	-	-	-	-	-	-	-
Chandrakant Gupta	75.00	-	-	-	-	-	-	-
Chamelidevi Gupta	-	-	-	-	75.00	-	-	-
Sarika Gupta	-	-	-	-	67.50	-	-	-
Sunita Gupta	-	-	-	-	42.50	-	-	-

*Gratuity liability and compensated absences are determined for the Group as a whole. Therefore, the same cannot be disclosed for the key managerial personnel separately

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2018
(₹ in lakhs, except for share data, and if otherwise stated)

Particulars	Directors and Key Management Personnel (KMP)		Entities in which KMP/relatives of KMP exercise significant influence		Relatives of KMP		Associate	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Loans repaid to related parties								
Rajdipkumar Gupta	272.24	-	-	-	-	-	-	-
Sandipkumar Gupta	50.00	-	-	-	-	-	-	-
Chandrakant Gupta	75.00	-	-	-	-	-	-	-
Chamelidevi Gupta	-	-	-	-	75.00	-	-	-
Sarika Gupta	-	-	-	-	67.50	-	-	-
Sunita Gupta	-	-	-	-	42.50	-	-	-
Issue of bonus shares								
Sandipkumar Gupta	-	900.00	-	-	-	-	-	-
Rajdipkumar Gupta	-	900.00	-	-	-	-	-	-
Chandrakant Gupta	-	300.00	-	-	-	-	-	-
Chamelidevi Gupta	-	-	-	-	-	300.00	-	-
Sunita Gupta	-	-	-	-	-	270.00	-	-
Sarika Gupta	-	-	-	-	-	270.00	-	-
Chandrakant Gupta HUF	-	-	-	22.50	-	-	-	-
Rajdipkumar Gupta HUF	-	-	-	18.75	-	-	-	-
Sandipkumar Gupta HUF	-	-	-	18.75	-	-	-	-
Dividend Paid								
Sandipkumar Gupta	225.00	-	-	-	-	-	-	-
Rajdipkumar Gupta	225.00	-	-	-	-	-	-	-
Chandrakant Gupta	75.00	-	-	-	-	-	-	-
Chamelidevi Gupta	-	-	-	-	75.00	-	-	-
Sunita Gupta	-	-	-	-	67.50	-	-	-

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2018
(₹ in lakhs, except for share data, and if otherwise stated)

Particulars	Directors and Key Management Personnel (KMP)		Entities in which KMP/relatives of KMP exercise significant influence		Relatives of KMP		Associate	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Sarika Gupta	-	-	-	-	67.50	-	-	-
Chandrakant Gupta HUF	-	-	5.64	-	-	-	-	-
Rajdipkumar Gupta HUF	-	-	4.68	-	-	-	-	-
Sandipkumar Gupta HUF	-	-	4.68	-	-	-	-	-
Salaries, wages and bonus								
Sarika Gupta	-	-	-	-	9.00	13.00	-	-
Sunita Gupta	-	-	-	-	9.00	13.00	-	-
Tanvi Gupta	-	-	-	-	5.50	4.00	-	-

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2018
(₹ in lakhs, except for share data, and if otherwise stated)

(c) Balances with related parties (as at year-end)

Particulars	Directors and Key Management Personnel (KMP)			Entities in which KMP/ relatives of KMP exercise significant influence			Relatives of KMP			Associate		
	31 March 2018	31 March 2017	1 April 2016	31 March 2018	31 March 2017	1 April 2016	31 March 2018	31 March 2017	1 April 2016	31 March 2018	31 March 2017	1 April 2016
Balances outstanding at the end of the year												
Amount Receivable												
29 Three Holidays Private Limited	-	-	-	2.19	0.36	0.45	-	-	-	-	-	-
Spectrum Technologies	-	-	-	-	-	15.26	-	-	-	-	-	-
Amount payable												
29 Three Holidays Private Limited	-	-	-	56.97	15.69	-	-	-	-	-	-	-
Spectrum Technologies	-	-	-	22.34	-	-	-	-	-	-	-	-
Rajdipkumar Gupta	-	-	29.83	-	-	-	-	-	-	-	-	-
Sandipkumar Gupta	-	-	29.83	-	-	-	-	-	-	-	-	-
Loan payable												
Rajdipkumar Gupta	48.76	-	-	-	-	-	-	-	-	-	-	-
Sandipkumar Gupta	44.00	-	-	-	-	-	-	-	-	-	-	-
Advances receivable												
Rajdipkumar Gupta	-	140.17	-	-	-	-	-	-	-	-	-	-
Sandipkumar Gupta	-	120.16	-	-	-	-	-	-	-	-	-	-
Graphixide Services Private Limited	-	-	-	-	26.72	29.42	-	-	-	-	-	-

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2018
(₹ in lakhs, except for share data, and if otherwise stated)

Particulars	Directors and Key Management Personnel (KMP)			Entities in which KMP/ relatives of KMP exercise significant influence			Relatives of KMP			Associate		
	31 March 2018	31 March 2017	1 April 2016	31 March 2018	31 March 2017	1 April 2016	31 March 2018	31 March 2017	1 April 2016	31 March 2018	31 March 2017	1 April 2016
Loan receivable												
Defero Mobile (Thailand) Co. Ltd.	-	-	-	-	-	-	-	-	-	-	69.45	-
Sitting fees payable												
Chamelidevi Gupta	-	-	-	-	-	-	-	0.36	0.28	-	-	-
Remuneration payable												
Sandipkumar Gupta	47.84	-	-	-	-	-	-	-	-	-	-	-
Rajdipkumar Gupta	4.99	-	-	-	-	-	-	-	-	-	-	-

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free except where indicated and settlement occurs vide cash/bank payment. There have been no guarantees received or provided for any related party receivables or payables. For the year ended 31 March 2018, Company has recorded impairment of receivables/advances of ₹ 101.70 lakhs relating to amounts owed by related parties (31 March 2017: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

(₹ in lakhs, except for share data, and if otherwise stated)

44. (a) Statement of consolidated net assets, consolidated profit / (loss), other comprehensive income and total comprehensive income attributable to equity shareholders of the Holding Company and Non-controlling interests

For disclosures mandated by Schedule III of Companies Act 2013, by way of additional information, refer below:

Name of the entities in the group	Country of incorporation	Net Assets, i.e. total assets minus total liabilities		Share in profit / (loss)		Share in other comprehensive income / (loss) (OCI)		Total comprehensive income (CI)	
		As % of consolidated net assets	Amount	As % of consolidated profit	Amount	As % of consolidated OCI	Amount	As % of consolidated CI	Amount
Parent:									
Route Mobile Limited	India								
31 March 2018		49%	8,373.61	23%	1,094.31	1%	2.05	22%	1,096.36
31 March 2017		63%	8,027.25	85%	5,160.45	-1%	6.37	103%	5,166.82
Subsidiaries:									
Indian									
Sphere Edge Consulting India Private Limited	India								
31 March 2018		4%	678.47	0%	13.00	0%	-	0%	13.00
31 March 2017		5%	665.47	2%	114.39	0%	-	2%	114.39
Cellent Technologies India Private Limited	India								
31 March 2018		1%	115.12	1%	50.94	0%	-	1%	50.94
31 March 2017		1%	64.18	3%	168.30	0%	-	3%	168.30
Start Corp India Private Limited	India								
31 March 2018		1%	92.79	0%	20.59	0%	-	0%	20.59
31 March 2017		1%	72.21	0%	7.09	0%	-	0%	7.09

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2018
(₹ in lakhs, except for share data, and if otherwise stated)

Name of the entities in the group	Country of incorporation	Net Assets, i.e. total assets minus total liabilities		Share in profit / (loss)		Share in other comprehensive income / (loss) (OCI)		Total comprehensive income (CI)	
		As % of consolidated net assets	Amount	As % of consolidated profit	Amount	As % of consolidated OCI	Amount	As % of consolidated CI	Amount
Call 2 Connect India Private Limited	India								
31 March 2018		-1%	(229.50)	-9%	(406.77)	0%	-	-8%	(406.77)
31 March 2017		NA	-	-	-	-	-	-	-
Foreign									
RouteSMS Solutions (UK) Limited (refer note 1 below)	United Kingdom								
31 March 2018		6%	1,080.89	12%	552.21	34%	94.81	13%	647.02
31 March 2017		3%	433.87	2%	111.98	18%	(76.87)	1%	35.11
Routesms Solutions Nigeria Limited	Nigeria								
31 March 2018		2%	339.36	3%	151.25	-12%	(34.70)	2%	116.55
31 March 2017		2%	223.15	3%	165.65	20%	(89.34)	2%	76.31
RouteSMS Solutions (FZE) Limited (refer note 1 below)	United Arab Emirates								
31 March 2018		41%	7,040.71	75%	3,553.97	9%	25.92	71%	3,579.89
31 March 2017		27%	3,460.49	63%	3,825.37	4%	(18.00)	76%	3,807.37
Route Mobile Pte. Ltd.	Singapore								
31 March 2018		-1%	(153.83)	-3%	(160.59)	-2%	(4.71)	-3%	(165.30)
31 March 2017		0%	11.47	0%	(0.14)	0%	(0.77)	0%	(0.91)

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2018
(₹ in lakhs, except for share data, and if otherwise stated)

Name of the entities in the group	Country of incorporation	Net Assets, i.e. total assets minus total liabilities		Share in profit / (loss)		Share in other comprehensive income / (loss)		Share in other comprehensive income / (loss)	
		As % of consolidated net assets	Amount	As % of consolidated profit	Amount	As % of consolidated profit	Amount	As % of consolidated profit	Amount
Non - Controlling interest in all subsidiaries (as applicable									
RouteSMS Solutions (FZE) Limited									
31 March 2018		0%	(77.73)	-2%	(79.19)	0%	(0.21)	-2%	(79.40)
31 March 2017		0%	1.67	0%	1.69	0%	(0.02)	0%	1.67
RouteSMS Solutions (UK) Limited									
31 March 2018		0%	11.82	-1%	(37.46)	0%	(0.83)	-1%	(38.29)
31 March 2017		0%	50.11	0%	(3.02)	0%	-	0%	(3.02)
Intercompany elimination and consolidation adjustments									
31 March 2018		-1%	(243.79)	0%	(0.06)	71%	198.62	4%	198.56
31 March 2017		-2%	(265.10)	-58%	(3,512.53)	59%	(257.93)	-75%	(3,770.46)
Total									
31 March 2018			17,027.92		4,752.20		280.95		5,033.15
31 March 2017			12,744.77		6,039.23		(436.56)		5,602.67

Note:
1. Amount disclosed is after consolidation with subsidiaries and associate, as applicable.

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2018
(₹ in lakhs, except for share data, and if otherwise stated)

(b) Non-controlling interest (NCI)

Summarised Balance sheet

Particulars	Route Mobile Limited (Ghana)			Route Mobile LLC (UAE)		
	31 March 2018	31 March 2017	1 April 2016	31 March 2018	31 March 2017	1 April 2016
Current assets	172.34	189.10	NA	618.26	426.45	NA
Current liabilities	(83.89)	(54.63)	NA	(774.23)	(428.96)	NA
Net current assets	**88.45**	**134.47**	**NA**	**(155.97)**	**(2.51)**	**NA**
Non-current assets	55.48	32.56	NA	3.55	5.78	NA
Non-current liabilities	(104.53)	-	NA			NA
Net non-current assets	**(49.05)**	**32.56**	**NA**	**3.55**	**5.78**	**NA**
Net assets	**39.40**	**167.03**	**NA**	**(152.42)**	**3.27**	**NA**
Accumulated NCI	**11.82**	**50.11**		**(77.73)**	**1.67**	

Summarised statement of profit and loss

	Route Mobile Limited (Ghana)		Route Mobile LLC (UAE)	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Revenue	111.99	-	1,009.94	363.81
Loss for the year	(124.88)	(10.04)	(155.27)	3.31
Other comprehensive income / (loss)	(2.75)	-	(0.42)	(0.04)
Total comprehensive income	**(127.63)**	**(10.04)**	**(155.69)**	**3.27**
Loss allocated to NCI	(37.46)	(3.02)	(79.19)	1.69
Other comprehensive income allocated to NCI	(0.83)	-	(0.21)	(0.02)
Dividend paid to NCI	-	-	-	-

Summarised cash flows

Particulars	Route Mobile Limited (Ghana)		Route Mobile LLC (UAE)	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Cash flows from operating activities	(190.34)	136.00	(13.52)	22.75
Cash flows from investing activities	(0.65)	52.88	(1.31)	(7.15)
Cash flows from financing activities	281.57	-	-	-
Net increase / (decrease) in cash and cash equivalents	**90.58**	**188.88**	**(14.83)**	**15.60**

(c) Interest in Associate

Name of entity	Country of incorporation	% of ownership interest			Relationship	Accounting method	Carrying value*		
		31 March 2018	31 March 2017	01 April 2016			31 March 2018	31 March 2017	01 April 2016
Defero Mobile (Thailand) Co. Ltd.	Thailand	Nil	34%	34%	Associate	Equity Method	**	4.31	4.68

*Since the entity is unlisted, hence no quoted price is available

** The company closed its operation on 31 January 2018

Defero Mobile Pte. Ltd. has invested in Defero Mobile (Thailand) Co., Ltd. a company incorporated in Thailand, to acquire 49% shareholding in that company . The principal activities of the associate are those relating to telecommunication services. The principal activities of associate is similar to the group's business, hence strengthening the group's stake in the market.

(₹ in lakhs, except for share data, and if otherwise stated)

45. Employee Benefits (as applicable to Indian entities)

I. Contribution to Defined contribution plan, recognised as expenses for the year as under :

	Year ended 31 March 2018	Year ended 31 March 2017
Employer contribution to provident fund	9.62	2.92
Employer's Contribution to Employees State Insurance Scheme	6.80	2.44
	16.42	**5.36**

II. Gratuity:

Defined benefit plans: - The group provides for gratuity benefit under a defined benefit retirement scheme (the "Gratuity Scheme") as laid out by the Payment of Gratuity Act, 1972 of India covering eligible employees. Liabilities with regard to the Gratuity Scheme are determined by actuarial valuation carried out using the Projected Unit Credit Method by an independent actuary in accordance with Indian Accounting Standard-19, 'Employee Benefits'. The Gratuity Scheme is a non-funded scheme and the group intends to discharge this liability through its internal resources.

The following table sets out the unfunded status of the Gratuity Scheme in respect of employees of the Indian entities in the group:

		As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
(a)	**Change in present value of benefit obligation**			
	Projected Benefit Obligation ("PBO") at the beginning of the year	145.80	103.73	85.64
	Current service cost	34.65	44.46	18.45
	Past service cost	19.86	-	-
	Interest cost	7.59	7.35	6.14
	Remeasurements due to:			
	- Effect of change in financial assumptions	(3.79)	4.56	0.55
	- Effect of change in demographic assumptions	-	(0.55)	-
	- Effect of experience adjustments	0.90	(13.75)	(7.05)
	Benefits paid	(22.52)	-	-
	Present value of obligation at the end of the year	**182.49**	**145.80**	**103.73**
(b)	**Current / Non Current Benefit Obligation**			
	Current	40.30	44.19	12.83
	Non-current	142.19	101.61	90.90
	Amount recognised in the Consolidated Balance sheet	**182.49**	**145.80**	**103.73**

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2018
(₹ in lakhs, except for share data, and if otherwise stated)

		Year ended 31 March 2018	Year ended 31 March 2017
(c)	**Amount recognised in the Consolidated Statement of Profit and Loss**		
	Current service cost	34.65	44.46
	Past service cost	19.86	-
	Interest cost	7.59	7.35
	Total expense included in "Employee benefit expense"	**62.10**	**51.81**
(d)	**Amount recognised in Other Comprehensive Income (OCI)**		
	Remeasurements due to:		
	- Effect of change in financial assumptions	(3.79)	4.56
	- Effect of change in demographic assumptions	-	(0.55)
	- Effect of experience adjustments	0.90	(13.75)
	Actuarial (gain)/ loss recognised in Other comprehensive income	**(2.89)**	**(9.74)**

(e) Assumptions

	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Discount rate	7.25%	6.75%	7.55%
Salary escalation rate	10.00%	10.00%	12% for first three years and 8% thereafter
Withdrawal Rate	20.00%	20.00%	15.00%
Mortality Table	Indian assured lives mortality (2006-08) ultimate	Indian assured lives mortality (2006-08) ultimate	Indian assured lives mortality (2006-08) ultimate

(f) Maturity pattern for defined benefit obligation

	31 March 2018	31 March 2017
Expected cash flows		
Year 1	39.91	19.32
Year 2	26.41	21.19
Year 3	24.41	16.58
Year 4	22.89	15.56
Year 5	21.87	14.59
Year 6-10	71.19	48.56

(g) Sensitivity Analysis:

Defined benefit obligation	182.49	145.80	103.73

	31 March 2018			31 March 2017		
	Change in the assumption	**Increase in profit before tax**	**Decrease in profit before tax**	**Change in the assumption**	**Increase in profit before tax**	**Decrease in profit before tax**
Discount rate	50 bps	5.05	2.05	50 bps	2.61	2.73
Salary growth rate	50 bps	4.24	1.08	50 bps	1.93	2.04

III. Compensated absences

The Group provided for ₹ 13.61 lakhs (31 March 2017: ₹ 22.53 lakhs) towards compensated absences during the year ended 31 March 2018.

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2018
(₹ in lakhs, except for share data, and if otherwise stated)

46. Business Combinations

(a) Summary of acquisition

On 8 September 2016, pursuant to a deal, the Group acquired 100% of the issued shared capital of Cellent Technologies India Private Limited and Start Corp India Private Limited respectively from the acquires (viz. Siddharth Goel, Aditya Goel, Narendra Goel, Savita Goel, Anirudh Goel and Varun Goel). Both the entities are unlisted and is engaged in providing mass SMS solutions, mobile application developments and VOIP facilities to its clients. The acquisition will lead to strengthening the group's stake in the market.

On 1 April 2017, pursuant to a deal, the Group acquired 100% of the issued shared capital of Call 2 Connect India Private Limited from the acquires (viz. Anil Kumar Sinha, Vimal Kumar Sekhani and Arabi Holding Group Ltd). The entity is unlisted and is engaged in providing business process outsourcing (BPO), call center and back-end services to clients in telecommunications, banking and other sectors. The acquisition will lead to strengthen the group's IT support services in the market.

On 1 October 2017, pursuant to a deal, the Group acquired 100% of the issued shared capital of 365 Squared limited from the acquires (viz. Tonio Ellul, Ronnel Prasad and Christopher Bianco). The entity is incorporated under the laws of Malta and is engaged in business providing solution to monitor where SMSs are originating. The acquisition will empower the operational efficiency of the group's existing business.

(b) Assets acquired and liabilities assumed recognised as a result of the acquisition

Particulars	365 Squared Limited (Fair Value)	Call 2 Connect (Fair Value)	Cellent Technologies India Private Limited (Fair Value)	Start Corp India Private Limited (Fair Value)
Property, plant and equipment	59.35	207.58	1.49	1.62
Intangible assets	909.31	9.95	0.12	0.30
Intangible assets-Customer relationship	6,403.69	-	-	-
Intangible assets-Non - Compete fees	354.48	-	-	-
Deferred tax assets (net)	-	9.85	-	3.67
Non-current tax assets	-	-	6.70	-
Other non-current assets	-	1.28	53.69	0.03
Current investments	-	-	0.14	3.28
Trade receivables	831.51	774.84	122.94	66.36
Cash and cash equivalents	13.91	30.33	7.61	4.10
Other bank balances	-	-	3.39	-
Non Current loans	-	5.21	-	-
Current loans	-	18.66	192.60	29.00
Other current financial assets	155.71	8.72	-	3.09
Other non-current financial assets	-	1.00	-	-
Current tax assets (net)	-	97.94	-	30.76
Other current assets	-	60.37	32.54	-
Non-current provisions	-	-	-	(8.19)
Deferred tax liabilities (net)	-	-	(2.13)	-
Current borrowings	-	(991.89)	(75.86)	-
Trade payables	(508.37)	(198.66)	(156.06)	(67.39)
Other non-current liabilities	-	(0.82)	-	-
Other current financial liabilities	-	(156.50)	(0.04)	(0.44)
Other current liabilities	(136.58)	(210.59)	(267.54)	(1.01)

Current tax liabilities (net)	-	-	(4.37)	-
Current provisions	(343.63)	-	(19.58)	-
Net identifiable assets acquired	**7,739.38**	**(332.73)**	**(104.36)**	**65.18**

(c) Calculation of goodwill

Particulars	365 Squared Limited	Call 2 Connect	Cellent Technologies India Private Limited	Start Corp India Private Limited
Consideration transferred				
- Cash paid	7,706.00	483.33	1,127.40	200.00
- Contingent consideration	5,949.03	-	-	-
Total purchase consideration	**13,655.03**	**483.33**	**1,127.40**	**200.00**
Less: Net identified assets acquired	7,739.38	(332.73)	(104.36)	65.18
Goodwill	**5,915.65**	**816.06**	**1,231.76**	**134.82**

The goodwill is attributable to the high profitability of the acquired business. It will not be deductible for tax purposes.

(d) Note on contingent consideration

The Group has agreed to pay to the selling shareholders the additional consideration of EURO 9,400,000 (Equivalent ₹ 7,243.64 lakhs) in cash on March 2019 linked to target earnings before interest, tax, depreciation and amortisation (EBITDA) vis a vis the actual EBITDA achieved at the end of each year as set forth in the acquisition share purchase agreement (Acquisition SPA).
The group has included ₹ 5,949.03 lakhs as contingent consideration related to additional consideration, which represents its fair value at the date of acquisition. As at 31 March 2018. the contingent consideration has increased to ₹ 6,437.94 lakhs (refer note 25) (including unwinding of the discount of ₹ 479.04 lakhs grouped in finance costs).

(e) Contingent liability

Income tax liability of ₹ 58.41 lakhs for AY 2014-15 was recognised on acquisition of Cellent Technologies India Private Limited, however the seller has contested the amount in the court of law. Further, buyer has retained the amount of ₹ 50 lakhs and hereby agree and acknowledge that the balance will be released upon favourable conclusion of the proceedings before the ultimate appellate authority in law.

(f) Acquisition related costs

Acquisition related costs of ₹ 5.42 lakhs, ₹ 0.90 lakhs and ₹ 42.44 lakhs relating to acquisition of Cellent Technologies India Private Limited, Start Corp India Private Limited and 365 Squared respectively, was charged to statement of profit and loss as other expenses and disclosed in operating cash flows in the statement of cash flows. There are no acquisition related cost in relation to Call 2 Connect.

(g) Revenue and profit contribution

The acquired business contributed revenues and profits to the group for the year ended 31 March 2018 and 31 March 2017 is as follows:
(a) Cellent Technologies India Private Limited - Revenue of ₹ 731.40 lakhs and profit of ₹ 168.54 lakhs for the period 9 September 2016 to 31 March 2017
(b) Start Corp India Private Limited - Revenue of ₹ 251.20 lakhs and profit of ₹ 7.03 lakhs for the period 9 September 2016 to 31 March 2017
(c) Call 2 Connect India Private Limited - Revenue of ₹ 1531.66 lakhs and loss of ₹ 406.77 lakhs for the year 1 April 2017 to 31 March 2018
(d) 365 Squared limited - Revenue of ₹ 5077.58 lakhs and profit of ₹ 670.55 lakhs for the period 1 October 2017 to 31 March 2018
If the acquisitions had occurred on 1 April 2017 and 1 April 2016 respectively, consolidated pro-forma revenue and profit for the year ended 31 March 2018 would have been ₹ 55,411.03 lakhs and ₹ 5,349.36 lakhs respectively and for 31 March 2017 would have been ₹ 46,366.77 lakhs and ₹ 5,892.82 lakhs respectively.

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2018
(₹ in lakhs, except for share data, and if otherwise stated)

47. Interest in other entities

The Consolidated Financial Statements present the Consolidated Accounts of Route Mobile Limited with its following Subsidiaries and Associates

Sr. No	Relationship	Name of the Subsidiary	Principal place of business and country of incorporation	Proportion of ownership interest 31 March 2018	Proportion of ownership interest 31 March 2017	Proportion of ownership interest 01 April 2016
1	Subsidiary	Route Mobile (UK) Limited	UK	100%	100%	100%
2	Subsidiary	Sphere Edge Consulting India Private Limited	India	100%	100%	100%
3	Subsidiary	RouteSMS Solutions (FZE) Limited	UAE	100%	100%	100%
4	Subsidiary	RouteSMS Solutions Nigeria Limited	Nigeria	100%	100%	100%
5	Subsidiary	Cellent Technologies India Private Limited	India	100%	100%	-
6	Subsidiary	Start Corp India Private Limited	India	100%	100%	-
7	Subsidiary	Route Mobile Pte. Ltd. - Singapore	Singapore	100%	100%	-
8	Subsidiary	Call 2 Connect India Private Limited	India	100%	-	-
9	Associate	Defero Mobile (Thailand) Co. Ltd.*	Thailand	Nil	34%	34%

* The company closed its operation on 31 January 2018

48. Commitment and contingencies

	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
A] Claims against the group not acknowledged as debts			
Income tax matter	58.41	58.41	-
Service tax matters*	5,067.79	2,500.28	-
Guarantees given on behalf of the group by banks	361.22	701.39	366.37
	5,487.42	**3,260.08**	**366.37**
B] Other commitment			
For payment of lease	1,773.56	680.09	1,641.63
For purchase of property	-	54.67	-
	1,773.56	**734.76**	**1,641.63**

*The above figure does not include amounts towards certain additional penalty and interest that may devolve on the Group in the event of an adverse outcome as the same is subjective and not capable of being presently quantified.

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2018
(₹ in lakhs, except for share data, and if otherwise stated)

(i) Service tax matter of Holding Company

During the previous year, the Service tax department ("department") had issued a Show Cause cum Demand Notice (SCDN) to the Company vide letter F No. DGCEI/MZU/I&IS'C'/12(3)30/2016 dated April 2017, based on the understanding that the Holding Company has not discharged the service tax liability under reverse charge on the purchases of messages from its foreign vendors and sold to their overseas customers, demand pertaining to the period October 2011 to March 2016, amounting to ₹ 2,500.28 lakhs excluding Interest and penalty. The said matter was under dispute with Commissioner.
The Commissioner of CGST, Mumbai has confirmed the demand vide his order dated 27 June 2018.
The Holding Company is in process to file an appeal with Customs, Excise and Service Tax Appellate Tribunal, Mumbai (CESTAT) and paid an amount of ₹ 187.52 lakhs under protest.
Based on grounds outlined in an independent legal opinion, the Management believes that the outcome will be in the favour of the Holding Company and accordingly no provision for liability has been recognised in the consolidated financial statements and the demand has been disclosed as contingent liability.

49. Leases

(a) The Group has entered into Operating lease agreements for few office facilities and such leases are basically cancellable in nature.

Lease rent expense recognised in the Consolidated Statement of profit and loss for the year ended 31 March 2018 in respect of operating leases is ₹ 849.94 (31 March 2017: ₹ 517.39)

Certain non-cancellable operating leases extend upto a maximum of three years from their respective dates of inception. Some of such lease agreements have a price escalation clause. Maximum obligations on long term non-cancellable operating leases in accordance with the rent stated in the respective agreements are as under:

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Not later than 1 year	562.31	445.02	489.48
Later than 1 year but not later than 5 years	1,211.25	235.07	1,152.15
Later than 5 years	-	-	-
Total	**1,773.56**	**680.09**	**1,641.63**

(b) The Group has taken computers and computer servers on finance lease. The future lease rent payable on such assets taken on finance lease are as follows:

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Minimum lease payments			
Not later than 1 year	114.67	114.67	-
Later than 1 year but not later than 5 years	172.01	286.68	-
Later than 5 years	-	-	-
Present value of minimum lease payments			
Not later than 1 year	97.43	90.24	-
Later than 1 year but not later than 5 years	159.74	258.34	-
Later than 5 years	-	-	-

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2018
(₹ in lakhs, except for share data, and if otherwise stated)

50. Segment reporting

The group's chief operating decision maker - Chief Financial Officer for evaluating group performance and for allocating resources based on analysis of various performance indicators, has identified four operative segments by geography

Segment reporting as at and for the year ended 31 March 2018

Particulars	India	Dubai	United Kingdom	Nigeria	Unallocated	Eliminations	Total
Segment revenue							
External revenue	19,265.80	12,668.79	12,325.28	4,120.69	2,114.18	-	50,494.73
Inter-segment revenue	3,881.16	3,403.72	6,197.68	667.25	17.18	(14,167.00)	-
Total revenue	**23,146.96**	**16,072.51**	**18,522.96**	**4,787.94**	**2,131.36**	**(14,167.00)**	**50,494.73**
Segment Results	**1,215.55**	**3,430.05**	**(170.33)**	**222.87**	**948.10**	**255.41**	**5,901.65**
Add: Other income							453.79
Less: Finance costs							609.84
Profit before tax							**5,745.60**
Less: Tax expense							
Current tax							1,097.82
Deferred tax expense							(104.42)
Profit for the year before non-controlling interests							**4,752.20**
Less: non-controlling interests							116.65
Profit for the year attributable to owners							**4,868.85**

Particulars	India	Dubai	United Kingdom	Nigeria	Unallocated	Eliminations	Total
Other segment information:							
1. Segment assets	18,946.35	9,891.64	26,289.78	1,053.16	2,209.95	(16,057.13)	42,333.75
2. Segment liabilities	9,915.87	2,928.66	23,697.10	713.87	3,863.68	(15,813.35)	25,305.83
3. Non-current assets**	3,104.74	748.42	815.67	8.63	12,864.82	2,192.62	19,734.90
4. Depreciation and amortisation expenses	660.59	61.09	506.50	-	17.30	-	1,245.48

** Non-current assets are excluding financials assets, deferred tax assets and investment in associate

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2018
(₹ in lakhs, except for share data, and if otherwise stated)

Segment reporting as at and for the year ended 31 March 2017

Particulars	India	Dubai	United Kingdom	Nigeria	Unallocated	Eliminations	Total
Segment revenue							
External revenue	16,921.64	19,609.16	4,339.07	4,432.07	456.15	-	45,758.09
Inter-segment revenue	6,436.55	222.69	163.08	-	-	(6,822.32)	-
Total revenue	**23,358.19**	**19,831.85**	**4,502.15**	**4,432.07**	**456.15**	**(6,822.32)**	**45,758.09**
Segment Results	**3,434.68**	**3,802.78**	**(23.02)**	**242.61**	**(0.08)**	**42.03**	**7,499.01**
Add: Other income							725.11
Less: Finance costs							75.28
Profit before tax							**8,148.84**
Less: Tax expense							
Current tax							2,171.21
Deferred tax expense							(61.60)
Profit for the year before non-controlling interests							**6,039.23**
Add: non-controlling interests							1.33
Profit for the year attributable to owners							**6,040.56**

Other segment information:							
1. Segment assets	14,900.78	4,124.29	1,107.12	879.51	478.68	(1,424.92)	20,065.46
2. Segment liabilities	6,071.67	661.79	661.75	656.74	428.52	(1,159.78)	7,320.69
3. Non-current assets**	3,028.73	108.67	43.56	4.51	-	1,382.90	4,568.37
4. Depreciation and amortisation expenses	493.36	26.84	21.25	-	-	-	541.45

** Non-current assets are excluding financials assets, deferred tax assets and investment in associate

B) Major customer

Considering the nature of businesses of the group, it deals with various customers. Consequently, none of the customers contribute materially to the revenue of the group.

(₹ in lakhs, except for share data, and if otherwise stated)

51 Employee Stock Option Plan (ESOP)

The Holding Company has implemented Employee Stock Option Plans for the employees of the Holding Company and its subsidiaries through Route Mobile Employee Welfare Trust (the 'Trust') formed for the purpose. All the options issued by the Holding Company are equity share based options which have to be settled in equity shares only. The shares to be allotted to employees under the "Route Mobile Limited- Employee Stock Option Plan 2017 (the 'ESOP scheme'). The shareholders at its meeting held on 12 October 2017 approved grant of 2,500,000 employee share options to eligible employees under the ESOP scheme of Holding Company.

I. The position of the Employee Stock Option Scheme of the Holding Company as at 31 March 2018 is as under:

Sr. No.	Particulars	ESOP Scheme
1.	Details of approval	Resolution passed by Nomination and Remuneration committee meeting dated 05 October 2017 and the shareholders, in the Extra ordinary General Meeting held on 12 October 2017 had approved the grant of 2,500,000 employee stock options in accordance with the ESOP Scheme, equivalent to 5% of the issued and paid up share capital of the Holding Company as at 31 March 2018.
2.	Implemented through	Trust
3.	Total number of stock options approved	25,00,000
4.	Total number of stock options granted	14,52,500
5.	Vesting schedule	Each 25% of granted options shall vest on 12 October 2018, 12 October 2019, 12 October 2020 and 12 October 2021 respectively.
6,	Maximum term of Options granted (years)	4
7.	Source of shares (Primary, Secondary or combination)	Primary
8.	Price per option	₹ 300/-
9.	The exercise period and process of exercise	Exercise anytime within five year from date of vesting.

II. Method used to account for ESOS

The Holding Company has recorded compensation cost for all grants made to employees under the fair value based method of accounting. The fair value of each option granted is estimated on the date of grant using Discounted cash flow method. There was no material changes in the fair value of the option from the date of valuation to reporting date, hence there is no charge in the statement of profit and loss on account of ESOP.

III. Weighted average exercise price of Options granted during the year:

Exercise price equals fair market value	₹ 300
Exercise price is greater than fair market value	Nil
Exercise price is less than fair market value	Nil

IV. Weighted average fair value of Options granted during the year:

Exercise price equals fair market value	₹ 300
Exercise price is greater than fair market value	Nil
Exercise price is less than fair market value	Nil

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2018
(₹ in lakhs, except for share data, and if otherwise stated)

V. Employee-wise details of options granted during the financial year 2017-18:

(i) Employees who were granted, during the year, options amounting to 5% or more of the options granted during the year

Sr. No.	Name of Employees	Designation	Exercise Price per share (₹)	Number of Options granted during the year
1.	Mr. Rahul Pandey	Chief Credit Officer	300.00	1,50,000

(ii) Identified employees who were granted option, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.

Sr. No.	Name of Employees	Designation	Exercise Price per share (₹)	Number of Options granted during the year
1.	Nil	Nil	Nil	Nil

VI. The movement of stock options during the period ended 31 March 2018 are summarized below:

Number of options

Outstanding at the beginning of the year	Nil
Options granted during the year	14,52,500
Options Forfeited / lapsed during the year	Nil
Options Vested during the year	Nil
Options exercised during the year	Nil
Options Expired during the year	Nil
Options outstanding at the end of the year	14,52,500
Options exercisable at the end of the year	Nil

VII. The exercise price and expected remaining contractual life (comprising the vesting period and exercise period) of options outstanding as at 31 March 2018 is as follows:

Sr. No.	Grant Date	Number of Options Granted	Vesting Date	Exercise End Date	Exercise Price per share (₹)	Expected remaining contractual life (Months)
1	Friday, 13 October 2017	3,63,125	Friday, 12 October 2018	Thursday, 12 October 2023	300	66 months
2	Friday, 13 October 2017	3,63,125	Saturday, 12 October 2019	Saturday, 12 October 2024	300	78 months
3	Friday, 13 October 2017	3,63,125	Monday, 12 October 2020	Sunday, 12 October 2025	300	90 months
4	Friday, 13 October 2017	3,63,125	Tuesday, 12 October 2021	Monday, 12 October 2026	300	102 months

VIII. Assumptions:

Sr. No.	Particulars	Particulars
1	Risk Free Interest Rate	6.70%
2	Expected Life (year)	4
3	Expected Volatility	56%
4	Market Risk Premium	8.82%
5.	Cost of debt	11.00%
6.	Terminal Growth Rate	4.00%
7.	Cost of capital	11.06%

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2018
(₹ in lakhs, except for share data, and if otherwise stated)

52. Earnings per share

The amount considered in ascertaining the Group's earnings per share constitutes the net profit after tax. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the year. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also the weighted average number of shares which could have been issued on conversion of all dilutive potential shares.

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Net profit after tax attributable to equity shareholders	4,868.85	6,040.56
Weighted average number of shares outstanding during the year - Basic and diluted	5,00,00,000	5,00,00,000
Basic and diluted earnings per share (₹)	9.74	12.08
Nominal value per equity share (₹)	10	10

Diluted EPS is not impacted due to "ROUTE MOBILE LIMITED" Employee Stock Option Plan 2017 as no Option was vested under this Scheme.

53. Contribution towards Corporate Social Responsibility (CSR)

	Year ended 31 March 2018	Year ended 31 March 2017
Details of CSR expenditure of Holding company: -		
Amount required to be spent as per section 135 of the Act	86.43	47.29
Amount spent during the year on,		
(i) Construction/acquisition of any assets	-	-
(ii) For purpose other (i) above	42.21	13.39

54. The Holding Company has plans for Initial Public Offering (IPO) of its equity shares and has already filed the Draft Red Herring Prospectus (DRHP) with the Securities and Exchange Board of India (SEBI).

55. Events occurring after Balance sheet date

The Board of Directors of Holding Company at its meeting held on 15 September 2018 have recommended final dividend of ₹ 750 lakhs (₹ 1.5 per equity share). The dividend proposed is subject to the approval of the shareholders in the ensuing Annual General Meeting.

As per our report of even date attached.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Khushroo B. Panthaky
Partner
Membership No.: 42423

Place : Mumbai
Date : 15 September 2018

For and on behalf of the Board of Directors

Chandrakant Gupta
Chairman and Director
(DIN No. 01636981)

Sandipkumar Gupta
Director
(DIN No. 01272932)

Rajdipkumar Gupta
Managing Director
(DIN No. 01272947)

Pratik Joshi
Company Secretary

Suresh Jankar
Chief Financial Officer

Place : Mumbai
Date : 15 September 2018

Proxy Form

ROUTE MOBILE LIMITED
(Formerly known as Routesms Solutions Limited)
CIN: U72900MH2004PLC146323

Regd. Office: 4th Dimension, 3rd Floor, Mind Space, Malad (west), Mumbai - 400064
Tel No. 022-4033 7676 I **Fax No.** 022-4033 7650
E-mail: complianceofficer@routemobile.com
Web-site: www.routemobile.com

PROXY FORM
[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name	
Address	
Email Id	
Folio No.	

I / We, being the Member(s) of ____ shares of the above named Company, hereby appoint:

1. Name: ………
   Address: ……
   Email ID: ……
   Signature: ……………………………………………………………………………… or failing him/her

2. Name: ………
   Address: ……
   Email ID: ……
   Signature: ……………………………………………………………………………… or failing him/her

3. Name: ………
   Address: ……
   Email ID: ……
   Signature: ………………………………………………………………………………………………………

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 14th Annual General Meeting of Route Mobile Limited (Formerly known as Routesms Solutions Limited) to be held on Saturday, September 22, 2018 at 11:00 a.m. at 4th Dimension, 3rd Floor, Mind Space, Malad (west) Mumbai - 400064 and at any adjournment(s) thereof in respect of such resolutions as are indicated below:

Resolution No.	Particulars of the Resolution	For	Against	Abstain
Ordinary Resolution				
1.	Adoption of Standalone and Consolidated Financial Statements of the Company along with the reports of the Board of Directors and Auditors and thereon for the year ended 31st March, 2018.			
2.	To declare a Final dividend of ` 1.5 per equity share of 10/- each for the Financial year 2017-18.			
3.	Re-appointment of Mr. Chandrakant Gupta (DIN: 01636981) as Director of the Company.			

Signed this ____ day of September, 2018
Signature of Shareholder:
Signature of Proxy holder (s):

Affix Rs. 1.00 Revenue Stamp

Notes:

1. Proxy need not be member.
2. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before commencement of the Meeting.
3. It is optional to indicate your preference. If you leave the "for", "against" or "abstain" column blank, the proxy will be entitled to vote in the manner as he/she may deem appropriate.

Attendance Slip

ROUTE MOBILE LIMITED
(Formerly known as Routesms Solutions Limited)
CIN: U72900MH2004PLC146323

Regd. Office: 4th Dimension, 3rd Floor, Mind Space, Malad (west), Mumbai - 400064
Tel No. 022-4033 7676 I **Fax No.** 022-4033 7650
E-mail: complianceofficer@routemobile.com
Web-site: www.routemobile.com

ATTENDANCE SLIP

PLEASE fill attendance slip and hand it over at the entrance of the meeting hall Joint shareholders may obtain additional Slip at the venue of the meeting.

I/ We hereby record my/our presence at the 14th Annual General Meeting of Route Mobile Limited (Formerly Known as Routesms Solutions Limited) to be held on Saturday, September 22, 2018 at 11:00 a.m. at 4th Dimension, 3rd Floor, Mind Space, Malad (west), Mumbai - 400064.

Name: ____

Folio No: _____________ No. of Shares held: _________________

Name of Proxy / Representative, if any: ______________________

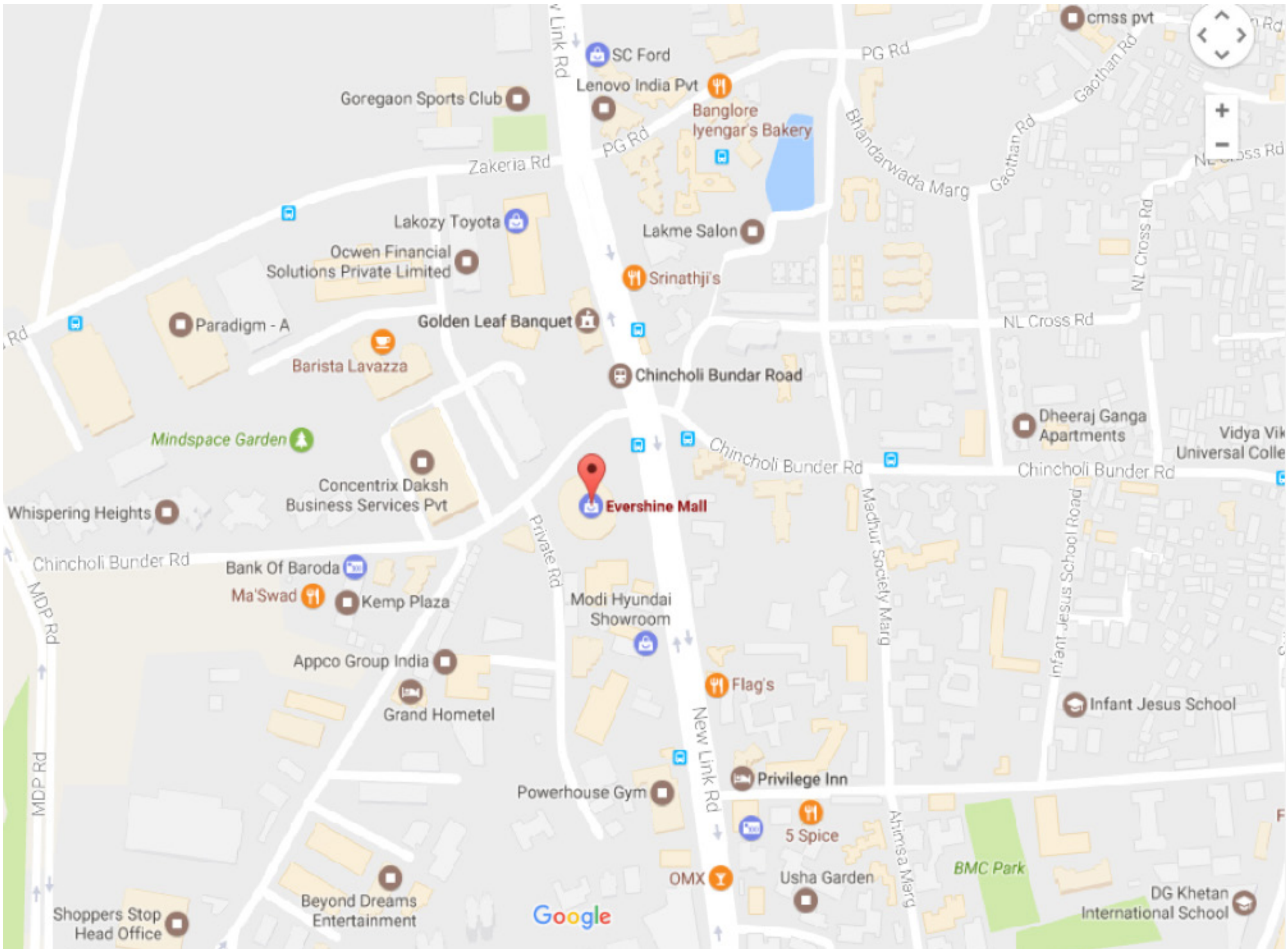
Signature of shareholder(s)/Proxy/ Representative: ____________________

Route Map of the Venue

The route map for the Annual General Meeting venue and landmark is attached below for your reference.

Address: 4th Dimension, 3rd Floor, Mind Space, Malad (west), Mumbai - 400064

Landmark: Near Goregaon Sports Complex



Notes

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