



# Annual Report

2018 - 2019

# The RML Story

Route Mobile's history is rooted in innovation; the brand constantly strives to provide its customers with reliable, trustworthy solutions and premium service, giving them access to the best possible technologies available.



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# CORPORATE INFORMATION

## FOUNDER

Mr. Rajdipkumar Gupta

## CO-FOUNDER

Mr. Sandipkumar Gupta

## NON-EXECUTIVE (NON-INDEPENDENT) DIRECTOR

Mr. Chandrakant Gupta  
Chairman

Mr. Sandipkumar Gupta

## COMPANY SECRETARY

Mr. Pratik Joshi  
(up to January 10, 2019)

Mr. Rathindra Das  
(w.e.f. January 11, 2019)

## NON-EXECUTIVE INDEPENDENT DIRECTOR

Mrs. Sudha Navandar

Mr. Ramachandran Sivathanu

Mr. Ankit Paleja

## SECRETARIAL AUDITOR

Rathi & Associates

## MANAGING DIRECTOR & GROUP CHIEF EXECUTIVE OFFICER

Mr. Rajdipkumar Gupta

## REGISTERED OFFICE

3<sup>rd</sup> Floor, 4<sup>th</sup> Dimension, Mind Space, Malad (West), Mumbai 400064

## CHIEF FINANCIAL OFFICER

Mr. Suresh Jankar

## INTERNAL AUDITOR

Pipalia Singhal & Associates,  
Chartered Accountants

## STATUTORY AUDITOR

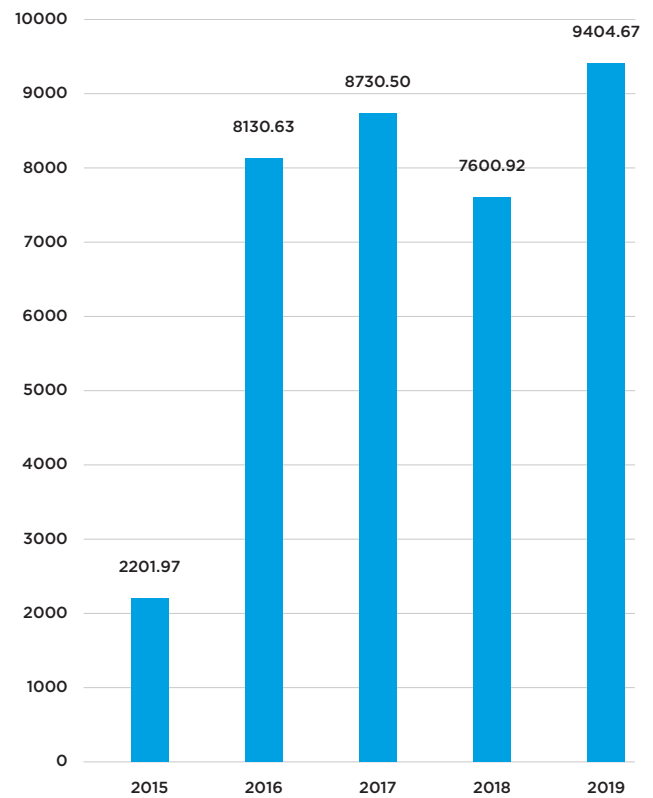
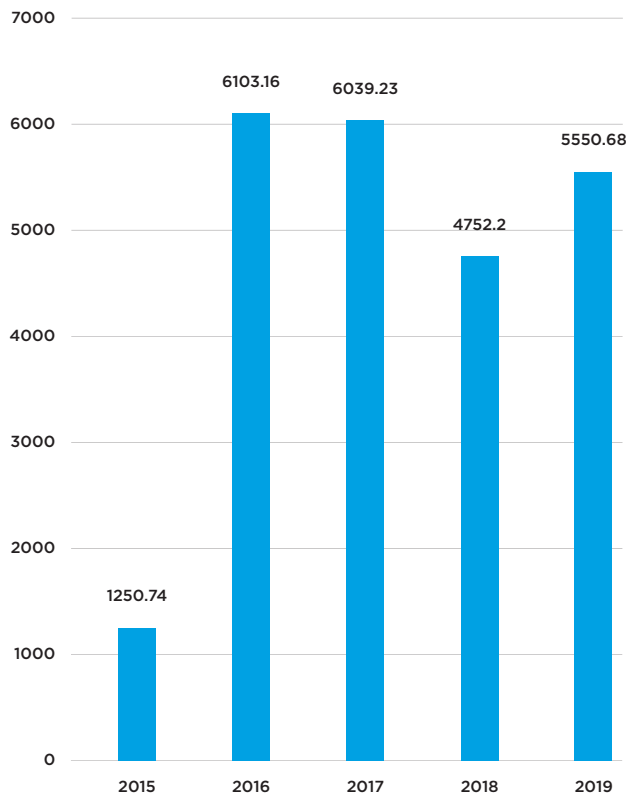
Walker Chandiook & Co LLP

## CORPORATE IDENTITY NUMBER

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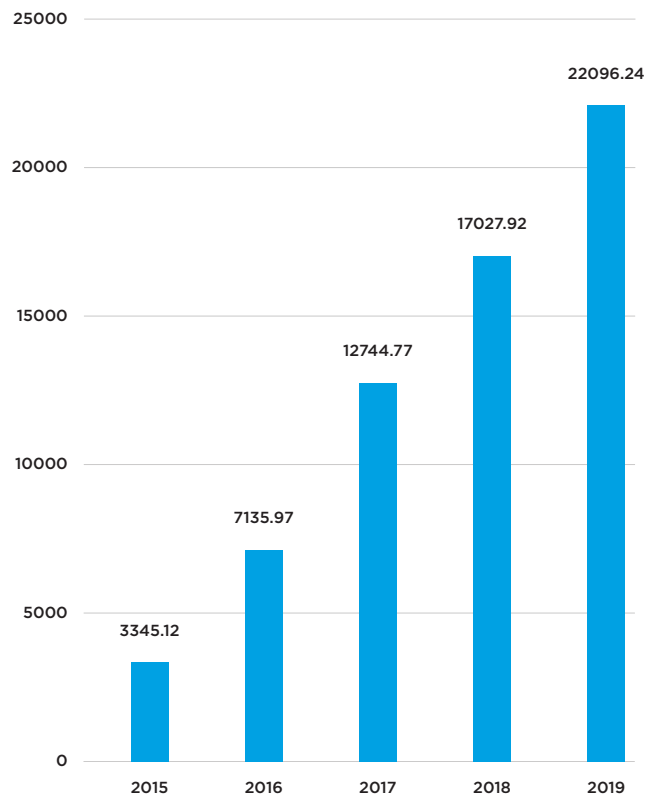
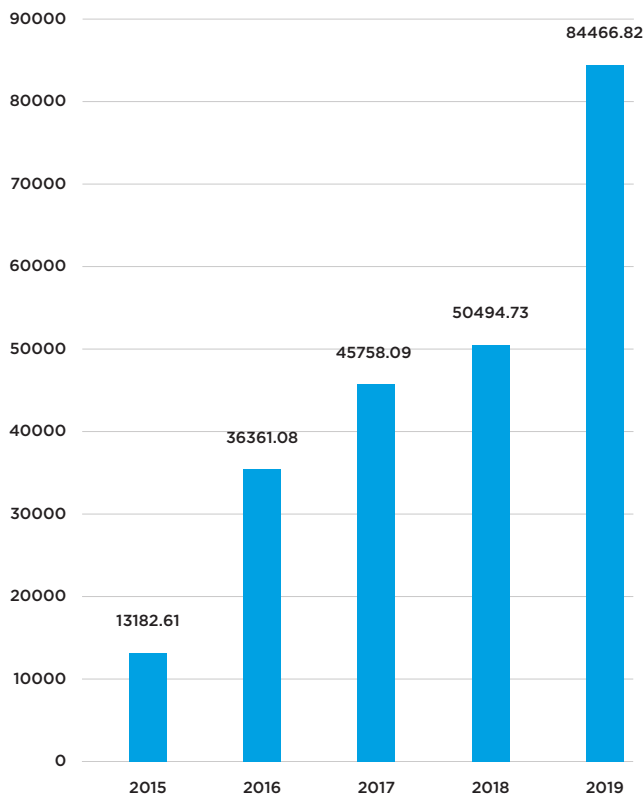
## SHARE TRANSFER AGENT

Karvy Fintech Private Limited - Karvy Selenium, Tower- B, Plot No. 31 & 32,  
Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad-500032, India.  
Toll Free No: 18003454001 Email: einward.ris@karvy.com



**Post Tax Profit**

**EBITDA**



**Turnover**

**Network**

\* consolidated figures; ₹ in Lakhs

# CHAIRMAN'S MESSAGE



Dear Shareholders,

It is with immense pleasure and pride that I write to you about our performance, journey forward and future strategy. Established in 2004, Route Mobile Limited ("Route Mobile") is a leading Cloud Communications Platform service provider, catering to enterprises, over-the-top (OTT) players and mobile network operators (MNO). Our portfolio comprises of smart solutions in Messaging, Voice, Email and SMS Filtering, Analytics and Monetization. On the general economic front, there are positive vibes and the transient hiccups seen in the past two years on account of Demonetization and GST introduction have been smoothed out, and the economy is now back on a stronger platform.

The 'India Meets Britain Tracker 2019', released annually by professional services major Grant Thornton in collaboration with the Confederation of Indian Industry (CII), has identified the fastest-growing Indian companies in Britain to conclude that Indian investment remains integral to post-Brexit growth in the UK. Route Mobile (UK) was recognised as the fastest growing Indian Technology and Telecom Company in the UK at the highly coveted 'India meets Britain Tracker 2019'. Route Mobile has also been ranked among the Top 5 A2P SMS Tier 1 vendors for 2018. This is the second consecutive year that Route Mobile regained its Top 5 ranking in the report by ROCCO, a leading consulting and independent research company. ROCCO ranking has been long considered as an industry benchmark having global recognition & standing.

## Overall business performance

As of March 31, 2019, our global operations included nine direct and twelve step-down subsidiaries serving our clients through 19 locations across Africa, Asia Pacific, Europe, Middle East and North America. Route Mobile has strong presence in markets including the Indian Subcontinent, Africa, Middle East and APAC (at a consolidated level). Each of these markets is expected to expand at a healthy CAGR of 4.2% - 5.9% over the near term. This creates significant potential for Route Mobile to sustain growth momentum in these markets. During the year, total revenue on a consolidated basis increased by 67% and profit went up by 17%; revenue growth in FY2019 in the Messaging Services

business was driven by factors like exponential growth in revenue from OTT clients, terminating traffic in India and rapid growth in firewall revenues, through deployment of the solution for a leading Indian MNO.

## Our strategy going forward

The last fiscal year marked 15<sup>th</sup> anniversary year of the Route Mobile and the same year it also recorded its highest revenue growth on a world wise consolidated basis. Route Mobile is expanding its operations by opening new offices in Sri Lanka, Nepal, Bangladesh, and Uganda. Route Mobile's experience in offering range of communication services to businesses will enable it to tap into these markets. The surge of modernization in the telecom sector in all these regions has substantially opened up avenues for businesses and investments, offering a steady upward growth and making these countries lucrative business hotspots open to innovative solutions.

During the year, Route Mobile launched omnichannel Platform at Mobile World Congress, Barcelona. In today's highly technology-driven world, connecting with your customers via more than one platform is not only essential but also one of the major driving forces for today's enterprises. Understanding this requirement, Route Mobile Limited ("Route Mobile"), a cloud-communication platform service provider, has developed 'Omnichannel Platform', an offering for enterprise customers. 'Omnichannel Platform' is an all-in-one API network solution that offers multiple advantages to its customers.

Route Mobile also collaborated with HDFC Bank Limited to showcase RCS Business Messaging at MWC 2019. RCS is an upgrade to SMS on a global scale. Users can now access a range of advanced capabilities from within their native messaging service - capabilities which previously required a separate OTT app to be downloaded. During the current fiscal year, Route Mobile also partnered with Idea Cellular to manage the international A2P SMS traffic in India. Route Mobile will address and protect revenue leakage via SMS grey routes and help Idea Cellular to improve Application-to-Person (A2P) monetization. Route Mobile will jointly work with Idea towards improving and monetizing the International A2P SMS sector.

I thank my colleagues on the Board for their immense contribution and guidance to the Company. I also thank all our shareholders for their unstinting support. I also applaud efforts of our employees as engaged employees are our strength and we celebrate the passion and enthusiasm they bring to their work every day. I am optimistic that Route Mobile is going to scale new heights in coming future. We remain motivated to build a sustainable, long-term future, while upholding the values and principles of Route Mobile.

Best regards,  
**Chandrakant Gupta**  
 Chairman

# OUR JOURNEY

Route Mobile is a leading Cloud Communication Platform provider, catering to enterprises, over-the-top (OTT) players and mobile network operators (MNO). Our product portfolio includes smart solutions in Messaging, Voice, Email, and SMS Filtering, Analytics & Monetization.

Since its inception in 2004, Route Mobile has been enhancing mobile communications through technology upgrades and product innovations; meeting the needs of a diverse clientele across geographies. Our customizable, user-friendly, and effective solutions enable enterprises and mobile operators to deliver efficient services to their customers



Founding of Route SMS Solutions by brothers & visionaries Rajdip and Sandip Gupta in Mumbai, India

2004



Opening of the 1st International Route SMS Office in London, UK

2011



Launch of India Enterprise Division

Route SMS is officially certified as a GSMA Open Solution Connectivity

Route SMS launches its own fully functional SS7

2012



Opening of office in Dubai FZE

Opening of office in Nigeria

2013-2014



Rebranding to  
Route Mobile Limited

Ranked no. 6 as per  
ROCCO report 2016

Route Mobile  
acquires Cellent  
Technologies (India)  
Pvt. Ltd. & Start corp  
India Pvt. Ltd

Opening of offices in  
Dubai,  
Ghana & Singapore

2016



Ranked no. 2 by  
ROCCO report 2017

Route Mobile  
acquires Call 2  
Connect India Pvt.  
Ltd. & 365squared  
Ltd.

Opening of office  
in US & Kenya

2017

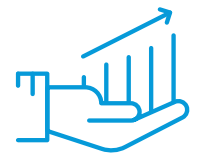


Route Mobile listed as  
one of the Top 5  
fastest growing Indian  
Companies in UK by  
'India Meets Britain'  
Tracker 2018

Route Mobile Limited  
is among the Top 5  
Tier 1 Vendors in A2P  
SMS Messaging for  
the 2nd consecutive  
year - as per ROCCO  
report 2018

Opening of office in  
Bangladesh,  
Nepal, SriLanka &  
Uganda

2018



Route Mobile listed as  
one of the Top 5  
fastest growing Indian  
Companies in UK by  
'India Meets Britain'  
Tracker 2019

Route Mobile Limited  
awarded 'Most  
Innovative Mobile  
Communication  
Solutions Provider  
2019'

2019



# Vision, Mission & Values

## Vision

Route Mobile's vision is to connect the world through mobile technology, helping customers, partners and employees prosper locally as well as globally. What drives us is:

### People:

Inspiring our people, celebrating their success, helping them achieve their goals and assisting them in improving their lives.

### Partners:

Cultivating valuable relationships with our global customers and partners based on mutual trust, loyalty as well as respect.

### Portfolio:

Being pioneers with a dedicated research and development team, able to offer our customers products and solutions that meet their needs while exceeding their expectations.

## Mission

Route Mobile are committed to being a leading global messaging and voice API company; leading in terms of quality, value offered, customer service, talent development and consistent growth. Our mission is:

- **To simplify communications**
- **To enable seamless global messaging & voice solutions**
- **To connect our customers to their world, helping them make a difference to their customers' lives**

## Values

Route Mobile operates adhering to the following corporate values:

### People:

Our people are like our family. We help them be the best they can be, making them feel valued & appreciated. We love success & celebrating it as a team!

### Reliability:

We prove reliability by delivering on our commitments. We focus on finding solutions that work and on achieving the best results, personally committing to the success of the business.

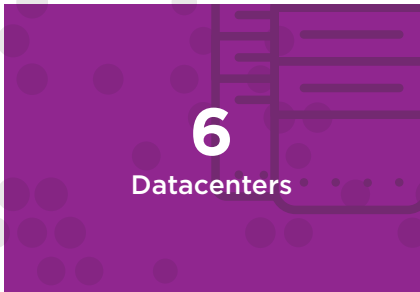
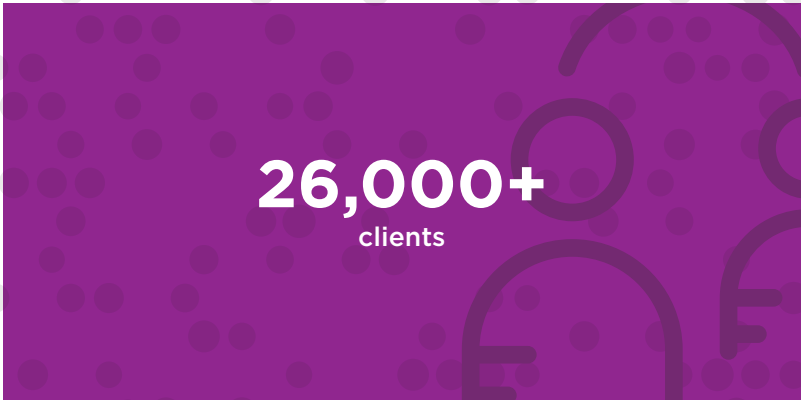
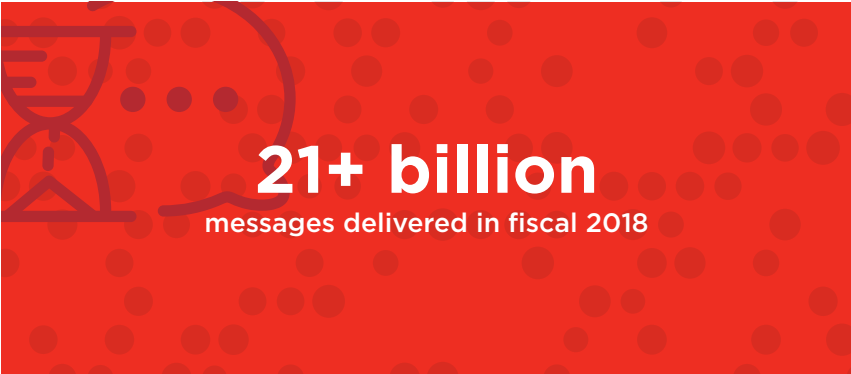
### Passion:

We are passionate about our business & show pride in our brand's heritage. We promote an innovative, energetic and fun environment to delight customers with high quality service.

# GLOBAL STATISTICS

## Numbers Highlighting Our Growth

Since 2004, Route Mobile has focused on building mutually beneficial relationships, product innovation, and geographical expansion to serve enterprise clients locally, all of which, have contributed to our success



# AWARDS & RECOGNITIONS

## Route Mobile (UK) receives the 'Fastest Growing Indian Technology and Telecom Company' award in the UK

Route Mobile, a Tier 1 Cloud Communications Platform service provider, is proud to announce its recognition as the fastest growing Indian Technology and Telecom company in the UK at the highly coveted 'India meets Britain Tracker 2019'.

The report reveals the names of the Indian companies that remain integral to the long-term growth of the UK economy. The 'India Meets Britain Tracker 2019', released annually by professional services major Grant Thornton in collaboration with the Confederation of Indian Industry (CII), has identified the fastest-growing Indian companies in Britain to conclude that Indian investment remains integral to post-Brexit growth in the UK.

Commenting on the achievement Mr. Rajdipkumar Gupta - MD & Group CEO, Route Mobile Limited said "We are very honoured to receive the award from Mrs. Ruchi Ghanashyam, the Indian High Commissioner to the UK and Mr. Chandrajit Banerjee, Director General of CII. This recognition at the very early start of the year is extremely motivating and brings more drive within us. Winning awards like these will only make us determined to be more innovative every single day."



Graham Stuart, UK Minister for Investment said at the event, "The headline figures in the Tracker are startling. They are testament to the strength and entrepreneurialism of the Indian business community, with some companies growing by more than 100 per cent year on year."

Route Mobile wins this award 2nd consecutive time. Last year, The India Tracker identified approximately 800 Indian companies operating in the UK, with combined revenues of £46.4 billion.

# BOARD OF DIRECTORS



## Chandrakant Gupta

**Chairman & Non-Executive Director**

Aged 66 years, is the Chairman and Non-executive Director of our Company. He received the higher secondary school examination certificate from Balbhadra Inter College, Pratapgarh (Uttar Pradesh). He has been a Director on our Board since 2007.

## Rajdipkumar Gupta

**Managing Director & Group CEO**

Aged 44 years, is the Managing Director and Group Chief Executive Officer of our Company. He holds a bachelor's degree in science (physics) from Mumbai University and master's diploma in software engineering from Aptech Computer Education. He is also a certified HTML programmer, Javascript programmer and active server pages programmer from rainbench. He is the Promoter of our Company and has been associated with our Company since inception. Prior to incorporating our Company, he has worked with Approved Information Systems (I) Private Limited and Gurukul Online Learning Solutions (P) Limited. He has more than 16 years of experience in the field of software designing and development. He is responsible for our Company's growth and business development.



## Sandipkumar Gupta

**Non-Executive Director**

Aged 45 years, is the Non-Executive Director of our Company. He holds a bachelor's degree in commerce from Mumbai University. He is also a qualified chartered accountant and a member of the Institute of Chartered Accountants of India. He is a SAP certified solution consultant - mySAP Financials - Management and Financial Accounting. He is also the Promoter of our Company and has been associated with our Company since inception. Prior to incorporating our Company, he has worked with PricewaterhouseCoopers Private Limited, and Covansys (India) Private Limited. He has over 17 years of experience in audit and accounts, business analysis, SAP configuration and software system consulting.



## Ankit Paleja

**Independent Director & Chairperson - CSR & Stakeholders Relationship Committee**

Aged 35 years, is an Independent Director of our Company. He holds a bachelor's degree in law from University of Mumbai. He is a member of the Bar Council of Maharashtra and Goa since 2007. He has more than 10 years of experience in the field of corporate and commercial laws, joint ventures, project finance, corporate and structured finance, mergers & acquisitions, disinvestments and is presently an Associate Partner with the law firm M/s. Crawford Bayley & Co. His work experience includes working at the law firm Holland & Knight LLP in New York and the law firm M/s. Little & Co. He has served as a director on the board of Centrum Wealth Management Limited, Centrum Broking Limited and REICO Industries Limited.



## Ramachandran Sivathanu

**Independent Director & Chairman - NRC**

Aged 53 years, is an Independent Director of our Company. He holds a bachelor's degree in science from University of Madras and holds a master's degree in business administration from Sikkim Manipal University. He has more than 20 years of experience in the field of sales and marketing. Prior to joining our Company, he has worked with Loop Telecom Private Limited, Loop Mobile (India) Limited, Meridian Mobile Private Limited, RPG Cellular Services Limited, Red Bottle Telecommunications Consultancy Private Limited, Clothesline Media Private Limited and Eureka Forbes Limited.



## Sudha Navandar

**Independent Director & Chairperson - Audit Committee**

Aged 52 years, is an Independent Director of our Company. She is a qualified chartered accountant registered with the Institute of Chartered Accountants of India and a Certified Public Accountant, USA. She is also an insolvency professional / registered with Indian Institute of Insolvency Professional of ICAI. She is currently a partner in M/s. Pravin R. Navandar & Co. Chartered Accountants, with main focuses on corporate audits (internal and statutory), bank audits, company law cases, income leakage and corporate advisory services. She is also an independent director on the board of Goa Glass Fibre Limited.



# LEADERSHIP TEAM



## Rahul Pandey

Chief Credit Officer

Rahul Pandey, is the Chief Credit Officer of our Company. He holds a bachelor's degree in science from Mumbai University. He has 15 years of experience in telecommunications industry. Prior to joining our Company, he has worked with Gurukul Online Learning Solutions (P) Ltd., DuFlon Polymers Pvt. Ltd., Concept Jewellery (I) Pvt. Ltd. and ADORA wireless Solutions. He is responsible for coordinating the debts of existing creditors and deciding whether to allow credit to a debtor and overall managing all money borrowed or owed to the business.



## Mujahid Rupani

Chief Technical Officer

Mr. Mujahid Rupani is heading Route Mobile's technical team based in Mumbai. He is known as 'Mojo' in tech circles. Mr. Rupani has a knowledge base spanning Linux, virtualization, SAN technologies and routing combined with a brain that thinks in logical patterns makes him the go to advice person for telecom industry. He is always on the lookout for the next technological challenge. Over his 19 years of exploration in the Telecom field he has designed and implemented solutions for companies like Ceat Ltd, Bayer Pharma Ltd, Poonawalla Group, amongst others.

## Tushar Agnihotri

Executive Vice President - India & APAC

Tushar Agnihotri, is the EVP - India & APAC. He holds a master's degree in business management from Bundelkhand University. He has over 22 years of experience in in the telecom sector. Prior to joining our Company, he has worked with Tata Teleservices (Maharashtra) Limited, Reliance JioInfocom Limited, Arvind Mills Limited and Kodak India. He is responsible for driving sales and operations for the India market.



## Sammy Mamdani

Executive Vice President - Head of Operations & HR

Sammy Mamdani heads RML's global operations and is responsible for day-to-day management and coordination between worldwide offices. With over 13 years of international experience, Sammy has successfully held senior positions at a consulting firm in the U.S. as well as a private investment firm based out of Mumbai, where he managed diverse business units in India and the UAE. Most recently, Sammy served as C.O.O at Cellent Technologies, which was acquired by Route Mobile in August 2016. He holds an MBA from the University of Central Florida.





## Suresh Jankar

### Chief Financial Officer

Suresh Jankar, is the CFO of our Company. He holds a bachelor's degree in commerce from Pune University and is qualified chartered accountant from the Institute of Chartered Accounts of India. He has 9 years of experience in finance sector. Prior to joining our Company, he has worked with the Capricorn Lifestyle Private Limited. He leads the finance and accounts team and is responsible for activities pertaining to the accounts of our Company in India.



## Sharad Kumar Thukral

### Executive Vice President - Middle East

Sharad Kumar, is the Executive Vice President - Middle East. He holds a bachelor's degree in engineering (electronics and telecommunications) from Mumbai University and a PG in business management from XLRI, Jamshedpur. He has over 17 years of experience in the telecom sector. Prior to joining, he has worked with Bharti Airtel Ltd., Reliance Communications Ltd. and United Nations.

## Gautam Badalia

### Chief Strategy Officer

Gautam Badalia, is the Chief Strategy Officer of our Company. He holds a bachelor's degree in economics from Kolkata University and a master's degree in business administration (finance) from ICFAI University. He has 12 years of experience in investment banking, mergers and acquisitions and structured finance. Prior to joining our Company, he has worked with YES Securities (India) Limited. He is responsible for development and execution of strategic initiatives to support long term growth of our Company and enhance shareholders value.



## Jamie Mills

### Executive Vice President - Americas

James Mills, is the Executive Vice President - Americas. He holds a bachelor's degree of arts (government and politics) from George Mason University, Virginia. He has over 20 years of experience in telecommunications sector. He is responsible for building sales in the US and Latin market. Prior to joining, he has worked with Syniverse, Sybase and Inphomatch.















# PRODUCTS & SERVICES



## MESSAGING

Reach global audiences instantly through our customizable messaging platform

Personalised and Smart Messaging Solutions






-  A2P Messaging
-  Business RCS
-  Viber Business Messages
-  WhatsApp Business API
-  2-Way Messaging
-  Acculync
-  Number Lookup
-  Route OTP
-  Route Connector
-  Mail2SMS
-  CPaaS
-  Omni Channel Communications



## OPERATOR

Powerful solutions backed by a robust infrastructure

Personalised and Smart Messaging Solutions

-  Route Shield
-  SMS Hub
-  Instant Virtual Number
-  Platform as a Service - Operator
-  SMSC as a Solution

# Communicate globally through our unified solutions








We offer swift, reliable and cost-effective channels to stay in touch with your customers



## VOICE

Step-up customer experience through customizable & innovative voice solutions

Secure and Reliable Voice Solution

-  Outbound Dialer
-  Interactive Voice Response
-  Call Patching
-  Click 2 Call
-  Missed Call
-  Call Center
-  SMS2Call



## EMAIL

Send emails through a safe network without being classified as spam

Robust and Insight Driven Email Solution

-  Route Mailer





## BOARD'S REPORT

### Dear Members,

Your Directors take pleasure in presenting 15<sup>th</sup> Annual Report of the Company together with the Annual Accounts on the business and operations of your Company, and the summary of Standalone and Consolidated financial statements for the year ended March 31, 2019.

### 1. Corporate Overview

The Company was incorporated in 2004 and headquartered in Mumbai, India. We are among the leading cloud-communication platform service providers to enterprises, over-the-top ("OTT") players and mobile network operators. Our range of services include messaging, Rich Communication Services ("RCS"), OTT business messaging, voice, email and SMS filtering, omni-channel communication, analytics and monetization. Our operations are internally aligned into the following business verticals: (i) enterprise and OTT; (ii) mobile operator; and (iii) business process outsourcing ("BPO").

Since its inception in 2004, Route Mobile Limited ("RML") has been enhancing mobile communications through technology upgrades and product innovation meeting the needs of a diverse clientele across geographies. Our customizable, user-friendly, and effective solutions enable enterprises and mobile operators to deliver efficient services to their customers.

### 2. Financial Summary and State of Affairs

(₹ in Lakhs)				
Particulars	For the financial year ended 31 <sup>st</sup> March, 2019		For the financial year ended 31 <sup>st</sup> March, 2018	
	Standalone	Consolidated	Standalone	Consolidated
Revenue	37831.90	85237.61	19875.91	50948.52
EBIDTA	1904.65	9404.67	2416.38	7600.92
Profit before tax	1281.53	6522.85	1760.88	5745.60
Less: Current tax	526.02	1121.92	776.18	1097.82
Deferred Tax Credit	(141.56)	(149.75)	(109.61)	(104.42)
Profit for the year	897.07	5550.68	1094.31	4752.20
Total other comprehensive income (net of tax)	13.62	421.80	2.05	280.95
Total comprehensive income for the year	910.69	5972.48	1096.36	5033.15

Note: The above figures are extracted from the audited Standalone and Consolidated financial statements as per Indian Accounting Standards (Ind AS).

### 3. Business Overview and Note on Financial and Operations

We offer 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. Our clients include some of the world's largest and well-known organisations, including a number of Fortune Global 500 companies. As of March 31, 2019, we have over 26,000 clients (at a consolidated level), with a monthly billed customer base of c. 3,000 (at a consolidated level). As of March 31, 2019, our global operations included nine direct and twelve step-down subsidiaries serving our clients through 19 locations across Africa, Asia Pacific, Europe, Middle East and America. RML has strong presence in markets including the Indian Subcontinent, Africa, Middle East and APAC (at a consolidated level). Each of these markets is expected to expand at a healthy CAGR of 4.2% - 5.9% over the near term. This creates significant potential for RML to sustain growth momentum in these markets during the year. Total revenue on a consolidated basis increased by 67% and profit went up by 17%; revenue growth in FY2019 in the Messaging Services business was driven by key factors viz. Exponential growth in revenue from OTT clients, terminating traffic in India and rapid growth in Firewall revenues, through deployment of the solution for a leading Indian MNO.

### 4. Share Capital

During the year, there was no change in the Company's issued, subscribed and paid-up equity share capital. As on March 31, 2019, paid-up share capital of the Company stood at ₹50,00,00,000 divided into 5,00,00,000 equity shares of ₹10 each.

### 5. Dividend

The Board of Directors of the Company ("the Board") has recommended a dividend of ₹1.50/- per Fully Paid Ordinary Share on 5,00,00,000 Ordinary Shares of Face Value ₹10 each for the year ended March 31, 2019. The payment of final dividend is subject to the approval of shareholders in the Company's ensuing Annual General Meeting (AGM). The total

dividend pay-out will amount to approximately ₹7.50 crore (excluding dividend distribution tax).

## 6. Transfer to Reserves

The Board of Directors has decided to retain the entire amount of profits in the Retained Earnings.

## 7. Management Discussion and Analysis Report

Pursuant to Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('LODR') the Management Discussion and Analysis Report for the year under review, is presented in a separate section, forming part of the Annual Report.

## 8. Corporate Governance

Pursuant to the LODR, the Report on Corporate Governance for the year under review, is presented in a separate section, forming part of the Annual Report. A certificate from M/s. Dhrumil M. Shah & Co., Practising Company Secretary, confirming compliance of conditions of Corporate Governance, as stipulated under the LODR, also forms part of the Corporate Governance Report.

## 9. Deposits

The Company has not accepted any deposits during the FY 2018-'19 and, as such, no amount of principal or interest was outstanding as on the balance sheet closure date.

## 10. Material changes and commitments affecting financial position between end of the financial year and date of report

There were no material changes and commitments affecting the financial position of the Company between the end of financial year and the date of this report.

## 11. Subsidiaries, Associate and Performance Highlights

Your Company along with its subsidiaries and other group companies provide a wide range of Cloud Communication Platform services to enterprises, over-the-top ("OTT") players and mobile network operators. At the beginning of the year, your Company had Eight (8) direct subsidiaries and Eight (8) step down subsidiaries. As on March 31, 2019, your Company has Nine (9) direct subsidiaries, Twelve (12) step down subsidiaries.

During the FY 2018-'19, Defero Mobile Pte. Ltd. (step down subsidiary) was deregistered. As the part of the expansion strategy, five (5) new step-down subsidiaries were incorporated viz. Route Connect Private Limited, Route Mobile Nepal Private limited, Route Mobile (Bangladesh) Limited, Route Mobile Malta Limited and Route SMS Solutions Zambia Limited.

We have, in accordance with Section 129(3) of the Companies Act, 2013 prepared consolidated financial statements of the Company and all its subsidiaries. Further, the report on the performance and financial position of each subsidiary, associate and joint venture and salient features of the Financial Statements in the prescribed Form AOC-1 is annexed to this report (Annexure 1). In accordance with the provisions of Section 136 of the Companies Act, 2013 and the amendments thereto, the audited Financial Statements, including the consolidated financial statements and related information of the Company and financial statements of the subsidiary companies will be available on our website [www.routemobile.com](http://www.routemobile.com). These documents will also be available for inspection during business hours at the Registered Office of the Company. Copies of the said financial statements will be made available to any member of the Company and those of the respective subsidiary companies upon request. The names of the companies that have become or ceased to be subsidiaries, joint ventures and associates during the year are disclosed in the annexure to this report (Annexure 2).

## 12. Employee Stock Option Plan

At present, the Company has one Employee Stock Options (ESOP) scheme, namely the 'Employee Stock Option Plan 2017'. Besides attracting talent, the scheme also helped retain talent and experience. The HR and Nomination and Remuneration Committee administers the Company's ESOP scheme. There were no changes in the ESOP scheme during the financial year under review. The disclosures required under Rule 12 of the Companies (Issue of Share Capital and Debenture) Rules, 2014 is annexed to this Report. (Annexure 3)

## 13. Directors and Key Managerial Personnel

Pursuant to the provisions of the Companies Act, 2013, Mr. Rajdipkumar Gupta, MD of the Company will retire by rotation at the ensuing AGM and being eligible, has offered himself for re-appointment. The Board recommends his re-appointment. A brief resume, nature of expertise, details of directorships held in other companies of the Director proposed to be re-appointed, along with his shareholding in the Company, as stipulated under Secretarial Standard 2 and Regulation 36 of the LODR, is forming part of the Notice of the ensuing AGM.

During the year, the Board in its meeting held on January 11, 2019 has appointed Mr. Rathindra Das as the Company Secretary of the Company.

#### 14. Declarations by Independent Directors

The Company has received declarations from all Independent Directors of the Company confirming that they continue to meet the criteria of independence, as prescribed under Section 149 (6) of the Companies Act, 2013 and Regulation 25(8) read with Regulation 16(1)(b) of the LODR. The Independent Directors have also confirmed that they have complied with the Company's code of conduct.

#### 15. Committees of Board, Meetings of the Board and Board Committees

The Board currently has Four (4) Committees, namely, the Audit Committee, the Nomination and Remuneration Committee, the Corporate Social Responsibility Committee and the Stakeholders Relationship Committee. The Company has also constituted an IPO Committee to deal with matters relating to its IPO & listing.

During the year under review, the Board met five (5) times. A detailed update on the Board, its composition, including synopsis of terms of reference of various Board Committees, number of Board and Committee meetings held during FY 2018-'19 and attendance of the Directors at each meeting is provided in the Report on Corporate Governance, which forms part of this report.

#### 16. Human Capital

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed to this report (Annexure 4).

In terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of employees drawing remuneration in excess of the limits set out in the said Rules forms part of the report. In terms of the provisions of section 136(1) of the Act, the Annual Report is being sent to shareholders excluding the aforementioned information. The information will be available for inspection at the registered office of the Company during working hours before the Annual General Meeting. Any member interested in obtaining such information may write to the Company Secretary at the Registered Office of the Company.

#### 17. Board Diversity and Policy on Director's Appointment and Remuneration

The Company believes that building a diverse and inclusive culture is integral to its success. A diverse Board will be able to leverage different skills, qualifications, professional experiences, perspectives and backgrounds, which is necessary for achieving sustainable and balanced development. The policy on 'Nomination and Remuneration' and 'Board Diversity' adopted by the Board sets out the criteria for determining qualifications, positive attributes and independence while evaluating a person for appointment / re-appointment as a Director or as KMP, with no discrimination on the grounds of gender, race or ethnicity, nationality or country of origin. The policy is available on the Company's website at <https://www.routemobile.com/corporate-governance>.

#### 18. Board Evaluation

A note on the Board evaluation process undertaken and familiarisation programme adopted by the Company for orientation and training of the Directors in compliance with the provisions of the Companies Act, 2013 and the LODR is provided in the Report on Corporate Governance, which forms part of this Report. The Company has put in place a robust framework for evaluation of the Board, Board Committees and Individual Directors. Structured questionnaires were circulated and responses were discussed by the Board. A detailed update on the Board Evaluation is provided in the report on Corporate Governance which forms part of this report.

#### 19. Remuneration to Managing Director/Whole - Time Director from holding or Subsidiary Companies

In terms of Section 197 (14) of the Companies Act, 2013, remuneration paid to our Managing Director from subsidiary company viz. Route Mobile (UK) Limited was £ 8160.

#### 20. Auditor

Members of the Company at the Extra-Ordinary General Meeting ('EoGM') held on Tuesday, 18<sup>th</sup> April, 2017, had approved the appointment of Walker Chandio & Co LLP, Chartered Accountants ('WCC'), Chartered Accountants, as the Statutory Auditor of the Company for a period of five years commencing from the conclusion of the Annual General Meeting held on 22<sup>nd</sup> September, 2017 until the conclusion of 17<sup>th</sup> Annual General Meeting of the Company to be held in the year 2021.

WCC has audited the book of accounts of the Company for the Financial Year ended March 31, 2019 and have issued the Auditor's Report thereon. The Auditor's report for FY 2018-'19 does not contain any qualification, reservations, or adverse remark. The said report for the financial year ended 31<sup>st</sup> March, 2019 read with the explanatory notes therein is 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. The Auditor's Report is enclosed with the financial statements in this Annual Report. The Statutory Auditor of the Company has 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).

## 21. Internal Financial Controls, their adequacy and Internal Auditors

The Company has established a robust framework for internal financial controls. The Company has in place adequate controls, procedures and policies, ensuring orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records and timely preparation of reliable financial information. During the year, such controls were assessed and no reportable material weaknesses in the design or operation were observed. Accordingly, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the FY 2018-'19.

The Board has appointed M/s Pipalia Singhal & Associates, Chartered Accountants, Mumbai as the Internal Auditor of the Company to conduct the internal audit basis a detailed internal audit plan which is reviewed each year in consultation with the Audit Committee.

## 22. Risk Management

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. The Company has duly approved a Risk Management Policy. The objective of this Policy is to have a well-defined approach to risk. The policy lays down broad guidelines for timely identification, assessment, and prioritization of risks affecting the Company in the short and foreseeable future. The Policy suggests framing an appropriate response action for the key risks identified, so as to make sure that risks are adequately addressed or mitigated. Risk management policy is available on the website of the Company at <https://www.routemobile.com/corporate-governance>.

## 23. Particulars of Loans, Guarantees and Investments

Particulars of loans, guarantees and investments under section 186 of the Act are given in the Notes to Financial Statements forming part of this annual report.

## 24. Whistle Blower Policy

The Company is committed to principles of professional integrity and ethical behaviour in the conduct of its affairs. Towards that, the Company has formulated a Whistle-Blower Policy which serves as the vigil mechanism for its Directors and employees to report genuine concerns about unethical behaviour, actual or suspected fraud or violation of the Code of Conduct without fear of reprisal. In accordance with the SEBI Insider Trading Regulations, 2015 and as amended in 2018, the Company has also amended its policy to include matters relating to unpublished price sensitive information and the opportunity to enable employees to report instances of leak of unpublished price sensitive information to the Compliance Officer and/or Audit Committee. The Compliance officer and Audit Committee is mandated to receive the complaints under this policy. Whistle Blower policy is available on the website of the Company at <https://www.routemobile.com/corporate-governance>.

## 25. Particulars of contracts or arrangements with Related Parties:

All contracts/arrangements / transactions entered into by the Company with its related parties during the year were in the ordinary course of business and on an arm's length basis. Particulars of Transactions with Related Parties referred to in section 188(1), as prescribed in AOC-2 under Rule 8 (2) of the Companies (Accounts) Rules, 2014 is attached as Annexure 5. Details of other related party transactions have been included in Note 40 to the standalone financial statements. The Policy on the Related Party Transactions is available on the Company's website at <https://www.routemobile.com/corporate-governance>. The Company has put in place a mechanism for certifying the Related Party Transactions Statements placed before the Audit Committee and the Board of Directors from an Independent Chartered Accountant Firm.

## 26. Disclosure under The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has zero tolerance towards sexual harassment at the workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ('Act') and the Rules made thereunder. Under the said Act, Internal Complaints Committee has also been constituted. During the year, the Company did not receive any complaint of sexual harassment. Further details on Company's initiatives in this matter are provided in the corporate governance section.

## 27. Secretarial Standards

The Company has in place proper systems to ensure compliance with the provisions of the applicable Secretarial Standards issued by The Institute of Company Secretaries of India and such systems are adequate and operating effectively.

## 28. Secretarial Audit

Section 204 of the Companies Act, 2013 inter-alia requires every company with a paid up capital of ₹50 crores or more to annex with its Board's report, a Secretarial Audit Report given by a Company Secretary in practice, in the prescribed form.

The Board appointed Rathi & Associates, Practicing Company Secretaries, as Secretarial Auditor to conduct Secretarial Audit of the Company for the Financial Year 2018-'19 and their report is annexed to this report (Annexure 6). There are no qualifications or reservations or adverse remarks in the said Report.

### 29. Corporate Social Responsibility

The objective of the Company's Corporate Social Responsibility ('CSR') initiatives is to improve the quality of life of communities through long-term value creation for all stakeholders. The Company remains focused on improving the quality of life and engaging communities through health, education, livelihood, sports and infrastructure development. The Company has in place a CSR policy which provides guidelines to conduct CSR activities of the Company. The CSR policy is available on the website of the Company [www.routemobile.com](http://www.routemobile.com). During the year, profits for the purpose of CSR expenditure was recalculated w.r.t the dividend received from the foreign subsidiary in F.Y. 2016-17 in accordance with the Guidance Note issued by the Institute of Chartered Accountants of India. Accordingly, profit to be considered for CSR expenditure has been reduced by ₹35,54,03,375 being the dividend received from the foreign Company in F.Y. 2016-17. Considering the above, the amount (revised) to be spent under CSR for the F.Y. 2017-'18 and 2018-'19 stood at ₹62,74,400 & ₹64,08,650 respectively. The financial statements suitably incorporates the above adjustments. The Annual Report on CSR activities, in terms of Section 135 of the Companies Act, 2013 ('Act'), is annexed to this report (Annexure 7).

### 30. Directors' Responsibility Statement

Based on the framework of internal financial controls established and maintained by the Company, work performed by the internal, statutory, and secretarial auditors and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during Financial Year 2018-'19.

Accordingly, pursuant to Section 134 (3) (c) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability confirm:

- a) That in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
- b) That we have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- c) That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) That the annual accounts have been prepared on a going concern basis;
- e) That proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively; and
- f) That proper internal financial controls were laid down and that such internal financial controls are adequate and were operating effectively.

### 31. Extract of Annual Return

Pursuant to sections 92(3) and 134(3)(a) of the Act read with Rule 12 of Companies (Management and Administration) Rules, 2014, the extract of Annual Return in Form MGT-9 forms part of this report as Annexure 8. The same may also be accessed on company's website.

### 32. Significant and material orders passed by the Regulators or Court

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

### 33. Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

Details of the energy conservation, technology absorption and foreign exchange earnings and outgo are annexed to this report as Annexure 9.

### 34. Cautionary Statement

The Board of Directors ('the Board') has voluntarily adopted the Guidelines prescribed under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('LODR') from the current fiscal year onwards in view of its proposed initial public offer (IPO) and Listing. The Company is in compliance with the mandatory requirements of the Code of Corporate Governance as specified in regulations 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of regulation 46 of the Listing Regulations, to the extent practicable, on a voluntary basis as on the date of this report. The Company is also in compliance with Secretarial Standards on Meetings of the Board of Directors and General Meetings issued by the Institute of Company Secretaries of India. However, the voluntary adoption of such guidelines and preparation of this annual report in accordance with LODR, to the extent reasonable and practicable, is in no way an indication or assurance that the Company would bring its IPO and get listed on stock exchanges within any definitive timelines in future. IPO and listings are subject to market conditions, board

approval and approval of the various regulatory agencies. Statements in this Directors' Report, Corporate Governance and Management Discussion and Analysis Report describing the Company's objectives, projections, estimates, expectations or predictions may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make difference to the Company's operations include emerging new technology and its prices, cyclical demand and pricing in the Company's principal markets, changes in government regulations, tax regimes, economic developments within India and the countries in which the Company conducts business and other ancillary factors.

### 35. Acknowledgements

We thank our customers, vendors, dealers, investors, business associates and bankers for their continued support during the year. We place on record our appreciation of the contribution made by employees at all levels. Our resilience to meet challenges was made possible by their hard work, solidarity, co-operation and support. We thank the Government of India, the State Governments where we have operations and other government agencies for their support and look forward to their continued support in the future.

**For and on behalf of the Board**

**Chandrakant Gupta**  
Chairman

Place: Mumbai  
Date: June 10, 2019

## ANNEXURE 1

## Salient Features of Financial Statements of Subsidiaries and Associates

Statement pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of the Companies (Accounts) Rules, 2014 in Form AOC-1 relating to subsidiary and joint venture companies for the year ended March 31, 2019

Subsidiary	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries	Share capital	Reserves and Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	Extent of shareholding (in %)	Country
Sphere Edge Consulting (India) Private Limited	NA	INR	1.00	708.90	725.59	15.68	0.00	995.00	32.33	0.88	31.44	0.00	100%	India
Cellent Technologies (India) Private Limited	NA	INR	4.97	142.02	227.50	80.51	0.00	382.97	36.95	94.94	31.87	0.00	100%	India
Start Corp India Private Limited	NA	INR	1.00	122.34	140.95	17.61	0.00	251.75	41.26	11.00	30.55	0.00	100%	India
Route Mobile (UK) Limited	NA	GBP - 31/03/2019 - Exchange Rate - 90.36 (Average rate - 90.81)	18.07	5730.83	35870.89	30121.99	15081.05	39197.09	3958.98	-396.21	4355.19	0.00	100%	UK
RouteSms Solutions FZE	NA	AED- 31/03/2019- Exchange Rate -18.86 (Average Rate - 18.30)	7.87	10286.99	13928.53	3633.67	27.73	12943.46	2639.16	0.00	2639.16	0.00	100%	UAE
RouteSms Solutions Nigeria Ltd.	NA	NGN- 31/03/2019- Exchange Rate -0.19 (Average Rate - 0.19)	19.25	444.71	1175.07	711.11	0.00	6309.76	147.70	47.26	100.43	0.00	100%	Nigeria

(₹ in Lakhs)



Route Mobile Pte. Ltd.	NA	SGD - 31/03/2019 -Exchange Rate -50.71, (Avg Rate - 50.19)	12.68	(280.32)	137.04	404.68	0.00	419.62	(109.50)	0.00	(109.50)	0.00	100%	Singapore
Call 2 Connect India Private Limited	NA	INR	12.67	(132.57)	2202.06	2321.97	0.26	2363.19	105.96	(3.78)	109.73	0.00	100%	India
Route Connect Private Limited	NA	INR	1.00	(24.60)	208.82	232.41	0.00	100.00	(24.60)	0.00	(24.60)	0.00	74%	India
<b>Subsidiaries held indirectly</b>														
Route Mobile Hong Kong Limited	NA	HKD-31/01/2019-Exchange Rate -8.83 (Average Rate - 8.56)	0.88	(211.57)	0.02	(210.70)	0.00	882.94	(54.68)	0.00	(54.68)	0.00	100% holding by UK	Hong Kong
Route Mobile Limited	NA	GHS- 31/03/2019-Exchange Rate -12.76 (Average Rate - 13.68)	149.27	(164.62)	130.04	145.39	0.00	127.25	(51.35)	0.00	(51.35)	0.00	70% holding by UK	Ghana
Route Mobile Inc.	NA	USD- 31/03/2019-Exchange Rate -69.28 (Average Rate - 67.21)	0.14	(831.60)	242.79	1074.25	0.00	1976.44	(467.16)	0.00	(467.16)	0.00	100% holding by UK	USA
Route Connect (Kenya) Limited	NA	KES 31/03/2019-Exchange Rate -0.69 (Average Rate - 0.64)	68.80	(4.81)	68.80	4.81	0.00	0.00	1.97	0.18	1.78	0.00	99.10% holding by UK	Kenya
365squared Limited	NA	EUR-31/03/2019-Exchange Rate -77.74 (Average Rate - 79.00)	1.56	2537.49	5176.33	2637.28	0.00	12693.54	2642.21	924.77	1717.44	0.00	100% holding by UK	Malta
Route Mobile Nepal Private Limited	NA	NPR- 31/03/2019-Exchange Rate -0.62 (Average Rate - 0.62)	31.10	(3.61)	45.27	17.78	0.00	0.04	(4.82)	0.00	(3.61)	0.00	100% holding by UK	Nepal
Route Mobile Lanka (Private) Limited	NA	LKR-31/03/2019-Exchange Rate -0.39 (Average Rate - 0.41)	0.39	(6.34)	2.07	8.01	0.00	0.00	(6.53)	0.00	(6.53)	0.00	100% holding by UK	Sri Lanka
Route Mobile (Bangladesh) Limited	NA	BDT-31/03/2019-Exchange Rate -0.82 (Average Rate - 0.78)	8.22	(23.67)	9.54	24.99	0.00	0.00	(23.13)	0.00	(23.13)	0.00	100% holding by UK	Bangladesh

Route Mobile Malta Limited	NA	EUR-31/03/2019-Exchange Rate -77.74 (Average Rate - 79.00)	1.63	(1.17)	1.63	1.17	0.00	0.00	0.00	(1.19)	0.00	100% holding by UK	Malta
Route Mobile Uganda Limited	NA	UGX-31/03/2019-Exchange Rate -0.019 (Average Rate - 0.018)	9.32	(3.84)	5.77	0.29	0.00	0.00	0.00	(3.74)	0.00	100% holding by UK	Uganda
Route SMS Solutions Zambia Limited	NA	ZMW-31/03/2019-Exchange Rate -5.67 (Average Rate - 6.25)	0.85	(0.10)	0.85	0.10	0.00	0.00	0.00	(0.11)	0.00	100% holding by UK	Zambia
Route Mobile L.L.C.	NA	AED-31/03/2019-Exchange Rate -18.86 (Average Rate - 18.30)	56.59	(417.73)	1318.90	1680.04	0.00	2088.58	0.00	(248.01)	0.00	49% hold by FZE	UAE

**Notes:**

- Names of subsidiaries which are yet to commence operations: Route SMS Solutions Zambia Limited; Route Mobile Malta Limited; Route Mobile Lanka (Private) Limited; Route Mobile Uganda Limited; Route Mobile (Bangladesh) Limited
- Names of subsidiaries which have been liquidated or sold during the year: N.A.
- The Company does not have any Joint Venture and/or Associate Company.

For and on behalf of the Board of Directors

Chandrakant Gupta  
**Chairman**

Rajdikumar Gupta  
**Managing Director and Group Chief Executive Officer**

Sandipkumar Gupta  
**Director (Non-Executive)**

Suresh Jankar  
**Chief Financial Officer**

Rathindra Das  
**Company Secretary**

Date: June 10, 2019

Place: Mumbai

## ANNEXURE 2

### 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.	Route Connect Private Limited	April 02, 2018	April 02, 2018

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 Nepal Private Limited	May 22, 2018	May 22, 2018
2.	Route Mobile (Bangladesh) Limited	April 26, 2018	April 26, 2018
3.	Route Mobile Malta Limited	June 6, 2018	June 6, 2018
4.	Route SMS Solutions Zambia Limited	November 8, 2018	November 8, 2018

3. Companies / Bodies Corporate ceased during the year:

Sr. No.	Name of the Company	Date of Cessation
1.	Defero Mobile Pte. Ltd.	January 7, 2019

For and on behalf of the Board of Directors

**Chandrakant Gupta**  
Chairman

## ANNEXURE 3

## Employee Stock Option Plan as on March 31, 2019

(Pursuant to Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014)

Options Granted	Options Vested	Options exercised	The total number of shares arising as a result of exercise of option	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	3,21,875	Nil	N.A.	1,85,250	₹300/-	N.A.	N.A.	12,67,250	<p>(i) Key Managerial Personnel:- Details included in "Note 1"</p> <p>(ii) Any other employee who receives a grant of options in any one year of option amounting to five per cent or more of options granted during that year:- Details included in "Note 2"</p> <p>(iii) Identified employees who were granted option, during any one year, equal to or exceeding one per cent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant:- N.A.</p>

**Note 1:-Key Managerial Personnel:-**

Name of Key Managerial Personnel	Number of options granted
Suresh Jankar, Chief Financial Officer	40,000
<sup>1</sup> Pratik Joshi, Company Secretary	10,000

<sup>1</sup>Mr. Pratik Joshi resigned from the post of Company Secretary of the Company w.e.f. January 10, 2019 and was appointed as Asst. Company Secretary**Note 2:- Any other employee who receives a grant of options in any one year of option amounting to five per cent or more of options granted during that year:-**

Name of Key Managerial Personnel	Number of options granted
Rahul Pandey (Options Granted in F.Y. 2017-18)	150,000

For and on behalf of the Board of Directors

**Chandrakant Gupta**  
Chairman

## ANNEXURE 4

### Details pertaining to remuneration as under Section 197(12) of Companies Act, 2013 read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

(A) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer and Company Secretary during FY 2018-'19 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for FY 2018-'19 are as under:

Sr. No.	Name of Director/KMP and Designation	Remuneration of Executive Director(s) Director/KMP for FY 2018-'19	Percentage increase in remuneration in FY 2018-'19	Ratio of remuneration of each Director to median remuneration of employees
		(in ₹)		
<b>Executive Director(s)</b>				
1.	Mr. Rajdipkumar Gupta, Managing Director and Group CEO <sup>1</sup>	45,00,000	N.A.	6.19
<b>Non-Executive Non-Independent Directors<sup>2</sup></b>				
2.	Mr. Chandrakant Gupta	-	N.A.	N.A.
3.	Mr. Sandipkumar Gupta	-	N.A.	N.A.
<b>Independent Directors<sup>3</sup></b>				
4.	Mr. Ramachandran Sivathanu	-	N.A.	N.A.
5.	Ms. Sudha Navandar	-	N.A.	N.A.
6.	Mr. Ankit Paleja	-	N.A.	N.A.
<b>Key Managerial Personnel<sup>4</sup></b>				
7.	Mr. Suresh Jankar, Chief Financial Officer	50,26,886	25%	N.A.
8.	<sup>5</sup> Mr. Pratik Joshi, Company Secretary (upto January 10, 2019)	9,27,835	40%	N.A.
9.	<sup>6</sup> Mr. Rathindra Das, Company Secretary (w.e.f. January 11, 2019)	10,57,327	N.A.	N.A.

#### Notes:

<sup>1</sup> Mr. Rajdipkumar Gupta was entitled to a total salary of ₹66,32,638 (5% of ₹13,26,52,767, being net profit of FY 2018-'19 computed as per section 198 of the companies act, 2013) during the FY in accordance with the ceiling. He waived his partial salary and was paid ₹45,00,000 during the FY 2018-'19. During the reporting period, no increment in salary was given to him.

<sup>2</sup> Non-Executive Non Independent Directors were in receipt of sitting fees only.

<sup>3</sup> Independent Directors were in receipt of sitting fees only.

<sup>4</sup> Remuneration of KMPs does not include perquisite value of stock options granted/vested during FY 2018-'19.

<sup>5</sup> Mr. Pratik Joshi resigned from the position of Company Secretary w.e.f January 10, 2019. The remuneration above of Mr. Pratik Joshi is for the FY 2018-'19.

<sup>6</sup> Mr. Rathindra Das joined the Company w.e.f. November 12, 2018 and was designated as Company Secretary of the Company w.e.f. January 11, 2019. The remuneration above of Mr. Rathindra Das is for the FY 2018-'19.

(B) **The percentage increase in the median remuneration of the employees in the financial year:** 15%

(C) **The number of permanent employees on the rolls of the Company:** There were 240 employees on the rolls of the Company as on March 31, 2019.

(D) **Average percentage increase already made in the salaries of employees other than the managerial personnel in FY 2018-'19 and its comparison with the percentage increase in the managerial remuneration and justification thereof:**  
The average increase in the remuneration of employees excluding KMPs during FY 2018-'19 was 14% and the average increase in the remuneration of KMPs was 32%.

(E) **Affirmation that the remuneration is as per the remuneration policy of the company:** Yes.

## ANNEXURE 5

## Form No. AOC - 2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)  
Form for disclosure of particulars of contracts / arrangements entered into by the company with related parties referred to  
in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions  
under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis: NIL
2. Details of material contracts or arrangement or transactions at arm's length basis:

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/transactions	Duration of the contracts / arrangements/transactions; salient terms of the contracts or arrangements or transactions including the value, if any & Justification for entering into such contracts or arrangements or transactions	date(s) of approval by the Board	Amount paid as advances, if any	Date on which the special resolution was passed in general meeting as required under first proviso to section 188
Route Mobile (UK) Limited  <i>Wholly owned Subsidiary</i>	Purchase/Sale of Short Message Services (SMS) and technical & support services. To provide the messaging services whereby purchaser send SMS messages via the seller to the recipient subscribers of the agreed mobile networks.	1 (One) Year and Automatic renewal; ₹127.08 crore	-do-	Nil	Not applicable
Spectrum Technologies  <i>Entities in which relatives of KMP exercise significant influence.</i>	Purchase of Short Message Services (SMS). To provide the messaging services whereby purchaser send SMS messages via the seller to the recipient subscribers of the agreed mobile networks.	1 (One) Year and Automatic renewal; ₹120.78 crore	-do-	Nil	Not applicable

Note: Materiality is not defined in Rule 8(2) of the Companies (Accounts) Rules, 2014 and hence threshold limits prescribed under Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014 has been followed for the aforesaid disclosure

## ANNEXURE 6

### SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

[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]

To,  
The Members of  
**ROUTE MOBILE LIMITED**  
Mumbai

Dear Sirs,

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practice by **Route Mobile Limited** (herein after 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, Minutes Books, Forms and Returns filed and other records maintained by the Company and also the information and explanation 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 audit period covering the Financial Year ended March 31, 2019 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, minutes books, forms and returns filed and other records maintained by Route Mobile Limited ("the Company") as given in Annexure I, for the Financial Year ended on March 31, 2019, 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.

The Company's securities not being listed, 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 for 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 viz.

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

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 report 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 there are adequate systems and processes in the Company 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 audit period there were no specific events/ actions having a major bearing on the Company's affairs.

**For RATHI & ASSOCIATES  
COMPANY SECRETARIES**

**HIMANSHU S. KAMDAR  
PARTNER  
FCS No. 5171  
C.P. No. 3030**

**Date: June 10, 2019**

**Place: Mumbai**

Note: This report should be read with our letter which is annexed as Annexure - II and forms an integral part of this report.



**ANNEXURE - I****List of documents verified**

1. Memorandum & Articles of Association of the Company;
2. Annual Report for the financial year ended 31st March 2018;
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. Circular Resolutions passed, if any, during specified period along with its supporting documents;
6. 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.
7. Agenda papers circulated to all the Directors / Members of the Committees for the Board Meetings and the statutory Committee Meetings;
8. Declarations received from the Directors of the Company pursuant to the provisions of Sections 184, 164(2), and 149(7) of the Companies Act, 2013;
9. 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;
10. Various Policies made and adopted under the Companies Act, 2013 and relevant rules made thereunder;

**ANNEXURE II**

To,  
The Board of Directors of  
Route Mobile Limited  
Mumbai

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For RATHI & ASSOCIATES  
COMPANY SECRETARIES**

**HIMANSHU S. KAMDAR  
PARTNER  
FCS NO.: 5171  
C.P. NO.: 3030  
Place: Mumbai  
Date: June 10, 2019**

## ANNEXURE 7

### Annual Report on CSR Activities

#### 1. Overview of Corporate Social Responsibility:

Route Mobile Limited understands its responsibility towards the society and environment in which it operates, and is committed to operate and grow its business in a socially responsible way.

The CSR policy of the Company which is available on its website, was adopted by the Board of Directors on July 1, 2014.

The detailed CSR Policy of the Company is available on Company's website at <https://www.routemobile.com/wp-content/uploads/2019/04/Corporate-Social-Responsibility-Policy.pdf>.

The overview of various CSR projects and programs undertaken by the Company has been provided in the Corporate Social Responsibility Report section of this Annual Report.

#### 2. Composition of CSR Committee

The composition of the CSR Committee as on the date of the Director's Report 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 (Average Net Profit calculated in accordance with the provisions of Section 198 of the Companies Act)

₹32,04,32,481/-

#### 4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above)

₹64,08,650/-

#### 5. Details of CSR spent during the Financial Year 2018-'19:

(a) Total amount to be spent during the financial year: ₹64,08,650/-

(b) Amount unspent: Nil

(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 (As per Schedule VII of the Companies Act, 2013, as amended)	Projects or Programmes (1)Local area or other (2)State and district where projects or programs was undertaken	Total Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub heads: (1)Direct expenditure on projects or programs (2)Overheads:	Cumulative expenditure upto the reporting period FY 19	Amount spent: (1)Direct or (2)through implementing agency
1.	Contribution towards Setting up old age home	Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.	Mumbai, Maharashtra	2,00,000	2,00,000	2,00,000	Donation to Rotary Club Ghatkopar

2.	Promoting health care	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	30,00,000	30,00,000	30,00,000	Donation to Ravindra Joshi Medical Foundation
3.	Eradicating poverty	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	3,00,000	3,00,000	3,00,000	Donation to Sai Prabodhan Trust
4.	Eradicating hunger	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	75,000	75,000	75,000	Donation to Shree Sai Seva Mandal
5.	Promoting health care	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	700,000	700,000	700,000	Donation to Global Hospitals - Super Speciality & Trans-plant Centre
6.	Promoting health care	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	1,75,000	1,75,000	1,75,000	Donation to Shivam Hospital
7.	Promoting health care	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	71,500	71,500	71,500	Donation to Dr. Bami's Accident & Fracture Hospital

8.	Eradicating poverty	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 Sai Prabodhan Trust
9.	Eradicating poverty	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	1,47,428.58	1,47,428.58	1,47,428.58	Donation to Shree Krishna Plastic
10.	Promotion of Sanitation	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.	Allahabad, Uttar Pradesh.	25,000	25,000	25,000	Building of toilets in Dubar Jagdishpur Gao, Allahabad
11.	Promoting health care	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	25,00,000	25,00,000	25,00,000	Donation to Saraswati Devi Charitable Trust
<b>Total</b>				<b>76,93,929</b>	<b>76,93,929</b>	<b>76,93,929</b>	

**6. In case company has failed to spend the two percent of the average net profit for the last three financial years or any part thereof, the reasons for not spending the amount.**

During the FY19, the Company spent ₹76,93,929/- on various CSR initiatives, which is equivalent to 2.40% of its average net profit of the last three financial years. For the last three (3) financial years, ₹20,05,570 (FY15-16), ₹33,90,028 (FY 16-17) and ₹20,53,200 (FY 17-18) including additional ₹22,00,000 for FY 2014-15 are unspent as on the date of this report. After setting off the additional amount of ₹12,85,279 spent during the FY 2018-'19, the net total amount remaining unspent is ₹83,63,519 as on the date of this report. While the Company is continuously evaluating various suitable projects such that the contribution to be made towards the social projects should be received by deserving projects, the Committee further at its meeting held on March 25, 2019 resolved to expedite the spending of the unspent amounts of the previous years and the same was noted by the Board at its meeting held on June 10, 2019.

**7. Responsibility Statement**

Pursuant to the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time, it is confirmed that the CSR Committee has implemented and monitored the CSR initiatives of Route Mobile Limited is in line with the CSR objectives and Policy of the Company.

Mr. Rajdipkumar Gupta  
**Managing Director & Group CEO**

Mr. Ankit Paleja  
**Chairman-CSR Committee**

Date: June 10, 2019

## ANNEXURE 8

**FORM NO. MGT - 9**  
**EXTRACT OF ANNUAL RETURN**  
**as on financial year ended on 31st March, 2019**

[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:**

<b>CIN</b>	<b>U72900MH2004PLC146323</b>
<b>Registration Date</b>	14 <sup>th</sup> May, 2004
<b>Name of the Company</b>	Route Mobile Limited (Formerly known as RouteSms Solutions Limited)
<b>Category / Sub-Category of the Company</b>	Company Limited by shares / Indian Non-Government Company
<b>Address of the Registered office and contact details</b>	4 <sup>th</sup> Dimension, 3 <sup>rd</sup> Floor, Mind space, Malad (West), Mumbai - 400 064.
<b>Whether listed Company</b>	No
<b>Name, Address and Contact details of Registrar and Transfer Agent, if any.</b>	Karvy Fintech Private Limited Karvy Selenium, Tower B, Plot No 31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad 500 032, Telangana. Tel: (040) 6716 2222 Fax: (040) 2343 1551 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 of the product/ service	% to total turnover of the Company
1.	Other Information Service activities	63999	97.48%

**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
<b>Subsidiaries (held directly)</b>					
1.	<b>Sphere Edge Consulting (India) Private Limited</b> Address: - Office 408, Evershine Mall, Mind Space New Link Road, Malad (West), Mumbai - 400 064.	U74140MH2007PTC171900	Subsidiary	100%	2(87)
2.	<b>Cellent Technologies (India) Private Limited</b> Address: - 401, Fourth Floor, Evershine Mall, New link Road, Malad (West), Mumbai - 400064.	U64202MH2003PTC140310	Subsidiary	100%	2(87)
3.	<b>Start Corp India Private Limited</b> Address: - 401, Fourth Floor, Evershine Mall, New link Road, Malad West, Mumbai - 400064.	U72900MH2004PTC149576	Subsidiary	100%	2(87)
4.	<b>Route Mobile (UK) Limited</b> Address: - 183-189 The Vale, London, W3 7RW, UK.	7733317	Subsidiary	100%	2(87)
5.	<b>RouteSms Solutions FZE</b> Address: - P. O Box 31291, RAS AL Khaimah, United Arab Emirates.	RAKIA 72FZ3 01 13 6543	Subsidiary	100%	2(87)

6.	<b>RouteSms Solutions Nigeria Limited</b> Address:- Suite 405, 4th Floor, AHCN Towers, CIPM Road, Central Business District, Alausa, Ikeja, Lagos.	RC 1217910	Subsidiary	100%	2(87)
7.	<b>Route Mobile Pte. Ltd.</b> Address: - 23 New Industrial Road #04-09 Solstice Business Center, Singapore 536209.	201628553C	Subsidiary	100%	2(87)
8.	<b>Call 2 Connect India Private Limited</b> Address: - 401, Fourth Floor, Evershine Mall, New link Road, Malad West, Mumbai - 400064.	U72900MH2003PTC140693	Subsidiary	100%	2(87)
9.	<b>Route Connect Private Limited</b> Address: - 401, Fourth Floor, Evershine Mall, Meter Cabin No. 1, New Link Road, Malad West, Mumbai - 400064.	U74999MH2018PTC307385	Subsidiary	76%	2(87)
<b>Subsidiaries (held indirectly)</b>					
10.	<b>Route Mobile Hong Kong Limited</b> Address: RM702, 7/F Fu FAI Comm CTR 27, Hiller St Sheung Wan, Hong Kong	2202310	Subsidiary	100%	2(87)
11.	<b>Route Mobile Limited</b> Address: Adjacent Royal Mart Building, Off The Tseaddo- Zenith University Road, Accra, PO BOX OS1785, OSU, Greater Accra, Ghana	CS108532016	Subsidiary	70%	2(87)
12.	<b>Route Mobile Inc.</b> Address: 3240 Estate Street Ext. Hamilton, NJ 08619 Mercer (Commonwealth of Virginia)	N.A.	Subsidiary	100%	2(87)
13.	<b>Route Connect (Kenya) Limited</b> Address: Standard House, Plot Number 209/4045, House Number 10, Nairobi, Standard Street, P. O. Box 67290-00200, City Square, Kenya	PVT-ZQULJVZ	Subsidiary	100%	2(87)
14.	<b>365squared Limited</b> Address: 4, El Casita, Triq Dar il - Bebbux, Ghaxaq, Malta.	C58493	Subsidiary	100%	2(87)
15.	<b>Route Mobile Nepal Private Limited</b> Address: K.M.N.P. Wada No. 11, Thapathali, Kathmandu	189885/74/075	Subsidiary	100%	2(87)
16.	<b>Route Mobile Lanka (Private) Limited</b> Address: No. 47, Alexandra Place, Colombo 07	PV131044	Subsidiary	100%	2(87)
17.	<b>Route Mobile (Bangladesh) Limited</b> Address: House: 1/D, Road: 07, Sector: 07, Uttara, Dhaka 1230, Dhaka	C-144611/2018	Subsidiary	99.99%	2(87)
18.	<b>Route Mobile Malta Limited</b> Address: Velzon Building, Block B, Pantar Road, Lija, Malta.	C 85771	Subsidiary	100%	2(87)
19.	<b>Route Mobile Uganda Limited</b> Address: Ntinda Complex, Block B, Plot 33 Minds Road, 3rd Floor, P.O.Box 40411, Nakawa, Uganda.	80020000743039	Subsidiary	100%	2(87)
20.	<b>Routesms Solutions Zambia Limited</b> Address: 2nd Floor, Lotti House, Suite 5, Western Wing, Lusaka, P.O.Box 39114	120180009429	Subsidiary	99.93%	2(87)
21.	<b>Route Mobile L.L.C.</b> Address: 403, 4th Floor, One by Omniyat, Business Bay, PO Box 211743, Dubai, UAE.	1244863	Subsidiary	49%	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 (As on April 1, 2018)				No. of Shares held at the end of the year (As on March 31, 2019)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/HUF	4,30,00,000	-	4,30,00,000	86	4,30,00,000	-	4,30,00,000	86	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other - Trust	50,00,000	-	50,00,000	10	50,00,000	-	50,00,000	10	-
Sub-total(A)(1):	4,80,00,000	-	4,80,00,000	96	4,80,00,000	-	4,80,00,000	96	-
<b>(2) Foreign</b>									
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)	4,80,00,000	-	4,80,00,000	96	4,80,00,000	-	4,80,00,000	96	-
<b>B. Public Shareholding</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) Foreign Institutional Investors	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others - Trust	20,00,000	-	20,00,000	4	20,00,000	-	20,00,000	4	-
Sub-total (B)(1):	20,00,000	-	20,00,000	4	20,00,000	-	20,00,000	4	-
<b>(2) Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									

i) Individual shareholders holding nominal share capital up to ₹1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
i) Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
ii) Trusts	-	-	-	-	-	-	-	-	-
iii) Non Resident Indians / Foreign Nationals	-	-	-	-	-	-	-	-	-
iv) Clearing Members	-	-	-	-	-	-	-	-	-
v) Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
vi) NBFCs Registered with RBI	-	-	-	-	-	-	-	-	-
vii) Investor Education and Protection Fund Authority Ministry of Corporate Affairs	-	-	-	-	-	-	-	-	-
viii) HUF	-	-	-	-	-	-	-	-	-
Sub-total(B)(2):	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	20,00,000	-	20,00,000	4	20,00,000	-	20,00,000	4	-
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>5,00,00,000</b>	<b>-</b>	<b>5,00,00,000</b>	<b>100</b>	<b>5,00,00,000</b>	<b>-</b>	<b>5,00,00,000</b>	<b>100</b>	<b>-</b>

## ii. Shareholding of Promoter and Promoter Group

Sr. No.	Shareholder's name	Shareholding at the beginning of the year (As on April 1, 2018)			Shareholding at the end of the year (As on March 31, 2019)			% 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	1,44,00,000	28.80	-	1,44,00,000	28.80	-	-
2.	Mr. Rajdipkumar Gupta	1,44,00,000	28.80	-	1,44,00,000	28.80	-	-
3.	Sandipkumar Chandrakant Gupta (CC Gupta Family Trust)	50,00,000	10	-	50,00,000	10	-	-
4.	Mr. Chandrakant Gupta	23,00,000	4.60	-	23,00,000	4.60	-	-
5.	Mrs. Chamelidevi Gupta	23,00,000	4.60	-	23,00,000	4.60	-	-
6.	Mrs. Sunita Gupta	43,20,000	8.64	-	43,20,000	8.64	-	-
7.	Mrs. Sarika Gupta	43,20,000	8.64	-	43,20,000	8.64	-	-
8.	Sandipkumar Gupta (HUF)	3,00,000	0.60	-	3,00,000	0.60	-	-
9.	Rajdipkumar Gupta (HUF)	3,00,000	0.60	-	3,00,000	0.60	-	-
10.	Chandrakant Gupta (HUF)	3,60,000	0.72	-	3,60,000	0.72	-	-
	<b>Total</b>	<b>4,80,00,000</b>	<b>96</b>	<b>-</b>	<b>4,80,00,000</b>	<b>96</b>	<b>-</b>	<b>-</b>



iii. **Change in Promoter and Promoter Group's Shareholding:** There is no change in Promoter and Promoter Group's Shareholding during the year 2018-'19.

iv. **Shareholding Pattern of Top Ten Shareholders**

(Other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Krishani Nitan Chhatwal (Krisharya Trust)				
	At the beginning of the year	20,00,000	4	20,00,000	4
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	<b>At the end of the year</b>	<b>20,00,000</b>	<b>4</b>	<b>20,00,000</b>	<b>4</b>

Note: The above information is based on the weekly beneficiary position received from the depositories.

v. **Shareholding of Directors and Key Managerial Personnel**

Sr. No.	Name	Shareholding		Date	Increase / (Decrease)	Reason	Cumulative Shareholding during the year (1st April, 2018 to 31st March, 2019)	
		No. of shares at the beginning (1st April, 2018) / end of the year (31st March, 2019)	% of total shares of the Company				No. of shares	% of total shares of the Company
1.	Mr. Sandipkumar Gupta	1,44,00,000	28.80	01/04/2018	-	-	1,44,00,000	28.80
		1,44,00,000	28.80	31/03/2019	-	-	1,44,00,000	28.80
2.	Mr. Rajdipkumar Gupta	1,44,00,000	28.80	01/04/2018	-	-	1,44,00,000	28.80
		1,44,00,000	28.80	31/03/2019	-	-	1,44,00,000	28.80
3.	Mr. Chandrakant Gupta	23,00,000	4.6	01/04/2018	-	-	23,00,000	4.6
		23,00,000	4.6	31/03/2019	-	-	23,00,000	4.6
4.	Mrs. Sudha Navandar	-	-	01/04/2018	-	-	-	-
		-	-	31/03/2019	-	-	-	-
5.	Mr. Ramachandran Sivathanu	-	-	01/04/2018	-	-	-	-
		-	-	31/03/2019	-	-	-	-
6.	Mr. Ankit Paleja	-	-	01/04/2018	-	-	-	-
		-	-	31/03/2019	-	-	-	-
7.	Mr. Suresh Jankar Chief Financial Officer	-	-	01/04/2018	-	-	-	-
		-	-	31/03/2019	-	-	-	-
8.	Mr. Pratik Joshi (Company Secretary upto January 10, 2019)	-	-	01/04/2018	-	-	-	-
		-	-	31/03/2019	-	-	-	-
9.	Mr. Rathindra Das (Company Secretary wef January 11, 2019)	-	-	01/04/2018	-	-	-	-
		-	-	31/03/2019	-	-	-	-

**V. Indebtedness:** Indebtedness of the Company including interest outstanding/accrued but not due for payment:

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness (Amount in ₹)
Indebtedness at the beginning of the financial year				
i) Principal Amount	24,36,25,035	92,76,052	-	25,29,01,087
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	3,43,975	-	-	3,43,975
Total (i+ii+iii)			-	
Change in Indebtedness during the financial year				
i) Addition	13,98,04,892	0	-	13,98,04,892
ii) Reduction	17,47,62,777	92,76,052	-	18,40,38,829
Net Change	(3,49,57,885)	(92,76,052)	-	(4,42,33,937)
Indebtedness at the end of the financial year				
i) Principal Amount	20,83,60,892	-	-	20,83,60,892
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	6,50,233	-	-	6,50,233
Total (i+ii+iii)	20,90,11,125	-	-	20,90,11,125

**VI. Remuneration of Directors and Key Managerial Personnel****a) Remuneration to Managing Director, Whole-time Directors and/or Manager**

Sr. No.	Particulars of Remuneration	Name of MD/ WTD/ Manager	Total Amount (in ₹)
		Mr. Rajdipkumar Gupta Managing Director and Group CEO	
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	45,00,000	45,00,000
	(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	-	-
<b>Total (A)</b>			<b>45,00,000</b>
Ceiling as per the Companies Act, 2013 ("the Act") (being 5% of the net profit of the Company calculated as per section 198 of the Act).			<b>66,32,638</b>
Note: Mr. Rajdipkumar Gupta was entitled to a total salary of ₹66,32,638 (5% of ₹13,26,52,767, being net profit for the year computed as per Section 198 of the Companies Act, 2013) during the FY 2018-19 in accordance with prescribe limit. However, he waived his partial salary and was paid only ₹45,00,000 for the current FY.			

**b) Remuneration to Other Directors**

Sr. No.	Name of the Directors	* Fee for attending board / committee meeting	Commission	Others	Total (Amount in ₹)
1.	<b>Independent Directors</b>				
	Mr. Ankit Paleja	1,50,000	-	-	1,50,000
	Ms. Sudha Navandar	2,00,000	-	-	2,00,000
	Mr. Ramachandran Sivathanu	2,50,000	-	-	2,50,000
	Total (1)	6,00,000	-	-	6,00,000
2.	<b>Other Non-Executive Directors</b>				
	Mr. Chandrakant Gupta	1,75,000	-	-	1,75,000
	Mr. Sandipkumar Gupta	3,25,000	-	-	3,25,000
	Total (2)	5,00,000	-	-	5,00,000
	<b>Total B = (1+2)</b>	11,00,000	-	-	11,00,000*
Ceiling as per the Act (being 1% of the net profits of the Company calculated as per section 198 of the Act)					13,26,527
Total Managerial Remuneration (A+B)					45,00,000
Overall Ceiling as per the Act (being 11% of Net Profits of the Company calculated as per section 198 of the Act)					1,45,91,804

\* Sitting fees not covered under sect. 197 of Companies Act, 2013.

**c) Remuneration to Key Managerial Personnel other than MD/Manager/WTD:**

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total (Amount in ₹)
		Mr. Suresh Jankar Chief Financial Officer	<sup>3</sup> Mr. Pratik Joshi Company Secretary	<sup>2</sup> Mr. Rathindra Das Company Secretary	
1	<b>Gross salary</b>				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	50,26,886	9,27,835	10,57,327	70,12,048
	(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 <sup>1</sup>	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
5	Others, specify	-	-	-	-
6	Employer contribution to provident fund and other funds	N.A.	N.A.	N.A.	N.A.
7	Variable Bonus	-	-	-	-
	<b>Total</b>	50,26,886	9,27,835	10,57,327	70,12,048

<sup>1</sup> Remuneration of KMPs does not include perquisite value of stock options granted/vested during FY 2018-'19. No stock option was exercised during the year.

<sup>2</sup> Mr. Rathindra Das was appointed as the Company Secretary and Compliance Officer of the Company w.e.f. January 11, 2019. However, his salary reflects total earnings from the date of joining employment i.e., November 12, 2018.

<sup>3</sup> Mr. Pratik Joshi resigned from the post of Company Secretary of the Company w.e.f. January 10, 2019 and was appointed as the Assistant Company Secretary. However, his salary reflects total earnings during the FY 2018-'19.

**VII. Penalties / Punishment/ Compounding of Offences (under Companies Act, 2013):** None

On behalf of the Board of Directors

**Chandrakant Gupta**  
Chairman

Date: June 10, 2019

Place: Mumbai

## ANNEXURE 9

### Energy Conservation, 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 are not applicable and hence not 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:

Particulars	April 1, 2018 to March 31, 2019	April 1, 2017 to March 31, 2018
Actual Foreign Exchange Earnings	₹25,272.61	₹11,076.09
Actual Foreign Exchange Outgo	₹17,835.01	₹4,154.22

# CORPORATE GOVERNANCE REPORT

## Route Mobile Limited: Philosophy on Corporate Governance

The corporate governance philosophy at Route Mobile Limited ('RML') stems from the set of principles and framework embedded in its values. Our mission is to simplify communications, to enable seamless delivery of our services and, to customize end-user experiences. To realize that mission requires more than providing products and services that let our customers do great things but also requires us to be accountable to shareholders, customers, employees, business partners, and to be thoughtful about the impact of our business practices, policies, and investments in communities. Route Mobile's vision is to connect the world through mobile technology, helping customers, partners and employees prosper locally as well as globally. Our vision of providing high quality communication services at affordable prices since our inception has evolved into our endearing purpose, '**Communication Simplified**'.

The Company believes in adopting and adhering to the best recognized corporate governance practices and continuously benchmarking itself against each such practice. The philosophy on corporate governance is an important tool for shareholder protection and maximization of their long term values. The cardinal principles such as independence, accountability, responsibility, transparency, fair and timely disclosures, credibility, sustainability, etc. serve as the means for implementing the philosophy of corporate governance in letter and in spirit. Since 2017, the Board has gradually put in place a set of governance guidelines reflecting these principles, including the Board's policy of requiring half of the Board to be comprised of Independent Directors (IDs).

## Corporate Governance Guidelines

At RML, Corporate Governance is more than just adherence to the statutory and regulatory requirements. It is equally about focusing on voluntary practices that underlie the highest levels of transparency & propriety. These governance guidelines provide for the composition and role of the Board and ensure that the Board will have the necessary authority and processes in place to review and evaluate Company's operations. Further, these guidelines allow the Board to make decisions that are independent of the Management of the Company. The Board of Directors ('the Board') has voluntarily adopted the Guidelines prescribed under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('**LODR**') from the current fiscal year onwards in view of its proposed IPO and Listing. The Company is in compliance with the mandatory requirements of the Code of Corporate Governance as specified in regulations 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of regulation 46 of the Listing Regulations, to the extent practicable, on a voluntary basis as on the date of this report. The Company is also in compliance with Secretarial Standards on Meetings of the Board of Directors and General Meetings issued by the Institute of Company Secretaries of India. However, the voluntary adoption of such guidelines and preparation of this annual report in accordance with LODR, to the extent reasonable and practicable, is in no way an indication or assurance that the Company would bring its IPO and get listed on stock exchanges within any definitive timelines in future. IPO and listings are subject to market conditions, board approval and approval of the various regulatory agencies.

## Risk Management

The word 'risk' has become a common and widely used part of today's vocabulary, considering personal circumstances (health, pensions, insurance, investments, etc.), society (economic performance, food safety, etc.) and also business (corporate governance, strategy, business continuity, etc.) The Company has a risk management policy where under various key areas have been identified and suitable systems have been put in place for risk mitigation.

## Transparency

For us, transparency is key to healthy self-sustaining growth and promotes self-enforcing checks and balances. It also fosters deep and long standing trust among our stakeholders. We strive to demonstrate the highest levels of transparency, over and above statutory requirements, through accurate and prompt disclosures.

## Fairness

Every organization must confront the challenge of motivating its work force. Employees are more motivated when they feel that organizational resources are allocated fairly, that organizational decisions are made in fair ways, and that their organization treats them fairly.

Moreover, employees who experience fairness at work are more likely to internalize the organization's goals and values, and to develop close bonds with other organizational members. In this way, a 'management-by-fairness' approach motivates employees to work collaboratively for the long-term good of the organization and its members. Such a long-term collaborative focus tends to produce ethical behavior.

### Accountability

Management is about execution, coordination and implementation of results. Effective managers earn trust quickly, are strong team players and prepare employees for success. Management requires one to continuously be mindful of the details and attentive to follow-up. Management requires the constant due diligence that is embedded within each task at hand and delivering the tools and resources required to help advance people, projects and goals.

### Human Capital

Our human capital interventions are driven by the dynamic business landscape we operate in. Today, innovations like artificial intelligence, automation and analytics are disrupting traditional business models, and opening up newer opportunities and revenue streams for us. Since millennials form a majority of our around 800+ strong employee-base at the group level, we are dealing with newer challenges, expectations and employer-employee relationships at the workplace. Competitive talent markets, diverse teams, evolving employee needs and aspirations, coupled with the tectonic shifts in the technology landscape are shaping the way we attract, develop and retain top talent.

### Grievance Redressal

RML is committed to the highest standards of openness, probity and accountability. Having a robust whistle-blower policy that allows employees and other stakeholder to raise concern in confidence is an essential condition for a transparent and ethical company. This ensures a robust mechanism is in place, which allows employees, non-employees, partners, customers, suppliers and other members of public to voice concern in a responsible and effective manner.

RML has a policy and framework for employees to report sexual harassment cases at workplace and our process ensures complete anonymity and confidentiality of information. Adequate workshops and awareness programs against sexual harassment are conducted across the organization. During the year the Company also ran a voluntary fact finding exercise by conducting a survey amongst the employees on various aspects of workplace quality and instances of harassment of any nature. The Company is pleased to report that there were no adverse findings reported to the management.

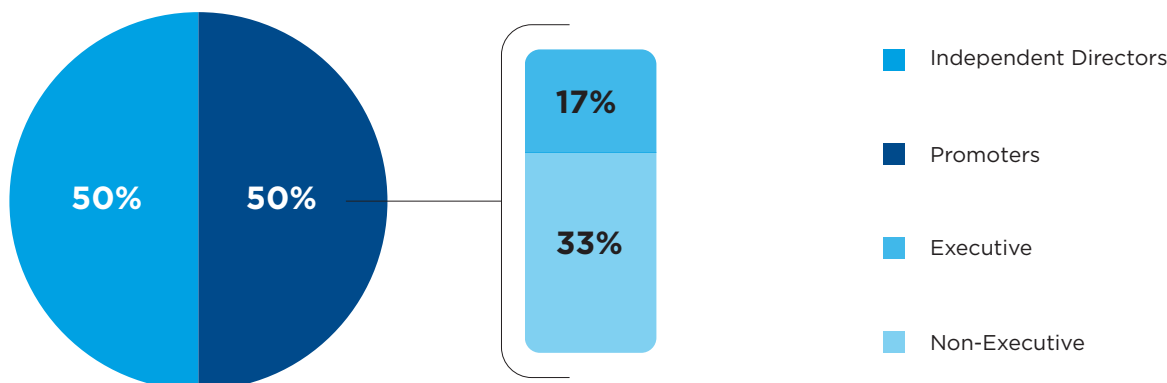
### Compliance with non-mandatory requirements:

1. The Board  
Our Chairman is non-executive and is entitled to maintain Chairman's office at the Company's expense and also allowed reimbursement of expenses incurred in the performance of his duties. However, during the year, no such services was availed by the Chairman and no fees was paid.
2. Audit Qualifications  
There are no audit qualifications on the financial statements of the Company for the year 2018-'19.
3. Separate posts of Chairman & CEO  
The Company has different individuals serving as Chairman and CEO respectively.
4. Reporting of Internal Auditor  
The internal auditor submits its report to the Audit Committee and makes presentation at the meeting to the Committee members.

### BOARD OF DIRECTORS

The composition of the Board of Directors of RML ("Board") is governed by the provisions of the Companies Act, 2013 and the SEBI LODR. The Board of Directors has constituted various committees under it, each with defined roles and responsibilities - such as Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee etc. With eminent professionals of diverse domains representing disciplines such as finance, technology, law, business and general management and corporate planning, the Company continues to set the pace for the industry.

## Board Composition



Detailed profile of our Directors is available on our website. The Company has issued formal letters of appointment to the IDs. As required under Regulation 46 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), the terms and conditions of appointment of IDs including their role, responsibility and duties are available on our website [www.routemobile.com](http://www.routemobile.com)

The Board has Six (06) Directors as on March 31, 2019. Composition of the Board of Directors of the Company as on March 31, 2019 was as below:

Executive Directors	Non-Executive Directors (Non-Independent)	Independent Directors (IDs)
Mr. Rajdipkumar Gupta Managing Director & Group CEO	Mr. Chandrakant Gupta Non-Executive Chairman	Mrs. Sudha Navandar Independent Director
	Mr. Sandipkumar Gupta Non-Executive Director	Mr. Ramachandran Sivathanu Independent Director
		Mr. Ankit Paleja Independent Director

None of the Directors on the Board is a member of more than ten (10) Committees and Chairperson of more than five (5) Committees across all public companies in which he / she is a Director. All the Directors have made necessary disclosures regarding Committee positions occupied by them in other companies. None of Directors are related to each other except Mr. Chandrakant Gupta (father of Mr. Sandipkumar Gupta and Mr. Rajdipkumar Gupta), Mr. Sandipkumar Gupta (son of Mr. Chandrakant Gupta and brother of Mr. Rajdipkumar Gupta) and Mr. Rajdipkumar Gupta (son of Mr. Chandrakant Gupta and brother of Mr. Sandipkumar Gupta)

## Shareholding of Non-Executive Directors (NED):

Name	No. of Shares held	No. of convertible instruments held
Mr. Chandrakant Gupta	23,00,000	Nil
Mr. Sandipkumar Gupta	1,44,00,000	Nil
Mrs. Sudha Navandar	Nil	Nil
Mr. Ramachandran Sivathanu	Nil	Nil
Mr. Ankit Paleja	Nil	Nil

## Mr. Chandrakant Gupta, Non-Executive (Non-Independent) Chairman:

The Chairman acts as the leader of the Board and presides over the meetings of the Board and the shareholders. The primary responsibility is to ensure that collectively Board is effective in its task of setting and implementing the Company's strategy. He oversees the conduct of the Board and ensures that it adheres to the statutory requirements and good governance practices in letter and spirit. The Chairman is supported by the Managing Director, who takes a lead role in managing the Board meetings & interactions

## Selection of New Directors and Board Membership Criteria

The Nomination and Remuneration Committee ('NRC') works with the Board to determine the appropriate qualifications, attributes, characteristics, skills and experience required for the Board as a whole and its individual members with the objective of having a Board with diverse backgrounds and experience in business, government, education and public

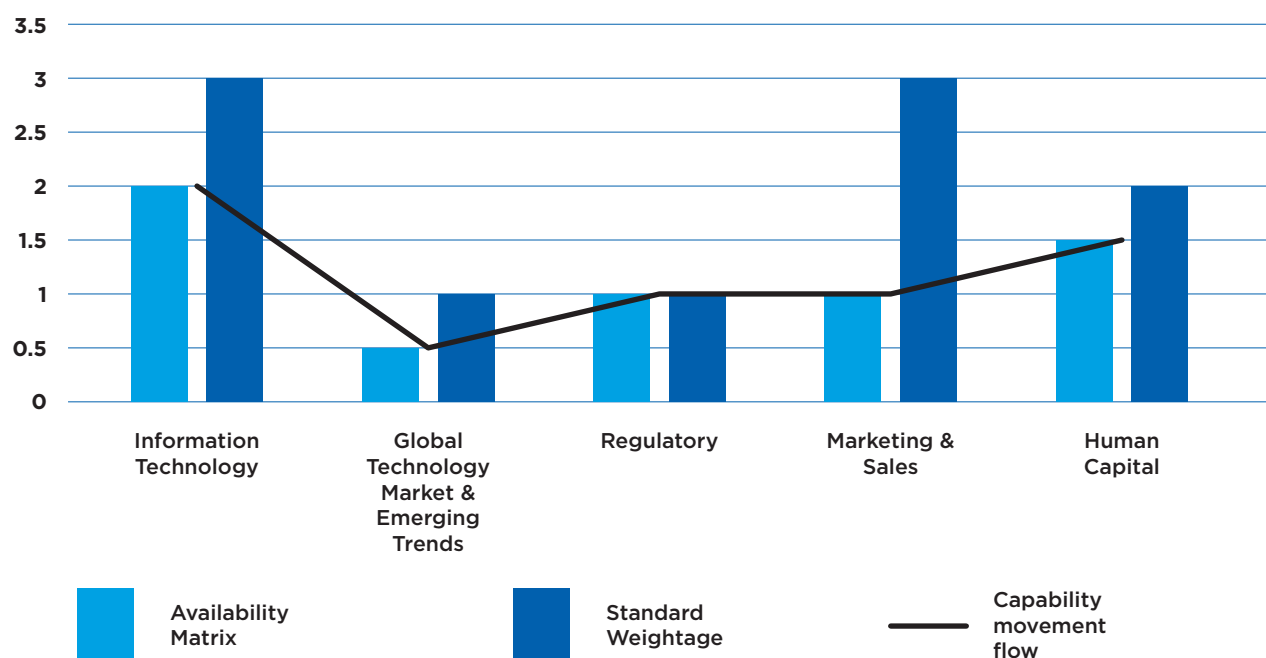
service.

The Company has received a certificate from M/s Dhrumil Shah & Co., company secretary in practice stating that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

### Familiarisation Programme for Independent Directors

The Directors are encouraged to interact with the members of Senior Management. The Senior Management makes presentations giving an overview of the Company's strategy, human capital, operations, products, markets through various updates at the Board meetings. This enables the Directors to get an understanding of the Company's business, its people, values and culture and facilitates their active participation in overseeing the performance of the Management.

### Skill Matrix



The Board has identified certain skills /expertise /competencies as required in the context of its business and sector for it to function effectively and those actually available with the board. The matrix depicts five core areas viz. information technology, global technology market, regulatory, marketing & sales and human resources which are critical for company's operations in the most dynamic and ever changing technology space. The current availability of such expertise in the Board is also mapped against standard weightage identified. The board continuously endeavors to make itself updated with emerging trends from time to time. The board believes that it has a healthy mix of skill sets essential to maintain its growth momentum and to scale new levels of growth & expansion.

The Board has identified the following skill set with reference to its Business and Industry which are available with the Board:

Director	Skills/Competency as required in the context of its business & availability with the Board
Mr. Chandrakant Gupta	Business Strategy and Corporate Management, Entrepreneur.
Mr. Sandipkumar Gupta	Finance, Banking, Taxation, business analysis, SAP configuration and software systems consulting, Wealth Management, Business Strategy and Corporate Management including Human Resource management.
Mrs. Sudha Navandar	Corporate audits (internal and statutory), bank audits, company law cases, income leakage and corporate advisory services, Insolvency Professional & CPA (USA)
Mr. Ramachandran Sivathanu	Sales and Marketing; Telecommunication Industry expert.
Mr. Ankit Paleja	Law including International Law, Cross-border Merger and Acquisitions and Private Equity, Asset Management, Merchant Banking, Capital Markets.
Mr. Rajdipkumar Gupta	Entrepreneur, Software Designing and Development, Technology, Business development, Organizational Development and thought leadership, Business Strategy & General Corporate management.



## Board Evaluation

The Board in its meeting held on November 22, 2017 had approved the draft of Board Evaluation policy and the suggested evaluation process. In accordance with the policy, during the current year, Questionnaires were sent individually to all the Directors to assess the performance of all the other directors, Board and its various Committees, by assigning appropriate scores. The Independent Directors at their meeting held on March 25, 2019 evaluated the performance of the Non-Independent Directors, including the Chairperson and the Board as a whole. The Lead Independent Director Mr. Ramachandran Sivathanu had collated the feedback received from each of the Directors, including having detailed discussion with other Independent Directors in the meeting held on March 25, 2019. The inputs and outcome of the independent directors' meeting was also placed for discussion at the meeting of the NRC Committee. Various aspects of the Board's functioning, composition of the Board and its Committees, culture, execution and performance of specific duties, obligations and governance was also reviewed by the Board Members.

**Details of directorships, memberships and chairpersonships of the committees of other companies of the current Directors of the Company are as follows:**

Name of Director	Directorships on the Board of other companies*	Board Committees		Name of Listed Entities and category of Directorship	All Companies Worldwide
		Chairperson	Member		
Mr. Chandrakant Gupta	4	Nil	Nil	Nil	9
Mr. Sandipkumar Gupta	5	Nil	Nil	Nil	25
Mrs. Sudha Navandar	3	2	1	Nil	4
Mr. Ankit Paleja	Nil	Nil	Nil	Nil	Nil
Mr. Ramachandran Sivathanu	Nil	Nil	Nil	Nil	1
Mr. Rajdipkumar Gupta	5	Nil	Nil	Nil	25

\* Note: For the purpose of considering the limit of the Directorships and limits of Committees on which the directors are members / Chairperson, all public limited companies, whether listed or not, are included. Private Limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013 are excluded. Further, Chairpersonships/ Memberships of only the Audit Committee and the Stakeholders' Relationship Committee have been considered.

## Compensation Policy for Board and Senior Management

The Company has a Remuneration Policy for Directors, Key Managerial Personnel ('KMPs') and all other employees of the Company. The same is available on our website [www.routemobile.com](http://www.routemobile.com). No payments has been made to any non-executive directors except sitting fees as disclosed below.

**Details of remuneration for Directors in FY 2018-'19 are provided in table below:**

### (a) Non-Executive Directors

Name	Fixed Salary (in ₹)			Comission (in ₹)	Sitting Fees (in ₹)	Total Compensation (in ₹)
	Basic	Perquisites	Total			
<b>Non-Executive (Non-Independent) Directors</b>						
Mr. Chandrakant Gupta	-	-	-	-	1,75,000	1,75,000
Mr. Sandipkumar Gupta	-	-	-	-	3,25,000	3,25,000
<b>Independent Directors</b>						
Mrs. Sudha Navandar	-	-	-	-	2,00,000	2,00,000
Mr. Ramachandran Sivathanu	-	-	-	-	2,50,000	2,50,000
Mr. Ankit Paleja	-	-	-	-	1,50,000	1,50,000

**(b) Executive Director**

Particulars	Mr. Rajdipkumar Gupta
Term of Appointment	For a period of 5 years from May 1, 2017 to April 30, 2022.
Salary and Allowances	₹3,60,00,000 p.a.
Salary paid during the FY 2018-'19 <sup>1</sup>	₹45,00,000
Commission	None
Variable Pay	None
Perquisites	None
Sitting Fees	None
Sitting Fess from Subsidiary Companies	None
Minimum Remuneration	Mr. Rajdipkumar Gupta shall be entitled to minimum remuneration comprising of salary, perquisites and benefits as per the applicable provisions of the Companies Act, 2013 in the event of inadequacy / absence of profits.
Number of shares held	1,44,00,000 Equity Shares

<sup>1</sup>Mr. Rajdipkumar Gupta was entitled to a total salary of ₹66,32,638 (being 5% of ₹13,26,52,767 being the net profit of FY 2018-'19 computed as per section 198 of the companies act, 2013) during the FY in accordance with the ceiling. He waived his partial salary and was paid ₹45,00,000 during the FY 2018-'19.

**Board Meetings****Scheduling and selection of agenda items for Board Meetings**

Dates for Board Meetings are decided in advance and communicated to the Board. The agenda and explanatory notes are sent to the Board in advance. However, in case of special and urgent business need, the Board's approval is taken by passing resolutions by circulation, which is noted and confirmed in the subsequent Board meeting. The Company Secretary finalises the agenda for meetings in consultation with the MD & Group CEO and the same is circulated to the Board members / Committee members in advance. In case of agenda for Committee meetings, the Chairman of the respective Committees is also consulted on finalisation of the Agenda, if specific need be so. The Board meets at least once a quarter and additional meetings are held, when necessary. Five (5) Board Meetings were held during the year ended March 31, 2019 on June 30, 2018, September 6, 2018, September 15, 2018, January 11, 2019 and January 22, 2019. The gap between any two Board meetings during this period did not exceed one hundred and twenty (120) days.

Attendance details of Directors for the year ended March 31, 2019 are given below:

Name of Director	Number of Board meeting held	Number of Board meeting attended	Attendance at the Annual General Meeting held on September 22, 2018
Mr. Chandrakant Gupta	05	05	Yes
Mr. Sandipkumar Gupta	05	05	Yes
Mrs. Sudha Navandar	05	03	Yes
Mr. Ramachandran Sivathanu	05	04	Yes
Mr. Ankit Paleja	05	02	Yes
Mr. Rajdipkumar Gupta	05	05	Yes

**Post Meeting Mechanism**

The important decisions taken at the Board/Board Committee Meetings are communicated to the concerned department/division.

**Board Support**

The Company Secretary attends the Board Meetings and advises the Board on compliances with applicable laws and governance.

## Meeting of the Independent Directors

Pursuant to Schedule IV of the Companies Act, 2013, the Independent Directors met on March 25, 2019 without the presence of Non-Independent Directors. The Independent Directors inter alia evaluated the performance of the Non-Independent Directors and the Board of Directors as a whole, evaluated the performance of the Chairman of the Board taking into account the views of Executive and Non-Executive Directors and discussed aspects relating to the quality, quantity and timeliness of the flow of information between the Company Management and the Board.

## Board Committees

### Audit Committee

The primary objective of the Audit Committee is to monitor and provide an effective supervision of the Management's financial reporting process, to ensure accurate and timely disclosures, with the highest levels of transparency, integrity and quality of financial reporting. The Committee oversees the work carried out in the financial reporting process by the Management, the internal auditor, the statutory auditor and notes the processes and safeguards employed by each of them. The Committee discusses on significant issues pertaining to Financial Statements, impairment of assets, appropriate estimates and judgements of the Management, conclusions reached by Auditors in respect of key judgement and identifying any other issues in relation to the above.

### Terms of Reference

The broad terms of reference of the Audit Committee, as approved by the Board, in compliance with Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations, are as follows:

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. Approval of any subsequent modification of transactions of the company with related parties; Explanation: The term "related party transactions" shall have the same meaning as provided in Clause 2 (zc) of the SEBI Listing Regulations and/or the Accounting Standards.
7. Scrutiny of inter-corporate loans and investments;
8. 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;
9. Discussion with internal auditors of any significant findings and follow up there on;
10. 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;
11. Reviewing the functioning of the whistle blower mechanism;
12. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.

The Company Secretary acts as the Secretary to the Committee. The internal auditor reports functionally to the Audit Committee. The Executive Directors and Senior Management of the Company also attend the meetings as invitees, whenever required. Three (3) meetings of the Committee were held during the year ended March 31, 2019 on September 6, 2018, September 15, 2018 and January 22, 2019.

**The composition of the Committee and the attendance details of the Members are given below:**

Names of Members	Category	No. of Meetings Attended of total meeting held	Appointed w.e.f.
Mrs. Sudha Navandar <i>Chairperson</i>	ID	03 of 03	November 22, 2017
Mr. Ramachandran Sivathanu	ID	03 of 03	November 22, 2017
Mr. Sandipkumar Gupta	NED	03 of 03	November 22, 2017

Mrs. Sudha Navandar - Chairperson of the Audit Committee was present at the AGM of the Company held on September 22, 2018.

**Nomination and Remuneration Committee**

The purpose of the Nomination and Remuneration Committee ('NRC') is to oversee the Company's nomination process including succession planning for the senior management and the Board and specifically to assist the Board in identifying, screening and reviewing individuals qualified to serve as Executive Directors, Non-Executive Directors and Independent Directors consistent with the nomination and remuneration policy of the Company. The policy can be accessed on the Company's website at <https://www.routemobile.com/corporate-governance>. During the year ended March 31, 2019, two (2) meetings of Committee were held on September 6, 2018 and January 11, 2019.

**Terms of Reference**

The broad terms of reference of the Nomination and Remuneration Committee, as approved by the Board in compliance with Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations, are as follows:

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.
- recommend to the board, all remuneration, in whatever form, payable to senior management.

The composition of the Committee and the attendance details of the Members are given below:

Names of Members	Category	No. of Meetings Attended of total meeting held	Appointed w.e.f.
Mr. Ramachandran Sivathanu <i>Chairman</i>	ID	02 of 02	November 22, 2017
Mrs. Sudha Navandar	ID	01 of 02	November 22, 2017
Mr. Sandipkumar Gupta	NED	02 of 02	November 22, 2017

Mr. Ramachandran Sivathanu-Chairman of the Nomination and Remuneration Committee was present at the AGM of the Company held on September 22, 2018.

**Corporate Social Responsibility Committee**

The purpose of our Corporate Social Responsibility ('CSR') Committee is to formulate and recommend to the Board, a Corporate Social Responsibility Policy as well as recommending various avenues in which the Company should make its CSR contribution. The Policy shall indicate the initiatives to be undertaken by the Company, recommend the amount of expenditure the Company should incur on CSR activities and to monitor from time to time the CSR activities of the Company. The Committee provides guidance in formulation of CSR strategy and principles to foster sustainable growth of the Company by creating values consistent with long-term preservation and enhancement of financial, natural, social, intellectual and human capital. The CSR policy is available on our website <https://www.routemobile.com/corporate-governance>.

### Terms of Reference

The broad terms of reference of the CSR Committee, as approved by the Board, are in compliance with Section 135 of the Companies Act, 2013, are as follows:

- To formulate and recommend to the Board, a CSR policy which will indicate the activities to be undertaken by the Company in accordance with Schedule VII of the Companies Act, 2013;
- To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the Company;
- To monitor the CSR policy of the Company from time to time;
- Any other matter as the CSR Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

Three (3) meetings of the CSR Committee were held during the year ended March 31, 2019 on September 6, 2018, January 11, 2019 and March 25, 2019.

### The composition of the Committee and the attendance details of the Members are given below:

Names of Members	Category	No. of Meetings Attended of total meeting held	Appointed w.e.f.
Mr. Ankit Paleja <i>Chairman</i>	ID	03 of 03	November 22, 2017
Mr. Chandrakant Gupta	NED	02 of 03	November 22, 2017
Mr. Sandipkumar Gupta	NED	03 of 03	November 22, 2017

### Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee ('SRC') considers and resolves the grievances of our shareholders, and other security holders, including complaints relating to non-receipt of annual report, transfer and transmission of securities, non-receipt of dividends/interests and such other grievances as may be raised by the security holders from time to time.

### Terms of Reference

The broad terms of reference of the SRC Committee, as approved by the Board, in compliance with Section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations, are as follows:

(1) Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, nonreceipt of declared dividends, issue of new/duplicate certificates, general meetings etc.; (2) Review of measures taken for effective exercise of voting rights by shareholders; (3) Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent; (4) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

The Company is in the process of developing an Investor FAQs handbook to effectively redress investor grievances and for improving the services provided to the investors. The Investor FAQs handbook serves as ready reference material for shareholders holding / dealing in RML shares. It is designed to assist the shareholders on matters, inter-alia, including transfer / transmission of shares, dematerialisation of shares, dividend, IEPF etc. The said handbook will be uploaded on Company's website under the Corporate Governance tab of the Investor Information section. In view of no mandatory provision under the Companies Act, 2013 (and SEBI LODR not being applicable during the year & as on the date of this report), there was no meeting of the SRC held during the year.

The Secretarial Department of the Company and the Registrar and Share Transfer Agent attend to all grievances of the shareholders received.

Mr. Ankit Paleja, Non-Executive (Independent) Director acts as the Chairman of the Committee.

### The composition of the Committee and the attendance details of the Members are given below:

Names of Members	Category	No. of Meetings Attended of total meeting held	Appointed w.e.f.
Mr. Ankit Paleja <i>Chairman</i>	ID	N.A.	November 22, 2017
Mr. Ramachandran Sivathanu	ID	N.A.	November 22, 2017
Mr. Rajdipkumar Gupta	MD	N.A.	November 22, 2017

Mr. Ankit paleja, Chairman of the SRC was present at the AGM of the Company held on September 22, 2018.

**Details of complaints received and resolved during the FY 2018-19:**

Opening as on April 1, 2018	Nil
Received during the year	Nil
Resolved during the year	Nil
Closing as on March 31, 2019	Nil

**IPO Committee**

Our IPO Committee was constituted by a resolution of our Board dated November 22, 2017. The composition of the Committee consists of (i) Mr. Chandrakant Gupta; (ii) Mr. Sandipkumar Gupta and (iii) Mr. Rajdipkumar Gupta. The broad terms of reference of the IPO Committee include the following:

- a. to decide with the Selling Shareholder, as applicable, in consultation with the book running lead managers, on the initial public offering size (including any other reservations or firm allotments as may be permitted, green shoe option and/or any rounding off in the event of any oversubscription), timing, pricing (price band, issue price, including to anchor investors) and all other terms and conditions of the initial public offering, including the price, premium, discount (as permitted under applicable laws) and to make any amendments, modifications, variations or alterations thereto;
- b. to make applications to the stock exchanges for in-principle approval for listing of its equity shares and file such papers and documents, including a copy of the draft red herring prospectus filed with Securities and Exchange Board of India, as may be required for the purpose;
- c. to take all actions as may be necessary or authorized, in connection with the Offer, including taking on record the approval of the offer for sale, extending the bid/offer period, revision of the price band, allow revision of the Offer, in accordance with the applicable laws;
- d. authorisation of any director or directors of our Company or other officer or officers of our Company, including by the grant of power of attorney, to do such acts, deeds and things as such authorised person in his/her/their absolute discretion may deem necessary or desirable in connection with the issue, offer and allotment/transfer of the Equity Shares;
- e. giving or authorising any concerned person to give such declarations, affidavits, certificates, consents and authorities as may be required from time to time;
- f. to appoint and enter into arrangements with the book running lead managers, underwriters to the initial public offering, syndicate members to the initial public offering, brokers to the initial public offering, advisors to the initial public offering, escrow collection banks to the initial public offering, registrars to the initial public offering, refund banks to the initial public offering, public issue account banks to the initial public offering, monitoring agency, legal counsel, advertising agencies and any other agencies or persons or intermediaries to the initial public offering and to negotiate and finalise the terms of their appointment;
- g. to approve the list of 'group companies' of our Company, identified pursuant to the materiality policy adopted by the Board, for the purposes of disclosure in the draft red herring prospectus, red herring prospectus and the Prospectus;
- h. to make applications to, seek clarifications and obtain approvals from, if necessary, the RBI, the SEBI or any other statutory or governmental authorities in connection with the initial public offering and, wherever necessary, incorporate such modifications/ amendments/ alterations/ corrections as may be required in the draft red herring prospectus, the red herring prospectus and the prospectus;
- i. to negotiate, finalise, settle, execute and deliver or arrange the delivery of the book running lead managers' mandate or engagement letter(s), the offer agreement, registrar agreement, syndicate agreement, underwriting agreement, cash escrow agreement, share escrow agreement and all other documents, deeds, agreements, memorandum of understanding and other instruments whatsoever, including any amendment(s) or addenda thereto, including with respect to the payment of commissions, brokerages and fees, with the book running lead managers, registrar to the initial public offering, legal advisors, auditors, Stock Exchanges and any other agencies/intermediaries in connection with the initial public offering with the power to authorise one or more officers of our Company to negotiate, execute and deliver all or any of the aforesaid documents;
- j. to open and operate any bank account(s) required of our Company for the purposes of the initial public offering and the pre-initial public offering Placement, including the cash escrow account, the public issue account, as may be required;
- k. deciding the pricing and all other related matters regarding the pre-initial public offering Placement, including the execution of the relevant documents with the investors in consultation with the book running lead managers and in accordance with applicable laws;

- l. approving the draft red herring prospectus, red herring prospectus and the prospectus (including amending, varying or modifying the same, as may be considered desirable or expedient) and the preliminary and final international wrap for the initial public offering together with any addenda, corrigenda and supplement thereto as finalised in consultation with the book running lead managers, in accordance with all applicable laws, rules, regulations, notifications, circulars, orders and guidelines and take all such actions as may be necessary for filing of these documents including incorporating such alterations/corrections/modifications as may be required by and to submit undertakings/certificates or provide clarifications to SEBI or any other relevant governmental and statutory authority;
- m. seeking the listing of the Equity Shares on any Indian stock exchange, submitting the listing application to such stock exchange and taking all actions that may be necessary in connection with obtaining such listing;
- n. to issue receipts/allotment letters/confirmation of allocation notes either in physical or electronic mode representing the underlying Equity Shares in the capital of our 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 Exchanges, with power to authorise one or more officers of our Company to sign all or any of the aforesaid documents;
- o. to make applications for listing of the Equity Shares on the stock exchange for listing of the Equity Shares of our Company and to execute and to deliver or arrange the delivery of necessary documentation to the stock exchanges and to take all such other actions as may be necessary in connection with obtaining such listing;
- p. accept and appropriate proceeds of the Fresh Issue in accordance with the applicable laws;
- q. to do all such deeds and acts as may be required to dematerialise the Equity Shares of our Company and to sign and/or modify, as the case may be, agreements and/or such other documents as may be required with National Securities Depository Limited, Central Depository Services (India) Limited, registrar and transfer agents and such other agencies, as may be required in this connection with power to authorise one or more officers of our Company to execute all or any of the aforesaid documents;
- r. to authorise and approve the incurring of expenditure and payment of fees, commissions, remuneration and expenses in connection with the initial public offering;
- s. to do all such acts, deeds, matters and things and execute all such other documents, etc. as it may, in consultation with the book running lead managers, deem necessary or desirable for the initial public offering, including without limitation, determining the anchor investor portion and allocation to anchor investors, finalizing the basis of allocation and allotment of Equity Shares to the successful allottees and credit of Equity Shares to the demat accounts of the successful allottees in accordance with applicable laws;
- t. to take such action, give such directions, as may be necessary or desirable as regards the initial public offering and to do all such acts, matters, deeds and things, including but not limited to the allotment of Equity Shares against the valid applications received in the initial public offering, as are in the best interests of our Company;
- u. to delegate any of the powers mentioned in (a) to (t) to such persons as the IPO Committee may deem necessary.

### Subsidiary Companies

Pursuant to regulation 16(1)(c) of the Listing Regulations, the Company has two material subsidiary as on 31st March, 2019, i.e. Routesms Solutions FZE and Route Mobile (UK) Limited. The Company also has one material subsidiary pursuant to regulation 24 of the Listing Regulations viz. Route Mobile (UK) Limited and requirements relating to composition of Board of Directors of Unlisted Material subsidiary will be complied with post listing of the Company. The Board of Directors of the Company has approved a Policy for determining Material Subsidiaries which is in line with the Listing Regulations as amended. The said policy has been uploaded on the website of the Company viz. [www.routemobile.com](http://www.routemobile.com).

### PIT Committee

Regulation 9 (4) of the SEBI (Prohibition of Insider Trading) Regulations, 2015 ('PIT') provides that the board of directors shall in consultation with the Compliance Officer specify the designated persons to be covered by the code of conduct on the basis of their role and function in the organisation and the access that such role and function would provide to unpublished price sensitive information. Accordingly, the Board has constituted the PIT Committee which shall prepare a list of designated persons of the Company who would be covered by the code of conduct. The Committee shall also monitor regular updation of the list of designated persons based on employees/directors newly joined/inducted and resigned, as the case may be.

The composition of the Committee and the attendance details of the Members are given below:

Names of Members	Category	No. of Meetings Attended <sup>1</sup>	Appointed wef
Mr. Rajdipkumar Gupta	MD & Group CEO	N.A.	June 10, 2019
Mr. Sammy Mamdani	Executive Vice President - Head of Operations & HR	N.A.	June 10, 2019
Mr. Rathindra Das	Company Secretary and Compliance Officer	N.A.	June 10, 2019

<sup>1</sup>No meeting held during the FY 2018-19. The Committee was formed on June 10, 2019.

## General Information for Shareholders

### Disclosures regarding the appointment or re-appointment of Directors

In terms of the relevant provisions of the Companies Act, 2013, Mr. Rajdipkumar Gupta is liable to retire by rotation at the ensuing Annual General Meeting ('AGM') and being eligible, seeks re-appointment. The Board recommends above appointment/re-appointment for approval of the Shareholders. The detailed profile of the above Director and particulars of his experience, skill or attributes that qualify him for Board membership are provided in the Notice convening the AGM.

### Communication to the Shareholders

As on date, requirement of sending quarterly financial results to our Shareholders is not applicable. The Company's website is a comprehensive reference on its leadership, management, vision, mission, policies, corporate governance, sustainability, investor relations, products, updates and news.

### Investor grievance and share transfer

We have a Board-level Stakeholders' Relationship Committee to examine and redress investors' complaints. The status on complaints and share transfers are reported to the Board. During the year, no complaints from shareholders was received.

### Code of conduct

The Company has formulated and adopted Code of Conduct ('CoC') for members of the board of directors and senior management personnel which is available on the website [www.routemobile.com](http://www.routemobile.com). The Company has received confirmation from all members of the Board of Directors and Senior Management Personnel regarding compliance of the Code for the year under review. The declaration signed by Mr. Rajdipkumar Gupta, MD & Group Chief Executive Officer stating that the members of board of directors and senior management personnel have affirmed compliance with the code of conduct of board of directors and senior management is forming part of this report.

### Details of non-compliance

Though none of the Company's securities are listed on any stock exchange as on date, the Company has complied with the requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters relating to capital markets, to the extent applicable to the Company as on the date of this report. There has been no instance of non-compliance with any legal requirements.

### Practicing Company Secretary's certificate on Corporate Governance

As required by Regulation 34(3) and Schedule V Part E of the Listing Regulations, the certificate given by Dhrumil M. Shah, Practising Company Secretaries, is annexed to this report.

### CEO and CFO certification

As required by Regulation 17(8) read with Schedule II Part B of the Listing Regulations, the MD & Group CEO and CFO have given appropriate certifications to the Board of Directors.

### Reconciliation of Share Capital Audit

As stipulated by SEBI, a qualified Practicing Company Secretary carries out Secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges where the Company's shares are listed. The audit confirms that the total Listed and Paid-up Capital is in agreement with the aggregate of the total number of shares in dematerialised form (held with NSDL and CDSL) and total number of shares in physical form. The said audit is not applicable to the Company as on the date of this report.



**AFFIRMATIONS AND DISCLOSURES:****(a) Compliances with Governance Framework**

The Company is in compliance with all mandatory requirements under the Listing Regulations.

**(b) Related Party Transactions**

All transactions entered into with related parties as defined under the Companies Act, 2013 and Regulation 23 of the Listing Regulations during the year under review were on an arm's length price basis and in the ordinary course of business. These have been approved by the Audit Committee. The Company has not entered into any materially significant related party transaction that may have potential conflict with the interests of the Company at large. The Board of Directors have approved and adopted a Policy on Related Party Transactions and the same has been uploaded on the website of the Company and can be accessed at <https://www.routemobile.com/corporate-governance>.

During the FY 2018-'19, the Company did not have any material pecuniary relationship or transactions with Non-Executive Directors apart from paying Director's remuneration/sitting fees. Further, the Directors have not entered into any contracts with the Company or its subsidiaries, which will be in material conflict with the interest of the Company.

**(c) Disclosure of commodity price risks and commodity hedging activities**

The Company's operations and business does not involve dealing with any commodities.

**(d) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A): Not Applicable****(e) A certificate from a Company Secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the board/ Ministry of Corporate Affairs or any such statutory authority**

The certificate issued by M/s Dhruvil Shah & Co., Practising Company Secretaries is forming part of this report.

**(f) Commodity price risk or foreign exchange risk and hedging activities**

There are no materially uncovered exchange rate risks relating to the Company's imports and exports. The Company does not enter into any derivative instruments for trading or speculative purposes. The disclosure on foreign exchange as on 31st March, 2019 are disclosed in Note No. 37 to the standalone financial statements. The Company's operations and business does not involve dealing with any commodities.

**(g) Recommendation of Committee**

During the year, there has been no instance where the board had not accepted any recommendation of any committee of the board which is mandatorily required.

**(h) Total fees paid to Statutory Auditors**

Particulars of total fees paid to Auditor are provided in Note No. 32 to the standalone financial statements.

**(i) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

Number of complaints filed during the financial year	Nil
Number of complaints disposed-off during the financial year	Nil
Number of complaints pending as on end of the financial year	Nil

**(j) Policy for Determining Material Subsidiaries**

The Company has formulated a Policy for Determining Material Subsidiaries and the same is available on the Company's website <https://www.routemobile.com/corporate-governance>.

**(k) Vigil Mechanism**

The Vigil Mechanism approved by the Board provides a formal mechanism for all Directors, employees and vendors of the Company to approach the Compliance Officer/Chairman of the Audit Committee of the Company and make protective disclosures regarding the unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct including any suspected leakage of unpublished price sensitive information or instance of insider trading. Under the Policy, every Director, employee or vendor of the Company has an assured access to the Audit Committee and no person was denied access to the Committee during the reporting period. The whistle blower policy is available on the Company's website <https://www.routemobile.com/corporate-governance/> The Compliance Officer has issued

appropriate affirmations to the Board of Directors that no compliant was received during the quarter ended March 31, 2019.

#### (I) Code of Conduct for Prevention of Insider Trading

The Code of Conduct for Prevention of Insider Trading (Insider Trading Code) was updated to commensurate with the existing organisation structure and changes in regulatory environment. The Insider Trading Code was approved by the Board at its meeting held in January 22, 2019 and will be implemented from the date Offer Document of the Company is filed with the SEBI, stock exchange(s) or registrar of companies in connection with IPO and/or listing, whichever earlier. The Insider Trading Code lays down procedures to be followed and disclosures to be made while trading in the Company's shares. The Insider Trading Code restricts the connected persons, who are designated as such under the Insider Trading Code, from disclosing any price sensitive information and imposes strict confidentiality obligations on persons who have access to any price sensitive information in relation to the Company. It also prohibits the designated person from dealing in shares of the Company who is in possession of unpublished price sensitive information, forward contracts, derivatives, portfolio management schemes, amongst the others.

#### The disclosures of the compliance with the corporate governance requirements specified in Regulation 17 to 27 and Regulation 46 (2)

Sr. No.	Particulars	Regulations	Brief Description of the Regulations	Compliance Status (Yes/No/N.A.)
1	Board of Directors	17(1)	Composition of Board	Yes
		17(2)	Meeting of Board of Directors	Yes
		17(3)	Review of Compliance Reports	Yes
		17(4)	Plans for orderly succession for appointments	Yes, as and when applicable
		17(5)	Code of Conduct	Yes
		17(6)	Fees/Compensation	Yes
		17(7)	Minimum Information to be placed before the Board	Yes
		17(8)	Compliance Certificate	Yes
		17(9)	Risk Assessment & Management	Yes
		17(10)	Performance Evaluation	Yes
2	Audit Committee	18(1)	Composition of Audit Committee & Presence of the Chairman of the Committee at the Annual General Meeting	Yes
		18(2)	Meeting of Audit Committee	Yes
		18(3)	Role of the Committee and Review of information by the Committee	Yes
3	Nomination and Remuneration Committee	19(1) & (2)	Composition of Nomination and Remuneration Committee	Yes
		19(3)	Presence of the Chairman of the Committee at the Annual General Meeting	Yes
		19(4)	Role of the Committee	Yes
4	Stakeholders Relationship Committee	20(1),(2)&(3)	Composition of Stakeholders Relationship Committee	Yes
		20(4)	Role of the Committee	Yes
5	Risk Management Committee	21(1),(2) &(3)	N.A.	N.A.
6	Vigil Mechanism	22	Formulation of Vigil Mechanism for Directors and Employee	Yes
7	Related Party Transaction	23(1),(5),(6),(7) &(8)	Policy for Related Party Transaction	Yes
		23(2)&(3)	Approval including omnibus approval of Audit Committee for all Related Party Transactions and review of transaction by the Committee	Yes
		23(4)	Approval for Material Related Party Transactions	N.A.
		23 (9)	Half yearly disclosure of Related Party Transactions	Not applicable as on the date of this report.

8	Subsidiaries of the Company	24(1)	Composition of Board of Directors of Unlisted Material Subsidiary	Not applicable as on the date of this report.
		24(2),(3),(4),(5) & (6)	Other corporate governance requirements	Yes
9	Obligations with respect to Independent Directors	25(1)&(2)	Maximum Directorship & Tenure	Yes
		25(3)	Meeting of Independent Directors	Yes
		25(4)	Review of Performance by the Independent Directors	Yes
		25(7)	Familiarisation of Independent Directors	Yes
10	Obligations with respect to Directors and Senior Management	26(1)&(2)	Memberships & Chairmanship in Committees	Yes
		26(3)	Affirmation with compliance to code of conduct from members of Board of Directors and Senior Management Personnel	Yes
		26(4)	Disclosure of Shareholding by Non- Executive Directors	Yes
		26(5)	Disclosures by Senior Management about potential conflicts of Interest	To be implemented post listing.
11	Other Corporate Governance Requirements	27(1)	Compliance of Discretionary Requirements	Yes
		27(2)	Filing of Quarterly Compliance Report on Corporate Governance	Not applicable as on the date of this report.
12	Disclosures on Website of the Company	46(2)(b)	Terms & Conditions of appointment of Independent Directors	Yes
		46(2)(c)	Composition of various committees of Board of Directors	Yes
		46(2)(d)	Code of Conduct of Board of Directors and Senior Management Personnel	Yes
		46(2)(e)	Details of establishment of Vigil Mechanism / Whistle Blower policy	Yes
		46(2)(f)	Criteria of making payments to Non-Executive Directors	N.A.
		46(2)(g)	Policy on dealing with Related Party Transactions	Yes
		46(2)(h)	Policy for determining Material Subsidiaries	Yes
		46(2)(j)	Details of familiarisation programmes imparted to Independent Directors	Not applicable as on the date of this report.

## General Body Meetings

### Location and time where last three AGMs were held:

Financial Year	Date	Time	Venue	Special Resolutions Passed
March 31, 2018	September 22, 2018	11:00 A.M.	Route Mobile Limited, 3 <sup>rd</sup> Floor, 4 <sup>th</sup> Dimension, Mind Space, Malad West, Mumbai 400064	None
March 31, 2017	September 22, 2017	09:00 A.M.	401, 4 <sup>th</sup> Floor, Evershine Mall, Mind Space, New Link Road, Malad West, Mumbai 400064	Alteration of Object clause of Memorandum of Association
March 31, 2016	December 31, 2016	01:30 P.M.		None

No Special Resolution was passed by the Company last year through Postal Ballot. None of the businesses proposed to be transacted at the ensuing AGM require passing a Special Resolution through Postal Ballot.

**Annual General Meeting for the Financial Year 2019:**

<b>Date</b>	<b>Thursday, June 20, 2019</b>
Time	10:30 IST
Venue	Route Mobile Limited, 3 <sup>rd</sup> Floor, 4 <sup>th</sup> Dimension, Mind Space, Malad West, Mumbai 400064
Financial Year	April 1 to March 31
Book Closure Dates	June 13, 2019 to June 20, 2019 (both days inclusive)
Dividend Payment Date	On and after June 20, 2019

**Dematerialization of shares and liquidity**

We have established connectivity with both the depositories, i.e., NSDL and CDSL. The International Securities Identification Number ('ISIN') allotted to the Fully Paid Ordinary Shares under the Depository System is INE450U01017. The Company has 5,00,00,000 Ordinary Shares representing 100% of the Company's share capital which is dematerialised as on March 31, 2019.

The Company's shares are not listed on any stock exchange as on date of this report and therefore no liquidity information is to be provided.

**Designated e-mail address for investor services**

To serve the investors better and as required under Regulation 46(2) (j) in the Listing Regulations, the designated e-mail address for investor complaints is [complianceofficer@routemobile.com](mailto:complianceofficer@routemobile.com). This email address for grievance redressal is continuously monitored by the Company's Compliance Officer.

**Investor Awareness**

As part of good governance, we provide our investors a facility to write queries regarding their rights and shareholdings and have provided details of persons to be contacted for this purpose. We encourage investors to visit our website for reading the documents and for availing the above facilities at [www.routemobile.com](http://www.routemobile.com)

**Legal proceedings**

There are no pending cases related to disputes over title to shares in which we had been made a party.

**Registrar and Share Transfer Agents****Karvy Fintech Private Limited**

Karvy Selenium, Tower- B,  
Plot No. 31 & 32, Financial District, Nanakramguda,  
Serilingampally Mandal, Hyderabad-500032, India.  
Toll Free No: 18003454001 Email: [einward.ris@karvy.com](mailto:einward.ris@karvy.com)

**Share Transfer System**

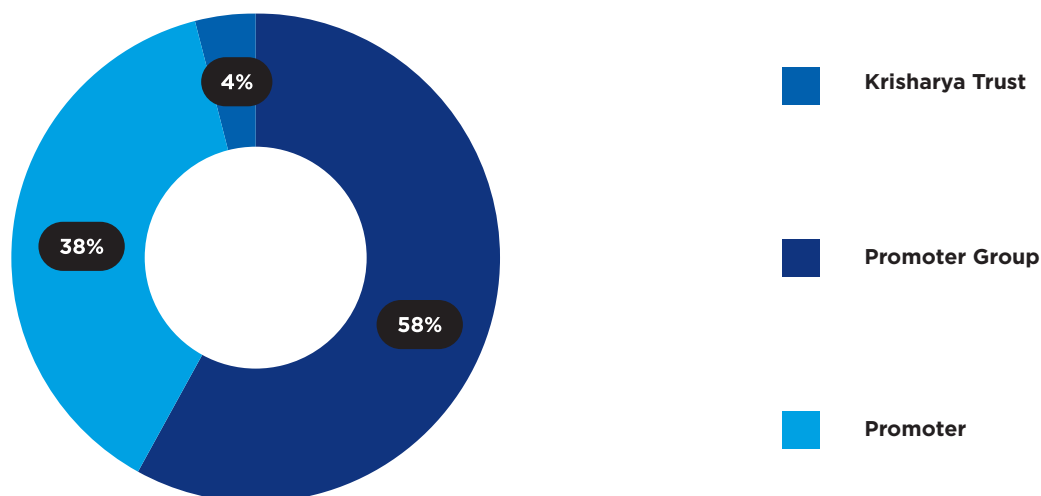
Share Transfers in physical form can be lodged with Karvy Computershare Limited. The transfers are normally processed within 15 days from the date of receipt if the documents are complete in all respects.

**Distribution of Shareholding of Ordinary Shares:****Fully Paid Shares**

Shareholding	Total No. of Shareholders as on March 31		% to total holders as on March 31		Total No. of Shares as on March 31		% to total capital as on March 31	
	2019	2018	2019	2018	2019	2018	2019	2018
1-100,000	0	0	0%	0%	0	0	0%	0%
100001-500000	3	3	27.27%	27.27%	9,60,000	9,60,000	1.92%	1.92%
500001-1000000	0	0	0%	0%	0	0	0%	0%
1000001 and above	8	8	72.73%	72.73%	4,90,40,000	4,90,40,000	98.08%	98.08%
Total	11	11	100%	100%	5,00,00,000	5,00,00,000	100%	100%

**Category of Shareholding as on March 31, 2019**

Shareholding Pattern

**NCD Holders of the Company as on March 31, 2019:** N.A.**Outstanding GDRs/ Warrants and Convertible bonds, conversion date and likely impact on equity:** N.A.**Dividend**

The Board of Directors at their Meeting held on June 10, 2019, recommended dividend payout, subject to approval of the shareholders at the ensuing Annual General Meeting of ₹1.50/- per share, on equity shares of the Company for the Financial Year 2018-'19. The Dividend shall be paid to the members whose names appear on Company's Register of Members on June 12, 2019. The dividend if declared at the Annual General Meeting shall be paid on or after June 20, 2019. The dividend will be paid to the Members within the stipulated time.

**Transfer of Unclaimed Dividend and Shares to the Investor Education and Protection Fund ('IEPF')**

Pursuant to the provisions of the Companies Act, 2013 read with The Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, ('Rules'), the dividends, unclaimed for a consecutive period of seven years from the date of transfer to the Unpaid Dividend Account of the Company are liable to be transferred to IEPF. Further, the shares (excluding the disputed cases having specific orders of the Court, Tribunal or any Statutory Authority restraining such transfer) pertaining to which dividend remains unclaimed for a period of continuous seven years from the date of transfer of the dividend to the unpaid dividend account are also mandatorily required to be transferred to the IEPF established by the Central Government. There is no such instances available for the Company requiring any transfer to the IEPF authority as on date.

**Nomination Facility**

Shareholders whose shares are in physical form and wish to make/ change a nomination in respect of their shares in the Company, as permitted under Section 72 of the Companies Act, 2013, may submit to RTA the prescribed Forms SH-13/ SH-14.

**Shares held in Electronic Form**

Shareholders holding shares in electronic form may please note that instructions regarding change of address, bank details, e-mail ids, nomination and Power of Attorney should be given directly to the DP.

**Shares held in Physical Form**

No shares are held in physical form.

**Shares held in DEMAT Form**

All shares are held in dematerialized form.

**Updation of bank details for remittance of dividend/cash benefits in electronic form**

The Securities and Exchange Board of India ('SEBI') vide its Circular No. CIR/MRD/DP/10/2013 dated March 21, 2013 ('Circular') to all listed companies requires them to update bank details of their shareholders holding shares in demat

mode and/or physical form, to enable usage of the electronic mode of remittance i.e., National Automated Clearing House ('NACH') for distributing dividends and other cash benefits to the Shareholders. The Circular further states that in cases where either the bank details such as Magnetic Ink Character Recognition ('MICR') and Indian Financial System Code ('IFSC'), amongst others, that are required for making electronic payment are not available or the electronic payment instructions have failed or have been rejected by the bank, companies or their Registrars and Transfer Agents may use physical payment instruments for making cash payments to the investors. Companies shall mandatorily print the bank account details of the investors on such payment instruments.

Regulation 12 of the Listing Regulations, allows the Company to pay dividend by cheque or 'payable at par' warrants where payment by electronic mode is not possible. Shareholders to note that payment of dividend and other cash benefits through electronic mode has many advantages like prompt credit, elimination of fraudulent encashment/delay in transit and more. Shareholders are requested to opt for any of the above mentioned electronic modes of payment of dividend and other cash benefits and update their bank details.

In case of holdings in dematerialised form, by contacting their DP and giving suitable instructions to update the bank details in their demat account. In case of holdings in physical form: N.A.

### Listing on Stock Exchanges

The Company's shares are not listed on any Stock Exchange as on the date of this report.

### ISIN Details

Stock Exchanges	ISIN	Stock Code
BSE	INE450U01017	NA
NSE	INE450U01017	NA

Note: The Company's shares are not yet listed on any Stock Exchange. No listing fee is payable as on date.

### Market Information

Market Price Data- High, Low (based on the closing prices) and volume during each month in last Financial Year of fully paid shares:

Month	BSE Limited			National Stock Exchange of India Limited		
	Low (₹)	High (₹)	Volume (No. of Shares)	Low (₹)	High (₹)	Volume (No. of Shares)
April 2018						
May 2018						
June 2018						
July 2018						
August 2018						
September 2018						
October 2018						
November 2018						
December 2018						
January 2019						
February 2019						
March 2019						

Note: The Company's shares are not listed as on date of this report and hence the data for the table above is not applicable/available.

Route Mobile Fully Paid Share Price versus BSE Sensex/NIFTY: The Company's shares are not listed and hence not traded on any stock exchange. Therefore no comparison available as on the date of this report.

### Secretarial Audit

The Company's Board of Directors appointed M/s Rathi and Associates, Practising Company Secretaries Firm, to conduct the secretarial audit of its records and documents for the FY 2018-19. The secretarial audit report confirms that the Company has complied with all applicable provisions of the Companies Act, 2013, Secretarial Standards and other applicable regulations and guidelines. The Secretarial Audit Report forms part of the Directors' Report.

## Green Initiative

As a responsible corporate citizen, the Company welcomes and supports the 'Green Initiative' undertaken by the Ministry of Corporate Affairs, Government of India, enabling electronic delivery of documents including the Annual Report, quarterly and half-yearly results, amongst others, to Shareholders at their e-mail address previously registered with the DPs and RTAs. Shareholders who have not registered their e-mail addresses so far are requested to do the same. Those holding shares in demat form can register their e-mail address with their concerned DPs. Shareholders who hold shares in physical form, if any, are requested to register their e-mail addresses with the RTA, by sending a letter, duly signed by the first/sole holder quoting details of Folio Number.

## Investor Contact:

Registered Office: 4th Dimension, 3rd Floor, Mind Space, Malad West, Mumbai 400064

Tel.: +91 22 -4033-7676; Fax: +91 22 - 4033-7650

E-mail: [complianceofficer@routemobile.com](mailto:complianceofficer@routemobile.com)

Website: [www.routemobile.com](http://www.routemobile.com)

Corporate Identity Number - U72900MH2004PLC146323

## Major Plant Locations:

The Company does not have any plant. However, the Company has its branch & Group Company's offices in following locations:

<b>Mumbai</b>	<b>Delhi</b>
Corporate & Registered office, 3rd Floor, 4th Dimension, Mindspace, New Link Road, Malad (West), Mumbai-400064.	Delhi Branch Office, Office No. 306, 3rd Floor, Kanchenjunga Building, Main Barakhamba Road, New Delhi - 110001.
<b>Bengaluru</b>	<b>United Kingdom - London</b>
Bangaluru Branch Office, Brigade Tower, Office No. 1011 and 1012, 10th Floor, Brigade Towers, No 135, Brigade Road, Bangalore - 560 025	Route Mobile (UK) Limited; 183-189, The Vale, London, W3 7RW
<b>USA - New Jersey</b>	<b>UAE</b>
Route Mobile Inc. 3240 Estate Street Ext. Hamilton, NJ 08619 Mercer	Routesms Solutions FZE; A-401B, Building No. A1, Al Hamra Industrial Zone - FZ, RAK, United Arabs Emirates
<b>Singapore</b>	
Route Mobile Pte. Ltd.; 23 New Industrial Road, #04-09 Solstice Business Center, Singapore 536209	

<b>Name, designation &amp; address of Compliance Officer:</b>	<b>Name, Designation &amp; Address of Investor Relations Officer:</b>	<b>For Financial Statement Related matters</b>
Mr. Rathindra Das, Company Secretary 4th Dimension, 3rd Floor, Mind Space, Malad West, Mumbai 400064 Tel.: +91 22- 4033-7676 Fax: +91 22 - 4033-7650 E-mail: <a href="mailto:complianceofficer@routemobile.com">complianceofficer@routemobile.com</a>	Mr. Pratik Joshi, Assistant Company Secretary 4th Dimension, 3rd Floor, Mind Space, Malad West, Mumbai 400064 Tel.: +91 22- 4033-7676 Fax: +91 22 - 4033-7650 E-mail: <a href="mailto:pratik.joshi@routemobile.com">pratik.joshi@routemobile.com</a>	Mr. Suresh Jankar, Chief Financial Officer 4th Dimension, 3rd Floor, Mind Space, Malad West, Mumbai 400064 Tel.: +91 22- 4033-7676 Fax: +91 22 - 4033-7650 E-mail: <a href="mailto:cfo@routemobile.com">cfo@routemobile.com</a>

Registrars and Transfer Agents	Stock Exchanges		Depository Services	
<b>Karvy Fintech Private Limited</b>	NA	NA	<b>National Securities Depository Limited</b>	<b>Central Depository Services (India) Limited</b>
Karvy Selenium, Tower- B, Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad-500032, India.  Toll Free No: 18003454001 Email: einward.ris@karvy.com			Trade World, A Wing, 4th & 5th Floors, Kamala Mills Compound, Lower Parel, Mumbai-400 013.  Tel.: +91 22 2499 4200; Fax:+91 22 2497 6351 E-mail: info@nsdl.co.in Investor Grievance: relations@nsdl.co.in Website: www.nsdl.co.in	Marathon Futurex, A-Wing, 25th Floor, NM Joshi Marg, Lower Parel (East), Mumbai-400013.  Tel.: +91 22 2305 8640 / 8642 / 8639 / 8663 E-mail: helpdesk@cdslindia. com Investor Grievance: complaints@cdslindia.com Website: www.cdslindia.com

### Details of Corporate Policies

Composition and Profile of the Board of Directors	<a href="https://www.routemobile.com/board-of-directors/">https://www.routemobile.com/board-of-directors/</a>
Terms and conditions of appointment of Independent Directors	<a href="https://www.routemobile.com/statutory-commitees-of-the-board/">https://www.routemobile.com/statutory-commitees-of-the-board/</a>
Nomination & Remuneration Policy of Directors, KMPs & Other Employees	<a href="https://www.routemobile.com/corporate-governance/">https://www.routemobile.com/corporate-governance/</a>
RML Code of Conduct	<a href="https://www.routemobile.com/corporate-governance/">https://www.routemobile.com/corporate-governance/</a>
Corporate Social Responsibility Policy	<a href="https://www.routemobile.com/corporate-governance/">https://www.routemobile.com/corporate-governance/</a>
Policy on Related Party Transactions	<a href="https://www.routemobile.com/corporate-governance/">https://www.routemobile.com/corporate-governance/</a>
Policy on Determining Material Subsidiary	<a href="https://www.routemobile.com/corporate-governance/">https://www.routemobile.com/corporate-governance/</a>
Whistle Blower Policy	<a href="https://www.routemobile.com/corporate-governance/">https://www.routemobile.com/corporate-governance/</a>
Code of Corporate Disclosure Practices	<a href="https://www.routemobile.com/corporate-governance/">https://www.routemobile.com/corporate-governance/</a>
Policy on Determination of Materiality for Disclosure	<a href="https://www.routemobile.com/corporate-governance/">https://www.routemobile.com/corporate-governance/</a>
Document Retention and Archival Policy	<a href="https://www.routemobile.com/corporate-governance/">https://www.routemobile.com/corporate-governance/</a>
Prevention of Sexual Harassment (POSH) at Workplace Policy	<a href="https://www.routemobile.com/corporate-governance/">https://www.routemobile.com/corporate-governance/</a>
GDPR Compliance Statement	<a href="https://www.routemobile.com/corporate-governance/">https://www.routemobile.com/corporate-governance/</a>

### Declaration of Compliance with the Code of Conduct

I hereby confirm that the Company has obtained from all the members of the Board and senior management personnel, affirmation that they have complied with the Code of Conduct laid down by the Company for the financial year ended 31<sup>st</sup> March, 2019.

**For Route Mobile Limited**

Date: June 10, 2019

Place: Mumbai

**Rajdipkumar Gupta**  
Managing Director and Group CEO



## CEO / CFO CERTIFICATION

We, Rajdipkumar Gupta, Managing Director and Group Chief Executive Officer and Suresh Jankar, Chief Financial Officer of Route Mobile Limited, to the best of our knowledge and belief hereby certify that:

- A. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2019 and that to the best of our knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the Auditors and the Audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee
- (1) significant changes in internal control over financial reporting during the year;
  - (2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (3) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

### For Route Mobile Limited

Rajdipkumar Gupta  
**Managing Director and Group CEO**

Suresh Jankar  
**Chief Financial Officer**

Date: June 10, 2019  
Place: Mumbai

Note: The certificate is given pursuant to voluntary adoption of SEBI LODR compliances by the Company in view of its proposed IPO and listing. This is in no manner implies that SEBI LODR or any other SEBI regulations are applicable to the Company as on date.

## PRACTISING COMPANY SECRETARY'S CERTIFICATE ON CORPORATE GOVERNANCE

To The Members of Route Mobile Limited

I have examined all the relevant records of ROUTE MOBILE LIMITED ('the Company') for the purpose of certifying compliance with the conditions of Corporate Governance under Chapter IV to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) for the year ended March 31, 2019.

The compliance of conditions of Corporate Governance is the responsibility of the Management. My examination was limited to procedures and implementation process adopted by the Company for ensuring compliance with the conditions of Corporate Governance. This certificate is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations and information furnished to me, I certify that the Company has generally complied with the conditions of Corporate Governance as stipulated in the said Listing Regulations.

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

The Company being an unlisted Company, the conditions of Corporate Governance are not applicable as on the date of this certificate. However, in view of the proposed IPO and listing of its shares with the recognized stock exchanges, the Company has voluntarily complied with the conditions of Corporate Governance in line with the Listing Regulations, to the extent practicable.

Place: Mumbai  
Date: May 16, 2019

For Dhrumil M Shah & Co.

**Dhrumil M Shah**  
Practicing Company Secretary  
CP 8978  
FCS 8021

**Certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority**

## CERTIFICATE

(Pursuant to Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

I have examined the relevant records, books and papers required to be maintained by Route Mobile Limited, having its Registered office at 4th Dimension, 3rd Floor, Mind Space, Malad (West)- 400064, Mumbai, Maharashtra. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished by the Company and its officers, I certify that none of the director on the Board of the Company have been debarred or disqualified from being appointed or continuing as director of Company by the Board/Ministry of Corporate Affairs or any such Statutory authority.

Place: Mumbai  
Date: May 16, 2019

For Dhrumil M Shah & Co.

**Dhrumil M Shah**  
Practicing Company Secretary  
CP 8978  
FCS 8021

# MANAGEMENT DISCUSSION AND ANALYSIS

## Overview

We are among the leading cloud-communication platform service providers to enterprises, over-the-top (“OTT”) players and mobile network operators. Our range of services include messaging, voice, email and SMS filtering, analytics and monetization. We offer 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. Our clients include some of the world's largest and well-known organisations, including a number of Fortune Global 500 companies.

We were ranked second globally as a tier 1 application-to-peer (“A2P”) service provider in 2017. We were also ranked first for ‘value added services’ provided, our ‘implementation process’ and our ‘uptime performance’. (Source: ROCCO Report).

We were incorporated in 2004 and are headquartered in Mumbai, India. As of March 31, 2019, we have over 26,000 clients (at a consolidated level), with a monthly billed customer base of c. 3,000 (at a consolidated level). As of March 31, 2019, our global operations included nine direct and twelve step-down subsidiaries serving our clients through 19 locations across Africa, Asia Pacific, Europe, Middle East and North America.

Our 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:** Our Enterprise and OTT vertical primarily provides cloud-communication platform services to enterprises. Our enterprise cloud-communication platform services and solutions include: A2P messaging that includes enterprise messaging, 2Way messaging, enterprise email sender and Acculync; RCS messaging; OTT messaging, 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.

**Mobile Operator:** Through our own communications platform and managed services, we provide software and service solutions to mobile operators globally. Our main service offerings in this segment include SMS filtering, analytics, and monetization, and hubbing solutions.

**Business Process Outsourcing (BPO):** We provide a range of voice, non-voice and consulting services as part of our BPO services. Our voice services include client support, technical support, booking and collection services. Our non-voice services include client support through email and chat, IT support, billing and data processing. As part of our consulting services, we support our clients with programme management for credit/debit cards, e-commerce, e-wallet and e-governance services.

We are an associate member of the GSMA and an accredited open hub connectivity solution provider with our own internally developed cloud communications platform allowing us to handle both A2P and peer-to-peer (“P2P”) traffic for enterprises, OTT players and MNOs. In FY2019 through our cloud communications platform, we processed more than twenty-four billion transactions (at a consolidated level). We have established direct relationships with MNOs that provide our clients with global connectivity. As of March 31, 2019, we had direct relationships with over 240 MNOs (at a consolidated level) and four short messaging service centres (at a consolidated level) hosted in various geographies across the globe. We are able to access more than 800 networks (at a consolidated level) across the world.

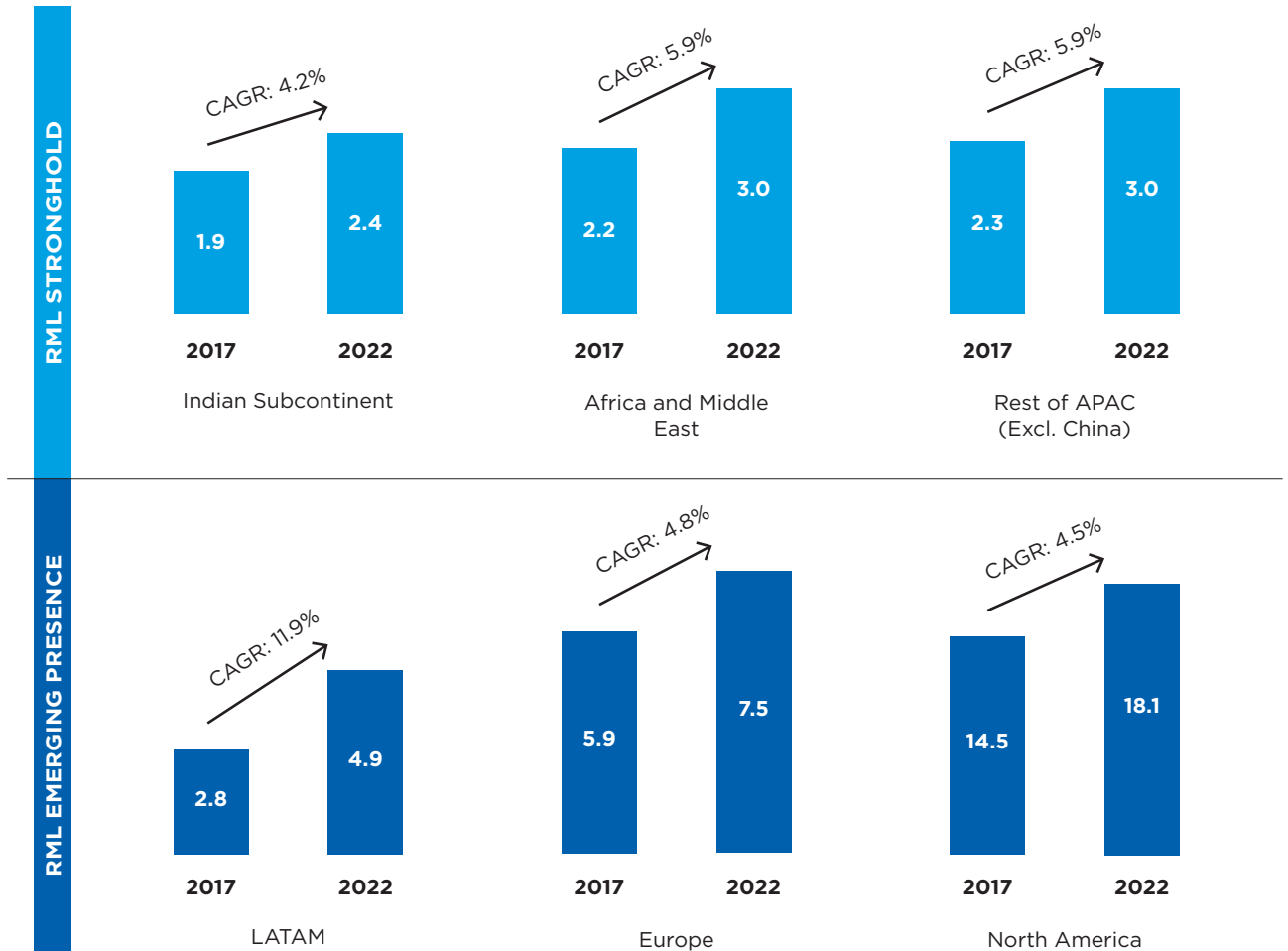
## Internal Financial Controls, their adequacy and Internal Auditors

The Company has established a robust framework for internal financial controls. The Company has in place adequate controls, procedures and policies, ensuring orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records and timely preparation of reliable financial information. During the year, such controls were assessed and no reportable material weaknesses in the design or operation were observed. Accordingly, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the FY 2018-'19.

The Board has appointed M/s Pipalia Singhal & Associates, Chartered Accountants, Mumbai as the Internal Auditor of the Company to conduct the internal audit basis a detailed internal audit plan which is reviewed each year in consultation with the Audit Committee.

**Industry structure and developments**

A2P messaging industry continues to be an attractive segment within Enterprise Communication, and is expected to grow to over US\$47 billion by 2022. Certain geographical regions are expected to grow at a faster pace, as compared to other more matured geographic markets. The following chart showcases regional growth rates within the global A2P market.



Source: Juniper Report 2017

RML has strong presence in markets including the Indian Subcontinent, Africa, Middle East and APAC (at a consolidated level). Each of these markets is expected to expand at a healthy CAGR of 4.2% - 5.9% over the near term. This creates significant potential for RML to sustain growth momentum in these markets.

RML is also expanding presence into newer markets including Latin America, Europe and North America. Latin America is expected to be the fastest growing market for A2P solutions over the next few years. RML is keenly focused on this geographical market.

The industry is also witnessing preliminary adoption of next generation messaging solutions including - RCS messaging, OTT messaging. RML platform has been extended over the past year, to be future ready, and has capabilities to offer messaging solutions based on these next generation technologies.

## Opportunities and Threats

### Opportunities

- RML stands to benefit from the high growth potential in the market, and increasing demand from enterprises for reliable communication partners who could support enterprises' communication requirements across technologies
- Potential pricing increase in markets like India, driven by adoption of new technologies – including block chain and RCS, will drive revenue growth, and potential margin expansion for business in this market
- RML's omni-channel platform approach positions it as a partner of choice in an environment where enterprises have multiple options of communication channels to reach their customers
- Firewall solutions (analytics and monetization solutions for MNOs) continue to witness growing demand, as more and more MNOs adopt these solutions to enhance their revenue streams.

### Threats

- Sudden introduction of disruptive technologies that could lead to enterprises reducing spend on current form of A2P messaging. This requires A2P messaging solution providers to look beyond the horizon in terms of technologies being adopted by the industry
- Regulatory requirements across regions could change, affecting business potential in individual markets. It is essential for A2P solution providers to be aware of key regulatory requirements to ensure business compliance in multiple jurisdictions
- Increasing competition from players seeking to expand presence across their core markets

### Outlook

The Company has acquired several large enterprise clients during Q4 FY2019, and expects revenue contribution from these new acquisitions to expand significantly over FY2020. Further, the Company is at advanced stages of contract negotiation with large enterprises – including global banks, large OTT players and others – and expects to close these contracts in Q1 FY2020. RML expects significant revenue inflows from these large global enterprises. The Company is also close to signing a significant sized contract with a leading MNO in Latin America, for the firewall solution, and this will be a significant win in this market, as it will create strong brand recognition for RML in the high growth Latin American market.

Further, the Company will aggressively push new products – including OTT Messaging, RCS messaging and Acculync – through its omni-channel platform to address customers' communication requirements across channels.

The Company has expanded its R&D team to create exclusive focus on platform enhancement, and creation of new service offerings, focused on comprehensively addressing communication requirements of enterprises.

## Financial performance

### Standalone Income Statement and Key Financial Metrics

All figures in ₹ lakhs

Particulars	FY2019	FY2018	Y-o-Y Growth
Revenue from Messaging Services	36,455.18	17,213.45	112%
Technical & Support Services	941.82	2,292.59	-59%
Revenue from Operations	37,397.00	19,506.04	92%
Other Income	434.90	369.87	18%
<b>Total Revenue</b>	<b>37,831.90</b>	<b>19,875.91</b>	<b>90%</b>
Gross Profit	5,305.03	6,099.50	-13%
Gross Profit Margin (%)	14%	31%	
EBITDA	1,904.65	2,416.38	-21%
EBITDA Margin (%)	5%	12%	
PBT	1,281.53	1,760.88	-27%
PBT Margin (%)	3%	9%	
PAT	897.07	1,094.31	-18%
PAT Margin (%)	2%	6%	

Revenue growth in FY2019 in the Messaging Services business was driven by the following key factors:

- Exponential growth in revenue from OTT clients, terminating traffic in India
- Rapid growth in Firewall revenues, through deployment of the solution for a leading Indian MNO

Technical and Support Services revenue refers to revenue generated by India entity, in return for support rendered to other subsidiaries across the globe. As the Company has appointed local leadership teams for its global operations, the dependence upon Route Mobile India Limited for such support has reduced, thereby resulting in a decrease in the Technical and Support services revenue in FY2019.

Gross Profit margins were suppressed in FY2019 for the following reasons:

- Negative impact on costing, as the SMSC hosted with one of the Indian MNOs went out of operation – as the MNO declared bankruptcy
- RML had entered long term, fixed price contracts with specific Indian enterprises. As SMS cost in India escalated in FY2019, RML was unable to pass through the cost increase to these specific customers, thereby diluting margins

RML expects reasonable recovery in Gross Profit Margins over FY2020.

Employee Expenses decreased from ₹2,186.18 lakh in FY2018 to ₹2,098.52 lakh in FY2019, and Other Expenses decreased from ₹1,496.94 lakh in FY2018 to ₹1,301.86 lakh in FY2019, delivering an EBITDA of ₹1,904.65 lakh in FY2019, compared to an EBITDA of ₹2,416.38 lakh in FY2018.

Depreciation and amortization decreased from ₹580.18 lakh in FY2018 to ₹465.99 lakh in FY2019. The existing technology infrastructure of the Company is sufficient to support 100% revenue growth from current levels, and hence there has been minimal capital expenditure on the infrastructure front, leading to lower depreciation and amortization in FY2019 against FY2018.

Finance costs increased from ₹75.32 lakh in FY2018 to ₹157.13 lakh in FY2019. Finance Costs stand at 0.4% of Total Revenue in FY2019.

PAT declined from ₹1,094.31 lakh in FY2018 to ₹897.07 lakh in FY2019 due to the above factors.

### Standalone Balance Statement Summary and Key Financial Ratios

All figures in ₹ lakhs unless specified

Particulars	FY2019	FY2018
Trade receivables	9,643.33	5,269.90
Days Sales Outstanding (on total revenue) (#)	93	97
Current Ratio (#)	1.16	1.46
Debt: Equity ratio (#)	0.24	0.29
Return on Equity (%)	11%	13%
Interest Coverage Ratio (#)	9.16	24.38

The Company has maintained healthy operating parameters from a balance sheet perspective.

Trade Receivables have increased in line with Total Revenue, and hence Days Sales Outstanding has not varied significantly in FY2019, as against FY2018.

Current Assets increased from ₹10,617.47 lakh in FY2018 to ₹15,676.19 lakh in FY2019, whereas Current Liabilities increased from ₹7,250.41 lakh to ₹13,494.36 lakh over the same period. Increase in Current Liabilities outweighed increase in Current Assets in FY2019, resulting in a decrease in the Current Ratio from 1.46 in FY2018 to 1.16 in FY2019.

Route Mobile India Limited witnessed compression of EBITDA margin, and increase in finance cost, for the reasons explained earlier, in FY2019. This led to the Interest Coverage ratio to reduce from 24.38 in FY2018 to 9.16 in FY2019.

### Human Resources

Route Mobile Limited employs 240 employees as on March 31, 2019.

The Company's financial performance at a standalone level is not an accurate representation of overall business performance. The Company has clients across multiple geographies and suppliers spread across multiple countries. To manage the global operations, the Company operates through multiple subsidiaries across the globe. This leads to significant amount of inter-company transactions, and a more realistic representation of the overall business is provided by the consolidated financials, which are discussed below.

**Consolidated Income Statement and Key Financial Metrics**

All figures in ₹ lakh

Particulars	FY2019	FY2018	Y-o-Y Growth
Revenue from Messaging Services	82231.69	48,963.07	68%
Revenue from Call Center services	2,235.13	1,531.66	46%
Other Income	770.79	453.79	70%
<b>Total Revenue</b>	<b>85,237.61</b>	<b>50,948.52</b>	<b>67%</b>
Gross Profit	18,536.09	16,873.86	10%
Gross Profit Margin (%)	22%	33%	
EBITDA	9,404.67	7,600.92	24%
EBITDA Margin (%)	11%	15%	
PBT	6,522.85	5,745.60	14%
PBT Margin (%)	8%	11%	
PAT	5550.68	4,752.20	17%
PAT Margin (%)	7%	9%	

Revenue growth in FY2019 in the Messaging Services business was driven by the following key factors:

- Exponential growth in revenue from OTT clients
- Rapid growth in Firewall revenues, through deployment of the solution for a leading Indian MNO
- Growth in large clients in Africa and Middle East region

Call Center services revenues grew on the back of contracts with large Indian enterprises. The business has witnessed significant improvement in performance, as the space and employee utilization levels have reach the peak - for the current infrastructure.

Gross Profit margins were suppressed in FY2019 for the following reasons:

- Negative impact on costing, as the SMSC hosted with one of the Indian MNOs went out of operation - as the MNO declared bankruptcy
- RML had entered long term, fixed price contracts with specific Indian enterprises. As SMS cost in India escalated in FY2019, RML was unable to pass through the cost increase to these specific customers, thereby diluting margins
- RML entered Wholesale Voice business in FY2019, which delivered negative gross profit, thereby impacting GP for the period significantly. This business was terminated in November 2018, and will not have further impact on the Company's financial metrics

RML expects reasonable recovery in Gross Profit Margins over FY2020.

Employee Expenses grew from ₹5,045.78 lakh in FY2018 to ₹5,544.74 lakh in FY2019, and Other Expenses decreased from ₹4,227.16 lakh in FY2018 to ₹3,586.68 lakh in FY2019, delivering an EBITDA of ₹9,404.67 lakh in FY2019, compared to an EBITDA of ₹7,600.92 lakh in FY2018.

Depreciation decreased from ₹643.27 lakh in FY2018 to ₹639.50 lakh in FY2019. Amortization of intangible assets increased from ₹602.21 lakh in FY2018 to ₹1,083.14 lakh in FY2019. The increase in Amortization was due to impact of intangible assets added to the balance sheet on account of acquisition of 365squared Limited. In FY2019, the amortization impact was for full 12 month period, as compared to 6 month impact of the same in FY2018.

Finance costs of ₹1,159.18 lakh in FY2019, include impact of ₹910 lakh, due to the non-cash financial expenses related to financial liability, due to 365squared shareholders, measured at amortized cost on the balance sheet. This impact was ₹480 lakh in FY2018.

**Consolidated Balance Statement Summary and Key Financial Ratios**

All figures in ₹ lakhs unless specified

Particulars	FY2019	FY2018
Trade receivables	14,470.68	9,729.15
Days Sales Outstanding (on total revenue) (#)	62	70
Current Ratio (#)	1.09	0.89
Debt: Equity ratio (#)	0.35	0.49
Return on Equity (%)	25%	28%
Interest Coverage Ratio (#)	6.63	10.42

The Company has maintained healthy operating parameters from a balance sheet perspective.

Trade Receivables have increased in line with Total Revenue during FY2019, however the Days Sales Outstanding has reduced from 69.70 days in FY2018 to 61.96 days in FY2019.

Current Assets increased from ₹21,962.46 lakh in FY2018 to ₹28,169.26 lakh in FY2019, whereas Current Liabilities increased from ₹24,594.49 lakh to ₹25,938.11 lakh over the same period. Increase in Current Assets outweighed increase in Current Liabilities in FY2019, resulting in an increase in the Current Ratio from 0.89 in FY2018 to 1.09 in FY2019.

At a consolidated level, the Company witnessed compression of EBITDA margin and increase in finance cost, for the reasons explained earlier, in FY2019. This led to the Interest Coverage ratio to reduce from 10.42 in FY2018 to 6.63 in FY2019.

## Human Resources

RML employs 981 employees (at a consolidated level) as on March 31, 2019. Of this, Call2Connect has a headcount of 693. RML has deployed 253 resources in India, and 35 resources across multiples global locations. The R&D team comprises over 20 resources, and is focused primarily on developing new capabilities within the messaging platform, and creating next generation messaging solutions which address enterprises' communication requirements. RML closed FY2018 with a headcount of 370 employees. Call2Connect employed 61 resources as on March 31, 2018, and recorded increase of 632 resources over FY2019. This was in relation to the expansion of revenues from this business line.

**Risks and concerns: Principal risks and uncertainties:** There are a number of potential risks and uncertainties, which could have a material impact on the company's long-term performance and could cause actual results to differ materially from expected results.

### Liquidity risk

The Company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. External funding facilities are managed to ensure that both short-term and longer-term funding is available to provide short-term flexibility whilst providing sufficient funding to the company's forecast working capital requirements.

### Credit risk

The Company extends credit to customers of various durations depending on customer creditworthiness and industry custom and practice for the product or service. In the event that a customer proves unable to meet payments when they fall due, the company will suffer adverse consequences. To manage this, the company continually monitors credit terms to ensure that no single customer is granted credit inappropriate to its credit risk.

### Competitor risk

The Company operates in a highly competitive market with rapidly changing product and pricing innovations. We are subject to the threat of our competitors launching new products in our markets (including updating product lines) before we make corresponding updates and development to our own product range. This could render our products and services out-of-date and could result in loss of market share. To reduce this risk, we undertake new product development and maintain strong supplier relationships to ensure that we have products at various stages of the life cycle.

Competitor risk also manifests itself in price pressures which are usually experienced in more mature markets. This results not only in downward pressure on our gross margins but also in the risk that our products are not considered to represent value for money. The company therefore monitors market prices on an ongoing basis.

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# INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

## STANDALONE FINANCIAL STATEMENT

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

### Report on the Audit of the Standalone Financial Statements

#### Opinion

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 2019, 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.
2. 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 Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2019, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

#### Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Emphasis of Matters

4. We draw attention to Note 42(A)(i) of the accompanying standalone financial statements wherein it is stated that the Company has received a demand notice for service tax liability aggregating to ₹2,500.28 lakhs (excluding interest and penalty) for the period from October 2011 to March 2016 and show cause cum demand notice for service tax liability aggregating to ₹254.71 lakhs (excluding interest and penalty) for the period from

April 2016 to June 2017 under the provisions of the Finance Act, 1994. Based on the legal opinion obtained, the management is of the view that the outcome of the appeal 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 modified in respect of this matter.

5. We draw attention to the matter stated in Note 41 to the accompanying standalone financial statements which indicates delays in receipt and payment of foreign currency receivables and payables from/to subsidiaries aggregating to ₹681.98 lakhs and ₹1,333.76 lakhs respectively as on 31 March 2019 beyond the timelines stipulated vide FED Master Direction No.16/2015-16 and FED Master Direction No. 17/2016-17 respectively, under the Foreign Exchange Management Act, 1999. The management of the Company has filed necessary applications for condonation of delays and regularising these defaults with the appropriate authorities. The management is of the view that the fine/penalties, if any, are currently unascertainable and accordingly, no provision has been recognised in the accompanying standalone financial statements with respect to such fine/penalty. Our opinion is not modified in respect of this matter.

#### Information other than the Financial Statements and Auditor's Report thereon

6. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report.

#### Responsibilities of Management and Those Charged with Governance for the standalone financial statements

7. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements

## Independent Auditor's Report on the Audit of the 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), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

8. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
9. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
11. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section

143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
  13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### Report on Other Legal and Regulatory Requirements

14. 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.
15. 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 1, a statement on the matters specified in paragraphs 3 and 4 of the Order.
16. Further to our comments in Annexure 1, 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;

**Independent Auditor's Report on the Audit of the Standalone Financial Statements**

- 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 Ind AS specified under Section 133 of the Act;
- e) the matters described in paragraphs 4 and 5 under the Emphasis of Matters 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 on 31 March 2019 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 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 12 June 2019 as per Annexure 2 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 42 to the standalone financial statement, has disclosed the impact of pending litigations on its financial position as at 31 March 2019;
  - ii. the Company, as detailed in note 23 to the standalone financial statements, has made provision as at 31 March 2019, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts;
  - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2019;
  - 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 Chandio & Co LLP**  
**Chartered Accountants**  
 Firm's Registration No.: 001076N/N500013

**Bharat Shetty**  
**Partner**  
 Membership No.: 106815

**Place:** Mumbai  
**Date:** 12 June 2019

**Annexure 1 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 2019**

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(ii) 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(vi) 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 services tax, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited

**Independent Auditor's Report on the Audit of the Standalone Financial Statements**

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, goods and services tax, duty of excise and value added tax on account of any dispute, are as follows:

**Statement of disputed dues:**

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	187.52	October 2011 to March 2016	Customs, Excise and Service Tax Appellate Tribunal	
Finance Act, 1994	Service tax on purchases of messaging services	254.71	-	April 2016 to June 2017	-	The Company has submitted a response against the show cause cum demand notice issued by the Commissioner

- (viii) The Company has not defaulted in repayment of loans or borrowings to any banks during the year. The Company has no loans or borrowings payable to any financial institution or government and no dues payable to debenture holders during the year.
- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans were applied for the purposes for which the loans were obtained.
- (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(xii) 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 Act, where applicable, and the requisite details have been disclosed in the standalone financial statements etc., 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. Accordingly, provisions of clause 3(xiv) of the Order are not applicable.

(xv) The Company has entered into non-cash transactions with persons connected with directors, by adjusting loan receivable balance against payable balance, which in our opinion is covered under the provisions of Section 192 of the Act, and in respect of which the Company has complied with the provisions of 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

**Bharat Shetty**  
**Partner**  
 Membership No.: 106815

**Place:** Mumbai  
**Date:** 12 June 2019

## Independent Auditor's Report on the Audit of the Standalone Financial Statements

### Annexure 2 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 2019

#### 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 2019, 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.

#### 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 2019, 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 Chandiook & Co LLP**  
**Chartered Accountants**  
 Firm's Registration No.: 001076N/N500013

**Bharat Shetty**  
**Partner**  
 Membership No.: 106815

**Place:** Mumbai  
**Date:** 12 June 2019

# BALANCE SHEET

## STANDALONE FINANCIAL STATEMENT

### Balance Sheet as at 31 March 2019

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

	Note	As at 31 March 2019	As at 31 March 2018
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	2	1,065.78	1,315.75
Intangible assets	3	53.06	63.01
Intangible assets under development		212.99	-
Investments in Subsidiaries	4	2,403.18	2,402.44
Financial assets			
Other financial assets	5	140.46	131.29
Deferred tax assets (net)	6	344.20	208.23
Non-current tax assets (net)	7	664.92	291.02
Other non-current assets	8	1,583.15	914.70
		<b>6,467.74</b>	<b>5,326.44</b>
<b>Current assets</b>			
Financial assets			
Investments	9	1,066.55	-
Trade receivables	10	9,643.33	5,269.90
Cash and cash equivalents	11	380.82	292.09
Other bank balances	12	526.28	1,658.58
Loans	13	3,205.34	2,597.60
Other current financial assets	14	293.67	290.10
Other current assets	15	560.20	509.20
		<b>15,676.19</b>	<b>10,617.47</b>
<b>Total assets</b>		<b>22,143.93</b>	<b>15,943.91</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity share capital	16	5,000.00	5,000.00
Other equity	17	3,380.14	3,373.61
		<b>8,380.14</b>	<b>8,373.61</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Borrowings	18	82.94	159.74
Provisions	19	148.47	135.08
Other non-current liabilities	20	38.02	25.07
		<b>269.43</b>	<b>319.89</b>

**Current liabilities**

## Financial liabilities

Borrowings	21	1,888.61	2,271.84
Trade payables	22		
- Total outstanding dues of micro enterprises and small enterprises		-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		9,267.71	3,825.39
Other current financial liabilities	23	2,064.02	974.75
Provisions	24	55.81	74.89
Other current liabilities	25	218.21	103.54
		<b>13,494.36</b>	<b>7,250.41</b>

**Total equity and liabilities**

		<b>22,143.93</b>	<b>15,943.91</b>
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**Significant accounting policies and other explanatory information**

1 to 50

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

**Bharat Shetty**

Partner

Membership No.: 106815

**For and on behalf of the Board of Directors of****Route Mobile Limited****Chandrakant Gupta**

Chairman

(DIN No. 01636981)

**Sandipkumar Gupta**

Director

(DIN No. 01272932)

**Rajdipkumar Gupta**

Managing Director

(DIN No. 01272947)

**Rathindra Das**

Company Secretary

(Membership No.: A24421)

**Suresh Jankar**

Chief Financial Officer

Place : Mumbai

Date : 12 June 2019

Place : Mumbai

Date : 10 June 2019

# STATEMENT OF PROFIT AND LOSS

## STANDALONE FINANCIAL STATEMENT

### Statement of Profit and Loss for the year ended 31 March 2019

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

	Note	Year ended 31 March 2019	Year ended 31 March 2018
<b>Revenue</b>			
Revenue from operations	26	37,397.00	19,506.04
Other Income	27	434.90	369.87
<b>Total revenue</b>		<b>37,831.90</b>	<b>19,875.91</b>
<b>Expenses</b>			
Purchases of messaging services	28	32,526.87	13,776.41
Employee benefits expense	29	2,098.52	2,186.18
Finance costs	30	157.13	75.32
Depreciation and amortisation expense	31	465.99	580.18
Other expenses	32	1,301.86	1,496.94
<b>Total expenses</b>		<b>36,550.37</b>	<b>18,115.03</b>
<b>Profit before tax</b>		<b>1,281.53</b>	<b>1,760.88</b>
<b>Tax expense</b>	33		
Current tax		526.02	776.18
Deferred tax credit		(141.56)	(109.61)
		<b>384.46</b>	<b>666.57</b>
<b>Profit for the year</b>		<b>897.07</b>	<b>1,094.31</b>
<b>Other Comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Measurements of defined employee benefit plans		19.21	2.89
Income tax relating to above items		(5.59)	(0.84)
<b>Total other comprehensive income (net of tax)</b>		<b>13.62</b>	<b>2.05</b>
<b>Total comprehensive income for the year</b>		<b>910.69</b>	<b>1,096.36</b>
Earnings per equity share	45		
Basic and diluted (in ₹)		1.79	2.19
Face value per share (in ₹)		10.00	10.00
<b>Significant accounting policies and other explanatory information</b>	<b>1 to 50</b>		

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



**For Walker Chandio & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

**Bharat Shetty**

Partner

Membership No.: 106815

**For and on behalf of the Board of Directors of**

**Route Mobile Limited**

**Chandrakant Gupta**

Chairman

(DIN No. 01636981)

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Managing Director

(DIN No. 01272947)

**Rathindra Das**

Company Secretary

(Membership No.: A24421)

**Suresh Jankar**

Chief Financial Officer

Place : Mumbai

Date : 12 June 2019

Place : Mumbai

Date : 10 June 2019

# STATEMENT OF CASH FLOW

## STANDALONE FINANCIAL STATEMENT

### Cash flow statement for the year ended 31 March 2019

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

	Year ended 31 March 2019	Year ended 31 March 2018
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Profit before tax</b>	<b>1,281.53</b>	<b>1,760.88</b>
<b>Adjustments for:</b>		
Financial asset measured at amortised cost	0.40	0.39
Depreciation and amortisation expense	465.99	580.18
Advances and trade receivable written off	17.59	61.41
Interest income on fixed deposits	(55.98)	(172.45)
Interest income on loan to subsidiary companies	(140.78)	-
Net gain arising on financial asset measured at FVTPL	(66.55)	-
Provision for doubtful debts and advances	17.57	40.97
Interest on borrowings from bank	91.33	36.92
Interest on finance lease obligation	18.59	20.43
Other borrowing cost	15.18	15.35
Unrealised foreign exchange loss	109.72	88.30
Liabilities no longer payable, written back	(26.67)	(66.47)
Provision for lease equalisation	12.95	9.09
<b>Operating profit before working capital changes</b>	<b>1,740.87</b>	<b>2,375.00</b>
<b>Adjustments for working capital:</b>		
(Increase) in trade receivables	(4,497.47)	(3,001.73)
(Increase) in loans and advances and other assets	(788.26)	(3,449.55)
Increase in trade payables, provisions and other liabilities	6,916.28	2,348.33
<b>Cash generated from/(used in) operating activities</b>	<b>3,371.42</b>	<b>(1,727.95)</b>
Direct taxes paid (net)	(899.92)	(747.98)
<b>Net cash generated from/(used in) operating activities</b>	<b>2,471.50</b>	<b>(2,475.93)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment and intangible assets (including intangible assets under development)	(616.21)	(60.10)
Fixed deposits matured	1,132.30	1,507.27
Proceeds from sale of property, plant and equipment (including refund of capital advances)	-	260.33
Investment in subsidiaries	(0.74)	(993.33)
Loan to subsidiaries (net)	(666.80)	-
Interest received on loan to subsidiaries	154.51	-
Purchase of current investments	(1,000.00)	-
Interest received	85.76	221.50
<b>Net cash (used in)/generated from investing activities</b>	<b>(911.18)</b>	<b>935.67</b>

**C. CASH FLOW FROM FINANCING ACTIVITIES**

Repayment of non-current borrowings (including finance lease obligations)	(101.17)	(91.41)
Proceeds from non-current borrowings	39.00	-
Interest paid	(122.03)	(70.37)
Dividend paid	(750.00)	(750.00)
Dividend distribution tax paid	(154.16)	-
(Repayment of )/Proceeds from current borrowings (net)	(383.23)	670.76
<b>Net cash used in financing activities</b>	<b>(1,471.59)</b>	<b>(241.02)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>88.73</b>	<b>(1,781.28)</b>
Opening balance of cash and cash equivalents	292.09	2,073.37
<b>Closing balance of cash and cash equivalents</b>	<b>380.82</b>	<b>292.09</b>
<b>Cash and cash equivalents as per financial statements (refer note 11)</b>	<b>380.82</b>	<b>292.09</b>

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

	As at 31 March 2019	As at 31 March 2018
Cash and cash equivalents	380.82	292.09
<b>Balances as per statement of cash flows</b>	<b>380.82</b>	<b>292.09</b>

Note:

The Statement of Cash Flows has been prepared under the indirect method as set out in Ind AS 7, Statement of Cash Flows. Effective 01 April 2017, the Company adopted the amendment to Ind AS 7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Standalone balance sheet for liabilities arising from financing activities, to meet the disclosure requirement. The adoption of amendment did not have any material impact on the Standalone Statement of Cash Flows.(Refer note 18 for net debt reconciliation).

**Significant accounting policies and other explanatory information****1 to 50**

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

**For Walker Chandio & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

**Bharat Shetty**

Partner

Membership No.: 106815

**For and on behalf of the Board of Directors of****Route Mobile Limited****Chandrakant Gupta**

Chairman

(DIN No. 01636981)

**Sandipkumar Gupta**

Director

(DIN No. 01272932)

**Rajdikumar Gupta**

Managing Director

(DIN No. 01272947)

**Rathindra Das**

Company Secretary

(Membership No.: A24421)

**Suresh Jankar**

Chief Financial Officer

Place : Mumbai

Date : 12 June 2019

Place : Mumbai

Date : 10 June 2019

# STATEMENT OF CHANGES IN EQUITY

## STANDALONE FINANCIAL STATEMENT

### Statement of changes in equity for the year ended 31 March 2019

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

a	Equity share capital	Number	Amount
	<b>Balance as at 1 April 2017</b>	<b>5,00,00,000</b>	<b>5,000.00</b>
	Issue of shares	-	-
	<b>Balance as at 31 March 2018</b>	<b>5,00,00,000</b>	<b>5,000.00</b>
	Issue of shares	-	-
	<b>Balance as at 31 March 2019</b>	<b>5,00,00,000</b>	<b>5,000.00</b>

b	Other equity	Reserves and Surplus	Total other equity
		Retained Earnings	
	<b>Balance as at 1 April 2017</b>	<b>3,027.25</b>	<b>3,027.25</b>
	Profit for the year	1,094.31	1,094.31
	Other comprehensive income for the year	2.05	2.05
	<b>Total Comprehensive income for the year ended 31 March 2018</b>	<b>1,096.36</b>	<b>1,096.36</b>
	Dividend (refer note 17(i))	(750.00)	(750.00)
	<b>Balance as at 31 March 2018</b>	<b>3,373.61</b>	<b>3,373.61</b>
	Profit for the year	897.07	897.07
	Other comprehensive income for the year	13.62	13.62
	<b>Total Comprehensive income for the year ended 31 March 2019</b>	<b>910.69</b>	<b>910.69</b>
	Dividend paid	(750.00)	(750.00)
	Dividend distribution tax	(154.16)	(154.16)
	<b>Balance as at 31 March 2019</b>	<b>3,380.14</b>	<b>3,380.14</b>

**Significant accounting policies and other explanatory information**

**1 to 50**

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

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

**Bharat Shetty**  
Partner  
Membership No.: 106815

Place : Mumbai  
Date : 12 June 2019

**For and on behalf of the Board of Directors of  
Route Mobile Limited**

**Chandrakant Gupta**  
Chairman  
(DIN No. 01636981)

**Rajdipkumar Gupta**  
Managing Director  
(DIN No. 01272947)

**Suresh Jankar**  
Chief Financial Officer

Place : Mumbai  
Date : 10 June 2019

**Sandipkumar Gupta**  
Director  
(DIN No. 01272932)

**Rathindra Das**  
Company Secretary  
(Membership No.: A24421)

# SIGNIFICANT ACCOUNTING POLICIES

## STANDALONE FINANCIAL STATEMENT

### Summary of the significant accounting policies and other explanatory information as at and for the year ended 31 March 2019

#### 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 2019 were approved by Board of Directors and authorised for issue on 10 June 2019.

#### 1 Significant accounting policies and assumptions

##### (i) Statement of compliance

The standalone 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 as amended and other relevant provisions of the Act and rules framed thereunder.

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.

##### (ii) 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 assets, 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 43.

- **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.

- **Research and development costs**

Management monitors progress of internal research and development projects by using a project judgement is required in distinguishing research from the development phase. Development costs are recognised as an asset when all the criteria are met, whereas research costs are expensed as incurred.

Management also monitors whether the recognition requirements for development costs continue to be met. This is necessary due to inherent uncertainty in the economic success of any product development.

- **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 47.

- **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.

### (iii) Revenue recognition

Effective April 1, 2018, the Company has adopted Indian Accounting Standard 115 (IND AS 115) - 'Revenue from contracts with customers' using the cumulative catch-up transition method, applied to contracts that were not completed as on April 1, 2018. The new standard is based on the principle that revenue is recognised when control of goods or services is transferred to the customer and provides a single, principles based five-step model to be applied to all sales contracts.

The effect on adoption of IND AS 115 was insignificant on the financial statements.

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.

### (iv) 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.

#### (v) 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.

#### (vi) 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.

#### (vii) 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 items 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.

#### (viii) 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:

- **Amortised cost:** 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.

### (III) Derivative Financial Instruments

The Company uses currency swaps as derivative instrument to mitigate the risk of changes in currency rates. Such derivative instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently measured at fair value.

### (ix) 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.

### (x) 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.



**(xi) 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.

**Research and development**

Expenses on research activities undertaken with the prospect of gaining new scientific or technical knowledge and understanding are recognised in the standalone statement of profit and loss as incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, the assets are controlled by the Company, and the Company intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalised includes the cost directly attributable to preparing the asset for its intended use. Other development expenditure is recognised in the standalone statement of profit and loss as incurred.

**(xii) 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.

**(xiii) 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.

**(xiv) 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.

**(xv) 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.

**(xvi) 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.

**(xvii) 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.

**(xviii) 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').

**(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**

Ind AS 116: Leases

On 30 March 2019, the Ministry of Corporate Affairs (MCA) has notified Ind AS 116, Leases, under Companies (Indian Accounting Standards) Amendment Rules, 2019 which is applicable with effect from April 1, 2019.

Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lease accounting model for lessee and requires the lessee to recognize right of use assets and lease liabilities for all leases with a term of more than twelve months, unless the underlying asset is low value in nature. Currently, operating lease expenses are charged to the statement of profit and loss. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

As per Ind AS 116, the lessee needs to recognise depreciation on right of use assets and finance costs on lease liabilities in the statement of profit and loss. The lease payments made by the lessee under the lease arrangement will be adjusted against the lease liabilities.

The Company is currently evaluating the impact on account of implementation of Ind AS 116 which might have significant impact on key profit and loss and balance sheet ratios i.e. Earnings before interest, tax, depreciation and amortisation (EBITDA), Asset coverage, debt equity, interest coverage, etc.

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2019  
(₹ 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
<b>Gross block</b>							
<b>Balance as at 1 April 2017</b>	<b>331.00</b>	<b>327.35</b>	<b>238.00</b>	<b>312.44</b>	<b>37.24</b>	<b>1,526.31</b>	<b>2,772.34</b>
Additions	-	1.63	-	6.50	9.56	214.40	232.09
Disposals	-	-	-	-	-	-	-
<b>Balance as at 31 March 2018</b>	<b>331.00</b>	<b>328.98</b>	<b>238.00</b>	<b>318.94</b>	<b>46.80</b>	<b>1,740.71</b>	<b>3,004.43</b>
Additions	-	0.07	-	49.45	5.40	126.16	181.08
Disposals	-	-	-	-	-	-	-
<b>Balance as at 31 March 2019</b>	<b>331.00</b>	<b>329.05</b>	<b>238.00</b>	<b>368.39</b>	<b>52.20</b>	<b>1,866.87</b>	<b>3,185.51</b>
<b>Accumulated depreciation and amortisation</b>							
<b>Balance as at 1 April 2017</b>	<b>121.75</b>	<b>96.68</b>	<b>41.03</b>	<b>145.79</b>	<b>24.12</b>	<b>775.39</b>	<b>1,204.76</b>
Depreciation and amortisation	10.38	59.97	49.24	53.67	8.81	301.85	483.92
Disposals	-	-	-	-	-	-	-
<b>Balance as at 31 March 2018</b>	<b>132.13</b>	<b>156.65</b>	<b>90.27</b>	<b>199.46</b>	<b>32.93</b>	<b>1,077.24</b>	<b>1,688.68</b>
Depreciation and amortisation	9.70	40.51	49.24	42.41	6.15	283.04	431.05
Disposals	-	-	-	-	-	-	-
<b>Balance as at 31 March 2019</b>	<b>141.83</b>	<b>197.16</b>	<b>139.51</b>	<b>241.87</b>	<b>39.08</b>	<b>1,360.28</b>	<b>2,119.73</b>
<b>Net block</b>							
<b>Balance as at 31 March 2018</b>	<b>198.87</b>	<b>172.33</b>	<b>147.73</b>	<b>119.48</b>	<b>13.87</b>	<b>663.47</b>	<b>1,315.75</b>
<b>Balance as at 31 March 2019</b>	<b>189.17</b>	<b>131.89</b>	<b>98.49</b>	<b>126.52</b>	<b>13.12</b>	<b>506.59</b>	<b>1,065.78</b>

# includes gross value of assets taken on finance lease aggregating to ₹377.24 lakhs as at 31 March 2019 (31 March 2018: ₹377.24 lakhs) with accumulated depreciation of ₹209.58 lakhs as at 31 March 2019 (31 March 2018: ₹108.98 lakhs) and depreciation for the year ended 31 March 2019 ₹100.60 lakhs (Year ended 31 March 2018: ₹100.60 lakhs).

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

## 3 Intangible assets

Particulars	Computer software	Total
<b>Gross block</b>		
<b>Balance as at 1 April 2017</b>	<b>260.02</b>	<b>260.02</b>
Additions	-	-
Disposals	-	-
<b>Balance as at 31 March 2018</b>	<b>260.02</b>	<b>260.02</b>
Additions	24.99	24.99
Disposals	-	-
<b>Balance as at 31 March 2019</b>	<b>285.01</b>	<b>285.01</b>
<b>Accumulated amortisation</b>		
<b>Balance as at 1 April 2017</b>	<b>100.75</b>	<b>100.75</b>
Amortisation charge	96.26	96.26
Reversal on disposal of assets	-	-

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2019  
(₹ in lakhs, except for share data, and if otherwise stated)

<b>Balance as at 31 March 2018</b>	<b>197.01</b>	<b>197.01</b>
Amortisation charge	34.94	34.94
Reversal on disposal of assets	-	-
<b>Balance as at 31 March 2019</b>	<b>231.95</b>	<b>231.95</b>
<b>Net block</b>		
<b>Balance as at 31 March 2018</b>	<b>63.01</b>	<b>63.01</b>
<b>Balance as at 31 March 2019</b>	<b>53.06</b>	<b>53.06</b>

#### 4 Non-current investments

	As at 31 March 2019	As at 31 March 2018
<b>Investments in equity shares - Unquoted, fully Paid-up</b>		
<u>Investments in subsidiaries:</u>		
Route Mobile (UK) Limited 31 March 2019: 20,000 (31 March 2018: 20,000) shares of GBP 1 each	15.24	15.24
Sphere Edge Consulting (India) Private Limited 31 March 2019: 10,000 (31 March 2018: 10,000) shares of ₹10 each	11.00	11.00
Routesms Solutions FZE 31 March 2019: 41,725 (31 March 2018: 41,725) shares of AED 1 each	7.86	7.86
Routesms Solutions Nigeria Limited 31 March 2019: 10,000,000 (31 March 2018: 10,000,000) shares of NRN 1 each	35.23	35.23
Cellent Technologies (India) Private Limited 31 March 2019: 49,700 (31 March 2018: 49,700) shares of ₹10 each	1,127.40	1,127.40
Start Corp India Private Limited 31 March 2019: 10,000 (31 March 2018: 10,000) shares of ₹10 each	200.00	200.00
Route Mobile Pte. Ltd. 31 March 2019: 25,000 (31 March 2018: 25,000) shares of SGD 1 each	12.38	12.38
Call 2 Connect India Private Limited 31 March 2019: 126,666 (31 March 2018: 126,666) shares of ₹10 each	993.33	993.33
Route Connect Private Limited 31 March 2019: 7,400 (31 March 2018: Nil) shares of ₹10 each	0.74	-
	<b>2,403.18</b>	<b>2,402.44</b>
Aggregate amount of unquoted investments	2,403.18	2,402.44
Aggregate amount of impairment in value of investments	-	-
<b>5 Other non-current financial assets</b>		
Unsecured, considered good, unless otherwise stated		
Security deposits	136.06	127.42
Loans and advances to employees	4.40	3.51
Interest accrued but not due on fixed deposits	-	0.36
	<b>140.46</b>	<b>131.29</b>

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2019  
(₹ in lakhs, except for share data, and if otherwise stated)

	As at 31 March 2019	As at 31 March 2018
<b>6 Deferred tax assets</b>		
Deferred tax assets arising on account of :		
Depreciation and amortisation	61.75	44.00
Provision for compensated absences	7.70	10.53
Provision for gratuity	51.78	49.42
Provision for expenses	168.62	55.05
Provision for doubtful debts	54.35	49.23
<b>Total deferred tax assets</b>	<b>344.20</b>	<b>208.23</b>
<b>Deferred tax assets</b>	<b>344.20</b>	<b>208.23</b>
<b>7 Non-current tax assets (net)</b>		
Advance income tax (Net of provision ₹3,175.29 lakhs, 31 March, 2018: ₹2,710.70 lakhs)	664.92	291.02
	<b>664.92</b>	<b>291.02</b>
<b>8 Other non-current assets</b>		
Balance with government authorities	1,385.36	893.04
Deposit with government authorities	187.52	-
Prepaid expenses	10.27	21.66
	<b>1,583.15</b>	<b>914.70</b>
<b>9 Investments</b>		
Investments carried at fair value through profit or loss (FVTPL)		
Investments in mutual funds - Unquoted		
"Axis Banking and PSU Debt Fund - Growth 30,535.80 units (31 March 2018: Nil) of ₹1,747.63 each "	533.67	-
"L&T Triple Ace Bond Fund - Growth 1,147,660.27 units (31 March 2018: Nil) of ₹46.43 each"	532.88	-
	<b>1,066.55</b>	<b>-</b>
Aggregate amount of unquoted investments	1,066.55	-
Aggregate amount of impairment in value of investments	-	-
Refer note 35 for information on investments pledged as security by the Company.		
<b>10 Trade receivables</b>		
Unsecured, considered good*	6,434.94	3,728.83
Receivables from related parties (Unsecured, considered good)(refer note 40)	3,208.39	1,541.07
Trade Receivables which have significant credit risk	-	-
Trade receivables - credit impaired	159.90	142.34
Less: Provision for bad and doubtful debts	(159.90)	(142.34)
	<b>9,643.33</b>	<b>5,269.90</b>

Includes ₹3,208.39 lakhs (31 March 2018: ₹1,541.07 lakhs) due from companies in which director of the Company is a director.

\* Includes ₹459.05 lakhs (31 March 2018: Nil) which are subject to factoring arrangements.

Refer note 35 for information on trade receivables pledged as security by the Company.

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2019  
(₹ in lakhs, except for share data, and if otherwise stated)

	As at 31 March 2019	As at 31 March 2018
<b>11 Cash and cash equivalents</b>		
Cash on hand	0.14	0.80
Balances with banks:		
- in current accounts	250.43	120.31
- in EEFC accounts	130.21	99.06
- in deposit accounts with maturity upto 3 months	-	71.28
- wallets balances	0.04	0.64
	<b>380.82</b>	<b>292.09</b>
<b>12 Other bank balances</b>		
Deposits with maturity of more than 3 months but less than 12 months	7.88	17.08
Balances with bank held as margin money	40.00	342.85
Balances with bank held towards bank guarantee	478.40	1,298.65
	<b>526.28</b>	<b>1,658.58</b>
<b>13 Current loans</b>		
Unsecured, considered good, unless otherwise stated		
Loan to related parties (refer note 40)	3,205.34	2,597.60
	<b>3,205.34</b>	<b>2,597.60</b>
<b>Break-up:</b>		
Loans considered good - Secured	-	-
Loans considered good - Unsecured	3,205.34	2,597.60
Loans which have significant credit risk	-	-
Loans - credit impaired	-	-
	<b>3,205.34</b>	<b>2,597.60</b>
Less: Allowance for doubtful loans	-	-
	<b>3,205.34</b>	<b>2,597.60</b>
Includes ₹3,205.34 lakhs (31 March 2018: ₹2,597.60 lakhs) due from companies in which director of the Company is a director.		
#Disclosure as per Section 186 of the Companies Act, 2013		
Balance as at the year end	3,205.34	2,597.60
Maximum amount outstanding at any time during the year	3,205.34	3,620.84
For working capital purpose	3,205.34	2,597.60
<b>14 Other current financial assets</b>		
Unsecured, considered good, unless otherwise stated		
Security Deposits	146.11	137.29
Loans and advances to employees	28.28	5.74
Other receivables (refer note 40)*	41.71	14.20
Interest accrued but not due on fixed deposits	13.51	42.92
Accrued Interest on loans to related parties (refer note 40)**	64.06	89.95
	<b>293.67</b>	<b>290.10</b>

\*Includes ₹41.71 lakhs (31 March 2018: ₹14.20 lakhs) due from companies in which director of the Company is a director.

\*\* Includes ₹64.06 lakhs (31 March 2018: ₹89.95 lakhs) due from companies in which director of the Company is a director.

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2019  
(₹ in lakhs, except for share data, and if otherwise stated)

	As at 31 March 2019	As at 31 March 2018
<b>15 Other current assets</b>		
Advances other than capital advances		
Prepaid expenses	106.26	117.97
Advance to suppliers	16.69	19.46
Unamortised share issue expenses*	429.16	371.77
Receivable from related parties** (refer note 40)	34.81	26.72
Less: Provision for doubtful advances	(26.72)	(26.72)
	<b>560.20</b>	<b>509.20</b>
<b>**Due from private company in which director of the Company is a director</b>	<b>34.81</b>	<b>26.72</b>

\* Represents expenses incurred by the Company in connection with proposed public offer of equity shares. In accordance with the Act and also as per the offer agreement entered between the Company and the selling shareholders, the selling shareholders shall reimburse the share issue expenses in proportion to the respective shares offered for sale. Accordingly, the Company will partly recover the expenses incurred in connection with the issue on completion of Initial Public Offer (IPO). The Company's share of expenses shall be adjusted against securities premium to the extent possible under Section 52 of the Act on successful completion of IPO. The entire amount has been carried forward and disclosed under 'Other current assets' and the amount which is receivable from the selling shareholders is not disclosed separately as the amount is not determinable at this stage pending completion of the IPO.

<b>16 Equity share capital</b>		
<b>Authorised capital</b>		
100,000,000 (31 March 2018: 100,000,000) equity shares of ₹10 each	10,000.00	10,000.00
<b>Issued, subscribed and fully paid up</b>		
50,000,000 (31 March 2018: 50,000,000) equity shares of ₹10 each	5,000.00	5,000.00
	<b>5,000.00</b>	<b>5,000.00</b>

**(a) Reconciliation of equity shares outstanding at the beginning and at the end of the year**

	As at 31 March 2019		As at 31 March 2018	
	Number	Amount	Number	Amount
Balance at the beginning of the year	5,00,00,000	5,000.00	5,00,00,000	5,000.00
'Add: Shares issued during the year	-	-	-	-
<b>Balance at the end of the year</b>	<b>5,00,00,000</b>	<b>5,000.00</b>	<b>5,00,00,000</b>	<b>5,000.00</b>

**(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 shares in the Company**

	As at 31 March 2019		As at 31 March 2018	
	Number of shares	% of holding	Number of shares	% of holding
Sandipkumar Gupta	1,44,00,000	28.80%	1,44,00,000	28.80%
Rajdipkumar Gupta	1,44,00,000	28.80%	1,44,00,000	28.80%
CC Gupta Family Trust	50,00,000	10.00%	50,00,000	10.00%
Sunita Gupta	43,20,000	8.64%	43,20,000	8.64%
Sarika Gupta	43,20,000	8.64%	43,20,000	8.64%

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2019  
(₹ 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 2017		As at 31 March 2016	
	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

**(e) Shares reserved for issue under options:**

For details of shares reserved for issue under the employee stock option plan (ESOP), refer note 47

**17 Other equity**

	As at 31 March 2019	As at 31 March 2018
Surplus in the statement of profit and loss	3,380.14	3,373.61
<b>Total other equity</b>	<b>3,380.14</b>	<b>3,373.61</b>

	Reserves and Surplus	Total other equity
	Retained Earnings	
<b>Balance as at 1 April 2017</b>	<b>3,027.25</b>	<b>3,027.25</b>
Profit for the year	1,094.31	1,094.31
Other comprehensive income for the year	2.05	2.05
<b>Total Comprehensive income for the year ended 31 March 2018</b>	<b>1,096.36</b>	<b>1,096.36</b>
Dividend (refer note (i) below)	(750.00)	(750.00)
<b>Balance as at 31 March 2018</b>	<b>3,373.61</b>	<b>3,373.61</b>
Profit for the year	897.07	897.07
Other comprehensive income for the year	13.62	13.62
<b>Total Comprehensive income for the year ended 31 March 2019</b>	<b>910.69</b>	<b>910.69</b>
Dividend paid	(750.00)	(750.00)
Dividend distribution tax	(154.16)	(154.16)
<b>Balance as at 31 March 2019</b>	<b>3,380.14</b>	<b>3,380.14</b>

**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.

**Note:**

(i) 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 year ended 31 March 2018. During the financial year 2016-17, the Company had received dividend from its foreign subsidiary, Routesms Solutions FZE ("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. The amount of dividend liable to payment of Dividend Distribution Tax (DDT) u/s 115-O(1A)(i)(b) of the Income tax Act, 1961, 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 and paid 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 2019  
(₹ in lakhs, except for share data, and if otherwise stated)

	As at 31 March 2019	As at 31 March 2018
<b>18 Non current borrowings</b>		
<b>Secured</b>		
Finance lease obligations	159.74	257.17
Vehicle loans from bank	35.26	-
Less : Current maturities of non-current borrowings (refer note 23)	(112.06)	(97.43)
	<b>82.94</b>	<b>159.74</b>

**Details of repayment, rate of interest and security for loans from bank and financial institutions:**

Name of the Bank/ Lessor	Installments	No. of installments as on 31 March 2019	Installment Amount as on 31 March 2019	Rate of Interest	Nature of securities	As at 31 March 2019	As at 31 March 2018
CISCO Systems Capital (India) Private Limited	Quarterly	6	117.31	1.86% per quarter	Assets obtained on finance lease (computers and computer servers)	108.86	176.90
CISCO Systems Capital (India) Private Limited	Quarterly	6	9.43	1.40% per quarter		8.98	13.40
CISCO Systems Capital (India) Private Limited	Quarterly	6	45.27	2.26% per quarter		41.90	66.87
<b>Sub total</b>			<b>172.01</b>			<b>159.74</b>	<b>257.17</b>
HDFC Bank Limited	Monthly	53	42.51	8.6% p.a.	Vehicles	35.26	-
<b>Sub total</b>			<b>42.51</b>			<b>35.26</b>	<b>-</b>
<b>Total</b>			<b>214.52</b>			<b>195.00</b>	<b>257.17</b>

**Net debt reconciliation :**

Particulars	Non-current borrowings (including current maturity)	Current borrowings	Cash and Cash equivalents and bank overdraft
<b>Net debt as on 1 April 2017</b>	<b>349.69</b>	<b>1,500.00</b>	<b>2,073.37</b>
Cash flows (net)	(91.41)	670.76	(1,781.28)
Foreign exchange loss	-	101.08	-
Finance costs	20.43	52.27	-
Finance costs paid	(21.54)	(48.83)	-
<b>Net debt as on 31 March 2018</b>	<b>257.17</b>	<b>2,275.28</b>	<b>292.09</b>
Cash flows (net)	(62.17)	(383.23)	88.73
Finance costs	20.70	104.39	-
Finance cost paid	(20.70)	(101.33)	-
<b>Net debt as at 31 March 2019</b>	<b>195.00</b>	<b>1,895.11</b>	<b>380.82</b>

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2019  
(₹ in lakhs, except for share data, and if otherwise stated)

	As at 31 March 2019	As at 31 March 2018
<b>19 Non-current provisions</b>		
<b>Provision for employee benefits</b>		
Gratuity (Refer note 43 (II))	148.47	135.08
	<b>148.47</b>	<b>135.08</b>
<b>20 Other non-current liabilities</b>		
Lease equalisation reserve	38.02	25.07
	<b>38.02</b>	<b>25.07</b>
<b>21 Current borrowings</b>		
<b>Secured</b>		
Working capital loan from bank	529.56	2,179.08
Term loan from bank	900.00	-
Bill discounting with bank	459.05	-
<b>Unsecured</b>		
Loans from related parties (refer note 40) (Interest free, repayable on demand)	-	92.76
	<b>1,888.61</b>	<b>2,271.84</b>

**Details of borrowings:**

Nature of loan	Name of the Bank	As at 31 March 2019	As at 31 March 2018	Rate of Interest (p.a.)	Nature of securities	Terms of repayment
Term loan	Kotak Mahindra Bank Limited	900.00	-	8.20%	Refer note (a) below	Payable within one year
Working capital	Yes Bank Limited	-	2,010.47	3 months Libor plus 150 bps i.e. 2.93% to 3.51% p.a.	Refer note (b) below	Payable on demand
Working capital	Yes Bank Limited	529.56	168.61	1.45% spread over and above 6 months Marginal cost lending rate (MCLR) i.e. 10.50% p.a.	Refer note (b) below	Payable on demand
Bill discounting	HDFC Bank	459.05	-	7.556% p.a.	Secured against trade receivables	Repayable within 30 days from loan date
Loan	Related party	-	92.76	Interest free	Unsecured	Payable on demand
<b>Total</b>	<b>Total</b>	<b>1,888.61</b>	<b>2,271.84</b>			

**a. Nature of security for term loan from bank:**

For details of shares reserved for issue under the employee stock option plan (ESOP), refer note 47

(i) secured by way of exclusive charge over the current investments

**b. Nature of security for Working capital loan from bank:**

**For March 2019**

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

(ii) Equitable mortgage of commercial property situated in Mumbai owned by Company.

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

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2019  
(₹ in lakhs, except for share data, and if otherwise stated)

#### For March 2018

- (i) secured by way of exclusive charge over the current assets and movable fixed assets
- (ii) Equitable mortgage of commercial property situated in Mumbai owned by the Company and residential property in Goa owned by Rajdipkumar Gupta and Sandipkumar Gupta
- (iii) personal guarantees of the directors (Rajdipkumar Gupta, Sandipkumar Gupta and Chandrakant Gupta)

#### 22 Trade payables

	As at 31 March 2019	As at 31 March 2018
Total outstanding dues of micro enterprises and small enterprises*	-	-
Payable to related parties (refer note 40)	8,516.39	3,152.05
Total outstanding dues of creditors other than micro enterprises and small enterprises	751.32	673.34
	<b>9,267.71</b>	<b>3,825.39</b>

\* The Company has identified Micro, Small and Medium Enterprises on the basis of information available. Details of dues to micro, small and medium enterprises as per MSMED Act, 2006 are:

	31 March 2019	31 March 2018
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
- Principal amount	-	-
- interest thereon, included in finance cost	-	-
The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprise Development Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprise Development Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and		
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure.	-	-

The information in the above mentioned table is compiled by the management on the basis of response received from vendors as to their classification as micro, small or medium enterprise.

#### 23 Other current financial liabilities

Current maturity of non-current borrowings (refer note 18)	112.06	97.43
Interest accrued but not due on borrowings	6.50	3.44
Security deposits	6.49	20.17
Capital creditors	-	197.15
Mark to market of derivative financial instruments	2.57	-
Dues to employees	3.23	0.84
Outstanding expenses	1,933.17	655.72
	<b>2,064.02</b>	<b>974.75</b>

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2019  
(₹ in lakhs, except for share data, and if otherwise stated)

	As at 31 March 2019	As at 31 March 2018
<b>24 Current provisions</b>		
<b>Provisions for employee benefits</b>		
Gratuity (refer note 43 (II))	29.37	38.75
Compensated absences (refer note 43 (III))	26.44	36.14
	<b>55.81</b>	<b>74.89</b>
<b>25 Other current liabilities</b>		
Statutory dues	111.35	37.08
Advance from customers	106.86	66.46
	<b>218.21</b>	<b>103.54</b>
Note: There are no amounts due to be transferred to the Investor Education and Protection Fund as at the year end.		
<b>26 Revenue from operations</b>		
	Year ended 31 March 2019	Year ended 31 March 2018
Sale of services		
Messaging services	36,455.18	17,213.45
Technical and support services	941.82	2,292.59
	<b>37,397.00</b>	<b>19,506.04</b>
<b>Disaggregation of revenue:</b>		
<b>Revenue based on Geography</b>		
Domestic	12,124.39	8,429.95
Export	25,272.61	11,076.09
<b>Revenue from operations</b>	<b>37,397.00</b>	<b>19,506.04</b>
<b>27 Other income</b>		
Interest income on financial assets measured at amortised cost:		
- Fixed deposits	55.98	172.45
- Security deposits	11.90	11.97
- Loan to subsidiary companies	140.78	98.20
Liabilities no longer payable, written back	26.67	66.47
Rental income	3.60	20.44
Net gain arising on financial assets designated as FVTPL	66.55	-
Gain on derivative financial instruments (net)	67.08	-
Net gain on foreign currency transactions and translation	58.87	-
Miscellaneous income	3.47	0.34
	<b>434.90</b>	<b>369.87</b>
<b>28 Purchases of messaging services</b>		
Domestic	14,704.25	9,642.75
Import	17,822.62	4,133.66
	<b>32,526.87</b>	<b>13,776.41</b>

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2019  
(₹ in lakhs, except for share data, and if otherwise stated)

	Year ended 31 March 2019	Year ended 31 March 2018
<b>29 Employee benefits expense</b>		
Salaries, wages and bonus (refer note 43 (II and III))	1,968.25	2,003.65
Contribution to provident fund and other funds (refer note 43 (I))	8.29	11.49
Staff welfare expense	121.98	171.04
	<b>2,098.52</b>	<b>2,186.18</b>
<b>30 Finance costs</b>		
Interest on borrowings from bank	91.33	36.92
Interest on finance lease obligation	18.59	20.43
Interest on delayed payment of statutory dues	32.03	2.62
Other borrowing cost	15.18	15.35
	<b>157.13</b>	<b>75.32</b>
<b>31 Depreciation and amortisation expense</b>		
Depreciation on property, plant and equipment (refer note 2)	431.05	483.92
Amortisation on intangible assets (refer note 3)	34.94	96.26
	<b>465.99</b>	<b>580.18</b>
<b>32 Other expenses</b>		
Power and fuel	45.52	47.63
Repairs and maintenance - Building	50.01	43.16
Repairs and maintenance - Others	71.48	119.42
Insurance	11.48	4.85
Rent (refer note 44)	255.06	287.73
Rates and taxes	0.53	22.83
Communication	176.29	242.08
Travelling and conveyance	173.52	233.84
Printing and stationery	14.27	9.39
Business promotion	48.07	63.28
Donations	0.11	2.66
Expenditure on Corporate Social Responsibility (refer note 46)	76.94	42.21
Legal and professional charges	209.41	69.31
Auditor's remuneration (refer note below)	66.17	37.84
Advances and trade receivable written off	17.59	61.41
Provision for doubtful debts and advances	17.57	40.97
Net loss on foreign currency transactions and translation	-	89.97
Bank charges	7.15	3.06
Sitting fees to Directors	11.00	7.20
Miscellaneous expenses	49.69	68.10
	<b>1,301.86</b>	<b>1,496.94</b>

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2019  
(₹ in lakhs, except for share data, and if otherwise stated)

	Year ended 31 March 2019	Year ended 31 March 2018
<b>Note:</b>		
<b>Auditors' remuneration (excluding tax)</b>		
As auditor		
Statutory audit	51.50	31.50
In other capacity		
Other services*	14.00	74.25
Reimbursement of expenses	0.67	1.27
	<b>66.17</b>	<b>107.02</b>

\* Including ₹69.18 lakhs for year ended 31 March 2018 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 15.

### 33 Tax expense

Current tax expense		
Current tax for the year	526.02	772.40
Tax adjustment in respect of earlier years	-	3.78
<b>Total current tax expense</b>	<b>526.02</b>	<b>776.18</b>
Deferred tax	(141.56)	(109.61)
	<b>384.46</b>	<b>666.57</b>

### 33.1 Tax reconciliation (for profit and loss)

<b>Profit before income tax expense</b>	1,281.53	1,760.88
Tax at the rate of 29.12%/34.61%	<b>373.18</b>	<b>609.41</b>
<b><u>Tax effect of amounts which are not deductible / not taxable in calculating taxable income</u></b>		
Donations	0.03	0.92
CSR expenses	22.40	14.61
Tax adjustment of prior years	-	3.78
Change in tax rates	-	39.22
Deduction under section 80G	(5.82)	-
Others	(5.33)	(1.37)
<b>Income tax expense</b>	<b>384.46</b>	<b>666.57</b>

### 34 The movement in deferred tax assets and liabilities during the year ended 31 March 2019 and 31 March 2018 are as follows:

	As at 01 April 2017 Deferred tax assets/(liabilities)	Credit/(charge) in statement of profit and loss	Credit/(charge) in other comprehensive income	As at 31 March 2018 Deferred tax assets/(liabilities)
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
<b>Total</b>	<b>99.46</b>	<b>109.61</b>	<b>(0.84)</b>	<b>208.23</b>

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2019  
(₹ in lakhs, except for share data, and if otherwise stated)

	As at 1 April 2018 Deferred tax assets/(liabilities)	Credit/(charge) in statement of profit and loss	Credit/(charge) in other comprehensive income	As at 31 March 2019 Deferred tax assets/(liabilities)
Depreciation and amortisation	44.00	17.75	-	61.75
Provision for compensated absences	10.53	(2.83)	-	7.70
Provision for gratuity	49.42	7.95	(5.59)	51.78
Provision for expenses	55.05	113.57	-	168.62
Provision for doubtful debts	49.23	5.12	-	54.35
<b>Total</b>	<b>208.23</b>	<b>141.56</b>	<b>(5.59)</b>	<b>344.20</b>

### 35 Assets pledged as security

	As at 31 March 2019	As at 31 March 2018
<b>Current assets</b>		
Investments	1,066.55	-
Trade receivables	9,643.33	5,269.90
Other bank balances	526.28	1,658.58
Loans	3,205.34	2,597.60
Other current financial assets	293.67	290.10
Other current assets	560.20	509.20
	<b>15,295.37</b>	<b>10,325.38</b>
<b>Non Current assets</b>		
Moveable fixed assets (including furniture and office equipment)	145.01	186.20
Building	189.17	198.87
Vehicles	126.52	119.48
Computers	506.59	663.47
<b>Total non-current assets pledged as security</b>	<b>967.29</b>	<b>1,168.02</b>
<b>Total assets pledged as security</b>	<b>16,262.66</b>	<b>11,493.40</b>

### 36 Fair value measurements

#### Financial instruments by category:

Particulars	31 March 2019 FVTPL	31 March 2019 Amortised cost	31 March 2018 Amortised cost
<b>Financial Assets - Non-current</b>			
Other non-current financial assets	-	140.46	131.29
<b>Financial Assets - Current</b>			
Investments	1,066.55	-	-
Trade receivables	-	9,643.33	5,269.90
Cash and cash equivalents	-	380.82	292.09
Other bank balances	-	526.28	1,658.58
Loans	-	3,205.34	2,597.60
Other current financial assets	-	293.67	290.10
<b>Financial Liabilities - Non-current</b>			
Borrowings (including current maturity)	-	195.00	257.17
<b>Financial Liabilities - current</b>			
Borrowings	-	1,888.61	2,271.84

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2019  
(₹ in lakhs, except for share data, and if otherwise stated)

Trade payables	-	9,267.71	3,825.39
Other current financial liabilities	-	1,951.96	877.32

#### 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 company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level is given 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 non-current borrowings 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 2019	31 March 2018
Investment in Mutual funds	1,066.55	-

Fair value of the mutual funds are based on NAV at the reporting date.

Since the valuation of investment is done based on observable inputs, the investment is categorised as Level 2.

#### IV. Assets and liabilities which are measured at amortised cost for which fair values are disclosed

(It is categorised under Level 3 of fair value hierarchy)

Particulars	31 March 2019		31 March 2018	
	Fair Value	Carrying amount	Fair Value	Carrying amount
<b>Financial Assets - Non-current</b>				
<b>Other non-current financial assets</b>				
- Security deposits	135.79	136.06	125.75	127.42
- Loan to employees (including current maturity)	17.05	17.05	8.03	8.90
<b>Financial Liabilities - Non-current</b>				
Borrowings (including current maturities of non-current borrowing)	192.89	195.00	225.83	257.17

During the periods mentioned above, there have been no transfers amongst the levels of hierarchy.

The carrying amounts of current investments, 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 approved 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 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, current investments, trade and other receivables, and cash and bank balances and bank deposits that derive directly from its operations.



Significant accounting policies and other explanatory information as at and for the year ended 31 March 2019  
(₹ in lakhs, except for share data, and if otherwise stated)

#### 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, current investments, 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 2019	As at 31 March 2018
Upto 3 months	8,478.94	4,323.48
3 - 6 months	426.65	689.78
6 - 12 months	737.54	244.43
More than one year	160.10	154.55
<b>Total</b>	<b>9,803.23</b>	<b>5,412.24</b>
Provision for bad and doubtful debts	159.90	142.34

#### 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:

Particulars	As at 31 March 2019			
	Upto 1 year	Between 1 and 3 years	More than 3 years	Total
<b>Financial Liabilities - Non-Current</b>				
Borrowings (including current maturity)	124.30	76.59	13.63	214.52
<b>Financial Liabilities - Current</b>				
Borrowings	1,888.61	-	-	1,888.61
Trade payables	9,267.71	-	-	9,267.71
Other current financial liabilities	1,951.96	-	-	1,951.96
<b>Total</b>	<b>13,232.59</b>	<b>76.59</b>	<b>13.63</b>	<b>13,322.80</b>

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2019  
(₹ in lakhs, except for share data, and if otherwise stated)

Particulars	As at 31 March 2018			
	Upto 1 year	Between 1 and 3 years	More than 3 years	Total
<b>Financial Liabilities - Non-Current</b>				
Borrowings (including current maturity)	114.67	172.01	-	286.68
<b>Financial Liabilities - Current</b>				
Borrowings	2,271.84	-	-	2,271.84
Trade payables	3,825.39	-	-	3,825.39
Other current financial liabilities	877.32	-	-	877.32
<b>Total</b>	<b>7,089.22</b>	<b>172.01</b>	<b>-</b>	<b>7,261.23</b>

### 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

The Company operates internationally and portion of the business is transacted in several currencies and consequently the Company is exposed to foreign exchange risk through its sales in overseas markets and purchases from overseas suppliers in various foreign currencies. Foreign currency exchange rate exposure on overseas sales is partly balanced by purchasing of services in the respective currencies.

Derivative instruments and unhedged foreign currency exposure

##### (a) Derivative contracts outstanding

Particulars	As at 31 March 2019		As at 31 March 2018	
Forward contracts to sell USD and buy Euro	Euro	5.00	-	-

##### (b) Particulars of unhedged foreign currency exposures as at the reporting date

Particulars	31 March 2019 Amount	31 March 2018 Amount
<b>Financial liabilities</b>		
Trade Payables Euro	3,925.77	2,545.84
Trade Payables USD	95.18	-
Trade Payables AED	17.48	-
Trade Payables GBP	3,118.86	-
Trade Payables NGN	56.10	-
Borrowings USD	459.05	497.59
Borrowings Euro	-	1,512.88
<b>Net exposure to foreign currency risk (liabilities)</b>	<b>7,672.44</b>	<b>4,556.31</b>
<b>Financial assets</b>		
Trade Receivable Euro	2,001.30	544.45
Trade Receivable USD	3,432.50	1,057.01
Bank Balance EURO	126.76	7.79
Bank Balance USD	3.45	91.27
Interest accrued on the loan given to Related Party (Euro)	55.09	14.62
Loan given to Related Party (Euro)	1,553.27	1,612.33
<b>Net exposure to foreign currency risk (assets)</b>	<b>7,172.37</b>	<b>3,327.47</b>
<b>Net exposure to foreign currency assets/ (liabilities)</b>	<b>(500.07)</b>	<b>(1,228.84)</b>

#### Sensitivity to foreign currency risk

The following table demonstrates the sensitivity due to changes in Euro, USD, AED, GBP and NGN 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:

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2019  
(₹ in lakhs, except for share data, and if otherwise stated)

Currencies	31 March 2019		31 March 2018	
	Increase by 2%	Decrease by 2%	Increase by 2%	Decrease by 2%
Euro	(3.79)	3.79	(37.60)	37.60
USD	57.63	(57.63)	13.00	(13.00)
AED	(0.35)	0.35	-	-
GBP	(62.38)	62.38	-	-
NGN	(1.12)	1.12	-	-

(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.

According to the Company, interest rate risk exposure is only for floating rate borrowings. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

**Exposure to interest rate risk**

Particulars	As at 31 March 2019	As at 31 March 2018
Total Borrowings	2,090.11	2,532.45
% of Borrowings out of above bearing variable rate of interest	25.34%	86.05%

**Interest rate sensitivity**

**A change of 50 bps in interest rates would have following Impact on profit before tax**

Particulars	As at 31 March 2019	As at 31 March 2018
50 bps increase would decrease the profit before tax by	(1.73)	(1.85)
50 bps increase would increase the profit before tax by	1.73	1.85

(iii) **Price risk**

The Company 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 Company 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**

Particulars	Impact on profit for the year ended 31 March 2019	Impact on profit for the year ended 31 March 2018
Impact on profit before tax for 5% increase in NAV	53.33	-
Impact on profit before tax for 5% decrease in NAV	(53.33)	-

**38 Capital Management**

The Company's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

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

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2019  
(₹ in lakhs, except for share data, and if otherwise stated)

Particulars	As at 31 March 2019	As at 31 March 2018
Borrowings#	2,090.11	2,532.45
Less: Cash and cash equivalents	(380.82)	(292.09)
Net debt	1,709.29	2,240.36
Equity	8,380.14	8,373.61
Capital and net debt	10,089.43	10,613.97
Gearing ratio	16.94%	21.11%

#Borrowings for the above purpose includes non-current borrowings, current borrowings, current maturities of non current borrowings and Interest accrued but not due on borrowings.

#### 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 2019 and 31 March 2018.

#### Dividend:

Particulars	31 March 2019	31 March 2018
<b>Dividends not recognised at the end of the year</b>		
The directors have recommended the payment of a final dividend of ₹1.5 (31 March, 2018: ₹1.50) per fully paid equity share for the year ended 31 March 2019. This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	750.00	750.00

### 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 2019	Proportion of ownership interest 31 March 2018	Method of accounting
1	Subsidiary	Route Mobile (UK) Limited	UK	100%	100%	Cost
2	Subsidiary	Sphere Edge Consulting (India) Private Limited	India	100%	100%	Cost
3	Subsidiary	Routesms Solutions FZE	UAE	100%	100%	Cost
4	Subsidiary	Routesms Solutions Nigeria Limited	Nigeria	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	100%	100%	Cost
8	Subsidiary	Call 2 Connect India Private Limited	India	100%	100%	Cost
9	Subsidiary	Route Connect Private Limited	India	74%	-	Cost

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2019  
(₹ in lakhs, except for share data, and if otherwise stated)

**40 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 Route Mobile (UK) Limited Routesms Solutions Nigeria Limited Routesms Solutions FZE Route Mobile Pte. Ltd. Cellent Technologies (India) Private Limited Start Corp India Private Limited Call 2 Connect India Private Limited (with effect from 1 April 2017) Route Connect Private Limited (with effect from 2 April 2018)
(ii) Fellow subsidiaries (with whom transactions have taken place)	Defero Mobile Pte Limited (till 31 January 2018) Route Mobile Hong Kong Limited Route Mobile Limited (Ghana) Route Mobile LLC Route Mobile Inc . (with effect from 06 July 2017)
(iii) Key Management Personnel (KMP) (with whom transactions have taken place)	Rajdipkumar Gupta Sandipkumar Gupta Chandrakant Gupta Pratik Joshi Chief Financial Officer (till 6 November 2017), (Company Secretary with effect from 7 November 2017 till 11 January 2019) Rathindra Das (Company Secretary with effect from 11 January 2019) Suresh Jankar, Chief Financial Officer (with effect from 7 November 2017) Gaurav Jhunjhunwala (Company secretary till 6 November 2017) Bhavesh Jain (independent director till 22 November 2017) Pratheek Agarwal (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)
(iv) Entities in which KMP/relatives of KMP can exercise significant influence (with whom transactions have taken place)	Graphixide Services Private Limited 29 Three Holidays Private Limited Spectrum Technologies Cobx Gaming Private Limited Shrem Resort Private Limited (with effect from 1 September 2017) Chandrakant Gupta HUF Rajdipkumar Gupta HUF Sandipkumar Gupta HUF CC Gupta Family Trust Saraswati Devi Charitable Trust
(v) Relatives of KMP	Chamelidevi Gupta Sarika Gupta Sunita Gupta Tanvi Gupta

Particulars	Subsidiaries/Fellow subsidiary		Key Management Personnel (KMP)		Entities in which KMP/relatives of KMP exercise significant influence		Relatives of KMP	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
<b><u>Purchase of short message services (SMS)</u></b>								
Sphere Edge Consulting (India) Private Limited	1,172.29	1,065.22	-	-	-	-	-	-
Spectrum Technologies	-	-	-	-	12,078.02	992.31	-	-
Route Mobile (UK) Limited	10,729.47	2,982.93	-	-	-	-	-	-
Routesms Solutions FZE	2,323.50	984.62	-	-	-	-	-	-
Routesms Solutions Nigeria Limited	77.01	77.80	-	-	-	-	-	-
Route Mobile LLC	42.03	16.79	-	-	-	-	-	-

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2019  
(₹ 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 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Route Mobile Limited (Ghana)	16.21	4.95	-	-	-	-	-	-
Route Mobile Inc.	1,858.55	28.53	-	-	-	-	-	-
Route Mobile Pte. Ltd.	59.05	-	-	-	-	-	-	-
<b><u>Sale of short message services (SMS)</u></b>								
Start Corp India Private Limited	211.96	282.55	-	-	-	-	-	-
Routesms Solutions FZE	417.98	270.18	-	-	-	-	-	-
Route Mobile (UK) Limited	1,431.27	127.74	-	-	-	-	-	-
Route Mobile LLC	-	11.78	-	-	-	-	-	-
Routesms Solutions Nigeria Limited	0.39	-	-	-	-	-	-	-
Call 2 Connect India Private Limited	113.20	-	-	-	-	-	-	-
<b><u>Travelling and conveyance expense</u></b>								
29 Three Holidays Private Limited	-	-	-	-	186.72	193.40	-	-
<b><u>Professional services received</u></b>								
Call 2 Connect India Private Limited	90.00	-	-	-	-	-	-	-
<b><u>Technical and support services</u></b>								
Route Mobile (UK) Limited	547.30	522.97	-	-	-	-	-	-
Routesms Solutions Nigeria Limited	99.41	204.25	-	-	-	-	-	-
Routesms Solutions FZE	268.77	1,482.42	-	-	-	-	-	-
Route Mobile Hong Kong Limited	18.05	66.57	-	-	-	-	-	-
Route Mobile Pte. Ltd.	8.29	16.38	-	-	-	-	-	-
<b><u>Balances written off</u></b>								
Defero Mobile Pte. Ltd.	-	18.08	-	-	-	-	-	-
<b><u>Expenses reimbursed by other company</u></b>								
Route Mobile (UK) Limited	-	6.80	-	-	-	-	-	-
Routesms Solutions FZE	-	12.38	-	-	-	-	-	-
Cellent Technologies (India) Private Limited	1.62	3.70	-	-	-	-	-	-
Start Corp India Private Limited	2.10	-	-	-	-	-	-	-
Call 2 Connect India Private Limited	-	0.10	-	-	-	-	-	-

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2019  
(₹ 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 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
<b><u>Expenses reimbursed to other company/others</u></b>								
Call 2 Connect India Private Limited	-	0.82	-	-	-	-	-	-
Cellent Technologies (India) Private Limited	-	1.34	-	-	-	-	-	-
Graphixide Services Private Limited	-	-	-	-	-	0.28	-	-
Route Mobile Hong Kong Limited	-	0.58	-	-	-	-	-	-
Sandipkumar Gupta	-	-	-	3.00	-	-	-	-
Route Mobile Inc.	7.19	-	-	-	-	-	-	-
Routesms Solutions FZE	2.06	-	-	-	-	-	-	-
Shrem Resort Private Limited	-	-	-	-	27.91	-	-	-
<b><u>Rental Income</u></b>								
29 Three Holidays Private Limited	-	-	-	-	1.20	1.20	-	-
Cellent Technologies (India) Private Limited	1.20	1.20	-	-	-	-	-	-
Start Corp India Private Limited	1.20	1.20	-	-	-	-	-	-
Call 2 Connect India Private Limited	-	16.84	-	-	-	-	-	-
<b><u>Rental Expense</u></b>								
Cobx Gaming Private Limited	-	-	-	-	-	21.60	-	-
<b><u>Investment in Subsidiary</u></b>								
Call 2 Connect India Private Limited	-	993.33	-	-	-	-	-	-
Route Connect Private Limited	0.74	-	-	-	-	-	-	-
<b><u>Advance given</u></b>								
Rajdikumar Gupta	-	-	-	10.33	-	-	-	-
<b><u>Receipt of advance given</u></b>								
Rajdikumar Gupta	-	-	-	10.33	-	-	-	-
<b><u>Refund of advance towards purchase of Flat</u></b>								
Rajdikumar Gupta	-	-	-	140.17	-	-	-	-
Sandipkumar Gupta	-	-	-	120.16	-	-	-	-

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2019  
(₹ 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 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
<b><u>Loans given to related party</u></b>								
Call 2 Connect India Private Limited	821.33	2,062.31	-	-	-	-	-	-
Route Mobile (UK) Limited	-	1,560.53	-	-	-	-	-	-
Route Connect Private Limited	24.98	-	-	-	-	-	-	-
<b><u>Amount received on behalf of others</u></b>								
Route Mobile Limited (Ghana)	54.43	13.26	-	-	-	-	-	-
<b><u>Interest Income on Loan</u></b>								
Route Mobile (UK) Limited	42.83	14.50	-	-	-	-	-	-
Call 2 Connect India Private Limited	97.95	83.70	-	-	-	-	-	-
<b><u>Loan repaid by related party</u></b>								
Call 2 Connect India Private Limited	179.51	1,077.04	-	-	-	-	-	-
<b><u>Interest paid by related party</u></b>								
Call 2 Connect India Private Limited	154.51	-	-	-	-	-	-	-
<b><u>Remuneration to Directors*</u></b>								
Rajdipkumar Gupta	-	-	45.00	92.00	-	-	-	-
<b><u>Remuneration to KMP*</u></b>								
Pratik Joshi	-	-	6.92	6.77	-	-	-	-
Gaurav Jhunjhunwala	-	-	-	3.63	-	-	-	-
Chandrakant Gupta	-	-	-	4.50	-	-	-	-
Suresh Jankar	-	-	50.27	16.01	-	-	-	-
Rathindra Das	-	-	6.11	-	-	-	-	-
<b><u>Directors Sitting fees</u></b>								
Chamelidevi Gupta	-	-	-	-	-	-	-	0.50
Sandipkumar Gupta	-	-	3.25	1.65	-	-	-	-
Chandrakant Gupta	-	-	1.75	0.75	-	-	-	-
Pratheek Agarwal	-	-	-	0.65	-	-	-	-
Bhavesh Jain	-	-	-	0.65	-	-	-	-
Ankit Paleja	-	-	1.50	0.75	-	-	-	-
Ramachandran Sivathanu	-	-	2.50	1.25	-	-	-	-
Sudha Navandar	-	-	2.00	1.00	-	-	-	-



Significant accounting policies and other explanatory information as at and for the year ended 31 March 2019  
(₹ 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 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
<b><u>Loans taken from related parties</u></b>								
Rajdikumar 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 Company as a whole. Therefore, the same cannot be disclosed for the key managerial personnel separately.								
<b><u>Loans repaid to related parties</u></b>								
Rajdikumar Gupta	-	-	48.76	272.24	-	-	-	-
Sandipkumar Gupta	-	-	44.00	50.00	-	-	-	-
Chandrakant Gupta	-	-	-	75.00	-	-	-	-
Chamelidevi Gupta	-	-	-	-	-	-	-	75.00
Sarika Gupta	-	-	-	-	-	-	-	67.50
Sunita Gupta	-	-	-	-	-	-	-	42.50
<b><u>Provision for doubtful debts</u></b>								
Graphixide Services Private Limited	-	-	-	-	-	26.72	-	-
<b><u>Dividend Paid</u></b>								
Sandipkumar Gupta	-	-	216.00	225.00	-	-	-	-
Rajdikumar Gupta	-	-	216.00	225.00	-	-	-	-
Chandrakant Gupta	-	-	34.50	75.00	-	-	-	-
Chamelidevi Gupta	-	-	-	-	-	-	34.50	75.00
Sunita Gupta	-	-	-	-	-	-	64.80	67.50
Sarika Gupta	-	-	-	-	-	-	64.80	67.50
Chandrakant Gupta HUF	-	-	-	-	5.40	5.64	-	-
Rajdikumar Gupta HUF	-	-	-	-	4.50	4.68	-	-
Sandipkumar Gupta HUF	-	-	-	-	4.50	4.68	-	-
CC Gupta Family Trust	-	-	-	-	75.00	-	-	-
<b><u>Server Charges</u></b>								
Route Mobile (UK) Limited	3.34	5.23	-	-	-	-	-	-
Routesms Solutions FZE	9.05	8.10	-	-	-	-	-	-
<b><u>Corporate social responsibility expenses</u></b>								
Saraswati Devi Charitable Trust	-	-	-	-	25.00	-	-	-

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2019  
(₹ 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 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
<b>Staff welfare expenses</b>								
Shrem Resort Private Limited	-	-	-	-	-	15.02	-	-
<b>Balances outstanding at the end of the year</b>								
<b>Trade receivable</b>								
Route Mobile (UK) Limited	2,182.29	523.57	-	-	-	-	-	-
Routesms Solutions Nigeria Limited	273.26	286.09	-	-	-	-	-	-
Route Mobile Hong Kong Limited	-	165.62	-	-	-	-	-	-
Routesms Solutions FZE	632.37	547.22	-	-	-	-	-	-
Route Mobile Pte. Ltd.	8.29	16.38	-	-	-	-	-	-
Call 2 Connect India Private Limited	111.47	-	-	-	-	-	-	-
29 Three Holidays Private Limited	-	-	-	-	0.71	2.19	-	-
<b>Other receivable</b>								
Call 2 Connect India Private Limited	12.04	13.17	-	-	-	-	-	-
29 Three Holidays Private Limited	-	-	-	-	1.73	1.02	-	-
Shrem Resort Private Limited	-	-	-	-	27.91	-	-	-
Start Corp India Private Limited	0.03	0.36	-	-	-	-	-	-
Cellent Technologies (India) Private Limited	-	0.35	-	-	-	-	-	-
<b>Amount payable</b>								
Sphere Edge Consulting (India) Private Limited	576.62	651.05	-	-	-	-	-	-
Spectrum Technologies	-	-	-	-	71.62	22.34	-	-
Shrem Resort Private Limited	-	-	-	-	9.22	9.22	-	-
Routesms Solutions FZE	808.72	323.85	-	-	-	-	-	-
Routesms Solutions Nigeria Limited	155.41	77.61	-	-	-	-	-	-
Route Mobile (UK) Limited	6,586.60	2,016.30	-	-	-	-	-	-
Route Mobile LLC	1.90	4.95	-	-	-	-	-	-
Route Mobile Limited (Ghana)	0.30	18.21	-	-	-	-	-	-
Route Mobile Inc	193.76	28.53	-	-	-	-	-	-
Route Mobile Ltd (Ghana)	65.03	-	-	-	-	-	-	-
Route Mobile Pte. Ltd.	47.21	-	-	-	-	-	-	-
<b>Loan payable</b>								
Rajdipkumar Gupta	-	-	-	48.76	-	-	-	-
Sandipkumar Gupta	-	-	-	44.00	-	-	-	-

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2019  
(₹ 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 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
<b><u>Loan receivable</u></b>								
Call 2 Connect India Private Limited	1,627.09	985.27	-	-	-	-	-	-
Route Mobile (UK) Limited	1,553.27	1,612.33	-	-	-	-	-	-
Route Connect Private Limited	24.98	-	-	-	-	-	-	-
<b><u>Interest receivable</u></b>								
Call 2 Connect India Private Limited	8.97	75.33	-	-	-	-	-	-
Route Mobile (UK) Limited	55.09	14.62	-	-	-	-	-	-
<b><u>Advances receivable</u></b>								
Graphixide Services Private Limited	-	-	-	-	26.72	26.72	-	-
29 Three Holidays Private Limited	-	-	-	-	8.09	-	-	-
<b><u>Security deposit payable</u></b>								
Cellent Technologies (India) Private Limited	0.30	0.30	-	-	-	-	-	-
Start Corp India Private Limited	0.30	0.30	-	-	-	-	-	-
29 Three Holidays Private Limited	-	-	-	-	0.30	0.30	-	-
<b><u>Advances from customers</u></b>								
Start Corp India Private Limited	14.70	17.77	-	-	-	-	-	-

Reference is invited to personal guarantee of directors (Rajdikumar Gupta, Sandipkumar Gupta and Chadrakant Gupta) for working capital loan availed from Yes Bank Limited under note 21.

#### Terms and conditions of transactions with related parties

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. The Company has recorded impairment of receivables/advances of Nil relating to amounts owed by related parties (Year ended 31 March 2018 : ₹44.80 lakhs). 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.

- 41 The outstanding balances as at 31 March 2019 include trade payables aggregating ₹1,333.76 lakhs and trade receivables aggregating ₹681.98 lakhs, to/from subsidiaries situated outside India. These balances are pending for settlement and have resulted in delays in remittance of payments and receipts of receivables, beyond the timeline stipulated by the FED Master Direction No. 17/2016-17 and the FED Master Direction No. 16/2015-16 respectively, under the Foreign Exchange Management Act, 1999. The management of the Company has filed necessary applications with the appropriate authority for condonation of delays and regularising these defaults. Pending conclusion of the aforesaid matter, the amount of fine/penalty, if any, that may be levied, is not ascertainable and accordingly, the accompanying financial statements do not include any adjustments that may arise due to such fine/penalty.

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2019  
(₹ in lakhs, except for share data, and if otherwise stated)

#### 42 Commitments and contingencies

	As at 31 March 2019	As at 31 March 2018
<b>A] Contingent liabilities</b>		
<b>Claims against the Company not acknowledged as Debts</b>		
(i) Service tax matter *	2,754.99	2,500.28
(ii) Guarantees given on behalf of the Company by banks	610.66	361.22
	<b>3,365.65</b>	<b>2,861.50</b>
<b>B] Other commitment</b>		
For payment of lease	6.46	221.43
	<b>6.46</b>	<b>221.43</b>

\*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 21 April 2017, based on the understanding that the Company has not discharged the service tax liability under reverse charge mechanism on the purchases of messages from its foreign vendors and sale to their overseas customers. The demand pertaining to the period, October 2011 to March 2016, amounted 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 has filed an appeal with the Customs, Excise and Service Tax Appellate Tribunal, Mumbai (CESTAT) and paid an amount of ₹187.52 lakhs under protest. During the year ended 31 March 2019, the Service tax department ("department") had issued a Show Cause cum Demand Notice (SCDN) to the Company dated 17 January 2019, based on the understanding that the Company has not discharged the service tax liability under reverse charge mechanism on the purchases of messages from its foreign vendors and sale to their overseas customers. The demand pertaining to the period April 2016 to June 2017, amounted to ₹254.71 lakhs excluding interest and penalty. 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. to enable it to meet its day to day obligation/commitment; to the extent this entity may be unable to meet its obligations.

##### iii) Provident Fund

The Honourable Supreme Court, has passed a judgement on 28 February 2019 in relation to inclusion of certain allowances within the scope of "Basic wages" for the purpose of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. The Company, based on legal advice, is awaiting further clarifications in this matter in order to reasonably assess the impact on its financial statements, if any. Accordingly, the applicability of the judgement to the Company, with respect to the period and the nature of allowances to be covered, and resultant impact on the past provident fund liability, cannot be reasonably ascertained, at present.

#### 43 Employee benefits

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

	Year ended 31 March 2019	Year ended 31 March 2018
Employer contribution to provident fund	4.36	4.69
Employer contribution to employees state insurance scheme	3.93	6.80
	<b>8.29</b>	<b>11.49</b>

##### 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.

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

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2019  
(₹ in lakhs, except for share data, and if otherwise stated)

	As at 31 March 2019	As at 31 March 2018
<b>(a) Change in present value of benefit obligation during the year</b>		
Projected Benefit Obligation ("PBO") at the beginning of the year	173.83	124.78
Current service cost	30.96	27.56
Past service cost	-	19.86
Interest cost	11.20	7.59
Remeasurements due to:		
- Effect of change in financial assumptions	2.03	(3.79)
- Effect of change in demographic assumptions	-	-
- Effect of experience adjustments	(21.24)	0.90
Benefits paid	(18.94)	(3.07)
<b>Present value of obligation at the end of the year</b>	<b>177.84</b>	<b>173.83</b>

	As at 31 March 2019	As at 31 March 2018
<b>(b) Current / Non Current Benefit Obligation</b>		
Current	29.37	38.75
Non-current	148.47	135.08
<b>Amount recognised in the Balance sheet</b>	<b>177.84</b>	<b>173.83</b>

	Year ended 31 March 2019	Year ended 31 March 2018
<b>(c) Amount recognised in the Statement of Profit and Loss</b>		
Current service cost	30.96	27.56
Interest cost	11.20	7.59
Past service cost	-	19.86
<b>Total expense included in "Employee benefits expense"</b>	<b>42.16</b>	<b>55.01</b>

	Year ended 31 March 2019	Year ended 31 March 2018
<b>(d) Amount recognised in Other Comprehensive Income (OCI)</b>		
Remeasurements due to:		
- Effect of change in financial assumptions	2.03	(3.79)
- Effect of change in demographic assumptions	-	-
- Effect of experience adjustments	(21.24)	0.90
<b>Actuarial (gain)/ loss recognised in Other comprehensive income</b>	<b>(19.21)</b>	<b>(2.89)</b>

	As at 31 March 2019	As at 31 March 2018
<b>(e) Assumptions</b>		
Discount rate	7.00%	7.25%
Salary escalation rate	10.00%	10.00%
Withdrawal Rate	20.00%	20.00%
Mortality Table	Indian assured lives mortality (2006-08) ultimate	Indian assured lives mortality (2006-08) ultimate
Retirement age	58 years	58 years

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2019  
(₹ in lakhs, except for share data, and if otherwise stated)

	31 March 2019		31 March 2018	
	Decrease	Increase	Decrease	Increase
<b>(f) Sensitivity Analysis:</b>				
<b>Defined benefit obligation</b>		177.84		173.83
	31 March 2019		31 March 2018	
	Decrease	Increase	Decrease	Increase
Discount rate	180.83	172.62	177.61	170.19
Impact of increase/decrease in 50 bps on DBO	1.68%	-2.93%	2.18%	-2.10%
Salary growth rate	173.43	179.90	171.00	176.64
Impact of increase/decrease in 50 bps on DBO	-2.48%	1.16%	-1.63%	1.62%
	31 March 2019		31 March 2018	
<b>Expected cash flow:</b>	Year	Amount	Year	Amount
	1	28.16	1	38.74
	2	26.23	2	25.36
	3	25.20	3	23.40
	4	25.01	4	21.95
	5	22.19	5	20.99
	6 to 10	75.20	6 to 10	68.11

### III. Compensated absences

The Company has written back ₹9.70 lakhs (provided during the year ended 31 March 2018: ₹13.61 lakhs) towards compensated absences during the year ended 31 March 2019.

### 44 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 2019 in respect of operating leases is ₹255.06 lakhs (31 March 2018: ₹287.73 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:

Particulars	As at 31 March 2019	As at 31 March 2018
Not later than 1 year	6.46	214.97
Later than 1 year but not later than 5 years	-	6.46
Later than 5 years	-	-
<b>Total</b>	<b>6.46</b>	<b>221.43</b>

- 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 2019	As at 31 March 2018
<b>Minimum lease payments</b>		
Not later than 1 year	114.67	114.67
Later than 1 year but not later than 5 years	57.34	172.01
Beyond 5 years	-	-
<b>Present value of minimum lease payments</b>		
Not later than 1 year	104.03	97.43
Later than 1 year but not later than 5 years	55.71	159.74
Beyond 5 years	-	-

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2019  
(₹ in lakhs, except for share data, and if otherwise stated)

#### 45 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 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 2019	Year ended 31 March 2018
Net profit after tax attributable to equity shareholders	897.07	1,094.31
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 (₹)	1.79	2.19
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 options have been granted at fair value.

#### 46 Contribution towards Corporate Social Responsibility (CSR)

	31 March 2019	31 March 2018
<b>Details of CSR expenditure during the financial year: -</b>		
Amount required to be spent as per Section 135 of the Act	64.09	62.74
Amount spent during the year on,		
(i) Construction/acquisition of any assets	-	-
(ii) For purpose other (i) above	76.94	42.21

#### 47 Employee Stock Option Plan (ESOP)

The Company has implemented Employee Stock Option Plan 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 are 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.

##### I. The position of the Employee Stock Option Scheme of the Company:

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 Company.
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	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 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 change in the fair value of the option from the date of valuation to grant date, hence there is no charge in the statement of profit and loss on account of ESOP.

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2019  
(₹ in lakhs, except for share data, and if otherwise stated)

**III. Weighted average exercise price of Options granted:**

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:**

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:**

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

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

**VI. The movement of stock options are summarized below:**

	Number of options	
	31 March 2019	31 March 2018
Outstanding at the beginning of the year	14,52,500	Nil
Options granted during the year	Nil	14,52,500
Options forfeited / lapsed during the year *	1,85,250	Nil
Options exercised during the year	Nil	Nil
Options expired during the year	Nil	Nil
Options outstanding at the end of the year	12,67,250	14,52,500
Options exercisable at the end of the year	3,21,875	Nil

\* excludes 3,750 options lapsed after 31 March 2019 in respect of employees who have resigned as at 31 March 2019

Unallocated options as at 31 March 2019 are 1,232,750 options (including 185,250 options lapsed and available for future grants).

**VII. The exercise price and expected remaining contractual life (comprising the vesting period and exercise period) of options outstanding as at 31 March 2019 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	11 October 2023	300	54 months
2	13 October 2017	3,63,125	12 October 2019	11 October 2024	300	66 months
3	13 October 2017	3,63,125	12 October 2020	11 October 2025	300	78 months
4	13 October 2017	3,63,125	12 October 2021	11 October 2026	300	90 months

* Options granted	Options vested	Options lapsed	Options exercisable
3,63,125	3,32,625	41,250	3,21,875



Significant accounting policies and other explanatory information as at and for the year ended 31 March 2019  
(₹ in lakhs, except for share data, and if otherwise stated)

**VIII. 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	11 October 2023	300	66 months
2	13 October 2017	3,63,125	12 October 2019	11 October 2024	300	78 months
3	13 October 2017	3,63,125	12 October 2020	11 October 2025	300	90 months
4	3 October 2017	3,63,125	12 October 2021	11 October 2026	300	102 months

**IX. Assumptions:**

Sr. No.	Particulars	Particulars
1	Risk Free Interest Rate	6.70%
2	Expected Life (years)	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%

**48 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 standalone financial statements.

**49** 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).

**50 Events occurring after Balance sheet date**

The Board of Directors at its meeting held on 10 June 2019 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 Chandio & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

**Bharat Shetty**

Partner

Membership No.: 106815

**For and on behalf of the Board of Directors of**

**Route Mobile Limited**

**Chandrakant Gupta**

Chairman

(DIN No. 01636981)

**Sandipkumar Gupta**

Director

(DIN No. 01272932)

**Rajdikumar Gupta**

Managing Director

(DIN No. 01272947)

**Rathindra Das**

Company Secretary

(Membership No.: A24421)

**Suresh Jankar**

Chief Financial Officer

Place : Mumbai

Date : 12 June 2019

Place : Mumbai

Date : 10 June 2019

# INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

## CONSOLIDATED FINANCIAL STATEMENT

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

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

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 2019, 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.
2. 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 Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act, of the consolidated state of affairs (consolidated financial position) of the Group as at 31 March 2019, and its consolidated profit (consolidated financial performance including other comprehensive income), its consolidated cash flows and the consolidated changes in equity for the year ended on that date.

#### Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. 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 paragraph 14 of the Other Matters paragraph below,

is sufficient and appropriate to provide a basis for our opinion.

#### Emphasis of Matters

4. We draw attention to Note 45(A)(i) of the accompanying consolidated financial statements wherein it is stated that the Holding Company has received a demand notice for service tax liability aggregating to ₹2,500.28 lakhs (excluding interest and penalty) for the period from October 2011 to March 2016 and show-cause cum demand notice for service tax liability aggregating to ₹254.71 lakhs (excluding interest and penalty) for the period from April 2016 to June 2017, under the provisions of the Finance Act, 1994. Based on the legal opinion obtained, the management is of the view that the outcome of the appeal 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.
5. We draw attention to the matter stated in Note 45(A) (iii) to the accompanying consolidated financial statements which indicates delays in receipt and payment of foreign currency receivables and payables from/to subsidiaries aggregating to ₹681.98 lakhs and ₹1,333.76 lakhs respectively as on 31 March 2019 beyond the timelines stipulated vide FED Master Direction No.16/2015-16 and FED Master Direction No. 17/2016-17 respectively, under the Foreign Exchange Management Act, 1999. The management of the Holding Company has filed necessary applications for condonation of delays and regularising the defaults with the appropriate authorities. The management of the Holding Company is of the view that the fine/penalties, if any, are currently unascertainable and accordingly, no provision has been recognised in the accompanying consolidated financial statements with respect to such fine/penalty. Our opinion is not modified in respect of this matter.

#### Information other than the Consolidated Financial Statements and Auditor's Report thereon

6. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the

## Independent Auditor's Report on the Audit of the Consolidated Financial Statements

other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

7. The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these consolidated financial statements 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 changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Ind AS specified under Section 133 of the Act. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. Further, in terms of the provisions of the Act, the respective Board of Directors /management of the companies included in the Group, companies 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.
8. In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
9. The Board of Directors are also responsible for overseeing the Group's financial reporting process.

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether

due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

11. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the holding company has adequate internal financial controls system in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## Independent Auditor's Report on the Audit of the Consolidated Financial Statements

13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### Other Matters

14. We did not audit the financial statements/consolidated financial statements of fifteen subsidiaries, whose financial statements/consolidated financial statements reflects total assets of ₹18,700.37 lakhs and net assets of ₹10,766.59 lakhs as at 31 March 2019, total revenues of ₹24,888.82 lakhs and net cash inflows amounting to ₹70.16 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 subsidiaries, is based solely on the reports of the other auditors.

Further, of these subsidiaries, ten 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 and accepted 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 report 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.

15. We did not audit the financial information of three subsidiaries, whose financial information reflect total assets of ₹362.99 lakhs and net assets of (₹868.95) lakhs as at 31 March 2019, total revenues of ₹2,100.98 lakhs and net cash outflows of ₹365.16 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial information are unaudited and have been furnished to us by the management and our opinion on the consolidated financial statements and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, are based solely on such

unaudited financial information. In our opinion and according to the information and explanations given to us by the management, these financial information are not material to the Group.

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 matter with respect to our reliance on the financial information certified by the management.

### Report on Other Legal and Regulatory Requirements

16. As required by Section 197(16) of the Act, based on our audit, we report that the Holding Company, company covered under the Act 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. Further, we report that the provisions of Section 197 read with Schedule V to the Act are not applicable to five subsidiary companies since none of these companies, companies covered under the Act, is a public company as defined under Section 2(71) of the Act.

17. 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 Ind AS specified under Section 133 of the Act;
- e) The matters described in paragraph 4 and 5 of the Emphasis of Matters paragraph, in case of any 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, companies covered under the Act, none of the directors of the Group companies, companies covered under the Act, are disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act.

**Independent Auditor's Report on the Audit of the Consolidated Financial Statements**

- g) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, and its subsidiary companies, 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 Auditors) 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 report 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;
  - ii. The Holding Company, as detailed in note 23 to the consolidated financial statements, has made provision as at 31 March 2019, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
  - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies, companies covered under the Act, during the year ended 31 March 2019;
  - 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 Chandio & Co LLP**  
**Chartered Accountants**  
 Firm's Registration No.: 001076N/N500013

**Bharat Shetty**  
**Partner**  
 Membership No.: 106815

**Place:** Mumbai  
**Date:** 12 June 2019

**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 2019**

**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 2019, we have audited the internal financial controls over financial reporting ("IFCoFR") of the Holding Company and its five 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 five 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.

**Auditor's Responsibility**

3. Our responsibility is to express an opinion on the IFCoFR of the Holding Company and its five 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

## Independent Auditor's Report on the Audit of the Consolidated Financial Statements

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.

- 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 five subsidiary companies, which are companies covered under the Act, as aforesaid.

### Meaning of Internal Financial Controls over Financial Reporting

- 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.

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

- 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

- In our opinion and based on the consideration of the reports of the other auditors on IFCoFR of the five subsidiary companies, the Holding Company and its five 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 2019, based on internal control over financial reporting criteria established by the Holding Company and its five 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

- We did not audit the IFCoFR in so far as it relates to five subsidiary companies, which are companies covered under the Act, whose financial statements reflect total assets of ₹3,484.91 lakhs and net assets of ₹837.07 lakhs as at 31 March 2019, total revenues of ₹3,992.91 lakhs and net cash outflows of ₹164.14 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 five subsidiary companies, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such five 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 Chandio & Co LLP**  
**Chartered Accountants**  
 Firm's Registration No.: 001076N/N500013

**Bharat Shetty**  
**Partner**  
 Membership No.: 106815

**Place:** Mumbai  
**Date:** 12 June 2019

# BALANCE SHEET

## CONSOLIDATED FINANCIAL STATEMENT

### Consolidated Balance sheet as at 31 March 2019

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

	Note	As at 31 March 2019	As at 31 March 2018
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	2	2,338.97	2,340.44
Goodwill	3	8,212.28	8,314.07
Other intangible assets	4	6,439.53	7,551.13
Intangible assets under development		212.99	-
Financial assets			
Other financial assets	5	471.44	427.11
Deferred tax assets (net)	6	350.29	209.28
Non-current tax assets (net)	7	895.10	577.76
Other non-current assets	8	1,626.72	951.50
		<b>20,547.32</b>	<b>20,371.29</b>
<b>Current assets</b>			
Financial assets			
Investments	9	1,066.55	-
Trade receivables	10	14,470.68	9,729.15
Cash and cash equivalents	11	2,940.06	2,351.46
Other bank balances	12	6,625.35	7,908.37
Other financial assets	13	958.25	417.75
Other current assets	14	2,108.37	1,555.73
		<b>28,169.26</b>	<b>21,962.46</b>
<b>Total assets</b>		<b>48,716.58</b>	<b>42,333.75</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity share capital	15	5,000.00	5,000.00
Other equity	16	17,284.58	12,093.83
<b>Equity attributable to owners of the Holding Company</b>		<b>22,284.58</b>	<b>17,093.83</b>
Non-controlling interest		(188.34)	(65.91)
<b>Total equity</b>		<b>22,096.24</b>	<b>17,027.92</b>

**Liabilities****Non-current liabilities**

## Financial liabilities

Borrowings	17	457.48	524.40
Provisions	18	156.08	142.19
Deferred tax liabilities (net)	19	1.49	4.66
Other non-current liabilities	20	67.18	40.09

		<b>682.23</b>	<b>711.34</b>
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**Current liabilities**

## Financial liabilities

Borrowings	21	7,316.28	7,777.34
Trade payables	22		
-Total outstanding dues of micro enterprises and small enterprises		-	-
-Total outstanding dues of creditors other than micro enterprises and small enterprises		5,970.89	5,608.97
Other financial liabilities	23	10,629.12	10,097.13
Provisions	24	57.57	76.44
Current tax liabilities (net)	25	1,163.67	379.13
Other current liabilities	26	800.58	655.48

		<b>25,938.11</b>	<b>24,594.49</b>
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**Total equity and liabilities**

		<b>48,716.58</b>	<b>42,333.75</b>
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**Significant accounting policies and other explanatory information**

1 to 51

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

**For Walker Chandio & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

**Bharat Shetty**

Partner

Membership No.: 106815

**For and on behalf of the Board of Directors of****Route Mobile Limited****Chandrakant Gupta**

Chairman

(DIN No. 01636981)

**Sandipkumar Gupta**

Director

(DIN No. 01272932)

**Rajdipkumar Gupta**

Managing Director

(DIN No. 01272947)

**Rathindra Das**

Company Secretary

(Membership No.: A24421)

**Suresh Jankar**

Chief Financial Officer

Place : Mumbai

Date : 12 June 2019

Place : Mumbai

Date : 10 June 2019



# STATEMENT OF PROFIT AND LOSS

## CONSOLIDATED FINANCIAL STATEMENT

### Consolidated Statement of Profit and Loss for the year ended 31 March 2019

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

	Note	Year ended 31 March 2019	Year ended 31 March 2018
<b>Revenue</b>			
Revenue from operations	27	84,466.82	50,494.73
Other income	28	770.79	453.79
<b>Total revenue</b>		<b>85,237.61</b>	<b>50,948.52</b>
<b>Expenses</b>			
Purchases of messaging services	29	66,701.52	34,074.66
Employee benefits expense	30	5,544.74	5,045.78
Finance costs	31	1,159.18	609.84
Depreciation and amortisation expense	32	1,722.64	1,245.48
Other expenses	33	3,586.68	4,227.16
<b>Total expenses</b>		<b>78,714.76</b>	<b>45,202.92</b>
<b>Profit before tax</b>		<b>6,522.85</b>	<b>5,745.60</b>
<b>Tax expense</b>			
Current tax	34	1,121.92	1,097.82
Deferred tax credit		(149.75)	(104.42)
		<b>972.17</b>	<b>993.40</b>
<b>Profit for the year</b>		<b>5,550.68</b>	<b>4,752.20</b>
<b>Other Comprehensive income</b>			
	35		
(i) (a) Items that will not be reclassified to profit or loss		19.08	2.89
(b) Tax expense / (benefit) on items that will not be reclassified to profit or loss		(5.59)	(0.84)
(ii) (a) Items that will be reclassified to profit or loss		408.31	278.90
(b) Tax expense / (benefit) on items that will be reclassified to profit or loss		-	-
<b>Total other comprehensive income (net of tax)</b>		<b>421.80</b>	<b>280.95</b>
<b>Total comprehensive income for the year</b>		<b>5,972.48</b>	<b>5,033.15</b>
<b>Profit attributable to:</b>			
Owners of the Holding Company		5,692.08	4,868.85
Non-controlling interest		(141.40)	(116.65)
<b>Other comprehensive income is attributable to:</b>			
Owners of the Holding Company		402.83	281.99
Non-controlling interest		18.97	(1.04)

<b>Total comprehensive income is attributable to:</b>			
Owners of the Holding Company		6,094.91	5,150.84
Non-controlling interest		(122.43)	(117.69)
<b>Earnings per equity share</b>	49		
Basic and diluted (in ₹)		11.38	9.74
Face value per share (in ₹)		10.00	10.00
<b>Significant accounting policies and other explanatory information</b>	<b>1 to 51</b>		

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

**For Walker Chandio & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

**Bharat Shetty**

Partner

Membership No.: 106815

**For and on behalf of the Board of Directors of  
Route Mobile Limited**

**Chandrakant Gupta**

Chairman

(DIN No. 01636981)

**Sandipkumar Gupta**

Director

(DIN No. 01272932)

**Rajdipkumar Gupta**

Managing Director

(DIN No. 01272947)

**Rathindra Das**

Company Secretary

(Membership No.: A24421)

**Suresh Jankar**

Chief Financial Officer

Place : Mumbai

Date : 12 June 2019

Place : Mumbai

Date : 10 June 2019

# STATEMENT OF CASH FLOW

## CONSOLIDATED FINANCIAL STATEMENT

### Consolidated Cash flow statement for the year ended 31 March 2019

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

	Year ended 31 March 2019	Year ended 31 March 2018
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Profit before tax</b>	<b>6,522.85</b>	<b>5,745.60</b>
<b>Adjustments for :</b>		
Financial asset measured at amortised cost	0.02	0.39
Depreciation and amortisation expense	1,722.64	1,245.48
Advances and trade receivable written off	35.36	228.64
Net gain arising on financial assets designated as FVTPL	(66.55)	-
Interest income on fixed deposits	(229.15)	(311.28)
Interest on income tax refund	(11.00)	-
Provision for doubtful debts and advances	19.07	43.43
Interest on borrowings from bank	171.10	55.17
Interest on finance lease obligation	18.59	20.43
(Profit)/ loss on sale of property, plant and equipment	-	(3.00)
Interest on delayed payment of income taxes	0.41	6.87
Interest expenses on financial liability measured at amortised cost	912.05	479.04
Other borrowing cost	15.18	24.16
Unrealised foreign exchange loss	9.99	71.97
Liabilities no longer payable, written back	(266.57)	(100.34)
Provision for lease equalisation	27.09	24.11
<b>Operating profit before working capital changes</b>	<b>8,881.08</b>	<b>7,530.67</b>
<b>Adjustments for working capital:</b>		
(Increase) in trade receivables	(4,890.47)	(4,890.30)
(Increase) in financial assets and other assets	(1,878.01)	(1,700.11)
Increase in trade payables, provisions and other liabilities	823.63	2,709.25
<b>Cash generated from operating activities</b>	<b>2,936.23</b>	<b>3,649.51</b>
Direct taxes paid (net)	(655.13)	(839.07)
<b>Net cash generated from operating activities</b>	<b>2,281.10</b>	<b>2,810.44</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Payment for purchase of property, plant and equipment and intangible assets (including intangible assets under development)	(1,054.28)	(594.84)
Proceeds from sale of property, plant and equipment	-	16.19
Payment for acquisition of subsidiaries	-	(8,189.33)
(Purchase of)/proceeds from sale of current investment	(1,000.00)	0.37
Proceeds from fixed deposits matured/(placed)	1,283.02	(4,612.22)
Interest received	270.12	360.84
<b>Net cash used in investing activities</b>	<b>(501.14)</b>	<b>(13,018.99)</b>

<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from non-current borrowings	39.00	396.03
Repayment of non-current borrowings (including finance lease obligations)	(89.69)	(104.84)
Dividend paid (including DDT)	(904.16)	(750.00)
(Repayment of) /proceeds from current borrowings (net)	(536.81)	5,200.69
Interest paid	(201.80)	(97.43)
<b>Net cash (used in)/generated used in financing activities</b>	<b>(1,693.46)</b>	<b>4,644.45</b>
Currency fluctuations arising on consolidation	502.10	(208.48)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>588.60</b>	<b>(5,772.58)</b>
Add : Cash and cash equivalents at the beginning of the year	2,351.46	8,079.80
Cash and cash equivalents taken over on acquisition (refer note 43)	-	44.24
<b>Cash and cash equivalents at the end of the year</b>	<b>2,940.06</b>	<b>2,351.46</b>
	<b>As at 31 March 2019</b>	<b>As at 31 March 2018</b>
Cash and cash equivalents	2,940.06	2,351.46
<b>Balances as per consolidated statement of cash flows</b>	<b>2,940.06</b>	<b>2,351.46</b>

Note:

The Consolidated Cash Flows Statement has been prepared under the indirect method as set out in Ind AS 7, Statement of Cash Flows. Effective 01 April 2017, the Group adopted the amendment to Ind AS 7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the consolidated balance sheet for liabilities arising from financing activities, to meet the disclosure requirement. The adoption of amendment did not have any material impact on the Consolidated Cash Flow Statement.(Refer note 17 for net debt reconciliation).

**Significant accounting policies and other explanatory information**

1 to 51

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

**For Walker Chandio & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

**Bharat Shetty**

Partner

Membership No.: 106815

**For and on behalf of the Board of Directors of**

**Route Mobile Limited**

**Chandrakant Gupta**

Chairman

(DIN No. 01636981)

**Sandipkumar Gupta**

Director

(DIN No. 01272932)

**Rajdipkumar Gupta**

Managing Director

(DIN No. 01272947)

**Rathindra Das**

Company Secretary

(Membership No.: A24421)

**Suresh Jankar**

Chief Financial Officer

Place : Mumbai

Date : 12 June 2019

Place : Mumbai

Date : 10 June 2019

# STATEMENT OF CHANGES IN EQUITY

## CONSOLIDATED FINANCIAL STATEMENT

### Consolidated Statement of Changes in Equity for the year ended 31 March 2019

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

Particulars	Note	Number of shares	Amount
<b>Balance as at 1 April 2017</b>	15	5,00,00,000	5,000.00
Issue of shares		-	-
<b>Balance as at 31 March 2018</b>		5,00,00,000	5,000.00
Issue of shares		-	-
<b>Balance as at 31 March 2019</b>		5,00,00,000	5,000.00

#### Other Equity

Particulars	Attributable to owners				Non-controlling interest	Total
	Reserves and Surplus			Total other equity		
	Surplus in statement of profit and loss	Statutory Reserve	Foreign currency translation reserve			
<b>Balance as at 1 April 2017</b>	8,135.56	0.34	(442.91)	7,692.99	51.78	7,744.76
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
<b>Total Comprehensive income for the year ended 31 March 2018</b>	<b>4,870.90</b>	<b>-</b>	<b>279.94</b>	<b>5,150.84</b>	<b>(117.69)</b>	<b>5,033.15</b>
Dividend paid	(750.00)	-	-	(750.00)	-	(750.00)
Dividend distribution tax (refer note 16(a))	-	-	-	-	-	-
<b>Balance as at 31 March 2018</b>	<b>12,256.46</b>	<b>0.34</b>	<b>(162.97)</b>	<b>12,093.83</b>	<b>(65.91)</b>	<b>12,027.92</b>
Profit for the year	5,692.08	-	-	5,692.08	(141.40)	5,550.68
Other comprehensive income for the year	13.48	-	389.35	402.83	18.97	421.80
<b>Total Comprehensive income for the year ended 31 March 2019</b>	<b>5,705.56</b>	<b>-</b>	<b>389.35</b>	<b>6,094.91</b>	<b>(122.43)</b>	<b>5,972.48</b>
Dividend paid	(750.00)	-	-	(750.00)	-	(750.00)
Dividend distribution tax	(154.16)	-	-	(154.16)	-	(154.16)
<b>Balance as at 31 March 2019</b>	<b>17,057.86</b>	<b>0.34</b>	<b>226.38</b>	<b>17,284.58</b>	<b>(188.34)</b>	<b>17,096.24</b>

#### Significant accounting policies and other explanatory information

1 to 51

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

#### Bharat Shetty

Partner  
Membership No.: 106815

Place : Mumbai

Date : 12 June 2019

#### For and on behalf of the Board of Directors of Route Mobile Limited

#### Chandrakant Gupta

Chairman  
(DIN No. 01636981)

#### Rajdipkumar Gupta

Managing Director  
(DIN No. 01272947)

#### Suresh Jankar

Chief Financial Officer

Place : Mumbai

Date : 10 June 2019

#### Sandipkumar Gupta

Director  
(DIN No. 01272932)

#### Rathindra Das

Company Secretary  
(Membership No.: A24421)

# SIGNIFICANT ACCOUNTING POLICIES

## CONSOLIDATED FINANCIAL STATEMENT

**Summary of the significant accounting policies and other explanatory information as at and for the year ended 31 March 2019**

### NOTE 1:

#### (a) Corporate information

'Route Mobile Limited' (RML) (Formerly known as 'Routesms Solutions Limited'), (the "Company" or the "Holding Company") and its subsidiaries (collectively referred to as the "Group") 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 2019 were approved by Board of Directors and authorised for issue on 10 June 2019.

#### (b) Significant accounting policies and assumptions

##### (i) Statement of compliance

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 (as amended) under Section 133 of the Act and other relevant provisions of the Act.

##### (ii) Basis of measurement

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

**Current and non-current classification:** All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other

criteria set out in Schedule III of the Act. Based on the nature of service and time taken between acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as twelve months for the purpose of the classification of assets and liabilities into current and non-current.

#### (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 assets, 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 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 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 42.

- **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 37 and 38.

- **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 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 Group as it is not possible to predict the outcome of pending matters with accuracy.

- **Research and development costs**

Management monitors progress of internal research and development projects by using a project judgement as required in distinguishing research from the development phase. Development costs are recognised

as an asset when all the criteria are met, whereas research costs are expensed as incurred.

Management also monitors whether the recognition requirements for development costs continue to be met. This is necessary due to inherent uncertainty in the economic success of any product development.

#### (iv) Principles of Consolidation and equity accounting

##### (a) Subsidiaries

The Consolidated Financial Statements (CFS) incorporate 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 2019.

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.

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 statement of 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

Effective 1 April, 2018, the Group has adopted Indian Accounting Standard 115 (IND AS 115) -'Revenue from contracts with customers' using the cumulative catch-up transition method, applied to contracts that were not completed as on April 1, 2018. The new standard is based on the principle that revenue is recognised when control of goods or services is transferred to the customer and provides a single, principles based five-step model to be applied to all sales contracts. It also provides further guidance on the measurement of sales on contracts which have discounts and rebates by applying variable consideration principles.

The effect on adoption of IND AS 115 was insignificant on the financial statements.

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 messaging services. 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 currency of the Company and its Indian subsidiaries is the Indian Rupee (₹) whereas the functional currency of foreign subsidiaries is the currency of their country of domicile.

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 items 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 operate 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 depends 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:

- **Amortised cost:** 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.

## (III) Derivative Financial Instruments

The Group uses currency swaps as derivative instruments to mitigate the risk of changes in currency rates. Such derivative instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently measured at fair value.

**(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.

**Research and development**

Expenses on research activities undertaken with the prospect of gaining new scientific or technical knowledge and understanding are recognised in the consolidated statement of profit and loss as incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, the assets are controlled by the Company, and the Company intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalised includes the cost directly attributable to preparing the asset for its intended use. Other development expenditure is recognised in the consolidated statement of profit and loss as incurred.

**(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 consolidated 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 transaction. 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) Government Grants**

Government grants are recognised when there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis that the related costs, for which it is intended to compensate, are expensed.

When the grant relates to an asset, its recognition as income in the consolidated statement of profit and loss is linked to fulfilment of associated export obligations.

The Group has chosen to present grants received to income as other income in the consolidated statement of profit and loss.

#### **(xxi) 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').

#### **(xxii) Standard issued but not yet effective**

Recent accounting pronouncements

Ind AS 116: Leases

On March 30, 2019, the Ministry of Corporate Affairs (MCA) has notified Ind AS 116, Leases, under Companies (Indian Accounting Standards) Amendment Rules, 2019 which is applicable with effect from 1 April 2019.

Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lease accounting model for lessee and requires the lessee to recognize right of use assets and lease liabilities for all leases with a term of more than twelve months, unless the underlying asset is low value in nature. Currently, operating lease expenses are charged to the consolidated statement of profit and loss. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

As per Ind AS 116, the lessee needs to recognise depreciation on right of use assets and finance costs on lease liabilities in the statement of profit and loss. The lease payments made by the lessee under the lease arrangement will be adjusted against the lease liabilities.

The Group is currently evaluating the impact on account of implementation of Ind AS 116 which might have significant impact on key profit and loss and balance sheet ratios i.e. Earnings before interest, tax, depreciation and amortisation (EBITDA), Asset coverage, debt equity, interest coverage, etc.

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2019  
(₹ 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
<b>Gross block</b>							
<b>Balance as at 1 April 2017</b>	<b>331.00</b>	<b>330.25</b>	<b>238.00</b>	<b>312.44</b>	<b>41.79</b>	<b>1,727.02</b>	<b>2,980.50</b>
Additions	697.23	49.47	-	6.50	29.17	242.52	1,024.89
Acquired on acquisition of subsidiaries (refer note 43)	-	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)
<b>Balance as at 31 March 2018</b>	<b>1,030.20</b>	<b>466.61</b>	<b>238.00</b>	<b>318.94</b>	<b>115.22</b>	<b>2,081.06</b>	<b>4,250.03</b>
Additions	-	162.32	-	49.45	100.38	291.69	603.84
Disposals	-	-	-	-	-	-	-
Foreign currency translations adjustment	44.34	(0.91)	-	-	0.27	6.60	50.30
<b>Balance as at 31 March 2019</b>	<b>1,074.54</b>	<b>628.02</b>	<b>238.00</b>	<b>368.39</b>	<b>215.87</b>	<b>2,379.35</b>	<b>4,904.17</b>
<b>Accumulated depreciation and amortization</b>							
<b>Balance as at 01 April 2017</b>	<b>121.75</b>	<b>97.26</b>	<b>41.03</b>	<b>145.79</b>	<b>24.82</b>	<b>840.05</b>	<b>1,270.70</b>
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)
<b>Balance as at 31 March 2018</b>	<b>149.11</b>	<b>171.22</b>	<b>90.27</b>	<b>199.46</b>	<b>51.12</b>	<b>1,248.41</b>	<b>1,909.59</b>
Depreciation and amortisation charge	43.30	73.30	49.24	42.41	29.82	401.43	639.50
Foreign currency translations adjustment	11.98	(0.17)	-	-	0.21	4.09	16.11
<b>Balance as at 31 March 2019</b>	<b>204.39</b>	<b>244.35</b>	<b>139.51</b>	<b>241.87</b>	<b>81.15</b>	<b>1,653.93</b>	<b>2,565.20</b>
<b>Net Block</b>							
<b>Balance as at 31 March 2018</b>	<b>881.09</b>	<b>295.39</b>	<b>147.73</b>	<b>119.48</b>	<b>64.10</b>	<b>832.65</b>	<b>2,340.44</b>
<b>Balance as at 31 March 2019</b>	<b>870.15</b>	<b>383.67</b>	<b>98.49</b>	<b>126.52</b>	<b>134.72</b>	<b>725.42</b>	<b>2,338.97</b>

# includes gross value of assets taken on finance lease aggregating to ₹377.24 lakhs as at 31 March 2019 ( 31 March 2018: ₹377.24 lakhs) with accumulated depreciation of ₹209.58 lakhs as at 31 March 2019 ( 31 March 2018: ₹108.98 lakhs) and depreciation for the year ended 31 March 2019 ₹100.60 lakhs (31 March 2018: ₹100.60 lakhs).

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 36 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 2019  
(₹ in lakhs, except for share data, and if otherwise stated)

### 3 Intangible assets

Particulars	Goodwill
<b>Balance as at 1 April 2017</b>	1,376.58
Acquired on acquisition of subsidiaries (refer note 43)	6,731.71
Foreign currency translations adjustment	205.78
<b>Balance as at 31 March 2018</b>	<b>8,314.07</b>
Additions	-
Foreign currency translations adjustment	(101.79)
<b>Balance as at 31 March 2019</b>	<b>8,212.28</b>

Goodwill was tested for impairment 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.

Based on above testing, no impairment was identified as of 31 March 2019 and 31 March 2018 as the recoverable value exceeded the carrying value.

### 4 Intangible assets

Particulars	Computer Software	Trademark	License	Software	Customer relationship	Non - Compete fees	Total
<b>Gross block</b>							
<b>As at 1 April 2017</b>	<b>310.80</b>	<b>0.30</b>	<b>0.12</b>	-	-	-	<b>311.22</b>
Additions	2.27	-	-	-	-	-	2.27
Acquired on acquisition of subsidiaries (refer note 43)	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
<b>Balance as at 31 March 2018</b>	<b>329.01</b>	<b>0.30</b>	<b>0.12</b>	<b>947.28</b>	<b>6,671.08</b>	<b>369.27</b>	<b>8,317.06</b>
Additions	40.59	-	-	-	-	-	40.59
Disposals	-	-	-	-	-	-	-
Foreign currency translations adjustment	0.21	-	-	(9.40)	(66.17)	(3.66)	(79.02)
<b>Balance as at 31 March 2019</b>	<b>369.81</b>	<b>0.30</b>	<b>0.12</b>	<b>937.88</b>	<b>6,604.91</b>	<b>365.61</b>	<b>8,278.63</b>
<b>Accumulated amortisation</b>							
<b>As at 1 April 2017</b>	<b>131.21</b>	<b>0.05</b>	<b>0.06</b>	-	-	-	<b>131.32</b>
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
<b>Balance as at 31 March 2018</b>	<b>249.03</b>	<b>0.11</b>	<b>0.09</b>	<b>157.88</b>	<b>333.35</b>	<b>25.47</b>	<b>765.93</b>
Amortisation charge	54.48	0.04	-	314.18	663.76	50.68	1,083.14
Reversal on disposal of assets	-	-	-	-	-	-	-
Foreign currency translations adjustment	(0.50)	-	-	(3.11)	(5.86)	(0.50)	(9.97)
<b>Balance as at 31 March 2019</b>	<b>303.01</b>	<b>0.15</b>	<b>0.09</b>	<b>468.95</b>	<b>991.25</b>	<b>75.65</b>	<b>1,839.10</b>
<b>Net block</b>							
<b>Balance as at 31 March 2018</b>	<b>79.98</b>	<b>0.19</b>	<b>0.03</b>	<b>789.40</b>	<b>6,337.73</b>	<b>343.80</b>	<b>7,551.13</b>
<b>Balance as at 31 March 2019</b>	<b>66.80</b>	<b>0.15</b>	<b>0.03</b>	<b>468.93</b>	<b>5,613.66</b>	<b>289.96</b>	<b>6,439.53</b>

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2019  
(₹ in lakhs, except for share data, and if otherwise stated)

	As at 31 March 2019	As at 31 March 2018
<b>5 Other non-current financial assets</b>		
Unsecured, considered good, unless otherwise stated		
Security deposits	466.04	392.09
Loans and advances to employees	4.40	33.66
Fixed deposits with bank having maturity of more than 12 months	1.00	1.00
Interest accrued but not due on fixed deposits	-	0.36
	<b>471.44</b>	<b>427.11</b>
<b>6 Deferred tax assets</b>		
<b>Deferred tax assets arising on account of :</b>		
Depreciation and amortisation	66.61	44.10
Provision for compensated absences	7.70	10.53
Provision for gratuity	51.99	49.74
Provision for expenses	168.62	55.05
Provision for doubtful debts and advances	55.37	49.86
<b>Deferred tax assets</b>	<b>350.29</b>	<b>209.28</b>
<b>7 Non-current tax assets (net)</b>		
Advance income tax (net of provision)	895.10	577.76
	<b>895.10</b>	<b>577.76</b>
<b>8 Other non-current assets</b>		
Advances other than capital advances		
Balance with government authorities	1,402.97	893.04
Deposit with government authorities	187.50	-
Prepaid expenses	36.25	58.46
	<b>1,626.72</b>	<b>951.50</b>
<b>9 Current investments</b>		
<b>Investments carried at fair value through profit or loss (FVTPL)</b>		
<b>Investments in mutual funds - Unquoted</b>		
Axis Banking and PSU Debt Fund - Growth (31 March 2019 : 30,535.80 units, 31 March 2018: Nil) of ₹1,747.63 each	533.67	-
L&T Triple Ace Bond Fund - Growth (31 March 2019: 1,147,660.27 units, 31 March 2018: Nil) of ₹46.43 each	532.88	-
	<b>1,066.55</b>	<b>-</b>
Aggregate amount of unquoted investments	1,066.55	-
Aggregate amount of impairment in value of investments	-	-
Details of assets pledged are given under note 36		



Significant accounting policies and other explanatory information as at and for the year ended 31 March 2019  
(₹ in lakhs, except for share data, and if otherwise stated)

	As at 31 March 2019	As at 31 March 2018
<b>10 Trade receivables *</b>		
Unsecured, considered good**	14,470.68	9,729.15
Trade receivables which have significant credit risk	-	-
Trade receivables - credit impaired	163.87	144.80
Less: Provision for bad and doubtful debts	(163.87)	(144.80)
	<b>14,470.68</b>	<b>9,729.15</b>
* Details of assets pledged are given under note 36		
** Includes ₹459.05 lakhs (31 March 2018: Nil) which are subject to factoring arrangements		
** Includes ₹2.44 lakhs (31 March 2018: ₹2.19 lakhs) receivables due from companies where Director of the Company is a director		
<b>11 Cash and cash equivalents</b>		
Cash on hand	17.53	4.42
Balances with banks		
- in current accounts	1,618.06	1,883.88
- in EEFC accounts	1,267.42	114.24
- in deposit accounts with maturity upto 3 months	34.00	348.28
- wallets balances	3.05	0.64
	<b>2,940.06</b>	<b>2,351.46</b>
<b>12 Other bank balances*</b>		
Deposits with maturity more than 3 months but less than 12 months	26.85	20.79
Balances with bank held as margin money	40.00	342.85
Balances with bank held as bank guarantee	6,558.50	7,544.73
	<b>6,625.35</b>	<b>7,908.37</b>
* Details of assets pledged are given under note 36		
<b>13 Other current financial assets</b>		
Unsecured, considered good, unless otherwise stated		
Security deposits	193.55	163.06
Interest accrued but not due on deposits	13.60	43.21
Advances to employees	54.58	49.12
Other receivables	1.74	-
Unbilled revenue	566.87	162.36
Government grant receivable (refer note below)	100.00	-
Advances to related parties*	27.91	-
	<b>958.25</b>	<b>417.75</b>

\*Includes ₹27.91 lakhs (31 March 2018: Nil) receivables due from companies where Director of the Company is a director

Note:

Route Mobile Limited (RML) and Call 2 Connect (C2C) have been awarded incentive plan under the India BPO Promotion Scheme (IBPS), envisaged under Digital India Programme. In accordance with the agreement with Software Technology Parks of India, Government of India by RML, a Special Purpose Vehicle was formed in the name of "Route Connect Private Limited" (RCPL) with 74% stake held by RML and the balance by C2C.

As part of the scheme, RCPL is eligible for a government grant to the extent of 50% of capital and/or 100% of operational expenditure incurred on BPO/ITES operations on admissible items, subject to an upper ceiling of ₹1 lakh per seat.

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2019  
(₹ in lakhs, except for share data, and if otherwise stated)

Since the primary condition of the proposed Government grant is that C2C should commit to set up the BPO/ITES operations for required number of seats and operate it for a minimum period of three years from the date of commencement of the BPO/ITES operations, which is expected to be fulfilled by C2C, the grant has been recorded as a "revenue grant" in accordance with Indian Accounting Standard-20, "Accounting for Government Grants and Disclosure of Government Assistance" prescribed by Companies (Indian Accounting Standards) Rules, 2015. The grant has been recognized in the Consolidated Statement of Profit and Loss over the 3 year period to align it with the related cost. During the year ended 31 March 2019, the Group has recognized ₹100 lakhs as grant income in the Consolidated Statement of Profit and Loss.

	As at 31 March 2019	As at 31 March 2018
<b>14 Other current assets</b>		
Advances to suppliers	131.46	603.41
Balance with government authorities	453.21	106.75
Unamortised share issue expenses#	429.16	371.77
Foreign tax credit receivable	699.65	-
Prepaid expenses	386.80	473.80
Receivable from related parties		
- Due by companies in which director is a director*	34.81	26.72
Less: Provision for doubtful advances	(26.72)	(26.72)
	<b>2,108.37</b>	<b>1,555.73</b>

\*Includes ₹34.81 lakhs (31 March 2018: ₹26.72 lakhs) receivables due from companies where Director of the Company is a director

# Represents expenses incurred by the Holding Company in connection with proposed public offer of equity shares. In accordance with the Act and also as per the offer agreement entered between the Holding Company and the selling shareholders, the selling shareholders shall reimburse the share issue expenses in proportion to the respective shares offered for sale. Accordingly, the Holding Company will partly recover the expenses incurred in connection with the issue on completion of Initial Public Offer (IPO). The Holding Company's share of expenses shall be adjusted against securities premium to the extent possible under Section 52 of the Act on successful completion of IPO. The entire amount has been carried forward and disclosed under 'Other current assets' and the amount which is receivable from the selling shareholders is not disclosed separately as the amount is not determinable at this stage pending completion of the IPO.

<b>15 Equity share capital</b>		
<b>Authorised capital</b>		
100,000,000 (31 March 2018: 100,000,000) equity shares of ₹10 each	10,000.00	10,000.00
<b>Issued, subscribed and fully paid up</b>		
50,000,000 (31 March 2018: 50,000,000) equity shares of ₹10 each	5,000.00	5,000.00
	<b>5,000.00</b>	<b>5,000.00</b>

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

	As at 31 March 2019		As at 31 March 2018	
	Number	Amount	Number	Amount
Balance at the beginning of the year	5,00,00,000	5,000.00	5,00,00,000	5,000.00
'Add: Shares issued during the year	-	-	-	-
<b>Balance at the end of the year</b>	<b>5,00,00,000</b>	<b>5,000.00</b>	<b>5,00,00,000</b>	<b>5,000.00</b>

**(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.

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2019  
(₹ in lakhs, except for share data, and if otherwise stated)

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

	As at 31 March 2019		As at 31 March 2018	
	Number of shares	% of holding	Number of shares	% of holding
Sandipkumar Gupta	1,44,00,000	28.80%	1,44,00,000	28.80%
Rajdikumar Gupta	1,44,00,000	28.80%	1,44,00,000	28.80%
CC Gupta Family Trust	50,00,000	10.00%	50,00,000	10.00%
Sunita Gupta	43,20,000	8.64%	43,20,000	8.64%
Sarika Gupta	43,20,000	8.64%	43,20,000	8.64%

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

	As at 31 March 2017		As at 31 March 2016	
	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

(e) Shares reserved for issue under options:

For details of shares reserved for issue under the employee stock option plan (ESOP), refer note 48.

16 Other equity

	As at 31 March 2019	As at 31 March 2018
Surplus in the statement of profit and loss	17,057.86	12,256.46
Statutory reserve	0.34	0.34
Foreign currency translation reserve	226.38	(162.97)
<b>Total other equity</b>	<b>17,284.58</b>	<b>12,093.83</b>
<b>Surplus in the statement of profit and loss</b>		
Balance at the beginning of the year	12,256.46	8,135.56
Add: Profit for the year	5,692.08	4,868.85
Add: Other comprehensive income for the year	13.48	2.05
Less: Final dividend paid	(750.00)	(750.00)
Less: Dividend distribution tax (refer note (a) below)	(154.16)	-
<b>Balance at the end of the year</b>	<b>17,057.86</b>	<b>12,256.46</b>
<b>Statutory reserve</b>		
Balance at the beginning of the year	0.34	0.34
Add: Transferred from Surplus in the statement of profit and loss	-	-
<b>Balance at the end of the year</b>	<b>0.34</b>	<b>0.34</b>
<b>Foreign currency translation reserve</b>		
Balance at the beginning of the year	(162.97)	(442.91)
Add: Movement during the year (net)	389.35	279.94
<b>Balance at the end of the year</b>	<b>226.38</b>	<b>(162.97)</b>
<b>Other equity</b>	<b>17,284.58</b>	<b>12,093.83</b>

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2019  
(₹ in lakhs, except for share data, and if otherwise stated)

### Nature and purpose of reserves

#### (i) Surplus in the statement of profit and loss

Retained earnings pertain to the accumulated earnings by the group over the years.

#### (ii) Statutory reserve

The reserve is created by appropriating 10% of the net profits of Route Mobile LLC for the specific year as required by Article 9 of the Memorandum and Articles of Association of this 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.

#### 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 year ended 31 March 2018. During the financial year 2016-17, the Holding Company had received dividend from its foreign subsidiary, Routesms Solutions (FZE) ("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. The amount of dividend liable to payment of Dividend Distribution Tax (DDT) u/s 115-O(1A)(i)(b) of the Income tax Act, 1961, 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 2019	As at 31 March 2018
<b>17 Non-current borrowings</b>		
<b>Secured</b>		
Finance lease obligations	159.74	257.17
Term loan from bank	394.08	382.60
Vehicle loans from banks	35.26	-
Less : Current maturities of long-term borrowings (refer note 23)	<b>(131.60)</b>	<b>(115.37)</b>
	<b>457.48</b>	<b>524.40</b>

#### Details of repayment, rate of interest and security for loans from bank and financial institutions:

Name of the Bank/ Lessor	Installments	No. of installments as on 31 March 2019	Installment Amount as on 31 March 2019	Rate of Interest	Nature of securities	As at 31 March 2019	As at 31 March 2018
CISCO Systems Capital (India) Private Limited	Quarterly	6	117.31	1.86% per quarter	Assets obtained on finance lease (computers and computer servers)	108.86	176.90
CISCO Systems Capital (India) Private Limited	Quarterly	6	9.43	1.40% per quarter		8.98	13.40
CISCO Systems Capital (India) Private Limited	Quarterly	6	45.27	2.26% per quarter		41.90	66.87
<b>Sub total</b>			<b>172.01</b>			<b>159.74</b>	<b>257.17</b>
HDFC Bank Limited	Monthly	53	42.51	8.6% p.a.	Vehicles	35.26	-
<b>Sub total</b>			<b>42.51</b>			<b>35.26</b>	<b>-</b>

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2019  
(₹ in lakhs, except for share data, and if otherwise stated)

Mahreqbank psc	Monthly	162	574.35	4.75% p.a for 1st year and thereafter 3 month EIBOR+4.49% margin (with minimum interest rate of 5.99% p.a.)	Office unit 403, Business Bay, Dubai	394.08	382.60
<b>Sub total</b>			<b>574.35</b>			<b>394.08</b>	<b>382.60</b>
<b>Total</b>			<b>788.87</b>			<b>589.08</b>	<b>639.77</b>

**Net debt reconciliation :**

Particulars	Non-current borrowings (including current maturity)	Current borrowings	Cash and Cash equivalents and bank overdraft
Net debt as on 1 April 2017	349.68	1,500.00	8,078.44
Cash flows (net)	291.20	5,200.69	(5,771.22)
Loan taken over on acquisition (refer note 43)	-	991.89	44.24
Foreign exchange loss	-	84.76	-
Finance costs	33.66	66.10	-
Finance cost paid	(34.77)	(62.66)	-
<b>Net debt as at 31 March 2018</b>	<b>639.77</b>	<b>7,780.78</b>	<b>2,351.46</b>

**Net debt reconciliation :**

Particulars	Non-current borrowings (including current maturity)	Current borrowings	Cash and Cash equivalents and bank overdraft
Net debt as on 1 April 2018	639.77	7,780.78	2,351.46
Cash flows (net)	(50.69)	(536.80)	588.60
Foreign exchange loss	-	75.74	-
Finance costs	56.22	148.65	-
Finance cost paid	(56.22)	(145.59)	-
<b>Net debt as at 31 March 2019</b>	<b>589.08</b>	<b>7,322.78</b>	<b>2,940.06</b>

	As at 31 March 2019	As at 31 March 2018
<b>18 Non-current Provisions</b>		
<b>Provisions for employee benefits</b>		
Gratuity ( refer note 42)	156.08	142.19
	<b>156.08</b>	<b>142.19</b>
<b>19 Deferred tax liabilities (net)</b>		
<b>Deferred tax liability arising on account of:</b>		
Depreciation and amortisation	1.49	8.91
<b>Deferred tax assets arising on account of:</b>		
Provision for gratuity	-	4.25
	<b>1.49</b>	<b>4.66</b>

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2019  
(₹ in lakhs, except for share data, and if otherwise stated)

	As at 31 March 2019	As at 31 March 2018
<b>20 Other non-current liabilities</b>		
Lease equalisation reserve	67.18	40.09
	<b>67.18</b>	<b>40.09</b>
<b>21 Current borrowings</b>		
<b>Secured</b>		
Working capital loan from bank	5,957.23	7,684.58
Term loan from bank	900.00	-
Bill discounting with bank	459.05	-
<b>Unsecured</b>		
Loan from related parties (Interest free, repayable on demand)	-	92.76
	<b>7,316.28</b>	<b>7,777.34</b>

**Details of borrowings:**

Nature of loan	Name of the Bank	As at 31 March 2019	As at 31 March 2018	Rate of Interest (p.a.)	Nature of securities	Terms of repayment
Term loan	Kotak Mahindra Bank Limited	900.00	-	8.2% p.a.	Refer note (a) below	Payable within one year
Working capital	Yes Bank Limited	-	2,010.50	2.93% to 3.51% p.a.	Refer note (b) below	Payable on demand
Working capital	Yes Bank Limited	529.56	168.61	1.45% spread over and above 6 months Marginal cost lending rate (MCLR) i.e. 10.50% p.a.	Refer note (b) below	Payable on demand
Working capital	Deutsche Bank	5,427.67	5,505.47	0.75% plus cost of funds of the bank i.e. 0.90% p.a.	Refer note (b) below	Payable on demand
Bill discounting	HDFC Bank	459.05	-	7.556%	Secured against trade receivables	Repayable within 30 days from loan date
Loan	Related party	-	92.76	Interest free	Unsecured	Payable on demand
<b>Total</b>	<b>Total</b>	<b>7,316.28</b>	<b>7,777.34</b>			

**a. Nature of security for term loan from bank :**

(i) secured by way of exclusive charge over the current investments

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

**Yes Bank:**

**For March 2019**

- (i) secured by way of exclusive charge over the current assets and movable fixed assets
- (ii) Equitable mortgage of commercial property situated in Mumbai owned by Company.
- (iii) personal guarantees of the directors (Rajdikumar Gupta, Sandipkumar Gupta and Chandrakant Gupta)

**For March 2018**

- (i) secured by way of exclusive charge over the current assets and movable fixed assets
- (ii) Equitable mortgage of commercial situated in Mumbai owned by Company and residential property in Goa owned by Rajdikumar Gupta and Sandipkumar Gupta
- (iii) personal guarantees of the directors (Rajdikumar Gupta, Sandipkumar Gupta and Chandrakant Gupta)

**Deutsche Bank:**

**For March 2019 and March 2018**

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

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2019  
(₹ in lakhs, except for share data, and if otherwise stated)

	As at 31 March 2019	As at 31 March 2018
<b>22 Trade payables</b>		
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises*	5,970.89	5,608.97
	<b>5,970.89</b>	<b>5,608.97</b>
*This includes ₹89.04 lakhs (March 2018: ₹88.53 lakhs) payables to group companies/ related parties.		
<b>23 Other current financial liabilities</b>		
Current maturity of long-term borrowings (refer note 17)	131.60	115.37
Interest accrued but not due on borrowings	6.50	3.44
Security deposits	32.47	47.32
Capital creditors	0.29	197.15
Dues to employees	26.68	21.84
Outstanding expenses	3,120.70	3,274.07
Book overdraft	1.16	-
Mark to market of derivative financial instruments	2.57	-
Payable on account of business combination (refer note 43)	7,307.15	6,437.94
	<b>10,629.12</b>	<b>10,097.13</b>
<b>24 Current provisions</b>		
Provisions for employee benefits		
Gratuity (refer note 42)	31.13	40.30
Compensated absences (refer note 42)	26.44	36.14
	<b>57.57</b>	<b>76.44</b>
<b>25 Current tax liabilities (net)</b>		
Provision for tax (net of advance tax)	1,163.67	379.13
	<b>1,163.67</b>	<b>379.13</b>
<b>26 Other current liabilities</b>		
Statutory dues	440.34	389.39
Advance from customers	360.24	266.09
	<b>800.58</b>	<b>655.48</b>
Note: There are no amounts due to be transferred to the Investor Education and Protection Fund as at the year end.		
<b>27 Revenue from operations</b>		
Sale of services		
Messaging services	82,231.69	48,963.07
Call center services	2,235.13	1,531.66
	<b>84,466.82</b>	<b>50,494.73</b>

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2019  
(₹ in lakhs, except for share data, and if otherwise stated)

	Year ended 31 March 2019	Year ended 31 March 2018
<b>Disaggregation of revenue:</b>		
<b>Revenue based on geography</b>		
Domestic	14,391.67	10,055.78
Export	70,075.15	40,438.95
<b>Revenue from operations</b>	<b>84,466.82</b>	<b>50,494.73</b>
<b>28 Other income</b>		
Interest income on financial assets measured at amortised cost:		
- Fixed deposits	229.15	311.28
- Security deposits	21.17	17.23
Interest on income tax refund	11.00	-
Liabilities no longer payable, written back	266.57	100.34
Rental income	1.20	1.20
Net gain arising on financial assets designated as FVTPL	66.55	-
Gain on disposal of investment	-	0.71
Gain on derivative financial instrument (net)	67.08	-
Government grant (refer note 13)	100.00	-
Miscellaneous income	8.07	23.03
	<b>770.79</b>	<b>453.79</b>
<b>29 Purchases of messaging services</b>		
Purchases of messaging services	66,701.52	34,074.66
	<b>66,701.52</b>	<b>34,074.66</b>
<b>30 Employee benefits expense</b>		
Salaries and wages (refer note 42 (II and III))	5,267.43	4,758.34
Contribution to provident fund and other funds (refer note 42 (I))	84.49	16.42
Staff welfare expense	192.82	271.02
	<b>5,544.74</b>	<b>5,045.78</b>
<b>31 Finance costs</b>		
Interest on borrowings from banks	171.10	55.17
Interest on finance lease obligation	18.59	20.43
Interest on delayed payment of statutory dues	41.85	24.17
Interest on delayed payment of income taxes	0.41	6.87
Interest expenses on financial liability measured at amortised cost (refer note 43 (d))	912.05	479.04
Other borrowing cost	15.18	24.16
	<b>1,159.18</b>	<b>609.84</b>
<b>32 Depreciation and amortisation expense</b>		
Depreciation on property, plant and equipment (refer note 2)	639.50	643.27
Amortisation on intangible assets (refer note 4)	1,083.14	602.21
	<b>1,722.64</b>	<b>1,245.48</b>



Significant accounting policies and other explanatory information as at and for the year ended 31 March 2019  
(₹ in lakhs, except for share data, and if otherwise stated)

	Year ended 31 March 2019	Year ended 31 March 2018
<b>33 Other expenses</b>		
Power and fuel	172.61	158.58
Repairs and maintenance - Buildings	53.61	44.18
Repairs and maintenance - Others	122.97	178.37
Insurance	40.64	18.28
Rent (refer note 46)	682.10	849.94
Rates and taxes	12.23	107.55
Communication	411.87	382.51
Travelling and conveyance	303.06	525.11
Printing and stationery	22.91	18.47
Business promotion	370.61	349.10
Donations	0.11	2.66
Expenditure on Corporate Social Responsibility (refer note 50)	76.94	42.21
Legal and professional charges	616.80	428.70
Auditor's remuneration (refer note below)	66.18	37.84
Advances and trade receivable written off	35.36	228.64
Provision for doubtful debts and advances	19.07	43.43
Net loss on foreign currency transactions and translation	173.41	448.58
Bank charges	65.96	45.09
Membership and subscription	19.36	0.69
Sitting fees to directors	11.00	7.20
Cost of technical and other manpower	-	51.37
Miscellaneous expenses	309.88	258.66
	<b>3,586.68</b>	<b>4,227.16</b>
<b>Note:</b>		
<b>Auditors' remuneration (excluding tax)</b>		
As auditor		
Statutory audit	51.50	31.50
In other capacity	-	
Other Services*	14.00	74.25
Reimbursement of expenses	0.68	1.27
	<b>66.18</b>	<b>107.02</b>
* Including ₹69.18 lakhs for year ended 31 March 2018 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.		
<b>34 Tax expense</b>		
<b>Current tax expense</b>		
Current tax for the year	1,832.97	1,080.40
Foreign tax credit	(703.11)	-
Tax adjustment in respect of earlier years	(7.94)	17.42

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2019  
(₹ in lakhs, except for share data, and if otherwise stated)

	Year ended 31 March 2019	Year ended 31 March 2018
<b>Total current tax expense</b>	<b>1,121.92</b>	<b>1,097.82</b>
<b>Deferred taxes</b>		
Deferred tax expense/(credit)	(149.75)	(104.42)
<b>Net deferred tax expense/(credit)</b>	<b>(149.75)</b>	<b>(104.42)</b>
<b>Total income tax expense</b>	<b>972.17</b>	<b>993.40</b>
<b>34.1 Tax reconciliation (for profit and loss)</b>		
<b>Profit before income tax expense</b>	<b>6,522.85</b>	<b>5,745.60</b>
Tax at the rate of 29.12%**/ 34.608%	1,899.45	1,988.44
<b><u>Tax effect of amounts which are not deductible / not taxable in calculating taxable income</u></b>		
Expenses permanently disallowed	25.14	13.98
Depreciation on assets not qualifying for tax allowances	-	9.72
Amortisation on taxes not qualifying for tax allowances	299.53	93.10
Effect of difference between Indian and foreign tax rates	(7.57)	(160.79)
Foreign tax credit	(703.11)	-
Tax adjustment of prior years	(7.94)	17.42
Effect of difference between Indian and non taxable subsidiaries	(696.25)	(1,202.55)
Effect of difference between Indian and subsidiaries incurring losses	185.94	196.35
Change in tax rates	(7.75)	39.22
Others	(15.27)	(1.49)
<b>Income tax expense</b>	<b>972.17</b>	<b>993.40</b>

\*\*The tax rate used for reconciliation above is the corporate tax rate payable by Holding Company in India on taxable profits under Indian tax laws.

**34.2 The movement in deferred tax assets and liabilities during the year ended 31 March 2019 and 31 March 2018 are as follows:**

	As at 1 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
<b>Total</b>	<b>98.57</b>	<b>104.42</b>	<b>(0.84)</b>	<b>2.47</b>	<b>204.62</b>

	As at 1 April 2018 Deferred tax assets/ (liabilities)	Credit/ (charge) in statement of profit and loss	Credit/ (charge) in other comprehensive income	Exchange difference	As at 31 March 2019 Deferred tax assets/ (liabilities)
Depreciation and amortisation	35.19	29.91	-	0.02	65.12
Provision for compensated absences	10.53	(2.83)	-	-	7.70

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2019  
(₹ in lakhs, except for share data, and if otherwise stated)

Provision for gratuity	53.99	3.59	(5.59)	-	51.99
Provision for expenses	55.05	113.57	-	-	168.62
Provision for doubtful debts and advances	49.86	5.51	-	-	55.37
<b>Total</b>	<b>204.62</b>	<b>149.75</b>	<b>(5.59)</b>	<b>0.02</b>	<b>348.80</b>

### 35 Other comprehensive income

	Year ended 31 March 2019	Year ended 31 March 2018
<b>Items that will be reclassified to profit or loss</b>		
Gains and losses arising from translating the financial statements of foreign operations	408.31	278.90
Income tax relating to this item	-	-
<b>Items that will not be reclassified to profit or loss</b>		
Remeasurements of post defined employee benefit plans	19.08	2.89
Income tax relating to this item	(5.59)	(0.84)
	<b>421.80</b>	<b>280.95</b>

### 36 Assets pledged as security

	As at 31 March 2019	As at 31 March 2018
<b>Current assets</b>		
<b>Financial assets</b>		
Fixed deposits lien by bank against working capital loan	6,558.50	7,544.73
Investments	1,066.55	-
Trade receivables	9,643.33	5,269.90
Other bank balances	526.28	363.64
Loans	3,205.34	2,597.60
Other current financial assets	293.67	290.10
Other current assets	560.20	509.20
	<b>21,853.87</b>	<b>16,575.17</b>
<b>Non current assets</b>		
Moveable fixed assets (Furniture and office equipment)	144.70	185.99
Building	870.15	881.09
Computers	506.62	663.40
Vehicle	126.74	119.60
<b>Total non-current assets</b>	<b>1,648.21</b>	<b>1,850.08</b>
<b>Total assets pledged as security</b>	<b>23,502.08</b>	<b>18,425.25</b>

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2019  
(₹ in lakhs, except for share data, and if otherwise stated)

### 37 Fair value measurements

#### Financial instruments by category:

Particulars	31 March 2019	31 March 2019	31 March 2018
	FVTPL	Amortised cost	Amortised cost
<b>Financial Assets - Non-current</b>			
Other non-current financial assets	-	471.44	427.11
<b>Financial Assets - Current</b>			
Investments	1,066.55	-	-
Trade receivables	-	14,470.68	9,729.15
Cash and cash equivalents	-	2,940.06	2,351.46
Other bank balances	-	6,625.35	7,908.37
Other current financial assets	-	958.25	417.75
<b>Financial Liabilities - Non-current</b>			
Borrowings ( including current maturities)	-	589.08	639.77
<b>Financial Liabilities - Current</b>			
Borrowings	-	7,316.28	7,777.34
Trade payables	-	5,970.89	5,608.97
Other current financial liabilities	-	10,497.52	9,981.76

#### 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 underneath the table.

**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 value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date.

The fair values for Security deposits, loan to employees, fixed deposits and non-current borrowings 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 2019	31 March 2018
Investment in Mutual funds	1,066.55	-

Fair value of the mutual funds are based on NAV at the reporting date.

Since the valuation of investment is done based on observable inputs, the investment is categorised as Level 2.

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2019  
(₹ in lakhs, except for share data, and if otherwise stated)

#### IV. Assets and liabilities which are measured at amortised cost for which fair values are disclosed

(It is categorised under Level 3 of fair value hierarchy)

Particulars	31 March 2019		31 March 2018	
	Fair Value	Carrying amount	Fair Value	Carrying amount
<b>Financial Assets - Non-current</b>				
Other financial assets				
- Security deposits	461.41	466.04	390.42	392.09
- Loan to employees (including current maturity)	17.06	17.06	8.03	8.90
Fixed deposits with bank having maturity of more than 12 months	1.00	1.00	1.00	1.00
<b>Financial Liabilities - Non-current</b>				
Borrowings (including current maturities)	586.97	589.08	608.43	639.77

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 investments, other current financial assets, trade payables, current borrowings and other current financial liabilities are considered to be approximately equal to the fair value.

#### 38 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 approved by Board of Directors of Holding Company. 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 current investments, 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, current investments, 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 2019	As at 31 March 2018
Upto 3 months	12,479.17	7,309.43
3 - 6 months	963.77	1,933.22
6 - 12 months	877.08	256.52
More than one year	314.53	374.78
<b>Total</b>	<b>14,634.55</b>	<b>9,873.95</b>
Provision for expected credit loss created	163.87	144.80

#### 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.

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2019  
(₹ in lakhs, except for share data, and if otherwise stated)

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:

**As at 31 March 2019**

Particulars	Upto 1 year	Between 1 and 3 years	More than 3 years	Total
<b>Financial Liabilities - Non-Current</b>				
Borrowings ( including current maturities)	169.98	167.96	436.25	774.19
<b>Financial Liabilities - Current</b>				
Borrowings	7,316.28	-	-	7,316.28
Trade payables	5,970.89	-	-	5,970.89
Other current financial liabilities	10,497.52	-	-	10,497.52
<b>Total</b>	<b>23,954.67</b>	<b>167.96</b>	<b>436.25</b>	<b>24,558.88</b>

**As at 31 March 2018**

Particulars	Upto 1 year	Between 1 and 3 years	More than 3 years	Total
<b>Financial Liabilities - Non-Current</b>				
Borrowings ( including current maturities)	152.94	251.56	457.43	861.93
<b>Financial Liabilities - Current</b>				
Borrowings	7,777.34	-	-	7,777.34
Trade payables	5,608.97	-	-	5,608.97
Other current financial liabilities	9,981.76	-	-	9,981.76
<b>Total</b>	<b>23,521.01</b>	<b>251.56</b>	<b>457.43</b>	<b>24,230.00</b>

**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**

The group operates internationally and portion of the business is transacted in several currencies and consequently the group is exposed to foreign exchange risk through its sales in overseas markets and purchases from overseas suppliers in various foreign currencies. Foreign currency exchange rate exposure on overseas sales is partly balanced by purchasing of services in the respective currencies.

Derivative instruments and unhedged foreign currency exposure

Particulars	As at 31 March 2019		As at 31 March 2018	
Forward contracts to sell USD and buy Euro	Euro	5.00	-	-

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

₹ in lakhs

Particulars	31 March 2019	31 March 2018
<b>Financial liabilities</b>		
Trade Payables Euro	1,343.72	2,500.70
Trade Payables USD	397.38	1,674.26
Trade Payables AED	6.59	4.88
Trade Payables SGD	-	7.34
Trade Payables NPR	0.27	0.30
Trade Payables LKR	-	0.47
Trade Payables BDT		3.33

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2019  
(₹ in lakhs, except for share data, and if otherwise stated)

Trade Payables UGX	0.10	-
Borrowings USD	459.05	497.59
Borrowings Euro	5,427.67	7,018.58
<b>Net exposure to foreign currency risk (liabilities)</b>	<b>7,634.78</b>	<b>11,707.45</b>
<b>Financial assets</b>		
Trade Receivable Euro	3,406.90	1,651.65
Trade Receivable USD	6,146.96	2,386.79
Bank Balance USD	7,120.57	6,337.35
Bank Balance GBP	55.52	-
Bank Balance SGD	0.55	-
Bank Balance Euro	164.70	7.76
<b>Net exposure to foreign currency risk (assets)</b>	<b>16,895.20</b>	<b>10,383.55</b>
<b>Net exposure to foreign currency assets/(liabilities)</b>	<b>9,260.42</b>	<b>(1,323.90)</b>

The following table demonstrates the sensitivity in EUR, USD, AED,SGD, NPR, LKR, BDT, UGX and GBP and 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:

Currencies	31 March 2019		31 March 2018	
	Increase by 2%	Decrease by 2%	Increase by 2%	Decrease by 2%
EUR	64.00	(64.00)	157.19	(157.19)
USD	(248.22)	248.22	(131.05)	131.05
AED	0.13	(0.13)	0.10	(0.10)
GBP	(1.11)	1.11	-	-
SGD	(0.01)	0.01	0.15	(0.15)
NPR	0.01	(0.01)	0.15	(0.15)
LKR	-	-	0.01	(0.01)
BDT	-	-	0.01	(0.01)
UGX	0.00	(0.00)	-	-

#### (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

Particulars	₹ in lakhs	
	Impact on profit for the year ended 31 March 2019	Impact on profit for the year ended 31 March 2018
Impact on profit before tax for 5% increase in NAV	53.33	-
Impact on profit before tax for 5% decrease in NAV	(53.33)	-

#### (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.

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2019  
(₹ in lakhs, except for share data, and if otherwise stated)

According to the Group, interest rate risk exposure is only for floating rate borrowings. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

#### Exposure to interest rate risk

Particulars	As at 31 March 2019	As at 31 March 2018
Total Borrowings	7,911.86	8,420.55
% of Borrowings out of above bearing variable rate of interest	75.30%	91.26%

#### Interest rate sensitivity

A change of 50 bps in interest rates would have following Impact on profit before tax

Particulars	As at 31 March 2019	As at 31 March 2018
50 bps increase would decrease the profit before tax by	(4.30)	(2.09)
50 bps decrease would increase the profit before tax by	4.30	2.09

### 39 Capital Management

The Groups's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders. The amounts managed as capital by the Group are summarised below:

Particulars	As at 31 March 2019	As at 31 March 2018
Borrowings#	7,911.86	8,420.55
Less: Cash and cash equivalents	(2,940.06)	(2,351.46)
Net debt	4,971.80	6,069.09
Equity	22,284.58	17,093.83
Capital and net debt	27,256.38	23,162.92
Gearing ratio	18.24%	26.20%

#Borrowings for the above purpose includes non-current borrowings, current borrowings, current maturities of non current borrowings and Interest accrued but not due on borrowings.

#### 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 2019 and 31 March 2018.

#### Dividend:

Particulars	31 March 2019	31 March 2018
<b>Equity dividend</b>		
<b>Dividends not recognised at the end of the year</b>		
The Board of directors of the Holding Company have recommended the payment of a final dividend of ₹1.50 for the year ended 31 March 2019 (31 March 2018: ₹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 2019  
(₹ in lakhs, except for share data, and if otherwise stated)

#### 40 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) (with whom transactions have taken place)	Rajdipkumar Gupta Sandipkumar Gupta Chandrakant Gupta Pratik Joshi Chief Financial Officer (till 6 November 2017), (Company Secretary with effect from 7 November 2017 till 11 January 2019) Rathindra Das( Company Secretary with effect from 11 January 2019) Suresh Jankar, Chief Financial Officer (with effect from 7 November 2017) Gaurav Jhunjunwala, Company Secretary (till 6 November 2017) Pratheek Agarwal (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 (with whom transaction have taken place)	Graphixide Services Private Limited 29 Three Holidays Private Limited Spectrum Technologies Cobx Gaming Private Limited Shrem Resort Private Limited (with effect from 1 September 2017) Chandrakant Gupta HUF Rajdipkumar Gupta HUF Sandipkumar Gupta HUF CC Gupta Family Trust Saraswati Devi Charitable Trust
(iii) Relatives of KMP	Chamelidevi Gupta Sarika Gupta Sunita Gupta Tanvi Gupta

##### b) Details of related party transactions:

Particulars	Directors and Key Management Personnel (KMP)		Entities in which KMP/relatives of KMP can exercise significant influence		Relatives of KMP		Associate	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
<b><u>Purchase of messaging services</u></b>								
Spectrum Technologies	-	-	12,078.02	992.31	-	-	-	-
<b><u>Travelling and conveyance</u></b>								
29 Three Holidays Private Limited	-	-	210.91	501.60	-	-	-	-

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2019  
(₹ in lakhs, except for share data, and if otherwise stated)

Particulars	Directors and Key Management Personnel (KMP)		Entities in which KMP/ relatives of KMP can exercise significant influence		Relatives of KMP		Associate	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
<b><u>Expenses reimbursed by other company</u></b>								
Graphixide Services Private Limited	-	-	-	0.28	-	-	-	-
<b><u>Expenses reimbursed to other company/others</u></b>								
Sandipkumar Gupta	-	3.00	-	-	-	-	-	-
Shrem Resort Private Limited	-	-	27.91	-	-	-	-	-
<b><u>Rent expense</u></b>								
Cobx Gaming Private Limited	-	-	-	21.60	-	-	-	-
<b><u>Rent income</u></b>								
29 Three Holidays Private Limited	-	-	1.20	1.20	-	-	-	-
<b><u>Advances given</u></b>								
Rajdipkumar Gupta	-	10.33	-	-	-	-	-	-
Shrem Resort Private Limited	-	-	2.50	501.00	-	-	-	-
<b><u>Provision for doubtful advances</u></b>								
Graphixide Services Private Limited	-	-	-	26.72	-	-	-	-
<b><u>Receipt of Advances given</u></b>								
Rajdipkumar Gupta	-	10.33	-	-	-	-	-	-
Shrem Resort Private Limited	-	-	2.50	501.00	-	-	-	-
<b><u>Refund of Advance towards purchase of Flat</u></b>								
Rajdipkumar Gupta	-	140.17	-	-	-	-	-	-
Sandipkumar Gupta	-	120.16	-	-	-	-	-	-
<b><u>Remuneration to Directors*</u></b>								
Rajdipkumar Gupta	52.41	97.97	-	-	-	-	-	-
Sandipkumar Gupta	168.83	162.64	-	-	-	-	-	-
Chandrakant Gupta	-	4.50	-	-	-	-	-	-
<b><u>Remuneration to KMP*</u></b>								
Pratik Joshi	6.92	6.77	-	-	-	-	-	-
Gaurav Jhunjhunwala	-	3.63	-	-	-	-	-	-

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2019  
(₹ in lakhs, except for share data, and if otherwise stated)

Particulars	Directors and Key Management Personnel (KMP)		Entities in which KMP/relatives of KMP can exercise significant influence		Relatives of KMP		Associate	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Suresh Jankar	50.27	16.01	-	-	-	-	-	-
Rathindra Das	6.11	-	-	-	-	-	-	-
<b><u>Sitting fees to Directors</u></b>								
Chamelidevi Gupta	-	-	-	-	-	0.50	-	-
Sandipkumar Gupta	3.25	1.65	-	-	-	-	-	-
Chandrakant Gupta	1.75	0.75	-	-	-	-	-	-
Pratheek Agarwal	-	0.65	-	-	-	-	-	-
Bhavesh Jain	-	0.65	-	-	-	-	-	-
Sudha Navandar	2.00	1.00	-	-	-	-	-	-
Ankit Paleja	1.50	0.75	-	-	-	-	-	-
Ramachandran Sivathanu	2.50	1.25	-	-	-	-	-	-
<b><u>Loans taken from related parties</u></b>								
Rajdipkumar Gupta	-	321.00	-	-	-	-	-	-
Sandipkumar Gupta	-	94.00	-	-	-	-	-	-
Chandrakant Gupta	-	75.00	-	-	-	-	-	-
Chamelidevi Gupta	-	-	-	-	-	75.00	-	-
Sarika Gupta	-	-	-	-	-	67.50	-	-
Sunita Gupta	-	-	-	-	-	42.50	-	-
<b><u>Loans repaid to related parties</u></b>								
Rajdipkumar Gupta	48.76	272.24	-	-	-	-	-	-
Sandipkumar Gupta	44.00	50.00	-	-	-	-	-	-
Chandrakant Gupta	-	75.00	-	-	-	-	-	-
Chamelidevi Gupta	-	-	-	-	-	75.00	-	-
Sarika Gupta	-	-	-	-	-	67.50	-	-
Sunita Gupta	-	-	-	-	-	42.50	-	-
<b><u>Advances written off</u></b>								
Defero Mobile (Thailand) Co. Ltd.	-	-	-	-	-	-	-	74.98
<b><u>Dividend Paid</u></b>								
Sandipkumar Gupta	216.00	225.00	-	-	-	-	-	-
Rajdipkumar Gupta	216.00	225.00	-	-	-	-	-	-
Chandrakant Gupta	34.50	75.00	-	-	-	-	-	-
Chamelidevi Gupta	-	-	-	-	34.50	75.00	-	-
Sunita Gupta	-	-	-	-	64.80	67.50	-	-
Sarika Gupta	-	-	-	-	64.80	67.50	-	-
Chandrakant Gupta HUF	-	-	5.40	5.64	-	-	-	-

\*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 2019  
(₹ in lakhs, except for share data, and if otherwise stated)

Particulars	Directors and Key Management Personnel (KMP)		Entities in which KMP/relatives of KMP can exercise significant influence		Relatives of KMP		Associate	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Rajdipkumar Gupta HUF	-	-	4.50	4.68	-	-	-	-
Sandipkumar Gupta HUF	-	-	4.50	4.68	-	-	-	-
CC Gupta Family Trust	-	-	75.00	-	-	-	-	-
<b>Staff welfare expenses</b>								
Shrem Resort Private Limited	-	-	-	15.00	-	-	-	-
<b>Expenditure on Corporate Social Responsibility</b>								
Sariswati Devi Charitable Trust	-	-	25.00	-	-	-	-	-
<b>Salaries, wages and bonus</b>								
Sarika Gupta	-	-	-	-	6.00	9.00	-	-
Sunita Gupta	-	-	-	-	6.00	9.00	-	-
Tanvi Gupta	-	-	-	-	4.00	5.50	-	-

**c) Balances with related parties (as at year-end)**

Particulars	Directors and Key Management Personnel (KMP)		Entities in which KMP/relatives of KMP can exercise significant influence		Relatives of KMP	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
<b>Balances outstanding at the end of the year</b>						
<b>Amount receivable</b>						
29 Three Holidays Private Limited	-	-	2.44	2.19	-	-
<b>Amount payable</b>						
29 Three Holidays Private Limited	-	-	8.20	56.97	-	-
Spectrum Technologies	-	-	71.62	22.34	-	-
Shrem Resort Private Limited	-	-	9.22	9.22	-	-
<b>Advances receivable</b>						
Graphixide Services Private Limited	-	-	26.72	26.72	-	-
29 Three Holidays Private Limited	-	-	8.09	-	-	-
Shrem Resort Private Limited	-	-	27.91	-	-	-
<b>Loan payable</b>						
Rajdipkumar Gupta	-	48.76	-	-	-	-
Sandipkumar Gupta	-	44.00	-	-	-	-

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2019  
(₹ in lakhs, except for share data, and if otherwise stated)

Particulars	Directors and Key Management Personnel (KMP)		Entities in which KMP/relatives of KMP can exercise significant influence		Relatives of KMP	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
<b>Security deposit taken</b>						
29 Three Holidays Private Limited	-	-	0.30	0.30	-	-
<b>Remuneration payable</b>						
Sandipkumar Gupta	35.87	47.84	-	-	-	-
Rajdipkumar Gupta	12.39	4.99	-	-	-	-

Reference is invited to personal guarantee of directors (Rajdipkumar Gupta, Sandipkumar Gupta and Chadrakant Gupta) for working capital loan availed from Yes Bank Limited under note 21.

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 2019, the Group has recorded impairment of receivables/advances of Nil relating to amounts owed by related parties (31 March 2018: ₹101.70 lakhs). 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 2019  
(₹ in lakhs, except for share data, and if otherwise stated)

**41 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 profits/(loss)		Share in other comprehensive income/(loss)		Total comprehensive income	
		As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount
<b>Parent:</b>									
Route Mobile Limited	India								
31 March 2019		37.93%	8,380.18	16.16%	897.12	3.23%	13.61	15.25%	910.73
31 March 2018		49.18%	8,373.61	23.03%	1,094.31	0.73%	2.05	21.78%	1,096.36
<b>Subsidiaries:</b>									
<b>Indian</b>									
Sphere Edge Consulting India Private Limited	India								
31 March 2019		3.21%	710.24	0.57%	31.78	0.00%	-	0.53%	31.78
31 March 2018		3.98%	678.47	0.27%	13.00	0.00%	-	0.26%	13.00
Cellent Technologies India Private Limited	India								
31 March 2019		0.67%	146.99	0.57%	31.87	0.00%	-	0.53%	31.87
31 March 2018		0.68%	115.12	1.07%	50.94	0.00%	-	1.01%	50.94
Start Corp India Private Limited	India								
31 March 2019		0.56%	123.34	0.55%	30.55	0.00%	-	0.51%	30.55
31 March 2018		0.54%	92.79	0.43%	20.59	0.00%	-	0.41%	20.59
Call 2 Connect India Private Limited	India								
31 March 2019		-0.54%	(119.91)	1.98%	109.72	0.00%	-	1.84%	109.72
31 March 2018		-1.35%	(229.50)	-8.56%	(406.77)	0.00%	-	-8.08%	(406.77)

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2019  
(₹ 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 profits/(loss)		Share in other comprehensive income/(loss)		Total comprehensive income	
		As % of consoli-dated net assets	Amount	As % of consoli-dated net assets	Amount	As % of consoli-dated net assets	Amount	As % of consoli-dated net assets	Amount
Route Connect Private Limited	India								
31 March 2019		-0.11%	(23.60)	-0.44%	(24.60)	0.00%	-	-0.41%	(24.60)
31 March 2018		NA		NA		NA		NA	
<b>Foreign</b>									
RouteSMS Solutions (UK) Limited (refer note 1 below)	United Kingdom								
31 March 2019		13.72%	3,035.78	37.97%	2,107.68	-36.27%	(152.96)	32.73%	1,954.70
31 March 2018		6.35%	1,080.88	11.63%	552.21	33.76%	94.80	12.84%	647.01
Routesms Solutions Nigeria Limited	Nigeria								
31 March 2019		2.10%	463.96	1.81%	100.43	5.75%	24.24	2.09%	124.67
31 March 2018		1.99%	339.36	3.18%	151.25	-12.35%	(34.70)	2.32%	116.55
RouteSMS Solutions (FZE) Limited (refer note 1 below)	United Arab Emirates								
31 March 2019		45.50%	10,052.82	45.35%	2,517.03	117.37%	495.07	50.43%	3,012.10
31 March 2018		41.35%	7,040.71	74.79%	3,553.97	9.22%	25.92	71.13%	3,579.89
Route Mobile Pte. Ltd.	Singapore								
31 March 2019		-1.21%	(267.64)	-1.97%	(109.50)	-1.02%	(4.32)	-1.91%	(113.82)
31 March 2018		-0.90%	(153.83)	-3.38%	(160.59)	-1.68%	(4.71)	-3.28%	(165.30)
<b>Non - Controlling interest in all subsidiaries</b>									
RouteSMS Solutions (FZE) Limited									
31 March 2019		-0.83%	(183.74)	-2.27%	(126.06)	4.75%	20.05	-1.77%	(106.01)
31 March 2018		-0.46%	(77.73)	-1.67%	(79.19)	-0.08%	(0.21)	-1.58%	(79.40)

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2019  
(₹ 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 profits/(loss)		Share in other comprehensive income/(loss)		Total comprehensive income	
		As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount
RouteSMS Solutions (UK) Limited									
31 March 2019		-0.02%	(4.61)	-0.28%	(15.34)	-0.26%	(1.08)	-0.28%	(16.42)
31 March 2018		0.07%	11.82	-0.79%	(37.46)	-0.29%	(0.83)	-0.76%	(38.29)
<b>Intercompany elimination and consolidation adjustments</b>									
31 March 2019		-0.98%	(217.56)	0.00%	-	6.45%	27.20	0.46%	27.20
31 March 2018		-1.43%	(243.79)	0.00%	(0.06)	70.69%	198.62	3.95%	198.56
<b>Total</b>									
31 March 2019			22,096.24		5,550.68		421.80		5,972.48
31 March 2018			17,027.92		4,752.20		280.95		5,033.15

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 2019  
(₹ 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 2019	31 March 2018	31 March 2019	31 March 2018
Current assets	37.62	172.34	1,359.62	618.26
Current liabilities	(39.50)	(83.89)	(1,724.15)	(774.23)
<b>Net current assets</b>	<b>(1.88)</b>	<b>88.45</b>	<b>(364.53)</b>	<b>(155.97)</b>
Non-current assets	80.94	55.48	4.25	3.55
Non-current liabilities	(94.41)	(104.53)	-	-
<b>Net non-current assets</b>	<b>(13.47)</b>	<b>(49.05)</b>	<b>4.25</b>	<b>3.55</b>
<b>Net assets</b>	<b>(15.35)</b>	<b>39.40</b>	<b>(360.28)</b>	<b>(152.42)</b>
<b>Accumulated NCI</b>	<b>(4.61)</b>	<b>11.82</b>	<b>(183.74)</b>	<b>(77.73)</b>

**Summarised statement of profit and loss**

Particulars	Route Mobile Limited (Ghana)		Route Mobile LLC (UAE)	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Revenue	126.72	111.99	2,088.22	1,009.94
Profit/(loss) for the year	(51.14)	(124.88)	(247.18)	(155.27)
Other comprehensive income	(3.61)	(2.75)	39.32	(0.42)
<b>Total comprehensive income</b>	<b>(54.75)</b>	<b>(127.63)</b>	<b>(207.86)</b>	<b>(155.69)</b>
(Loss)/Profit allocated to NCI	(15.34)	(37.46)	(126.06)	(79.19)
Other comprehensive income/(loss) allocated to NCI	(1.08)	(0.83)	20.05	(0.21)
Total comprehensive income/(loss) allocated to NCI	(16.42)	(38.29)	(106.01)	(79.40)
Dividend paid to NCI	-	-	-	-

**Summarised cash flows**

	Route Mobile Limited (Ghana)		Route Mobile LLC (UAE)	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Cash flows from operating activities	(68.34)	(190.34)	75.36	(13.52)
Cash flows from investing activities	-	(0.65)	-	(1.31)
Cash flows from financing activities	-	281.57	-	-
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(68.34)</b>	<b>90.58</b>	<b>75.36</b>	<b>(14.83)</b>

**42 Employee benefits (as applicable to India entities)**

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

	Year ended 31 March 2019	Year ended 31 March 2018
Employer contribution to provident fund and other fund	10.88	9.62
Employer contribution to employees state insurance scheme	16.50	6.80
	<b>27.38</b>	<b>16.42</b>

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2019  
(₹ in lakhs, except for share data, and if otherwise stated)

## II. Gratuity:

Defined benefit plans: - The Indian entities in the group provide 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 2019	As at 31 March 2018
<b>(a) Change in present value of benefit obligation</b>		
Projected Benefit Obligation ("PBO") at the beginning of the year	182.49	145.80
Current service cost	31.43	34.65
Past service cost	-	19.86
Interest cost	11.67	7.59
Remeasurements due to:	-	
- Effect of change in financial assumptions	2.13	(3.79)
- Effect of change in demographic assumptions	-	-
- Effect of experience adjustments	(21.21)	0.90
Benefits paid	(19.30)	(22.52)
<b>Present value of obligation at the end of the year</b>	<b>187.21</b>	<b>182.49</b>
<b>(b) Current / Non Current Benefit Obligation</b>		
Current	31.13	40.30
Non-current	156.08	142.19
<b>Amount recognised in the Consolidated Balance sheet</b>	<b>187.21</b>	<b>182.49</b>
	<b>Year ended 31 March 2019</b>	<b>Year ended 31 March 2018</b>
<b>(c) Amount recognised in the Consolidated Statement of Profit and Loss</b>		
Current service cost	31.43	34.65
Past service cost	-	19.86
Interest cost	11.67	7.59
<b>Total expense included in "Employee benefits expense"</b>	<b>43.10</b>	<b>62.10</b>
<b>(d) Amount recognised in Other Comprehensive Income (OCI)</b>		
Remeasurements due to:		
- Effect of change in financial assumptions	2.13	(3.79)
- Effect of change in demographic assumptions	-	-
- Effect of experience adjustments	(21.21)	0.90
<b>Actuarial (gain)/ loss recognised in Other comprehensive income</b>	<b>(19.08)</b>	<b>(2.89)</b>

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2019  
(₹ in lakhs, except for share data, and if otherwise stated)

Particulars	As at 31 March 2019	As at 31 March 2018
<b>(e) Assumptions</b>		
Discount rate	7.00%	7.25%
Salary escalation rate	10.00%	10.00%
Withdrawal Rate	20.00%	20.00%
Mortality Table	Indian assured lives mortality (2006-08) ultimate	Indian assured lives mortality (2006-08) ultimate
Retirement age	58 years	58 years

**(f) Maturity pattern for defined benefit obligations**

Expected cash flows	31 March 2019	31 March 2018
Year 1	29.53	39.91
Year 2	27.53	26.41
Year 3	26.39	24.41
Year 4	26.11	22.89
Year 5	23.61	21.87
Year 6-10	78.84	71.19

**(g) Sensitivity Analysis:**

Defined benefit obligation	187.21	182.49
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	31 March 2019			31 March 2018		
	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	6.20	2.41	50 bps	5.05	2.05
Salary growth rate	50 bps	5.39	1.47	50 bps	4.24	1.08

**III. Compensated absences**

The Group has written back for ₹9.70 lakhs (provided for year ended 31 March 2018: ₹13.61 lakhs) towards compensated absences during the year ended 31 March 2019.

**43 Business Combinations****a. Summary of acquisition**

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)
Property, plant and equipment	59.35	207.58
Intangible assets	909.31	9.95
Intangible assets-Customer relationship	6,403.69	-
Intangible assets-Non - Compete fees	354.48	-
Deferred tax assets (net)	-	9.85
Other non-current assets	-	1.28

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2019  
(₹ in lakhs, except for share data, and if otherwise stated)

Trade receivables	831.51	774.84
Cash and cash equivalents	13.91	30.33
Non Current loans	-	5.21
Current loans	-	18.66
Other current financial assets	155.71	8.72
Other non-current financial assets	-	1.00
Current tax assets (net)	-	97.94
Other current assets	-	60.37
Current borrowings	-	(991.89)
Trade payables	(508.37)	(198.66)
Other non-current liabilities	-	(0.82)
Other current financial liabilities	-	(156.50)
Other current liabilities	(136.58)	(210.59)
Current provisions	(343.63)	-
<b>Net identifiable assets acquired</b>	<b>7,739.38</b>	<b>(332.73)</b>

c. **Calculation of goodwill**

Particulars	365 Squared Limited	Call 2 Connect
Consideration transferred		
- Cash paid	7,706.00	483.33
- Contingent consideration	5,949.03	-
<b>Total purchase consideration</b>	<b>13,655.03</b>	<b>483.33</b>
Less: Net identified assets acquired	7,739.38	(332.73)
<b>Goodwill</b>	<b>5,915.65</b>	<b>816.06</b>

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 by June 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 2019 and 31 March 2018, the contingent consideration has increased to ₹7,307.15 lakhs and ₹6,437.94 (refer note 23) (including unwinding of the discount of ₹912.05 lakhs and ₹479.04 lakhs respectively, grouped in finance costs).

e. **Acquisition related costs**

Acquisition related costs of ₹42.44 lakhs relating to acquisition of 365 Squared, 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.

f. **Contingent liability**

Income tax liability of ₹58.41 lakhs pertaining to AY 2014-15 was disclosed as contingent liability on acquisition and consolidation of Cellent Technologies India Private Limited (Cellent) during earlier years. The seller of Cellent had contested this demand in the court of law. Further, the Holding Company had retained ₹50 lakhs towards the same, with a condition that this amount will be released on favourable conclusion of this matter by the appellate authorities. During the year 2018-19, Cellent has received a favourable order in this regard from the appellate authorities. During the financial year 2018-19, a service tax audit was conducted on Cellent and the auditors have shared their observations with Cellent, which include an observation on non payment of service tax on reverse charge mechanism on purchase of messaging services, which have been sold outside India. Since the Holding Company has already received show cause notice cum demand in a similar matter, the amount of ₹300.34 lakhs forming part of the observations, has been disclosed as contingent liability (refer note 45), based on legal advice obtained by the Holding Company in a similar matter. Also, the retention amount has not been released due to this new development.

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2019  
(₹ in lakhs, except for share data, and if otherwise stated)

**g. Revenue and profit contribution**

The acquired business contributed revenues and profits to the group for the year ended 31 March 2018 is as follows:

(a) 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

(b) 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, 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.

**44 Interest in other entities**

The Consolidated Financial Statements present the Consolidated Accounts of Route Mobile Limited with its following subsidiaries:

Sr. No.	Relationship	Name of the Subsidiary	Principal place of business and country of incorporation	Proportion of ownership interest 31 March 2019	Proportion of ownership interest 31 March 2018
1	Subsidiary	Route Mobile (UK) Limited	UK	100%	100%
2	Subsidiary	Sphere Edge Consulting India Private Limited	India	100%	100%
3	Subsidiary	RouteSMS Solutions (FZE) Limited	UAE	100%	100%
4	Subsidiary	RouteSMS Solutions Nigeria Limited	Nigeria	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%	100%
9	Subsidiary	Route Conect Private Limited	India	100%	-

**45 Commitments and contingencies**

	As at 31 March 2019	As at 31 March 2018
<b>A. Claims against the group not acknowledged as debts</b>		
Income tax matters*	-	58.41
Service tax matters*	5,622.84	5,067.79
Guarantees given on behalf of the group by banks	610.66	361.22
	<b>6,233.50</b>	<b>5,487.42</b>
<b>B. Other commitments</b>		
For payment of lease	1,211.25	1,773.56
	<b>1,211.25</b>	<b>1,773.56</b>

\*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 2019  
(₹ in lakhs, except for share data, and if otherwise stated)

**Service tax matter of the Holding Company**

- (i) The Service tax department (“department”) had issued a Show Cause cum Demand Notice (SCDN) to the Holding Company vide letter F No. DGCEI/MZU/I&IS’C/12(3)30/2016 dated 21 April 2017, based on the understanding that the Holding Company has not discharged the service tax liability under reverse charge mechanism on the purchases of messages from its foreign vendors and sale to their overseas customers. The demand pertaining to the period, October 2011 to March 2016, amounted to ₹2500.28 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 has filed an appeal with the Customs, Excise and Service Tax Appellate Tribunal, Mumbai (CESTAT) and paid an amount of ₹187.50 lakhs under protest. During the year ended 31 March 2019, the Service tax department (“department”) had issued a Show Cause cum Demand Notice (SCDN) to the Holding Company dated 17 January 2019, based on the understanding that the Holding Company has not discharged the service tax liability under reverse charge mechanism on the purchases of messages from its foreign vendors and sale to their overseas customers. The demand pertaining to the period April 2016 to June 2017, amounted to ₹254.71 lakhs excluding interest and penalty.

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.

**Provident Fund (as applicable to Indian entities)**

- (ii) The Honourable Supreme Court, has passed a judgement on 28 February 2019 in relation to inclusion of certain allowances within the scope of “Basic wages” for the purpose of determining contribution to provident fund under the Employees’ Provident Funds & Miscellaneous Provisions Act, 1952. The Holding Company, based on legal advice, is awaiting further clarifications in this matter in order to reasonably assess the impact on its financial statements, if any. Accordingly, the applicability of the judgement to the Indian entities, with respect to the period and the nature of allowances to be covered, and resultant impact on the past provident fund liability, cannot be reasonably ascertained, at present.

**Non Compliance with FEMA Regulations by the Holding Company**

- (iii) The outstanding balances as at 31 March 2019 include trade payables aggregating ₹1,333.76 lakhs and trade receivables aggregating ₹681.98 lakhs, to/from subsidiaries situated outside India. These balances are pending for settlement and have resulted in delays in remittance of payments and receipts of receivables, beyond the timeline stipulated by the FED Master Direction No. 17/2016-17 and the FED Master Direction No. 16/2015-16 respectively, under the Foreign Exchange Management Act, 1999. The Holding Company has filed necessary applications with the appropriate authority for condonation of delays and regularizing these defaults. Pending conclusion of the aforesaid matter, the amount of penalty, if any, that may be levied, is not ascertainable and accordingly, the consolidated financial statements do not include any adjustments that may arise due to such delay/default.

**46 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 2019 in respect of operating leases is ₹682.10 lakhs (31 March 2018: ₹849.94 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:

Particulars	As at 31 March 2019	As at 31 March 2018
Not later than 1 year	336.37	562.31
Later than 1 year but not later than 3 years	874.88	1,211.25
Beyond 5 years	-	-
<b>Total</b>	<b>1,211.25</b>	<b>1,773.56</b>

- b. The Group has taken computers and computer servers on finance lease on loan from bank. The future lease rent payable on such assets taken on finance lease are as follows:

Particulars	As at 31 March 2019	As at 31 March 2018
<b>Minimum lease payments</b>		
Not later than 1 year	114.67	114.67
Later than 1 year but not later than 3 years	57.34	172.01
<b>Present value of minimum lease payments</b>		
Not later than 1 year	104.03	97.43
Later than 1 year but not later than 3 years	55.71	159.74

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2019  
(₹ in lakhs, except for share data, and if otherwise stated)

#### 47 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 2019

Particulars	India	Dubai	United Kingdom	Nigeria	Unallocated	Eliminations	Total
<b>Segment revenue</b>							
External revenue	37,238.67	7,572.43	24,769.67	6,161.56	8,724.49	-	84,466.82
Inter-segment revenue	4,151.24	5,710.98	14,149.21	148.20	7,372.77	(31,532.40)	-
<b>Total revenue</b>	<b>41,389.91</b>	<b>13,283.41</b>	<b>38,918.88</b>	<b>6,309.76</b>	<b>16,097.26</b>	<b>(31,532.40)</b>	<b>84,466.82</b>
<b>Segment Results</b>	<b>1,030.64</b>	<b>2,263.78</b>	<b>2,605.24</b>	<b>146.63</b>	<b>861.16</b>	<b>3.79</b>	<b>6,911.24</b>
Add/(less) :							
Other income							770.79
Finance costs							1,159.18
<b>Profit before tax</b>							<b>6,522.85</b>
<b>Less: Tax expense</b>							
Current tax							1,121.92
Deferred tax expense							(149.75)
<b>Profit for the period before non-controlling interests</b>							<b>5,550.68</b>
Less: non-controlling interests							141.40
<b>Profit for the period</b>							<b>5,692.08</b>
<b>Other segment information:</b>							
1. Segment assets	25,628.84	13,693.28	33,768.27	1,254.02	897.34	(26,525.16)	48,716.58
2. Segment liabilities	16,411.91	3,824.20	30,351.35	790.06	1,550.43	(26,307.61)	26,620.34
3. Non-current assets**	4,351.90	736.97	1,058.05	0.77	13,788.69	(210.80)	19,725.59
4. Depreciation and amortisation expenses	591.01	57.15	1,048.76	0.21	25.51	-	1,722.64

\*\* Non-current assets are excluding financial asset, deferred tax assets and investment in associate

##### Segment reporting as at and for the year ended 31 March 2018

Particulars	India	Dubai	United Kingdom	Nigeria	Unallocated	Eliminations	Total
<b>Segment revenue</b>							
External revenue	19,265.80	12,668.79	12,325.28	4,120.69	2,114.17	-	50,494.73
Inter-segment revenue	3,881.16	3,403.72	6,197.68	667.25	17.18	(14,166.99)	-
<b>Total revenue</b>	<b>23,146.96</b>	<b>16,072.51</b>	<b>18,522.96</b>	<b>4,787.94</b>	<b>2,131.35</b>	<b>(14,166.99)</b>	<b>50,494.73</b>
<b>Segment Results</b>	<b>1,215.55</b>	<b>3,430.05</b>	<b>(170.33)</b>	<b>222.87</b>	<b>948.10</b>	<b>255.41</b>	<b>5,901.65</b>
Add/(less) :							
Other income							453.79
Finance costs							609.84
<b>Profit before tax</b>							<b>5,745.60</b>
<b>Less: Tax expense</b>							
Current tax							1,097.82
Deferred tax expense							(104.42)

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2019  
(₹ in lakhs, except for share data, and if otherwise stated)

<b>Profit for the period before non-controlling interests</b>							<b>4,752.20</b>
Less: non-controlling interests							116.65
<b>Profit for the period</b>							<b>4,868.85</b>
<b>Other segment information:</b>							
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 financial assets, deferred tax assets and investment in associate

### C) Major customer

The Company earns revenue from one major customer who individually contribute more than 10 percent of the Company's revenue for the year ended 31 March 2019.

### 48 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 are 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 the Holding Company.

#### I. The position of the Employee Stock Option Scheme of the Holding Company;

Sr. No.	Particulars	ESOP Scheme
1	Details of approval	Resolution passed by Nomination and Remuneration committee at 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.
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	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 Holding Company has recorded compensation cost for all grants made to employees under the fair value 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 change in the fair value of the option from the date of valuation to grant 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:

Exercise price is less than 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 2019  
(₹ in lakhs, except for share data, and if otherwise stated)

**IV. Weighted average fair value of Options granted:**

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:**

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

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

**VI. The movement of stock options are summarized below:**

Particulars	Number of options	
	31 March 2019	31 March 2018
Outstanding at the beginning of the year	14,52,500	Nil
Options granted during the year	Nil	14,52,500
Options forfeited / lapsed during the year *	1,85,250	Nil
Options vested during the year	Nil	Nil
Options exercised during the year	Nil	Nil
Options expired during the year	Nil	Nil
Options outstanding at the end of the year	12,67,250	14,52,500
Options exercisable at the end of the year	3,21,875	Nil

\* excludes 3,750 options lapsed after 31 March 2019 in respect of employees who have resigned as at 31 March 2019

Unallocated options as at March 31, 2019 are 1,232,750 options (including 185,250 options lapsed and available for future grants)

**VII. The exercise price and expected remaining contractual life (comprising the vesting period and exercise period) of options outstanding as at 31 March 2019 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	11 October 2023	300	54 months
2	13 October 2017	3,63,125	12 October 2019	11 October 2024	300	66 months
3	13 October 2017	3,63,125	12 October 2020	11 October 2025	300	78 months
4	13 October 2017	3,63,125	12 October 2021	11 October 2026	300	90 months

* Options granted	Options vested	Options lapsed	Options exercisable
3,63,125	3,32,625	41,250	3,21,875

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2019  
(₹ in lakhs, except for share data, and if otherwise stated)

**VIII. 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	11 October 2023	300	66 months
2	13 October 2017	3,63,125	12 October 2019	11 October 2024	300	78 months
3	13 October 2017	3,63,125	12 October 2020	11 October 2025	300	90 months
4	13 October 2017	3,63,125	12 October 2021	11 October 2026	300	102 months

**IX. Assumptions:**

Sr. No.	Particulars	Particulars
1	Risk Free Interest Rate	6.70%
2	Expected Life (years)	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 Earnings per share**

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Net profit after tax attributable to equity shareholders of the Holding Company	5,692.08	4,868.85
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 (₹)	11.38	9.74
Nominal value per equity share (₹)	10	10

Diluted EPS is not impacted due to Route Mobile Limited - Employee Stock Option Plan 2017 as options have been granted at fair value

**50 Contribution towards Corporate Social Responsibility (CSR)**

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
<u>Details of CSR expenditure of Holding company: -</u>		
Amount required to be spent as per Section 135 of the Act	64.09	67.74
Amount spent during the year on,		
(i) Construction/acquisition of any assets	-	-
(ii) For purpose other (i) above	76.94	42.21

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2019  
(₹ in lakhs, except for share data, and if otherwise stated)

**51 Events occurring after Balance sheet date**

The Board of Directors of Holding Company at its meeting held on 10 June 2019 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 Chandio & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

**Bharat Shetty**

Partner

Membership No.: 106815

**For and on behalf of the Board of Directors of  
Route Mobile Limited**

**Chandrakant Gupta**

Chairman

(DIN No. 01636981)

**Sandipkumar Gupta**

Director

(DIN No. 01272932)

**Rajdipkumar Gupta**

Managing Director

(DIN No. 01272947)

**Rathindra Das**

Company Secretary

(Membership No.: A24421)

**Suresh Jankar**

Chief Financial Officer

Place : Mumbai

Date : 12 June 2019

Place : Mumbai

Date : 10 June 2019

**ROUTE MOBILE LIMITED**  
**(fka Routesms Solutions Limited)**  
CIN: U72900MH2004PLC146323

**Regd. Office:** 4<sup>th</sup> Dimension, 3<sup>rd</sup> Floor, Mind Space, Malad (west), Mumbai - 400064  
**Tel No.:** 022-4033 7676 **Fax No.:** 022-4033 7650  
**E-mail:** complianceofficer@routemobile.com  
**Website:** www.routemobile.com

**NOTICE OF ANNUAL GENERAL MEETING**  
15<sup>th</sup> Annual General Meeting

**Notice** is hereby given that the 15th Annual General Meeting of the Members of **Route Mobile Limited (Formerly Known as Routesms Solutions Limited)** will be held on **Thursday, June 20, 2019** at 4th Dimension, 3rd Floor, Mind Space, Malad (West), Mumbai - 400 064 at **10:30 a.m.** to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the standalone financial statement of the Company for the financial year ended 31st March, 2019 and the reports of the Board of Directors and Auditors thereon.  
"RESOLVED THAT the audited standalone financial statement of the Company for the financial year ended 31st March, 2019 and the reports of the Board of Directors and Auditors thereon as emailed / circulated to the members with the notice of the Annual General Meeting be and are hereby considered and adopted."
2. To receive, consider and adopt the consolidated financial statement of the Company for the financial year ended 31st March, 2019 and the reports of the Auditors thereon.  
"RESOLVED THAT the audited consolidated financial statement of the Company for the financial year ended 31st March, 2019 and the report of Auditors thereon as emailed / circulated to the members with the notice of the Annual General Meeting be and are hereby considered and adopted."
3. To declare dividend on equity shares of ₹1.5/- (rupee one and fifty paise only) per equity share of the Company:  
"RESOLVED THAT on the recommendation of the Board of Directors a final dividend at the rate of ₹1.5/- (rupee one and fifty paise only) per equity share of 10/- (Rupees ten only) each fully paid-up of the Company be and is hereby declared for the financial year ended 31st March, 2019."
4. To re-appoint Mr. Rajdipkumar Gupta, who retires by rotation and being eligible, offers himself for re-appointment:  
"RESOLVED THAT Mr. Rajdipkumar Gupta (DIN: 01272947), who retires by rotation and being eligible offers himself for re-appointment, be and is hereby reappointed as MD of the Company liable to retire by rotation."

**SPECIAL BUSINESS:**

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as **Special Resolution:**

**Creation of Charges on the Movable and Immovable properties of the Company, both Present and Future, in respect of Borrowings**

"RESOLVED THAT pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time, consent of the Company by way of a Special Resolution be and is hereby given to the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any committee thereof) to create such charges, mortgages and hypothecations in addition to the existing charges, mortgages and hypothecations created by the Company, on such movable and immovable properties, both present and future, together with power to take over the substantial assets of the Company in certain events in favour of banks/financial institutions, other investing agencies and trustees for the holders of debentures/bonds/other instruments to secure rupee/foreign currency loans and/or the issue of debentures whether partly/fully convertible or non-convertible and/or securities linked to Ordinary Shares and/ or rupee/foreign currency convertible bonds and/or foreign currency bonds and/or bonds with share warrants attached (hereinafter collectively referred to as "Loans") provided that the total amount of Loans together with interest thereon, additional interest, compound interest, liquidated damages, commitment charges, premium on pre-payment or on redemption, costs, charges, expenses and all other monies payable by the Company in respect of the said Loans for which the charge is to be created, shall not, at any time exceed ₹500 crores or the aggregate of the paid up capital and free reserves of the Company, whichever is higher.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required in its absolute discretion to give effect to this Resolution."

**By Order of the Board of Directors**

**Date: June 10, 2019**

**Place: Mumbai**

**Rathindra Das**  
**Company Secretary**

**NOTES:**

1. The Company's Statutory Auditors, Messrs Walker Chandiook & Co. LLP, (Firm's Registration No.: 001076N/N500013) Chartered Accountants, were appointed as Statutory Auditors of the Company for a period of five consecutive years at the Annual General Meeting ("AGM") of the Members held on September 22, 2017 on a remuneration mutually agreed upon by the Board of Directors and the Statutory Auditors. Their appointment was subject to ratification by the Members at every subsequent AGM held after the AGM held on September 22, 2017. Pursuant to the amendments made to Section 139 of the Companies Act, 2013 by the Companies (Amendment) Act, 2017 effective from May 7, 2018, the requirement of seeking ratification of the Members for the appointment of the Statutory Auditors has been withdrawn from the Statute. In view of the above, ratification by the Members for continuance of their appointment at this AGM is not being sought. The remuneration payable to the Statutory Auditors shall be determined by the Board of Directors based on the recommendation of the Audit Committee.
2. **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.**
3. The duly filled proxy form in order to be effective must be duly filled and deposited at the Registered Office of the Company not later than 48 hours before the time fixed for commencement of the Annual General Meeting.
4. 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.
5. 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.
6. Members/proxies/authorized representatives are requested to bring the dully filled attendance slip enclosed herewith to attend annual general meeting along with a valid identity proof such as the PAN card/ passport/ AADHAR card/ driving license etc.
7. The Register of Members and Share Transfer Books of the Company will remain closed from June 13, 2019 to June 20, 2019 (both days inclusive), for determining the names of Members eligible for dividend on Equity Shares, if declared at the AGM.
8. If the final dividend, as recommended by the Board of Directors, is approved at the AGM, payment of such dividend will be made to the shareholders whose names appearing in the Register of Members as on June 12, 2019 (Record Date). The dividend on Equity Shares, if declared at the AGM, will be paid on or after June 20, 2019. The dividend will be paid to the Members within the stipulated time. In respect of shares held in dematerialised form, the dividend will be payable based on beneficial ownership as per details furnished by National Securities Depository Limited and Central Depository Services (India) limited
9. Members having any question on financial statements or any agenda item proposed in this notice are requested to send their queries along with their folio No. or DPID/Client ID, at least 3(three) days prior to the date of the AGM vide email on [complianceofficer@routemobile.com](mailto:complianceofficer@routemobile.com) or send the queries at the Company's Registered Office address to enable the Company to collect the relevant information and redress the queries.
10. The Ministry of Corporate Affairs (MCA) has taken a 'Green Initiative in Corporate Governance' by allowing companies to send documents to their shareholders in electronic mode. To support this green initiative and to receive communications from the Company in electronic mode, members who have not registered their e-mail addresses and are holding shares in physical form are requested to contact the Share Transfer Agents of the Company and register their email-id. Members holding shares in dematerialised form are requested to contact their Depository Participant. Members may please note that notices, annual reports, etc. will be available on the Company's website - [www.routemobile.com](http://www.routemobile.com) and the same shall also be available for inspection, from 11.00 a.m. to 5.00 p.m., at the Registered Office of the Company. Members will be entitled to receive the said documents in physical form free of cost at any time upon request.
11. The Notice of the AGM along with the Annual Report 2018-19 is being sent by means of hand delivery.
12. The Register of Directors and Key Managerial Personnel and their shareholding maintained under section 170 of the Act, Register of Contracts or Arrangements in which directors are interested under section 189 of the Act and other relevant documents referred to in the Notice and the accompanying statement are open for inspection at the Registered Office of the Company on all working days (Monday to Friday) between 11.00 a.m. to 1.00 p.m. up to and including the date of the AGM and will also be available for inspection at the venue of the AGM
13. The route map for the Annual General Meeting venue and landmark is attached below for your reference.

**STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013 SETTING OUT ALL MATERIAL FACTS CONCERNING THE SPECIAL BUSINESSES IN THE NOTICE DATED JUNE 10, 2019.**

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**Item No. 5: Special Resolution**

As per the provisions of Section 180(1)(a) of the Companies Act, 2013, a company shall not sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the company or where the company owns more than one undertaking, of the whole or substantially the whole of any of such undertakings, unless approval of the Members is obtained by way of a Special Resolution.

Under the provisions of Section 180 (1) (a) of the Act, it is necessary to obtain approval of the shareholders by means of a Special Resolution, to enable the Board of Directors of the Company to create charge/ mortgage/ hypothecation on the Company's assets, both present and future, in favour of the lenders/ trustees for the holders of debentures/ bonds, to secure the repayment of monies borrowed by the Company (including temporary loans obtained from the Company's Bankers in the ordinary course of business). It is therefore, necessary to obtain members' approval by way of a Special Resolution under Section 180 (1) (a) of the Act for creation of charges/mortgages/ hypothecations for an amount not exceeding ₹500 crores or the aggregate of the paid up capital and free reserves of the Company, whichever is higher.

None of the other Directors and Key Managerial Personnel of the Company, or their relatives, is interested in this Resolution.

The Board recommends the Resolution at Item No. 5 of the Notice for approval of the shareholders by a Special Resolution.

**By Order of the Board of Directors**

**Date: June 10, 2019**

**Place: Mumbai**

**Rathindra Das**

**Company Secretary**

**Information of Directors to be appointed and the Directors seeking re-appointment at the forthcoming Annual General Meeting pursuant to Regulation 36(3) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, in accordance with provisions of the Companies Act, 2013 and Clause 1.2.5 Secretarial Standards - 2, as on the date of Notice:**

Name of the Director	Mr. Rajdipkumar Gupta
DIN	01272947
Age	44
Original date of Appointment	15th May 2004
Qualification	Bachelor's Degree in Science (Physics)
Experience and Expertise	Bachelor's Degree in Science (Physics) from University of Mumbai and Master's Diploma in Software Engineering from Aptech Computer Education. He is also a certified HTML programmer, Perl Programmer and Active Server Pages Programmer from Brainbench
Remuneration last drawn	Rs. 45,00,000/-
Number of Board meetings attended during the year	Five (5)
Shareholding	1,44,00,000 equity shares
Relationship with other Directors / KMPs	Son of Mr. Chandrakant Gupta, Non-Executive Chairman and brother of Mr. Sandipkumar Gupta, Non - Executive Director
Membership/Chairmanship of Committees of the Company	<b>Member:</b> Stakeholders' Relationship Committee
Directorships/Designated Partnerships held in other companies	<ol style="list-style-type: none"> <li>1. Cellent Technologies (India) Private Limited</li> <li>2. Sphere Edge Consulting (India) Private Limited</li> <li>3. Sanraj Family Ventures Private Limited</li> <li>4. Shrem Resort Private Limited</li> <li>5. Start Corp India Private Limited</li> <li>6. Cobx Gaming Private Limited</li> <li>7. Horizon Sports India Private Limited</li> <li>8. Route Connect Private Limited</li> <li>9. Ahana Hospitality Private Limited</li> <li>10. Call 2 Connect India Private Limited</li> <li>11. 29 Three Holidays Private Limited</li> <li>12. Route Mobile (UK) Limited</li> <li>13. RouteSms Solutions Nigeria Limited</li> <li>14. Route Mobile Hong Kong Limited</li> <li>15. Route Mobile Pte. Ltd.</li> <li>16. Route Mobile LTD</li> <li>17. Route Connect (Kenya) Limited</li> <li>18. 365 Squared Limited</li> <li>19. Route Mobile Lanka (Private) Limited</li> <li>20. Route Mobile Uganda Limited</li> <li>21. Route Mobile (Bangladesh) Limited</li> <li>22. Route Mobile Nepal Private Limited</li> <li>23. Route Mobile Malta Limited</li> <li>24. RouteSMS Solutions Zambia Limited</li> <li>25. Route Mobile LLC.</li> </ol>
Membership/Chairpersonship of Committees held in other Indian Companies	Nil

# ATTENDANCE SLIP

**ROUTE MOBILE LIMITED**  
**(fka Routesms Solutions Limited)**  
 CIN: U72900MH2004PLC146323

**Regd. Office:** 4<sup>th</sup> Dimension, 3<sup>rd</sup> Floor, Mind Space, Malad (west), Mumbai - 400064

**Tel No.:** 022-4033 7676 **Fax No.:** 022-4033 7650

**E-mail:** complianceofficer@routemobile.com

**Website:** www.routemobile.com

**ATTENDANCE SLIP**  
 15<sup>th</sup> Annual General Meeting

I/ We hereby record my/our presence at the 15<sup>th</sup> Annual General Meeting of Route Mobile Limited (Formerly Known as Routesms Solutions Limited) to be held (at a shorter notice) on Thursday, June 20, 2019 at 10:30 a.m. at 4<sup>th</sup> Dimension, 3<sup>rd</sup> Floor, Mind Space, Malad (west), Mumbai - 400064.

Registered Folio No.: \_\_\_\_\_ DP ID No.: \_\_\_\_\_ Client ID No.: \_\_\_\_\_

Name/s: \_\_\_\_\_  
 (1st name)

\_\_\_\_\_  
 (joint holder)

Address: \_\_\_\_\_

I/We record my/our presence at the 15<sup>th</sup> Annual General Meeting of the Company at 4<sup>th</sup> Dimension, 3<sup>rd</sup> Floor, Mind Space, Malad (west), Mumbai - 400064 on Thursday, June 20, 2019.

Name of Proxy / Representative, if any: \_\_\_\_\_

Signature(s) of shareholder(s)/Proxy/ Representative: \_\_\_\_\_

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.

\_\_\_\_\_



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# PROXY FORM

**ROUTE MOBILE LIMITED**  
**(fka Routesms Solutions Limited)**  
 CIN: U72900MH2004PLC146323

**Regd. Office:** 4<sup>th</sup> Dimension, 3<sup>rd</sup> Floor, Mind Space, Malad (west), Mumbai - 400064  
**Tel No.:** 022-4033 7676 **Fax No.:** 022-4033 7650  
**E-mail:** complianceofficer@routemobile.com  
**Website:** 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 of the Member (s):** \_\_\_\_\_

**Registered address:** \_\_\_\_\_

**Email:** \_\_\_\_\_ **Folio No/Client ID and DP ID No.:** \_\_\_\_\_

I / We, being the Member(s) of \_\_\_\_\_ shares of the abovenamed 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: \_\_\_\_\_ or failing him/her

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 15th Annual General Meeting of Route Mobile Limited (Formerly known as Routesms Solutions Limited) to be held on Thursday, June 20, 2019 at 10:30 a.m. at 4<sup>th</sup> Dimension, 3<sup>rd</sup> 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
<b>Ordinary Resolution</b>				
1.	Adoption of Standalone Audited Financial results and reports of the Board of Directors and Auditors.			
2.	Adoption of Consolidated Audited Financial results and reports of the Auditors.			
3.	Declaration of Dividend.			
4.	Re-appointment of Mr. Sandipkumar Gupta.			
<b>Special Resolution</b>				
5.	Creation of Charges on the Movable and Immovable properties of the Company, both Present and Future, in respect of Borrowings.			

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2019

Affix  
₹1.00  
Revenue  
Stamp

\_\_\_\_\_  
Signature of Shareholder(s)

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\_\_\_\_\_  
Signature of first Proxy holder

\_\_\_\_\_  
Signature of second Proxy holder

\_\_\_\_\_  
Signature of third Proxy holder

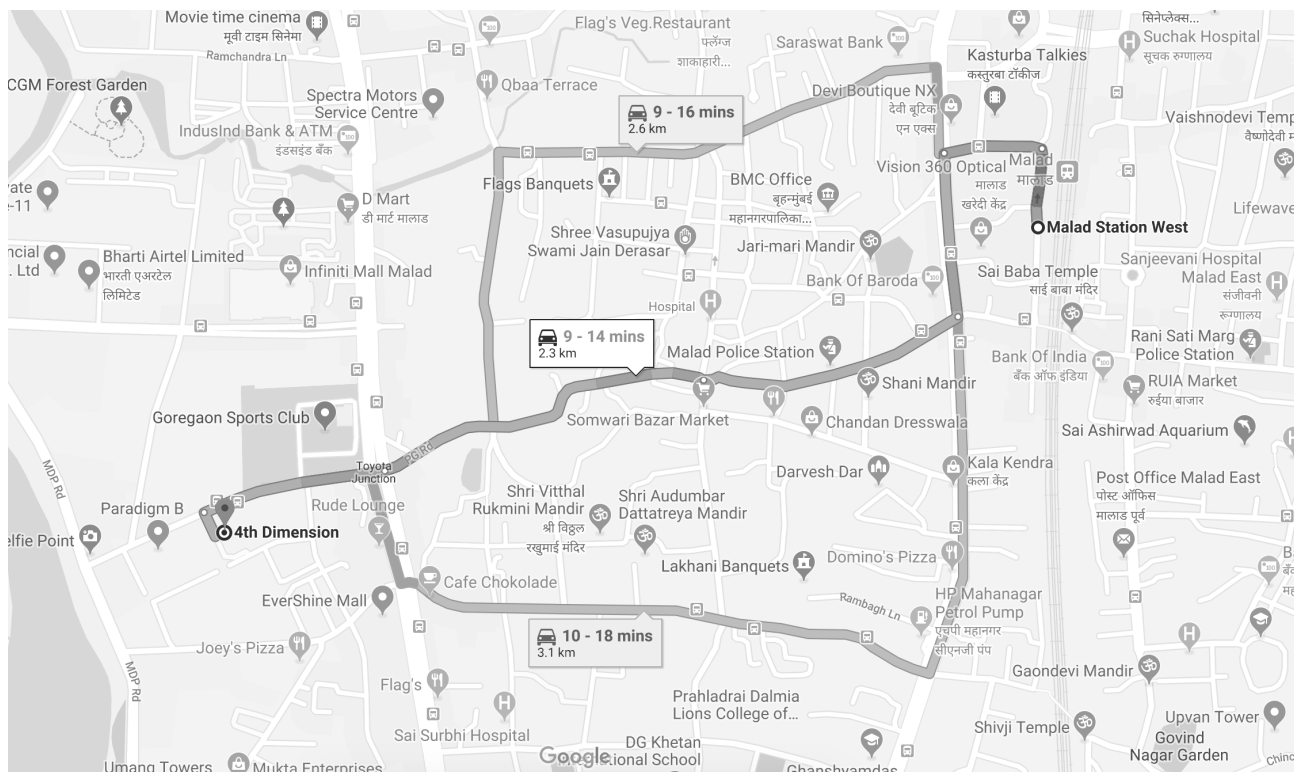
**Notes:**

1. 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.
2. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote on poll instead of himself and proxy need not be a member of the Company.
3. Pursuant to the provisions of section 105 of the Companies Act, 2013 read with the Companies (Management and Administration Rules), 2014, 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. Notwithstanding the above, the Proxies can vote on such other items which may be tabled at the meeting by the shareholders present.
5. 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.

# ROUTE MAP OF THE VENUE

**Address:** 4th Dimension, 3rd Floor, Mind Space, Malad (west), Mumbai - 400064

**Landmark:** Near Goregaon Sports Complex



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# OUR OFFICES

## Ghana

Unnumbered Building,  
Adjacent Royal Mart Building  
Complex, Off Zenith University  
-TSE-Addo Road, Behind Trade  
Fair Centre LA PO Box OS 1785  
OSU, Accra, Ghana

sales@routemobile.com

## Nigeria

Suite 405, 4<sup>th</sup> Floor AHCN  
Towers, CIPM Road, Central  
Business District, Alausa, Ikeja,  
Lagos.

+234 8117608366

sales\_africa@routemobile.com

## Kenya

Standard House, Plot Number  
209/4045, House Number 10,  
Nairobi, Standard Street, P.O.  
Box 67290 - 00200 City  
Square, Kenya

sales\_africa@routemobile.com

## Uganda

Innovation Village, Ntinda  
Complex, Block B, Plot 33,  
Minds Road, 3<sup>rd</sup> Floor, P. O.  
Box 40411, Nakawa Uganda

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Brigade Tower, Office No. 1011  
and 1012, 10<sup>th</sup> Floor, Brigade  
Towers, No 135, Brigade Road,  
Bangalore - 560 025 India

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Space, Malad(West), Mumbai -  
400 064, India

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+91-22-40337650

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sales@routemobile.com





