

Route Mobile Limited

Annual Report 2016 - 2017

CONTENTS OF THIS REPORT

1. Company Information	4
2. Chairman’s Speech	5
3. Notice of Annual General Meeting	6
4. Director’s Report	11
5. Standalone Financial Statement	
5.1. Independent Auditor’s Report on Financial Statements	36
5.2. Balance Sheet	42
5. 3. Statement of Profit and Loss	44
5. 4. Cash Flow Statement	45
5. 5. Notes to the Financial Statements	47
6. Consolidated Financial Statement	
6.1. Independent Auditor’s Report on Consolidated Financial Statements	72
6. 2. Consolidated Balance Sheet	77
6. 3. Consolidated Statement of Profit and Loss	79
6. 4. Consolidated Cash Flow Statement	80
6. 5. Notes to the Consolidated Financial Statements	82
7. Proxy Form	106
8. Attendance Slip	108
9. Route Map of the Venue	109

COMPANY INFORMATION

Board of Directors

Chandrakant Jagannath Gupta	-	Chairman
Rajdipkumar Chandrakant Gupta	-	Managing Director
Sandipkumar Chandrakant Gupta	-	Director
Chamelidevi Chandrakant Gupta	-	Non - Executive Director
Bhavesh Suresh Jain	-	Independent Non-Executive Director
Pratheek Shrwankumar Agarwal	-	Independent Non-Executive Director

Chief Financial Officer

Pratik Rohit Joshi (w.e.f 02/06/2016)

Company Secretary

Gaurav Deendayal Jhunjhunwalai (w.e.f 02/06/2016)

Audit Committee

Bhavesh Jain	-	Chairman
Pratheek Agarwal	-	Member
Sandipkumar Gupta	-	Member

Nomination and Remuneration Committee

Pratheek Agarwal	-	Chairman
Bhavesh Jain	-	Member
Chamelidevi Gupta	-	Member

Corporate Social Responsibility Committee (CSR)

Pratheek Agarwal	-	Chairman
Bhavesh Jain	-	Member
Sandipkumar Gupta	-	Member

Statutory Auditors

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

Ramanand & Associates
Chartered Accountants
(FRN: 117776W)

CHAIRMAN'S SPEECH

Dear Shareholders,

It gives me immense pleasure to share the highlights of the astonishing performance of our Company for the year 2016-17. We strive for excellence in whatever we do, right from providing best quality services, ensuring utmost customer satisfaction in taking care of our employees and nurturing their talent. We have been able to achieve this resounding success through the relentless hard work & dedication of our employees. We aspire to be a global leader from India and I believe FY2017 is a step in the right direction.

With this background, I would like to share with you the highlights of our Company's performance for the year 2016-17.

Key Performance Indicators

Our consolidated revenue Increased by 26.61% to Rs. 464,78,92,170/- as compared to Rs. 367,10,70,044/- in the previous year.

Our consolidated EBIDTA increased by 7.94% to Rs. 87,85,16,783/- as compared to Rs. 81,38,76,852/- in the previous year.

Our consolidated PBT increased by 3.99% to Rs. 81,13,76,545/- in FY 2017 as compared to Rs. 78,02,40,428/- in the previous year.

Our consolidated PAT decreased by 1.36% to Rs. 60,20,43,676/- in FY2017 as compared to Rs. 61,03,15,619/- in the previous year.

Cash and Cash equivalents as at FY 2017 is Rs. 110,93,52,115/- compared to Rs. 162,07,83,875/- in the previous year.

The Year in a nutshell

The global A2P market is currently a \$37.9 bn market and is expected to grow to \$60 bn market by 2020. SMS and Voice API application is gaining significant traction with multi-channel platforms gaining traction in 2017. IP based voice segment is expected to grow at 150% CAGR between 2014 & 2018.

The global mobile penetration is expected to improve from 49.9% in 2014 to 59.3% in 2020. Improvement in penetration is expected to be

driven by CIS, APAC, Africa.

A2P SMS services are widely used in financial and banking services institutions, e-commerce, tourism, healthcare, and entertainment among others. There are many factors contributing to the growth of the A2P market, some of which are:

Our Company is a global player in cloud Enterprise Mobile Communication with a strong focus on messaging & voice solution and has developed an indigenous technology platform to support Mobile Network Operators (MNO's), enterprises, aggregators & reseller.

RML has strong expertise in the field of Mobile Messaging (OTP) transactional alerts, SMS Hubbing, SMS solutions, platforms, APP's, Two-way Messaging, Call forwarding & Voice solution (OBD/IVR/Call patching)

We are growing globally and expanding our reach. We have international offices in UK, Nigeria, UAE, Singapore, Hong Kong, and Ghana. Further, during the year we acquired Cellent Technologies (India) Pvt Ltd and Start Corp Pvt Ltd as part of our inorganic growth strategy.

We have hired 18 local employees at our international offices over FY2017, which helped us gain more clients in those respective geographies.

Our Company has been ranked sixth, amongst global A2P messaging solutions providers in the reputed Rocco report published during the year.

Our Commitment

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

Chandrakant Gupta

Chairman

Date: September 5, 2017

Place: Mumbai

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Thirteenth Annual General Meeting of the Members of Route Mobile Limited (Formerly known as Routesms Solutions Limited) will be held on Friday, 22nd September, 2017 at 401, Fourth Floor, Evershine Mall New Link Road, Malad (West), Mumbai – 400 064 at 09:00 A.M. to transact the following business:

ORDINARY BUSINESS:

1. Adoption of Accounts

- a) To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended 31st March, 2017 together with the Reports of the Board of Directors and Auditors thereon;
- b) To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2017 together with the Reports of the Board of Directors and Auditors thereon;

2. Declaration of Dividend

To declare a Final dividend of ₹ 1.5 per equity share of 10/- each for the financial year 2016-17.

3. Retire by Rotation

To appoint a Director in place of Mrs Chamelidevi Gupta (DIN: 02743720), who retires by rotation and being eligible offers herself for re-appointment;

4. Appointment of Auditors

To consider ratification of appointment of Auditor of the Company and, if thought fit, to pass without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (including any amendment, modification, variation or re-enactment thereof), and pursuant to the recommendations of the audit committee of the Board of Directors, the appointment of Walker Chandiook & Co LLP (formerly known as Walker, Chandiook & Co.) Chartered Accountants (Firm Registration No. 001076N/N500013), Mumbai, who holds office until the conclusion of the Seventeenth AGM of the Company to be held in the year 2021 be and is hereby ratified by the members of the Company for the financial year 2017-2018 at such remuneration as may be determined by the Board of Directors of the Company.

RESOLVED FURTHER THAT the Board of Director or the Company Secretary or the Chief Financial Officer of the Company be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable and expedient for giving effect to the aforesaid resolution and/or otherwise considered by them in the best interest of the Company.”

SPECIAL BUSINESS:

5. Alteration of Memorandum of Association

To consider and if though fit to pass with or without modification the following resolutions as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 13 and other applicable provisions, if any, of the Companies Act, 2013 and approval of the Ministry of Corporate Affairs, Government of India, the Main Objects Clause of the Memorandum of Association of the Company, be amended by substitution of the existing sub-clause (1) of Clause A of the Memorandum of Association of the Company by the new sub-clause (1) in its place as under:

“To establish, promote, purchase, set up or connect with any database, network data and information processing centers and bureaus either on its own or as franchise centre for dissemination of knowledge and information related to computers, communications and information technology industry including print, video, CD-ROM, electronic media and digital media, intranet, internet modems, fax modems, video conferencing, E-Mail, voice mail, voice response systems, multiplexers, hubs, VSATS, cable, wireless network, SAP/ERP solutions and satellite communication. to Enterprise Messaging Solutions, Software Development, IVR Solutions (In bound and Out Bound), Voice Call, Voice Mail, Email Marketing, SMS Hubbing, Mobile application, Java Games, Games Development, Bulk sms (International and domestic), WAP services, USSD Services, Voice Platform Solutions, Operating as an operator, Procuring and Using MCC and MNC, Procuring and distribution of Wholesale Voice, Operator License, VMN Platform and Services, Short Code Services and Platform, Hosting SMSC, SMSC Platform integration, Procuring and providing SS7, Sigtran Connectivity, call centre setup, operating BPO & KPO, providing call centre Software, applying for Spectrum, providing telephony service Mobile & Fixed Line and also providing advertising services to client on mobile impression, Internet impression (CPC & CPI), Lead management services, lead generation services. Engaging in advertising services such as internet advertising, mobile advertising, outdoor advertising, print advertising, TV & radio including all digital media advertising and Audiotex/Voicemail Services.”

“RESOLVED FURTHER THAT the Board of Directors of the Company and the Company Secretary, be and are hereby severally authorized to file, sign, verify and submit all such forms, papers or documents, as may be required and do all such acts, deeds, matters and things as may be necessary and incidental for giving effect to this resolution, including agreeing to any change to the aforesaid Clause of the Memorandum of Association of the Company, as may be required by the Registrar of Companies.”

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

Chandrakant Gupta
Chairman
DIN: 01636981

Date: 5th September, 2017
Place: Mumbai
CIN: U72900MH2004PLC146323

Registered Office:

401, Fourth Floor, Evershine Mall New Link Road,
Malad (West), Mumbai – 400 064
Tel No. 022-4033 7676 Fax No. 022-4033 7650
E-mail: complianceofficer@routemobile.com
Website: www.routemobile.com

NOTES:

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

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

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

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

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

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

7. If the final dividend, as recommended by the Board of Directors, is approved at the ensuing AGM, payment of such dividend will be made to the shareholders whose names appearing in the Register of Members as on March 31, 2017 (Record Date), within 30 days from the date of Annual General Meeting.

8. The Notice of the AGM along with the Annual Report 2016-17 is being sent by means of hand delivery.

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

10. The route map for the Annual General Meeting venue and landmark is attached below for your reference.

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

Name of the Director	Mrs Chamelidevi Gupta
Age	64
Qualification	H.S.C
Experience	Mrs. Chamelidevi Gupta has very good experience in managing the business.
Terms & Conditions of Re-appointment	Retire by rotation
Remuneration sought to be paid	-
Remuneration last drawn	-
Date of first appointment on the Board	07/09/2015
Shareholding in the Company as on March 2017	10%
Relationship with other Directors	Mr. Chandrakant Gupta – Husband Mr. Sandipkumar Gupta – Son Mr. Sandipkumar Gupta – Son
Number of Meetings attended during the year	21
Other Directorships/ Memberships/ Chairmanship on other Boards	1. AHANA ENTERTAINMENT PRIVATE LIMITED 2. COBX GAMING PRIVATE LIMITED

Explanatory Statement under Section 102 of the Companies Act, 2013: -

Item No. 5

The Company was incorporated on 14th May, 2004 for carrying out the main objects set out in its Memorandum of Association at the time of incorporation. With a view to keep our Company abreast with the changing industry demands, it has been thought prudent to alter the main objects clause of the Memorandum of Association of the Company suitably.

Draft of the duly altered Memorandum of Association of the Company is available at the Registered Office of the Company for inspection of the Members during the office hours on all working days till the conclusion of this Extra Ordinary General Meeting.

Accordingly, pursuant to the provisions of Section 13 and other applicable provisions, if any, of the Companies Act, 2013, approval of the shareholders is sought for alteration of the Objects Clause of the Memorandum of Association of the Company, by substitution of the existing sub-clause 1 of Clause A of the Memorandum of Association of the Company i.e. 'Route Mobile Limited', by the following new sub-clause 1;

"To establish, promote, purchase, set up or connect 'with any database, network data and information processing centers and bureaus either on its own or as franchise centre for dissemination of knowledge and information related to computers, communications and information technology industry including print, video, CD-ROM, electronic media and digital media, intranet, internet modems, fax modems, video conferencing, E-Mail, voice mail, voice response systems, multiplexers, hubs, VSATS, cable, wireless network, SAP/ERP solutions and satellite communication. to Enterprise Messaging Solutions, Software Development, IVR Solutions (In bound and Out Bound), Voice Call, Voice Mail, Email Marketing, SMS Hubbing, Mobile application ,Java Games, Games Development, Bulk sms (International and domestic),WAP services, USSD Services ,Voice Platform Solutions, Operating as an operator, Procuring and Using MCC and MNC,

Procuring and distribution of Wholesale Voice, Operator License, VMN Platform and Services, Short Code Services and Platform, Hosting SMSC, SMSC Platform integration, Procuring and providing SS7, Sigtran Connectivity, call centre setup, operating BPO & KPO, providing call centre Software, applying for Spectrum, providing telephony service Mobile & Fixed Line and also providing advertising services to client on mobile impression, Internet impression (CPC & CPI), Lead management services, lead generation services. Engaging in advertising services such as internet advertising, mobile advertising, outdoor advertising, print advertising, TV & radio including all digital media advertising and audiotex."

Your Directors recommend the resolution for your approval as a Special Resolution.

None of the persons specified in Section 102 of the Companies Act, 2013 namely the Promoters, Directors, Key Managerial Persons, Relatives of Promoters, Directors and Key Managerial Persons or the entities comprising the interest of Promoters, Directors or Key Managerial Persons, are concerned or interested in the above resolution.

DIRECTOR'S REPORT

To

The Members,

Your Directors have pleasure in presenting 13th Annual Report of the Company together with the Audited Financial Statements for the financial year ended 31st March, 2017.

1. FINANCIAL STATEMENTS & RESULTS:

a. FINANCIAL RESULTS:

The Company's performance during the financial year ended 31st March, 2017 as compared to the previous financial year, is summarized below:

(Amount in Rupees)

Particulars	For the financial year ended 31st March, 2017		For the financial year ended 31st March, 2016	
	Standalone	Consolidated	Standalone	Consolidated
Income	2,084,730,970	4,647,892,170	1,918,325,866	367,10,70,044
Less: Expenses	1,384,099,773	3,836,515,625	1,483,603,876	2,89,08,29,616
Profit before tax	700,631,197	811,376,545	434,721,990	78,02,40,428
Less: Current tax	191,231,261	213,747,082	162,657,600	17,57,13,788
Tax adjustment in respect of earlier years	2,433,109	3,373,631	-	-
Deferred Tax	(7,073,327)	(7,655,322)	(6,646,435)	(57,88,979)
Profit after Tax	514,040,154	601,911,154	278,710,825	61,03,15,619

b. OPERATIONS:

The Company is engaged in the business of providing services for mobile communications with a focus on enterprise messaging. The Company has developed indigenous technology platform to support Mobile Network Operators (MNO's), OTT Players, Enterprises, Aggregators and Resellers. There was no change in the business of the Company during the year under review.

During the year under review, Company has achieved the net profit after tax of Rs. 514,040,154/- (on consolidated basis Rs. 602,043,676/-) as against Rs. 27,87,10,825/- (on consolidated basis Rs. 61,03,15,619/-) in the previous year.

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

A report on the performance and financial position of each of the subsidiaries, associate and joint venture Companies as per the Companies Act, 2013 is provided as Annexure-I.

During year under report, none of the Company's Subsidiaries ceased to be a subsidiary, However, Cellent Technologies (India) Private Limited, Start Corp India Private Limited and Route Mobile PTE Ltd., Singapore has become subsidiary Company by mode of acquisition.

d. DIVIDEND:

For the year under review, the Directors have recommended dividend of Rs. 1.5/- per share Equity Shares of Rs. 10/- each amounting to a outflow of Rs. 7,50,00,000/-. The payment of dividend is subject to the approval of the Members at the ensuing Annual General Meeting.

e. TRANSFER TO RESERVES:

During the year under review, the Board of Directors has recommended transfer of Rs. 51,40,40,154/- of the Net Profits to Reserves and Surplus Account.

f. INCREASE IN AUTHORIZED SHARE CAPITAL:

During the year under review, Company has received shareholders' approval at their Extra Ordinary General meeting held on July 15, 2016 for increase in Authorized Share Capital of the Company from Rs. 40,00,00,000 (Rupees Forty Crore only) divided into 4,00,00,000 (Four Crore) Equity Shares of Rs. 10/- (Rupees Ten only) each to Rs. 1,00,00,00,000 (Rupees One Hundred Crore only) divided into 10,00,00,000 (Ten Crore) Equity Shares of Rs. 10/- (Rupees Ten only) each.

g. BONUS ISSUE:

The Board of Directors recommended issue of Bonus Shares and the members in their meeting held on 25th August, 2016 approved the issue and allotment of Bonus Shares in the ratio of 3 (Three) new Equity Shares for every 2 (Two) Equity Shares held by the members. Accordingly, 3,00,00,000 (Three crores) Equity Shares of Rs. 10/- (Rupees Ten only) each were allotted as Bonus shares on 2nd September, 2016.

h. REVISION OF FINANCIAL STATEMENT:

During the year under review, there was no revision of the financial statements of the previous year.

i. CONSOLIDATED FINANCIAL STATEMENTS:

In accordance with the Companies Act, 2013 ("the Act") and Accounting Standard (AS)-21 on Consolidated Financial Statements read with AS-23 on Accounting for Investments in Associates, the audited consolidated financial statements is provided in the Annual Report.

j. PARTICULARS OF CONTRACTS OR ARRANGEMENT WITH RELATED PARTIES:

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

with Related Party are provided in the Company's financial statements in accordance with the Accounting Standards.

k. DISCLOSURE OF INTERNAL FINANCIAL CONTROLS:

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

The Board of Directors has laid down standards, processes and procedures for implementing the internal financial controls across the organization. After considering the framework of existing internal financial controls and compliance systems; work performed by the Internal, Statutory and Secretarial Auditors and External Consultants; reviews performed by the Management and relevant Board Committees including the Audit Committee, the Board of Directors is of the opinion that the Company's internal financial controls with reference to the financial statements were adequate and effective during the financial year 2016-17.

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

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

2. MATTERS RELATED TO DIRECTORS AND KEY MANAGERIAL PERSONNEL:

a. Board of Directors & Key Managerial Personnel:

Mr. Gaurav Deendayal Jhunjunwala was appointed as the Company Secretary of the Company and Mr. Pratik Rohit Joshi was appointed as the Chief Financial Officer of the Company by the Board of Directors at their Meeting held on 2nd June, 2016 with immediate effect.

Pursuant to the provisions of Section 152 of the Companies Act, 2013, Mrs. Chamelidevi Gupta (DIN: 02743720) will retire by rotation at the ensuing Annual General Meeting and being eligible, has offered herself for re-appointment. The Board of Directors recommends her re-appointment.

Mr. Sandipkumar Gupta stepped down as a Managing Director with effect from 1st May, 2017 due to pre-occupational assignments, however continued on Board as a Director of the Company. Considering the contribution to the overall growth and progress of the Company and for better administrative/operational purpose, Mr. Rajdipkumar Gupta, Whole Time Director of the Company was elevated to the position of Managing Director of the Company with effect from 1st May, 2017. Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel of the Company as on date are:

Mr. Rajdipkumar Gupta, Group Chief Executive Office and Managing Director, Mr. Pratik Joshi, Chief Financial Officer and Mr. Gaurav Jhunjunwala, Company Secretary. Mr. Sandipkumar Gupta ceased to be a Key Managerial Personnel of the Company with effect from 1st May, 2017.

b. Declarations given by Independent Directors:

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

3. DISCLOSURES RELATED TO BOARD, COMMITTEES AND POLICIES:**a. Meetings of the Board:**

In accordance with the provisions of Companies Act, 2013, 21(Twenty-one) Meetings of Board of Directors were held during the financial year under review.

Attendance of each Director at the Board Meetings and the Annual General Meeting is given as under:

Name of Directors	No. of Board Meetings	
	Held	Attended
Mr. Rajdipkumar Gupta	21	21
Mr. Sandipkumar Gupta	21	21
Mr. Chandrakant Gupta	21	21
Mrs. Chamelidevi Gupta	21	21
Mr. Bhavesh Jain	21	21
Mr. Pratheek Agarwal	21	21

3 (Three) Extra-Ordinary General Meetings of Members were held during the financial year as on 15th July, 2016, 25th August, 2016 and 28th December, 2016.

b. Director's Responsibility Statement:

In terms of Section 134(5) of the Companies Act, 2013, in relation to the audited financial statements of the Company for the year ended 31st March, 2017, the Board of Directors hereby confirms that:

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- such accounting policies have been selected and applied consistently and the Directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2017 and of the profit of the Company for that year;
- proper and sufficient care was taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- d. the annual accounts of the Company have been prepared on a going concern basis;
- e. proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively;

c. Nomination and Remuneration Committee:

The Nomination and Remuneration Committee of Directors was constituted by the Board of Directors of the Company in accordance with the requirements of Section 178 of the Act.

The composition of the Committee is as under:

Name of Member	Category	Designation
Mr. Pratheek Agarwal	Independent Director	Chairman
Mr. Bhavesh Jain	Independent Director	Member
Mrs. Chamelidevi Gupta	Director	Member

The Nomination & Remuneration Committee met 3 (three) times during the year under review i.e., on 2nd June, 2016, 22nd September, 2016 & 18th October, 2016. The Board on recommendation of the Nomination and Remuneration Committee has approved a policy setting out the criteria for determining qualifications, positive attributes, independence of a Director and policy relating to remuneration for Directors, Key Managerial Personnel and other employees in accordance with the provisions of Section 178 of the Act.

d. Audit Committee:

The Audit Committee of Directors of the Company is in accordance with the provisions of Section 177 of the Companies Act, 2013. The Audit Committee comprises of:

Name	Category	Designation
Mr. Bhavesh Jain	Independent Director	Chairman
Mr. Pratheek Agarwal	Independent Director	Member
Mr. Sandipkumar Gupta	Managing Director	Member

The scope and terms of reference of the Audit Committee are in accordance with the Companies Act, 2013. The Audit Committee met 6 (six) times during the year under review i.e., on 16th April, 2016, 13th July, 2016, 3rd August, 2016, 28th December, 2016, 31st December, 2016, & 30th March, 2017.

e. Corporate Social Responsibility Policy:

Corporate Social Responsibility (CSR) Committee is duly constituted comprising of Mr. Pratheek Agarwal as the Chairman and Mr. Bhavesh Jain and Mr. Sandipkumar Gupta as the Members. The said Committee has been entrusted with the responsibility of formulating and recommending to the Board, Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, monitoring the implementation of the framework of the CSR Policy

and recommending the amount to be spent on CSR activities. The Committee met 2 (two) times during the financial year, i.e., on 22nd September, 2016 & 23rd February, 2017. The details of amount spent towards CSR activities during the financial year have been provided in Annexure-II. The CSR Policy is placed on the website of the Company www.routemobile.com.

f. Risk Management Policy:

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

g. Annual Evaluation of Directors, Committee and Board:

The Independent Directors at their meeting considered and evaluated the Board's performance, performance of the Chairman and other Non-Independent Directors. The Board subsequently evaluated performance of the Board, the Committees and Independent Directors.

h. Internal Control Systems:

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

i. Payment of remuneration / commission to Directors from Holding or Subsidiary Companies:

Mr. Sandipkumar Gupta, Director, Mr. Rajdipkumar Gupta, Managing Director and Mr. Chandrakant Gupta, Director of the Company are holding office of Director in Sphere Edge Consulting (India) Private Limited, wholly-owned subsidiary of the Company and the said Directors have not drawn any remuneration from the wholly-owned subsidiary.

4. AUDITORS AND REPORTS:

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

a. Observations of Statutory Auditors on Accounts for the year ended 31st March 2017:

The observations made by the Statutory Auditors in their report for the financial year ended 31st March, 2017 read with the explanatory notes therein are self-explanatory and therefore, do not call

for any further explanation or comments from the Board under Section 134(3) of the Companies Act, 2013.

b. Appointment of Statutory Auditor:

Deloitte Haskins & Sells LLP, Chartered Accountants, had tendered their resignation from the position of Statutory Auditors on 27th December, 2016, causing vacancy in the office of the Statutory Auditor due to Company. As envisaged under Section 139(8) of the Companies Act, 2013, the casual vacancy of the office of Statutory Auditors was filled by the Shareholders of the Company at their Extra-Ordinary General Meeting held on 28th December, 2016 by appointing M/s. Ramanand and Associates, Chartered Accountants having Firm Registration Number 117776W.

In view of increased in business activity of the Company and as recommended by the Audit Committee, Walker Chandiok & Co LLP (Formerly known as Walker Chandiok & Co.) Chartered Accountants (Firm Registration Number. 001076N/N500013) were appointed as Joint Statutory Auditors of the Company at the Extra Ordinary General Meeting held on 18th April, 2017 to hold office from the conclusion of this Extra Ordinary General Meeting till the conclusion of Seventeenth Annual General Meeting of the Company.

M/s. Ramanand and Associates, Chartered Accountants (Firm Registration Number: 117776W) were appointed as the Statutory Auditors of the Company for F.Y 2016-17 by the shareholders at the Annual General meeting held on 31st December, and ceased to be the Statutory Auditors of the Company as per Section 139(2) of the Companies Act, 2013 thereafter.

Walker Chandiok & Co. Chartered Accountants (Firm Registration Number: 001076N/N500013) were appointed for the period of five years, subject to the ratification of the shareholders of the Company at every Annual General Meeting. Pursuant to the provisions of section 139 and 141 of the Companies Act, 2013, a written consent towards such appointment has been obtained from the said auditors along with the certificate to the effect that their appointment if made shall be within limits prescribed under Section 139 of the Companies Act, 2013.

c. Fraud Reporting:

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

d. Secretarial audit:

Pursuant to the provisions of Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, the Company obtained Secretarial Audit Report for the financial year 2016-17. The Secretarial Audit Report is annexed to this Report as Annexure III. The said Report does not contain any qualification, reservation or adverse remark(s).

5. OTHER DISCLOSURES:

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

a. Extract of Annual Return:

Pursuant to the provisions of Section 134(3)(a) of the Companies Act, 2013, extract of the Annual Return for the financial year ended 31st March, 2017 made under the provisions of Section 92(3) of the Act is attached as Annexure-IV which forms part of this Report.

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

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

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

Particulars	1st April, 2016 to 31st March, 2017 [Current F.Y.]	1st April, 2015 to 31st March, 2016 [Previous F.Y.]
	Amount in Rs.	Amount in Rs.
Actual Foreign Exchange earnings	1,22,11,53,870	1,43,27,48,827
Actual Foreign Exchange outgo	17,25,96,772	76,30,48,639

6. GENERAL:

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

1. Details relating to deposits covered under Chapter V of the Companies Act, 2013;
2. No material changes and commitments have occurred between the end of the financial year of the Company and the date of the report which could affect the Company's financial position.
3. No significant or material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status and Company's operations in future;
4. No issue of equity shares with differential rights as to dividend, voting or otherwise;
5. No issue of shares (including sweat equity shares) to the employees of the Company under any scheme;
6. There were no instances of non-exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Act read with Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014 as the Company did not create any such scheme during the year;

Your directors further state that pursuant to the provisions of Sexual Harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013, no case pertaining to sexual harassment at workplace has been reported to the Company during financial year 2016-17.

7. ACKNOWLEDGEMENTS AND APPRECIATION:

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

For and on behalf of the Board of Directors

Chandrakant Gupta
Director
DIN: 01636981

Date: 5th September, 2017
Place: Mumbai
CIN: U72900MH2004PLC146323
Registered Office:
401, Fourth Floor, Evershine Mall New Link Road,
Malad (West), Mumbai – 400 064
Tel No.: 022-4033 7676 Fax No.: 022-4033 7650

E-mail ID: complianceofficer@routemobile.com

Website: www.routemobile.com

ANNEXURE I

FORM AOC- 1

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

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

Part "A": Subsidiaries

Sr. No.	Name of the Subsidiary	Routesms Solutions Nigeria Limited	Routesms Solutions FZE	*Route Mobile (UK) Limited [Previously known as Routesms Solutions (UK) Limited (Consolidated)]	Route Mobile PTE Ltd	Sphere Edge Consulting (India) Private Limited	Cellent Technologies (India) Private Limited	Start Corp India Private Limited
1	The date since when the subsidiary was acquired	10/10/2014	31/01/2013	08/08/2011	17/10/2016	12/09/2011	30/11/2016	30/11/2016
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31/03/2017	31/03/2017	31/03/2017	31/03/2017	31/03/2017	31/03/2017	31/03/2017
3	Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries.	1 Naira = 0.2054 INR	1 AED = 17.6533 INR	1 GBP = 81.2935 INR	1 SGD = 46.4158 INR	INR	INR	INR
4	Share capital	35,22,694	7,86,457.34	15,24,000	12,37,831	1,00,000	4,97,000	1,00,000
5	Reserves and Surplus	3,24,41,870	34,36,54,317	4,33,09,934	(13,866)	6,64,46,944	59,21,224	71,20,546
6	Total Assets	8,79,51,423	41,24,28,918	15,74,31,067	11,46,934	18,52,90,381	4,44,66,619	2,33,17,314
7	Total Liabilities (Non-Current Liabilities + Current Liabilities + Deferred Tax Liabilities)	6,56,73,725	6,61,79,143	10,90,33,529	-	11,87,43,435	3,80,48,396	1,60,96,769
8	Investments	-	-	-	-	-	11,453	25,575
9	Turnover	44,32,07,477	1,98,31,85,423	49,58,29,561	-	55,33,67,516	7,31,40,096	2,51,19,932
10	Profit before taxation	2,42,61,069	38,27,05,744	1,45,52,250	(13,866)	1,83,82,400	2,07,98,639	13,20,082
11	Provision for taxation	77,63,542	-	36,56,514	-	68,92,353	39,45,086	6,16,854
12	Profit after taxation	1,64,97,527	38,27,05,744	1,08,95,735	(13,866)	1,14,90,048	1,68,53,553	7,03,228
13	Proposed Dividend	-	-	-	-	-	-	-
14	Extent of shareholding (in %)	100%	100%	100%	100%	100%	100%	100%

*Route Mobile U.K. Limited [Previously known as Routesms Solutions (UK) Limited] has a wholly-owned subsidiary viz. Route Voice Limited situated in Hong Kong, Defero Mobile PTE Ltd situated in Singapore and Route Mobile Ltd (Ghana) situated in Ghana.

1. Names of the Subsidiaries which are yet to commence operations: NIL
2. Names of the Subsidiaries which have been liquidated or sold during the year: NIL

Part “B”: Associates and Joint Ventures

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

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

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

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

Chandrakant Gupta
Director
DIN: 01636981

Date: 5th September, 2017
Place: Mumbai
CIN: U72900MH2004PLC146323
Registered Office:
401, Fourth Floor, Evershine Mall New Link Road,
Malad (West), Mumbai – 400 064
Tel No.: 022-4033 7676 Fax No.: 022-4033 7650

E-mail ID: complianceofficer@routemobile.com
Website: www.routemobile.com

ANNEXURE II

Annual Report on CSR Activities

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

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

Name	Category	Designation
Mr. Pratheek Agarwal	Independent Director	Chairman
Mr. Bhavesh Jain	Independent Director	Member
Mr. Sandipkumar Gupta	Managing Director	Member

3. Average Net Profit of the Company for last three financial years is Rs. 23,64,31,344/-

4. Prescribed CSR Expenditure (two percent of the amount as per item 3 above): Rs. 47,28,627/-

5. Details of CSR spent during the financial year:

(a) Total amount to be spent for the financial year: Rs. 47,28,627/-

(b) Amount unspent if any: Rs. 33,90,028/-

(c) Manner in which the amount spent during the financial year is detailed below:

(1) Sr. No.	(2) CSR Project or activity identified	(3) Sector in which the project is covered (clause no. of schedule VII to the Companies Act, 2013, as amended)	(4) Project or programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	(5) Amount outlay (budget) project or programs wise	(6) Amount spent on the projects or programs Sub heads (1) Direct Expenditure on projects and programs (2) Overheads:	(7) Cumulative expenditure upto the reporting period	(8) Amount spent Direct or through implementing agency*
1	Making availability of Safe Drinking Water by installing Hand Pumps	Eradicating hunger, poverty and malnutrition; promoting health care including preventive health care and sanitation including contribution to the 'Swachh Bharat Kosh' set-up by the Central Government for the promotion of sanitation and making available safe drinking water	Badlapur District	200,000	200,000	2,00,000	Direct
2	Donation of Footwear	eradicating extreme hunger and poverty	Gujarat	1,00,276	1,00,276	1,00,276	Direct
3	Training and Promotion of nationally recognized sport	Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports	Mumbai	10,38,323	10,38,323	10,38,323	Direct
Total				13,38,599	13,38,599	13,38,599	

6. The Company has identified few areas and is in process of reviewing and evaluating various

projects such that the contribution to be made towards the social projects is received by the deserving projects. The Company shall endeavor to ensure that the amount required to be spent under the CSR shall be disbursed appropriately.

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

For and on behalf of the Board of Directors

Chandrakant Gupta
Chairman & Director
DIN:01636981

Pratheek Agrawal
Chairman of CSR Committee

Place: Mumbai

Date: 5th September, 2017

Registered Office:

401, Fourth Floor, Evershine Mall,
New Link Road, Malad (West),
Mumbai – 400 064

CIN: U72900MH2004PLC146323

Tel No.:022-40337676

Fax No.:022 40337650

Email Id: complianceofficer@routemobile.com

Website: www.routemobile.com

ANNEXURE III

SECRETARIAL AUDIT REPORT

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

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017

To,
The Members,
ROUTE MOBILE LIMITED
401, Fourth Floor, Evershine Mall New Link Road,
Malad (West), Mumbai – 400 064

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

Based on our verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the financial year ended on 31st March, 2017, 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:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company as given in the Annexure I for the financial year ended on 31st March, 2017, according to the provisions of the Companies Act, 2013 ('the Act') and the rules made there under to the extent applicable.

2. Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act") were not applicable to the Company under the financial year under report:-

- (a) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (b) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (c) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (d) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (e) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities)

Regulations, 2008;

- (g) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (h) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (i) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (j) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (k) 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;
- (l) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

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

We have also examined compliance with the applicable clauses of Secretarial Standards issued by The Institute of Company Secretaries of India under the provisions of Companies Act, 2013 and during the financial year under report, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc.

We further report that

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

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, 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 review and hence the same was not required to be captured and recorded as part of the minutes.

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

We further report that during the year under report, the Company has undertaken the following

events / actions having major bearing on the Company's affairs in pursuance to the above referred laws, rules, standards etc.

A. The Company obtained Shareholders' approval for the following matters at Extra-ordinary General Meeting held on 15th July, 2016 in accordance with the provisions of the companies Act, 2013 read with the relevant rules made thereunder:

- 1) Increase in Authorized Share Capital of the Company from existing Rs. 40,00,00,000/- (Rupees Forty Crore only) to Rs. 100,00,00,000/- (Rupees Hundred Crore only) and alteration of Capital Clause in the Memorandum of Association of the Company; and
- 2) Appointment of Deloitte Haskins & Sells LLP as the Statutory Auditors of the Company for the financial year 2015-16.

B. The Company obtained Shareholders' approval at Extra-ordinary General Meeting held on 25th August, 2016 for issue of 3,00,00,000 (Three Crore) Bonus Equity Shares of Rs. 10/- (Rupees Ten only) each to the existing Equity Shareholders of the Company in the ratio of 3 (Three) new Equity Shares for every 2 (Two) Equity Shares held.

C. The Company obtained Shareholders' approval at Extra-ordinary General Meeting held on 28th December, 2016 for appointment of M/s. Ramanand & Associates, Chartered Accountants, as the Statutory Auditors for the financial year 2015-16 of the Company to fill the casual vacancy caused due to the resignation by Deloitte Haskins & Sells LLP.

**For RATHI & ASSOCIATES
COMPANY SECRETARIES**

**HIMANSHU S. KAMDAR
PARTNER
FCS 5171**

Place: Mumbai

Dated: September 05, 2017.

Annexure-I

List of documents verified

1. Memorandum & Articles of Association of the Company;
2. Annual Report for the financial year ended 31st March 2016;
3. Minutes of the meetings of the Board of Directors, Audit Committee, Nomination & Remuneration Committee and Corporate Social Responsibility Committee held during the financial year along with Attendance Register;
4. Minutes of General Body Meetings held during the financial year under report;
5. Statutory Registers viz.
 - Register of Directors & Key Managerial Personnel and their Shareholding
 - Register of Contracts with Related Party and Contracts and Bodies etc. in which Directors' are interested
 - Register of loans, guarantees and security and acquisition made by the Company
 - Register of Charges
6. Agenda papers submitted to all the Directors/members for the Board meeting and the Committee Meetings;
7. Declarations received from the Directors of the Company pursuant to the provisions of 184 and 149(7) of the Companies Act, 2013;
8. e-Forms filed by the Company from time to time under applicable provisions of the Companies Act, 2013 and attachments thereof during the financial year under report;
9. Documents related to payments of dividend made to its shareholders during the financial year under report;
10. Various Policies made under the Companies Act, 2013 and relevant rules made thereunder;

Annexure-II

List of applicable laws to the Company

1. Civil Laws

- Consumer Protection Act, 1986
- Competition Act, 2002
- Indian Arbitration Act, 1999
- Essential Commodities Act
- Guard Board Act
- Shops and Establishment Act and Rules
- Companies Act, 2013 and Rules made thereunder

2. Criminal Laws

- Legal metrology Act and Rules
- Food Safety Standards Act and Rules
- Negotiable Instruments Act, 1881
- Drugs and Cosmetics Act, 1940

3. Intellectual Property Rights

- The Trademarks Act, 1999
- Indian Copyright Act, 1957
- Designs Act, 2000
- The Indian Patent Act, 1970

4. Tax Laws

- Income Tax Act, 1961
- Value Added Tax,
- Central Sales Tax,
- Central Excise Duty,
- Customs Duty,
- Indian Stamp Act and Stamp 1899 and stamp duties prescribed for respective states;
- Octroi, Entry Tax and any other state specific taxation as applicable;

5. Labor Welfare Legislations

- Minimum Wages Act, 1948
- Employees State Insurance Act, 1948
- Payment of Bonus Act, 1985
- Payment of Gratuity Act, 1972
- Employee Provident Fund and Miscellaneous Provisions Act, 1952
- The Maternity Benefits Act, 1961
- Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

ANNEXURE IV

FORM NO. MGT - 9 EXTRACT OF ANNUAL RETURN As on financial year ended on 31st March, 2017

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

CIN	:	U72900MH2004PLC146323
Registration Date	:	14th May, 2004
Name of the Company	:	Route Mobile Limited (Formerly known as RouteSms Solutions Limited)
Category / Sub-Category of the Company	:	Company Limited by shares/ Indian Non-Government Company
Address of the Registered office and contact details	:	401, Fourth Floor, Evershine Mall, New Link Road, Malad (West), Mumbai - 400 064
Whether listed Company	:	No

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

Sr. No.	Name and Description of main products/ services	NIC Code	% to total turnover of the Company
1.	Data base services including data processing & tabulation services, on-line information and data retrieval services, Electronic Data Interchange (EDI) service, web search portal content services, Code and protocol conversion services etc	99831595	80.79%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No.	Name and address of the Company	CIN / GLN	Holding / subsidiary / associate	% of shares held	Applicable section of the Companies Act, 2013
1.	Sphere Edge Consulting (India) Private Limited Address:- Office 408, Evershine Mall, Mind Space New Link Road, Malad (West), Mumbai – 400 064	U74140MH2007PTC171900	Wholly-owned Subsidiary	100%	2(87)

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

i. Category-wise Share Holding:

[illegible]

Sub-total (A)(2):	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	-	2,00,00,000	2,00,00,000	100	-	5,00,00,000	5,00,00,000	100	-
B. Public Shareholding									
(1) Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):	-	-	-	-	-	-	-	-	-
(2) Non-Institutions									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
HUF	-	-	-	-	-	-	-	-	-
Sub-total(B)(2):	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	2,00,00,000	2,00,00,000	100	-	5,00,00,000	5,00,00,000	100	-

ii. Shareholding of Promoters:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1.	Mr. Sandipkumar Gupta	60,00,000	30	-	1,50,00,000	30	-	-
2.	Mr. Rajdipkumar Gupta	60,00,000	30	-	1,50,00,000	30	-	-
3.	Mr. Chandrakant Gupta	20,00,000	10	-	50,00,000	10	-	-
4.	Mrs. Chamelidevi Gupta	20,00,000	10	-	50,00,000	10	-	-
5.	Mrs. Sunita Gupta	18,00,000	9	-	45,00,000	9	-	-
6.	Mrs. Sarika Gupta	18,00,000	9	-	45,00,000	9	-	-

7.	Mr. Sandipkumar Gupta (HUF)	1,25,000	0.625	-	3,12,500	0.625	-	-
8.	Mr. Rajdipkumar Gupta (HUF)	1,25,000	0.625	-	3,12,500	0.625	-	-
9.	Mr. Chandrakant Gupta (HUF)	1,50,000	0.75	-	3,75,000	0.75	-	-
	Total	20000000	100	-	50000000	100	-	-

iii. Change in Promoter's Shareholding:

Sr. No.	Name of the Promoters	Shareholding at the beginning of the year (01.04.2016)		Cumulative Shareholding during the year (01.04.2016 to 31.03.2017)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Mr. Sandipkumar Gupta	60,00,000	30	60,00,000	30
	Add: Bonus Issue 02.09.2016	90,00,000	30	1,50,00,000	30
	At the end of the year	-	-	1,50,00,000	30
2.	Mr. Rajdipkumar Gupta	60,00,000	30	60,00,000	30
	Add: Bonus Issue 02.09.2016	90,00,000	30	1,50,00,000	30
	At the end of the year	-	-	1,50,00,000	30
3.	Mr. Chandrakant Gupta	20,00,000	10	20,00,000	10
	Add: Bonus Issue 02.09.2016	30,00,000	10	50,00,000	10
	At the end of the year	-	-	50,00,000	10
4.	Mrs. Chamelidevi Gupta	20,00,000	10	20,00,000	10
	Add: Bonus Issue 02.09.2016	30,00,000	10	50,00,000	10
	At the end of the year	-	-	50,00,000	10
5.	Mrs. Sunita Gupta	18,00,000	9	18,00,000	9
	Add: Bonus Issue 02.09.2016	27,00,000	9	45,00,000	9
	At the end of the year	-	-	45,00,000	9
6.	Mrs. Sarika Gupta	18,00,000	9	18,00,000	9
	Add: Bonus Issue 02.09.2016	27,00,000	9	45,00,000	9
	At the end of the year	-	-	45,00,000	9
7.	Mr. Chandrakant Gupta (HUF)	1,50,000	0.75	1,50,000	0.75
	Add: Bonus Issue 02.09.2016	2,25,000	0.75	3,75,000	0.75
	At the end of the year	-	-	3,75,000	0.75
8.	Mr. Sandipkumar Gupta (HUF)	1,25,000	0.625	1,25,000	0.625
	Add: Bonus Issue 02.09.2016	1,87,500	0.625	3,12,500	0.625
	At the end of the year	-	-	3,12,500	0.625
9.	Mr. Rajdipkumar Gupta (HUF)	1,25,000	0.625	1,25,000	0.625
	Add: Bonus Issue 02.09.2016	1,87,500	0.625	3,12,500	0.625
	At the end of the year	-	-	3,12,500	0.625

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

Sr. No.	Name of the Top Ten Shareholder	Shareholding at the beginning of the year (01.04.2016)		Cumulative Shareholding during the year (01.04.2016 to 31.03.2017)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
Not Applicable					

v. Shareholding of Directors and Key Managerial Personnel:

Sr. No	For each of the Directors and KMP	Shareholding at the beginning of the year (01.04.2016)		Cumulative Shareholding during the year (01.04.2016 to 31.03.2017)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Mr. Sandipkumar Gupta	60,00,000	30	60,00,000	30
	Add: Bonus Issue 02.09.2016	90,00,000	30	1,50,00,000	30
	At the end of the year	-	-	1,50,00,000	30
2.	Mr. Rajdipkumar Gupta	60,00,000	30	60,00,000	30
	Add: Bonus Issue 02.09.2016	90,00,000	30	1,50,00,000	30
	At the end of the year	-	-	1,50,00,000	30
3.	Mr. Chandrakant Gupta	20,00,000	10	20,00,000	10
	Add: Bonus Issue 02.09.2016	30,00,000	10	50,00,000	10
	At the end of the year	-	-	50,00,000	10
4.	Mrs. Chamelidevi Gupta	20,00,000	10	20,00,000	10
	Add: Bonus Issue 02.09.2016	30,00,000	10	50,00,000	10
	At the end of the year	-	-	50,00,000	10
5.	Mr. Bhavesh Jain	-	-	-	-
	Add: Bonus Issue 02.09.2016	-	-	-	-
	At the end of the year	-	-	-	-
6.	Mr. Pratheek Agarwal	-	-	-	-
	Add: Bonus Issue 02.09.2016	-	-	-	-
	At the end of the year	-	-	-	-

V. INDEBTEDNESS:

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

(Amount in Rs.)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	22,93,400	-	-	22,93,400
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	22,93,400	-	-	22,93,400
Change in Indebtedness during the financial year				
i) Addition	18,49,68,352	-	-	18,49,68,352
ii) Reduction	22,93,400	-	-	22,93,400
iii) Net Change	18,26,74,952	-	-	18,26,74,952
Indebtedness at the end of the financial year				
i) Principal Amount	18,48,57,533	-	-	18,48,57,533
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	110,819	-	-	110,819
Total (i+ii+iii)	18,49,68,352	-	-	18,49,68,352

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**(Amount in Rs.)**

Sr. No.	Particulars of Remuneration	Name of MD/ WTD/ Manager		Total Amount
		Mr. Sandipkumar Gupta Managing Director	Mr. Rajdipkumar Gupta Whole-time Director	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,46,00,000	1,46,00,000	2,92,00,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify	-	-	-
5.	Others, please specify	-	-	-
	Total (A)	1,46,00,000	1,46,00,000	2,92,00,000
	Ceiling as per the Act	Rs. 7,30,66,721.5 (being 10% of the net profit of the Company calculated as per Section 198 of the Companies Act, 2013)		

B. Remuneration to other directors:**(Amount in Rs.)**

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Ms. Chamelidevi Gupta	Mr. Chandrakant Gupta	Mr. Pratheek Agarwal	Mr. Bhavesh Jain	
	1. Independent Directors					
	• Fee for attending board / committee meetings	-		66,000	66,000	1,32,000
	• Commission	-		-	-	-
	• Others, please specify	-		-	-	-
	Total (1)	-		66,000	66,000	1,32,000
	2. Other Non-Executive Directors					
	• Fee for attending board / committee meetings	48,000	-	-	-	48,000
	• Commission	-	-	-	-	-
	• Others, please specify	-	4,50,000	-	-	4,50,000
	Total (2)	48,000	4,50,000	-	-	4,98,000
	Total (B)=(1+2)	48,000	4,50,000	66,000	66,000	6,30,000

C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD:**(Amount in Rs.)**

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Mr. Gaurav Jhunjunwala - Company Secretary	Mr. Pratik Rohit Joshi - CFO	Total
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	550,002	574,531	11,24,533
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-

	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total	-	550,002	574,531	11,24,533

*Mr. Pratik Joshi, Chief Financial Officer of the Company was appointed on 2nd June, 2016

*Mr. Gaurav Jhunjhunwala, Company Secretary of the Company was appointed on 2nd June, 2016

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

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

Chandrakant Gupta
Chairman & Director
DIN: 01636981

Date: 5th September, 2017

Place: Mumbai

CIN: U72900MH2004PLC146323

Registered Office:

401, Fourth Floor, Evershine Mall New Link Road,
Malad (West), Mumbai – 400 064

Tel No.: 022-4033 7676 Fax No.: 022-4033 7650

E-mail ID: complianceofficer@routemobile.com

Website: www.routemobile.com

Standalone Financial Statement

Independent Auditor's Report on Financial Statements

Walker Chandiok & Co LLP

Chartered Accountants, 16th Floor, Tower II,
Indiabulls Finance Centre, S. B. Marg,
Elphinstone (West), Mumbai - 400 013.
Maharashtra

Independent Auditor's Report

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

Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of Route Mobile Limited (Formerly known as 'Routesms Solutions Limited') (the "Company"), which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the "Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Ramanand & Associates

Chartered Accountants,
6/C, Ground Floor, Ostwal Park Building No.4,
Near Jesal Park Jain Temple, Bhayandar (East),
Thane - 401 105. Maharashtra

Auditor's Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether these standalone financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on these standalone financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2017, its profit and its cash flows for the year ended on that date.

Other Matter

9. The standalone financial statements of the Company for the year ended 31 March 2016 were audited and reported by Ramanand & Associates, Chartered Accountants, vide their unmodified opinion dated 31 December 2016 on those statements.

Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order, 2016 (the "Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
11. Further to our comments in Annexure A, as required by Section 143(3) of the Act, we report that:
- a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. the standalone financial statements dealt with by this report are in agreement with the books of account;
 - d. in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under Section

133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);

e. on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as at 31 March 2017 from being appointed as a director in terms of Section 164(2) of the Act;

f. we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as at 31 March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 5 September 2017 as per Annexure B expressed an unmodified opinion;

g. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (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 17 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position;
- ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
- iv. the Company, as detailed in Note 15 to the standalone financial statements, has made requisite disclosures in these standalone financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016. Based on the audit procedures performed and taking into consideration the information and explanations given to us, in our opinion, these are in accordance with the books of account maintained by the Company.

For Walker Chandiok & Co LLP

Chartered Accountants

Firm's Registration No.: 001076N/N500013

per Bharat Shetty

Partner

Membership No.: 106815

Place: Mumbai

Date: 5 September 2017

For Ramanand & Associates

Chartered Accountants

Firm's Registration No.: 117776W

per Ramanand G. Gupta

Partner

Membership No.: 103975

Place: Mumbai

Date: 5 September 2017

Annexure A

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The title deeds of all the immovable properties (which are included under the head "fixed assets") 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 not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.

- (iv) In our opinion, the Company has complied with the provisions of Section 186 in respect of investments. Further, in our opinion, the Company has not entered into any transaction covered under Section 185 and Section 186 of the Act in respect of loans, 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, value added tax, cess and other material statutory dues, as applicable, have not been regularly deposited to the appropriate authorities and there have been significant delays in a large number of 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 become payable.
- (b) The dues outstanding in respect of income-tax, sales-tax, service-tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹)	Amount paid under Protest (₹)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Finance Act, 1994	Service tax on purchases of short messaging services	250,027,544	-	2011-12 to 2015-16 (Financial year)	-	The Company is in the process of responding to the show cause cum demand notice issues by Directorate General of Central Excise Intelligence (DGCEI)

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

- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) and did not have any term loans outstanding during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.
- (x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) Managerial remuneration has been paid by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.

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

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

Place: Mumbai
Date: 5 September 2017

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

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

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

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

For **Ramanand & Associates**
Chartered Accountants
Firm's Registration No.: 117776W

per **Ramanand G. Gupta**
Partner
Membership No.: 103975

Place: Mumbai
Date: 5 September 2017

Annexure B to the Independent Auditor's Report of even date to the members of Route Mobile Limited (Formerly known as 'Routesms Solutions Limited'), on the standalone financial statements for the year ended 31 March 2017

Annexure B

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

1. In conjunction with our audit of the standalone financial statements of Route Mobile Limited (Formerly known as 'Routesms Solutions Limited') (the "Company") as at and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting (IFCoFR) of the Company as at 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 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 standalone financial reporting and the preparation of standalone 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 standalone 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 standalone 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 2017, based on the internal control over financial reporting criteria established by the Company considering the

essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

For **Ramanand & Associates**

Chartered Accountants

Firm's Registration No.: 117776W

per **Bharat Shetty**

Partner

Membership No.: 106815

per **Ramanand G. Gupta**

Partner

Membership No.: 103975

Place: Mumbai

Date: 5 September 2017

Place: Mumbai

Date: 5 September 2017

Standalone Financial Statement

Balance Sheet

Balance Sheet as at 31 March 2017			
	Notes	As at 31 March 2017 In ₹	As at 31 March 2016 In ₹
Equity and liabilities			
Shareholders' funds	3	50,00,00,000	20,00,00,000
Share capital	4	30,44,03,084	9,03,62,930
Reserves and surplus		80,44,03,084	29,03,62,930
Non-current liabilities	5	2,58,33,943	-
Long-term borrowings	6	1,03,59,890	95,13,591
Long-term provisions		3,61,93,833	95,13,591
Current liabilities			
Short-term borrowings	5	15,00,00,000	-
Trade payables - outstanding dues to micro and small enterprises	26	-	-
Trade payables - outstanding dues to other than micro and small enterprises		10,39,54,086	5,65,93,073
Other current liabilities	7	13,81,62,947	49,45,88,440
Short-term provisions	6	47,13,573	36,53,853
		39,68,30,606	55,48,35,366
Total Assets		1,23,74,27,523	85,47,11,887
Non-current assets			
Property, plant and equipment	8	15,67,56,454	8,29,39,961
Intangible assets	9	1,59,27,725	70,10,898
Capital work-in-progress		-	1,20,98,265
Non-current investments	10	14,15,43,232	62,46,694
Deferred tax assets (net)	11	95,11,769	24,38,442
Long-term loans and advances	12	12,96,25,917	3,86,86,504
Other non-current assets	13	2,87,86,795	25,07,32,787
		48,21,51,892	40,01,53,551

Balance Sheet as at 31 March 2017

	Notes	As at 31 March 2017 In ₹	As at 31 March 2016 In ₹
Current assets			
Trade receivables	14	23,31,07,447	16,81,05,185
Cash and bank balances	15	49,55,78,860	25,19,59,146
Short-term loans and advances	16	1,74,80,009	2,64,70,192
Other current assets	17	91,09,315	80,23,813
		<hr/> 75,52,75,631	<hr/> 45,45,58,336
Total		<hr/> 1,23,74,27,523	<hr/> 85,47,11,887

Significant accounting policies and other explanatory information **1 to 37**

As per our report of even date attached

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

Bharat Shetty
Partner

Place : Mumbai
Date : 5 September 2017

For Ramanand & Associates
Chartered Accountants
Firm's Registration No.: 117776W

Ramanand G. Gupta
Partner

Place : Mumbai
Date : 5 September 2017

For and on behalf of the Board of Directors

Chandrakant Gupta
Chairman and Director
(DIN No. 01636981)

Rajdipkumar Gupta
Managing Director
(DIN No. 01272947)

Pratik Joshi
Chief Financial Officer

Place : Mumbai
Date : 5 September 2017

Sandipkumar Gupta
Director
(DIN No. 01272932)

Gaurav Jhunhunwala
Company Secretary

Standalone Financial Statement

Statement of Profit and Loss

Statement of Profit and Loss for the year ended 31 March 2017			
	Notes	Year ended 31 March 2017 In ₹	Year ended 31 March 2016 In ₹
Revenue from operations	18	1,68,41,91,449	1,88,40,63,992
Other income	19	40,05,39,521	3,42,61,874
Total revenue		2,08,47,30,970	1,91,83,25,866
Expenses			
Purchases of short messaging services	20	1,00,88,69,606	1,21,19,35,021
Employee benefits expense	21	18,18,42,653	10,66,39,385
Finance costs	22	50,74,112	76,40,061
Depreciation and amortisation expense	23	4,85,14,146	2,29,72,459
Other expenses	24	13,36,09,310	11,73,14,272
Prior period expenses	25	61,89,946	1,71,02,678
Total expenses		1,38,40,99,773	1,48,36,03,876
Profit before tax		70,06,31,197	43,47,21,990
Tax expense			
Current tax		19,12,31,261	16,26,57,600
Tax adjustment in respect of earlier years		24,33,109	-
Deferred tax credit		(-70,73,327)	(-66,46,435)
Net tax expense		18,65,91,043	15,60,11,165
Profit for the year		51,40,40,154	27,87,10,825

Earnings per equity share (Face value ₹ 10 each)

Basic and diluted	31	10.28	5.57
-------------------	----	-------	------

Significant accounting policies and other explanatory information 1 to 37

As per our report of even date attached

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

For Ramanand & Associates
Chartered Accountants
Firm's Registration No.: 117776W
Ramanand G. Gupta
Partner

For and on behalf of the Board of Directors

Chandrakant Gupta
Chairman and Director
(DIN No. 01636981)

Rajdipkumar Gupta
Managing Director
(DIN No. 01272947)

Pratik Joshi
Chief Financial Officer

Sandipkumar Gupta
Director
(DIN No. 01272932)

Gaurav Jhunjunwala
Company Secretary

Place : Mumbai

Date : 5 September 2017

Place : Mumbai

Date : 5 September 2017

Place : Mumbai

Date : 5 September 2017

Standalone Financial Statement

Cash Flow Statement

Cash Flow Statement for the year ended 31 March 2017		
	Year ended 31 March 2017 In ₹	Year ended 31 March 2016 In ₹
Cash flow from operating activities		
Profit before tax	70,06,31,197	43,47,21,990
Adjustments for:		
Depreciation and amortisation expense	4,85,14,146	2,29,72,459
Advances and trade receivable written off	1,34,23,909	1,23,67,644
Interest income on fixed deposits	(3,04,29,915)	(2,86,59,628)
Provision for doubtful debts	11,32,807	1,16,76,009
Loss on sale of property, plant and equipment	9,27,688	8,32,531
Interest on delayed payment of income taxes	25,98,485	-
Interest on borrowings from bank	2,61,466	29,33,080
Other borrowing cost	10,08,171	41,76,667
Unrealised foreign exchange loss	26,43,011	41,68,094
Prior period expenses	61,89,946	1,71,02,678
Dividend income	(35,54,03,375)	-
Liabilities no longer payable, written back	(1,36,36,373)	(42,10,562)
Operating profit before working capital changes	37,78,61,163	47,80,80,962
Adjustments for working capital:		
(Increase)/Decrease in trade receivables	(7,94,14,697)	3,44,59,871
(Increase) in loans and advances and other assets	(2,94,73,692)	(4,48,75,190)
Increase/(Decrease) in trade payables, provisions and other liabilities	(28,62,46,169)	41,96,32,153
Cash (used in)/generated from operating activities	(1,72,73,395)	88,72,97,796
Direct taxes paid (net)	(23,05,55,853)	(18,97,97,473)
Net cash (used in)/generated from operating activities	(A) (24,78,29,248)	69,75,00,323
Cash flow from investing activities		
Purchase of property, plant and equipment	(12,75,47,095)	(5,86,19,958)
Fixed deposits matured/(placed)	13,63,20,533	(32,77,59,798)
Proceeds from sale of property, plant and equipment	35,98,852	-
Investment in subsidiaries	(13,52,96,538)	(26,44,068)
Dividend income received	35,54,03,375	-
Interest received	2,99,53,017	2,86,59,628
Net cash generated from/(used in) investing activities	(B) 26,24,32,144	(36,03,64,196)

Cash Flow Statement for the year ended 31 March 2017

		Year ended 31 March 2017 In ₹	Year ended 31 March 2016 In ₹
Cash flow from financing activities			
Repayment of long-term borrowings (including finance lease obligations)		(51,60,219)	(22,93,400)
Interest paid		(11,58,818)	(79,23,435)
Proceeds from/ (Repayment of) short-term borrowings (net)		15,00,00,000	(5,40,16,171)
Interim dividend paid		-	(22,00,00,000)
Tax on dividend		-	(4,48,10,000)
Net cash generated from/(used in) financing activities	(C)	14,36,80,963	(32,90,43,006)
Net increase in cash and cash equivalents	(A+B+C)	15,82,83,859	80,93,121
Cash and cash equivalents at the beginning of the year		4,90,54,097	4,09,60,976
Cash and cash equivalents at the end of the year		20,73,37,956	4,90,54,097
Cash and cash equivalents comprise of :			
Cash on hand		77,772	3,59,127
Balances with banks			
- in current accounts		7,34,17,392	3,47,99,326
- in EEFC accounts		27,10,480	1,36,43,364
- in deposit accounts (with maturity upto 3 months)		13,07,97,063	-
- wallets balances		3,35,249	2,52,280
		20,73,37,956	4,90,54,097

Notes:

- The above Cash Flow Statement has been prepared under "Indirect Method" as set out in Accounting Standard - 3 on "Cash Flow Statements" notified under Section 133 to the Companies Act, 2013.
- Previous year's figures have been regrouped/rearranged wherever necessary.

As per our report of even date attached

For Walker Chandiok & Co LLPChartered Accountants
Firm's Registration No.: 001076N/N500013**Bharat Shetty**
Partner

Place : Mumbai

Date : 5 September 2017

For Ramanand & AssociatesChartered Accountants
Firm's Registration No.: 117776W**Ramanand G. Gupta**
Partner

Place : Mumbai

Date : 5 September 2017

For and on behalf of the Board of Directors**Chandrakant Gupta**
Chairman and Director
(DIN No. 01636981)**Rajdipkumar Gupta**
Managing Director
(DIN No. 01272947)**Pratik Joshi**
Chief Financial Officer

Place : Mumbai

Date : 5 September 2017

Sandipkumar Gupta
Director
(DIN No. 01272932)**Gaurav Jhunjunwala**
Company Secretary

Standalone Financial Statement

Notes to the Financial Statements

Note 1: Corporate information

'Route Mobile Limited' (RML) (Formerly known as 'Routesms Solutions Limited'), (the "Company") is a technology service provider for mobile communications industry with a focus on enterprise messaging. The Company has developed an indigenous technology platform to support Mobile Network Operators (MNOs), OTT Players, Enterprises, Aggregators and Resellers.

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.

Note 2: Significant accounting policies

(a) Basis of accounting and preparation of standalone financial statements

These standalone financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India on accrual basis under the historical cost convention. These standalone financial statements have been prepared to comply in all material aspects with the Accounting Standards prescribed by the Central Government, in accordance with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) and Section 133 of the Companies Act, 2013 (the "Act").

All assets and liabilities have been classified as current and non-current as per normal operating cycle of the Company and other criteria set out in Schedule III to the Act. Based on nature of services, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

(b) Use of Estimates

The preparation of the standalone financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of financial statements and the reported amounts of revenue and expense for the year. Key estimates made by the Company in preparing these standalone financial statements comprise useful lives of assets, provision for doubtful debts/advances, accrual for expenses, impairment testing, retirement benefits and income taxes. Actual results could differ from those estimates. Any revision to accounting estimates are recognised in the year in which such revisions are made.

(c) Property, plant and equipment (Tangible assets) and 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, net of cenvat 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.

(d) 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.

(e) Depreciation/Amortisation

Depreciation on Property, plant and equipment is provided under the Written Down Value (WDV) method over the useful lives of assets as prescribed under 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. Hence, the useful life for these assets are different from the useful life as prescribed under Part C of Schedule II of the Act.

Computer software is amortized over a period of three years.

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

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

(f) Impairment of assets

Management evaluates at regular intervals, using external and internal sources, the need for impairment of any asset. Impairment occurs where the carrying value exceeds the present value of future cash flows expected

to arise from the continuing use of the asset and its net realisable value on its eventual disposal. Any loss on account of impairment is expensed as the excess of the carrying amount over the higher of the asset's net sales price or present value as determined.

After impairment, depreciation 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 if there was no impairment.

(g) Investments

Investments that are readily realisable and intended to be held for not more than a year from the date on which such investments were made, are classified as "Current Investments". Investments are classified into long-term investments and current investments. Long-term investments are carried at cost. Provision for diminution in the value of long-term investments is not made unless it is considered other than temporary. Current investments are valued at lower of cost and net realisable value.

(h) Foreign currency transactions

- (i) Initial recognition - Transactions denominated in foreign currencies are recorded at the rates of exchange prevailing on the date of the transaction.
- (ii) Conversion - Monetary assets and liabilities denominated in foreign currency are converted at the rate of exchange prevailing on the date of the Balance Sheet.
- (iii) Exchange differences - All exchange differences arising on settlement/conversion of foreign currency transactions are included in the Statement of Profit and Loss in the year in which they arise.

(i) Employee benefits

- (i) 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.
- (ii) 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.

- (iii) 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 and actuarial gains/losses are charged to the Statement of Profit and Loss. 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 work or at the time of retirement (with minimum 5 years of service), whichever is earlier.

(j) Revenue recognition

- (i) Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company, the revenue can be reliably measured, the sale price is determinable and collectability is reasonably assured and is reported net of discounts based on the terms of the contract and applicable indirect taxes.

SMS Revenue – The Company recognises revenue based on the usage of Short Message Services (SMS). 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) Lease rentals are recognised ratably on a straight-line basis over the lease term.
- (iv) Dividend income is recognised when the right to receive the dividend is established.
- (v) Interest income is recognised on time proportion basis.

(k) Leases**Finance lease**

Leases which effectively, transfer to the Company, all the risks and benefits incidental to ownership of the leased asset, are classified as Finance Lease. 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 leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return.

Operating lease

Leases where the lessor effectively retains substantially all risks and benefits incidental to ownership of the asset are classified as Operating lease. Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight line basis over the lease term.

(l) 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 treated as revenue expenditure.

(m) Taxes on income

Provision for tax comprises current income tax and deferred tax. Current income tax is determined in respect of taxable income with deferred tax being determined as the tax effect of timing differences representing the difference between taxable income and accounting income that originate in one period, and are capable of reversal in one or more subsequent period(s). Such deferred tax is quantified using rates and laws enacted or substantively enacted as at the end of the financial year.

Tax credit is recognised in respect of Minimum Alternate Tax (MAT) as per the provisions of Section 115JAA of the Income Tax Act, 1961 based on convincing evidence that the Company will pay normal income tax within the statutory time frame and is reviewed at each Balance Sheet date.

Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, when there is unabsorbed

depreciation or carried forward losses under taxation laws, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets. Deferred tax assets are reviewed at each Balance Sheet date to reassess certainty of realisation.

(n) Provisions and 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 neither recognised nor disclosed in the financial statements.

(o) Earnings per share

Basic earnings per share are computed by dividing net profit after tax by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing net profit after tax 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.

(p) 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 short-term investments with an original maturity of three months or less.

Significant accounting policies and other explanatory information for the year ended 31 March 2017 (Amount in ₹, except for share data, and if otherwise stated)

	As at 31 March 2017		As at 31 March 2016	
	Number	Amount	Number	Amount
3 Share capital				
Authorised share capital				
Equity shares of ₹10 each	10,00,00,000	1,00,00,00,000	4,00,00,000	40,00,00,000
Issued, subscribed and fully paid up				
Equity shares of ₹10 each	5,00,00,000	50,00,00,000	2,00,00,000	20,00,00,000
	5,00,00,000	50,00,00,000	2,00,00,000	20,00,00,000
a) Reconciliation of share capital				
Equity shares				
Balance at the beginning of the year	2,00,00,000	20,00,00,000	20,00,000	2,00,00,000
Add: Bonus shares issued during the year (refer note c)	3,00,00,000	30,00,00,000	1,80,00,000	18,00,00,000
Balance at the end of the year	5,00,00,000	50,00,00,000	2,00,00,000	20,00,00,000
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)	During the year, pursuant to the shareholders approvals under Section 63 and other applicable provisions of the Companies Act, 2013, the Company has issued bonus shares in the ratio of 3:2 (i.e. three bonus equity shares of ₹ 10 each for every two fully paid up equity shares of ₹ 10 each), to the shareholders on record date of 25 August 2016, by capitalising existing reserves by ₹ 300,000,000.			
d) Shareholders holding more than 5% of the shares in the Company	Number of shares held	% holding	Number of shares held	% holding
Sandipkumar Gupta	1,50,00,000	30	60,00,000	30
Rajdipkumar Gupta	1,50,00,000	30	60,00,000	30
Chandrakant Gupta	50,00,000	10	20,00,000	10
Chamelidevi Gupta	50,00,000	10	20,00,000	10
Sunita Gupta	45,00,000	9	18,00,000	9
Sarika Gupta	45,00,000	9	18,00,000	9
	4,90,00,000	98	1,96,00,000	98
e)	Aggregate number of bonus shares issued during the period of five years immediately preceding the reporting date:			
	Number	Amount	Number	Amount
Equity shares allotted as fully paid bonus shares	3,00,00,000	30,00,00,000	1,80,00,000	18,00,00,000

Significant accounting policies and other explanatory information for the year ended 31 March 2017 (Amount in ₹, except for share data, and if otherwise stated)

	As at 31 March 2017	As at 31 March 2016
4 Reserves and surplus		
Surplus in Statement of Profit and Loss		
Balance at the beginning of the year	9,03,62,930	23,01,68,105
Add :		
Transferred from Statement of Profit and Loss	51,40,40,154	27,87,10,825
Reversal of provision for Corporate Social Responsibility	-	22,00,000
Reversal of provision for proposed dividend (refer note below)	-	2,00,00,000
Reversal of provision for dividend distribution tax (refer note below)	-	40,94,000
Less:		
Interim dividend paid during the year	-	22,00,00,000
Dividend distribution tax	-	4,48,10,000
Issue of Bonus shares (refer note 3(c))	30,00,00,000	18,00,00,000
Balance at the end of the year	30,44,03,084	9,03,62,930

Proposed dividend for the previous year had been reversed since the resolution for declaration of dividend was not approved by the shareholders at the Annual General Meeting

	As at 31 March 2017		As at 31 March 2016	
	Long-term	Short-term	Long-term	Short-term
5 Borrowings				
Secured				
Finance lease obligations*	3,48,57,533	-	-	-
Vehicle loans from banks**	-	-	22,93,400	-
Working capital loan from banks***	-	15,00,00,000	-	-
	3,48,57,533	15,00,00,000	22,93,400	-
Less : Current maturities of long-term borrowings (refer note 7)	(90,23,590)	-	(22,93,400)	-
Total borrowings	2,58,33,943	15,00,00,000	-	-

*Finance Lease obligations are secured by the assets obtained on finance lease (computers and computer servers) and are repayable in equal quarterly installments over a period of 4 years and carry a finance charge

**secured by hypothecation of vehicles purchased against the loan

***secured by way of first charge on fixed deposits

Significant accounting policies and other explanatory information for the year ended 31 March 2017 (Amount in ₹, except for share data, and if otherwise stated)

	As at 31 March 2017		As at 31 March 2016	
6 Provisions				
Provision for gratuity (refer note 6(a))	1,03,59,890	24,60,624	95,13,591	12,82,670
Provision for compensated absences (refer note 6(b))	-	22,52,949	-	-
Provision for tax (net of advance tax of ₹ Nil (Previous year ₹ 160,286,417))	-	-	-	23,71,183
	<u>1,03,59,890</u>	<u>47,13,573</u>	<u>95,13,591</u>	<u>36,53,853</u>

Employee benefits

a. Gratuity:

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. 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:

Particulars	31 March 2017	31 March 2016
Change in benefit obligation		
Projected Benefit Obligation ("PBO") at the beginning of the year	1,07,96,261	85,63,753
Service cost	23,43,776	18,44,614
Interest cost	8,15,118	6,55,127
Actuarial gain	(11,34,641)	(2,67,233)
Benefits paid	-	-
PBO at the end of the year	<u>1,28,20,514</u>	<u>1,07,96,261</u>
Net liability as at year end recognised in Balance Sheet	<u>1,28,20,514</u>	<u>1,07,96,261</u>

Net gratuity cost comprises the following components:

Service cost	23,43,776	18,44,614
Interest cost	8,15,118	6,55,127
Recognised net actuarial gain	(11,34,641)	(2,67,233)
Net gratuity cost	<u>20,24,253</u>	<u>22,32,508</u>

Significant accounting policies and other explanatory information for the year ended 31 March 2017 (Amount in ₹, except for share data, and if otherwise stated)

Particulars	31 March 2017	31 March 2016
The actuarial assumptions used in accounting for the gratuity plan were as follows:		
Discount rate	6.75%	7.55%
Rate of increase in compensation levels	10.00%	12% for first three years and 8% thereafter
Attrition Rate	20.00%	15.00%
Rate of return on plan assets	N.A	N.A
Mortality rate	Indian assured lives mortality (2006-08) ultimate	Indian assured lives mortality (2006-08) ultimate

Details of Present Value of Obligation, Plan Assets and Experience Adjustments:

	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
Present value of obligation	1,28,20,514	1,07,96,261	85,63,753	-	-
Fair value of plan assets	-	-	-	-	-
Deficit/(Surplus)	1,28,20,514	1,07,96,261	85,63,753	-	-
Experience adjustments:					
On plan liabilities:- (gain) / loss	(11,34,641)	(2,67,233)	-	-	-
On plan assets:- gain / (loss)	-	-	-	-	-

b Compensated absences

The Company provided for ₹ 2,252,949 (Previous year ₹ Nil) towards compensated absences during the year.

Significant accounting policies and other explanatory information for the year ended 31 March 2017 (Amount in ₹, except for share data, and if otherwise stated)

	As at 31 March 2017	As at 31 March 2016
7 Other current liabilities		
Current maturity of long term borrowings (refer note 5)	90,23,590	22,93,400
Interest accrued but not due on borrowings	1,10,819	-
Security deposits	20,19,937	3,70,000
Statutory dues	83,93,436	39,91,334
Book overdraft	1,26,31,470	-
Advance from customers	8,73,91,181	45,58,79,050
Capital creditors	25,15,610	1,70,48,647
Dues to employees	2,71,783	70,19,218
Outstanding expenses	1,58,05,121	79,86,791
	<u>13,81,62,947</u>	<u>49,45,88,440</u>

Note:

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

Significant accounting policies and other explanatory information for the year ended 31 March 2017 (Amount in ₹, except for share data, and if otherwise stated)

8 Property, plant and equipment

Gross block	Building	Furniture and fittings	Leasehold improvements	Vehicles	Office equipment	Computers	Total
Balance as at 01 April 2015	3,30,99,737	1,18,91,257	-	1,69,49,806	62,09,708	6,60,68,820	13,42,19,328
Additions	-	3,08,017	-	41,45,976	6,83,452	3,68,73,744	4,20,11,189
Disposals	-	(4,72,730)	-	(35,000)	(17,80,804)	(77,11,276)	(99,99,810)
Balance as at 31 March 2016	3,30,99,737	1,17,26,544	-	2,10,60,782	51,12,356	9,52,31,288	16,62,30,707
Additions	-	2,86,64,645	2,38,00,297	1,40,35,309	14,88,408	5,76,88,536	12,56,77,195
Disposals	-	(76,56,809)	-	(38,51,877)	(28,76,780)	(2,88,750)	(1,46,74,216)
Balance as at 31 March 2017	3,30,99,737	3,27,34,380	2,38,00,297	3,12,44,214	37,23,984	15,26,31,074	27,72,33,686

Accumulated depreciation and amortisation

Balance as at 01 April 2015	1,00,34,117	67,10,691	-	78,82,840	38,45,595	4,30,86,635	7,15,59,878
Depreciation charge	11,24,497	15,06,080	-	36,37,864	12,90,926	1,33,38,803	2,08,98,170
Reversal on disposal of assets	-	(4,30,497)	-	(19,484)	(14,21,336)	(72,95,985)	(91,67,302)
Balance as at 31 March 2016	1,11,58,614	77,86,274	-	1,15,01,220	37,15,185	4,91,29,453	8,32,90,746
Depreciation and amortisation charge	10,15,878	67,04,174	41,03,499	61,09,549	8,20,304	2,55,61,088	4,43,14,492
Adjustment (refer note 25)	-	-	-	30,042	-	29,89,628	30,19,670
Reversal on disposal of assets	-	(48,21,711)	-	(30,61,901)	(21,23,332)	(1,40,732)	(1,01,47,676)
Balance as at 31 March 2017	1,21,74,492	96,68,737	41,03,499	1,45,78,910	24,12,157	7,75,39,437	12,04,77,232
Balance as at 31 March 2016	2,19,41,123	39,40,270	-	95,59,562	13,97,171	4,61,01,835	8,29,39,961
Balance as at 31 March 2017	2,09,25,245	2,30,65,643	1,96,96,798	1,66,65,304	13,11,827	7,50,91,637	15,67,56,454

The above table includes following assets taken on finance lease

Particulars	As at 31 March 2017				As at 31 March 2016		
	Gross block	Accumulated depreciation	Net block	Depreciation charge for the year	Gross block	Accumulated depreciation	Net block
Computers	3,77,24,352	8,38,319	3,68,86,033	8,38,319	-	-	-

Significant accounting policies and other explanatory information for the year ended 31 March 2017 (Amount in ₹, except for share data, and if otherwise stated)

9 Intangible assets

Gross block	Computer software	Total
Balance as at 01 April 2015	59,27,502	59,27,502
Additions	45,10,484	45,10,484
Disposals	-	-
Balance as at 31 March 2016	1,04,37,986	1,04,37,986
Additions	1,55,63,921	1,55,63,921
Disposals	-	-
Balance as at 31 March 2017	2,60,01,907	2,60,01,907
Accumulated amortisation		
Balance as at 01 April 2015	13,52,799	13,52,799
Amortisation charge	20,74,289	20,74,289
Reversal on disposal of assets	-	-
Balance as at 31 March 2016	34,27,088	34,27,088
Amortisation charge	41,99,654	41,99,654
Adjustment (refer note 25)	24,47,440	24,47,440
Reversal on disposal of assets	-	-
Balance as at 31 March 2017	1,00,74,182	1,00,74,182
Net block		
Balance as at 31 March 2016	70,10,898	70,10,898
Balance as at 31 March 2017	1,59,27,725	1,59,27,725

Significant accounting policies and other explanatory information for the year ended 31 March 2017 (Amount in ₹, except for share data, and if otherwise stated)

	As at 31 March 2017	As at 31 March 2016
10 Non-current investments		
Trade, Unquoted (at cost)		
Equity shares in subsidiaries (fully paid-up)		
20,000 shares (previous year 20,000) of GBP 1 each of RouteSMS Solutions (UK) Limited	15,24,000	15,24,000
10,000 shares (previous year 10,000) of ₹ 1 each of Sphere Edge Consulting India Private Limited	11,00,000	11,00,000
41,725 shares (previous year 5,000) of AED 1 each of RouteSMS Solutions (FZE) Limited	7,86,457	1,00,000
10,000,000 shares (previous year 10,000,000) of NRN 1 each of RouteSMS Solutions Nigeria Limited	35,22,694	35,22,694
49,700 shares of ₹ 10 each of Cellent Technologies India Private Limited	11,32,81,750	-
10,000 shares of ₹ 10 each of Start Corp India Private Limited	2,00,90,500	-
25,000 shares of SGD 1 each of Route Mobile Pte. Ltd. - Singapore	12,37,831	-
	14,15,43,232	62,46,694
11 Deferred tax assets (net)		
Deferred tax liabilities		
Depreciation and amortisation	13,25,337	53,39,211
	13,25,337	53,39,211
Deferred tax assets		
Provision for compensated absences	7,79,746	-
Provision for gratuity	44,37,180	37,36,586
Provision for expenses	11,87,049	-
Provision for doubtful debts	44,33,131	40,41,067
	1,08,37,106	77,77,653
Deferred tax assets (net)	95,11,769	24,38,442

Significant accounting policies and other explanatory information for the year ended 31 March 2017 (Amount in ₹, except for share data, and if otherwise stated)

	As at 31 March 2017		As at 31 March 2016	
	Long-term	Short-term	Long-term	Short-term
12 Loans and advances				
(Unsecured, Considered good (unless otherwise stated))				
Capital advances	2,60,33,092	-	44,37,533	-
Advance tax (net of provision of ₹ 193,829,746 (Previous year ₹ Nil))	3,19,21,815	-	-	-
Security deposits	1,97,88,388	47,54,862	1,94,52,866	94,95,006
Prepaid expenses	1,82,327	48,87,974	96,560	5,10,363
Advances to suppliers	-	15,20,756	-	1,10,26,624
Loans and advances to employees	6,50,000	15,78,622	5,49,900	24,95,912
Advances to related parties*	-	47,37,795	-	29,42,287
Balances with government authorities	5,10,50,295	-	1,41,49,645	-
	12,96,25,917	1,74,80,009	3,86,86,504	2,64,70,192
*Due by company in which director is a director	-	26,71,819	-	29,42,287
			As at 31 March 2017	As at 31 March 2016
13 Other non-current assets				
(Unsecured, Considered good (unless otherwise stated))				
Non-current bank balances (refer note 15)			2,83,43,612	25,00,00,000
Interest accrued but not due on fixed deposits			4,43,183	7,32,787
			2,87,86,795	25,07,32,787

Significant accounting policies and other explanatory information for the year ended 31 March 2017 (Amount in ₹, except for share data, and if otherwise stated)

	As at 31 March 2017	As at 31 March 2016
14 Trade receivables (Unsecured)		
Outstanding for a period exceeding six months from the date they are due for payment		
Considered good	92,09,864	-
Considered doubtful	1,28,08,816	1,16,76,009
Less: Provision for doubtful debts	(1,28,08,816)	(1,16,76,009)
Others	22,38,97,583	16,81,05,185
	23,31,07,447	16,81,05,185

15 Cash and bank balances

Cash and cash equivalents

Cash on hand	77,772	3,59,127
Balances with banks:		
- in current accounts	7,34,17,392	3,47,99,326
- in EEFC accounts	27,10,480	1,36,43,364
- in deposit accounts (with maturity upto 3 months)	13,07,97,063	-
- wallets balances	3,35,249	2,52,280

Other bank balances

Deposits with maturity more than 3 months but less than 12 months	6,81,01,843	16,62,68,296
Balances with bank held as		
Margin money	22,01,39,061	3,66,36,753
Other deposits with maturity more than 12 months	2,83,43,612	25,00,00,000
Less : Amounts disclosed as Other non-current assets (refer note 13)	(2,83,43,612)	(25,00,00,000)
	49,55,78,860	25,19,59,146

Disclosure on specified bank notes (SBNs)

During the year, the Company had SBNs/ other denomination notes (other notes) as defined in the MCA notification G.S.R. 308 (E) dated 31 March 2017. The denomination wise details of the SBNs and other notes held and transacted during the period from 8 November 2016 to 30 December 2016 is given below:

Particulars	SBN*	Other notes	Total
Closing cash on hand as at 8 November 2016	42,000	5,802	47,802
(Add) Permitted receipts	-	-	-
(Add) Withdrawal from bank accounts	-	3,04,000	3,04,000
(Less) Permitted payments	-	(2,19,003)	(2,19,003)
(Less) Amount deposited in banks	(42,000)	(16,000)	(58,000)
Closing cash on hand as at 30 December 2016	-	74,799	74,799

* The term 'Specified Bank Notes' shall have the same meaning as provided in the Government of India notification S.O. 3407 (E), dated 8 November 2016.

Significant accounting policies and other explanatory information for the year ended 31 March 2017 (Amount in ₹, except for share data, and if otherwise stated)

	As at 31 March 2017	As at 31 March 2016
16 Other current assets		
(Unsecured, Considered good (unless otherwise stated))		
Interest accrued but not due on fixed deposits	87,90,315	80,23,813
Other receivables	3,19,000	-
	91,09,315	80,23,813
17 Commitments and contingencies		
A] Claims against the Company not acknowledged as Debts		
Service tax matter *	25,00,27,544	-
Guarantees given on behalf of the Company by banks	7,01,39,061	3,66,36,753
	32,01,66,605	3,66,36,753
B] Other commitment		
For purchase of property	54,66,908	-
	54,66,908	-

*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.

Significant accounting policies and other explanatory information for the year ended 31 March 2017 (Amount in ₹, except for share data, and if otherwise stated)

	Year ended 31 March 2017	Year ended 31 March 2016
18 Revenue from operations		
Sale of services - short messaging services		
Domestic	69,85,11,417	38,73,74,259
Export	86,57,50,495	1,43,27,48,827
	<u>1,56,42,61,912</u>	<u>1,82,01,23,086</u>
Technical and support services	11,99,29,537	6,39,40,906
	<u>1,68,41,91,449</u>	<u>1,88,40,63,992</u>
19 Other income		
Interest income on fixed deposits	3,04,29,915	2,86,59,628
Liabilities no longer payable, written back	1,36,36,373	42,10,562
Rental income	3,65,706	3,15,000
Dividend income from subsidiary company	35,54,03,375	-
Miscellaneous income	7,04,152	10,76,684
	<u>40,05,39,521</u>	<u>3,42,61,874</u>
20 Purchases of short messaging services		
Purchases of short messaging services		
Domestic	83,91,80,551	45,45,99,673
Import	16,96,89,055	75,73,35,348
	<u>1,00,88,69,606</u>	<u>1,21,19,35,021</u>
21 Employee benefits expense		
Salaries, wages and bonus (refer note 6(a) and 6(b))	16,73,28,473	9,77,80,975
Contribution to provident fund and other funds (refer note below)	5,32,374	2,32,324
Staff welfare	1,39,81,806	86,26,086
	<u>18,18,42,653</u>	<u>10,66,39,385</u>
Defined contribution plan: The amount recognised as an expense during the year is ₹ 532,374 (Previous year: ₹ 232,324).		
22 Finance costs		
Interest on borrowings from bank	2,61,466	29,33,080
Interest on delayed payment of statutory dues	12,05,990	5,30,314
Interest on delayed payment of income taxes	25,98,485	-
Other borrowing cost	10,08,171	41,76,667
	<u>50,74,112</u>	<u>76,40,061</u>
23 Depreciation and amortisation expense		
Depreciation on property, plant and equipment (refer note 8)	4,43,14,492	2,08,98,170
Amortisation on intangible assets (refer note 9)	41,99,654	20,74,289
	<u>4,85,14,146</u>	<u>2,29,72,459</u>

Significant accounting policies and other explanatory information for the year ended 31 March 2017 (Amount in ₹, except for share data, and if otherwise stated)

	Year ended 31 March 2017	Year ended 31 March 2016
24 Other expenses		
Power and fuel	38,62,089	40,98,239
Repairs and maintenance - Building	49,95,248	16,20,355
Repairs and maintenance - Others	77,99,073	74,85,990
Insurance	6,83,968	1,97,517
Rent (refer note 30)	2,49,54,642	1,39,94,636
Rates and taxes	75,40,907	36,63,400
Communication	1,08,92,958	80,74,032
Travelling and conveyance	1,45,61,365	1,76,29,926
Printing and stationery	15,52,130	7,91,943
Business promotion	1,08,87,382	33,98,451
Donations	1,36,000	1,10,000
Expenditure on Corporate Social Responsibility (refer note 33)	13,38,599	7,00,000
Legal and professional charges	1,92,17,916	1,93,13,600
Auditor's remuneration (refer note below)	37,18,500	11,65,000
Advances and trade receivable written off	1,34,23,909	1,23,67,644
Provision for doubtful debts	11,32,807	1,16,76,009
Net loss on foreign currency transactions and translation	21,86,366	41,68,094
Loss on sale of property, plant and equipment	9,27,688	8,32,531
Bank charges	4,27,397	8,08,048
Membership and subscription	72,110	26,79,193
Sitting fees to Directors	1,80,900	84,000
Miscellaneous expenses	31,17,356	24,55,664
	13,36,09,310	11,73,14,272
a. Auditors' remuneration (excluding service tax)		
As auditor		
Statutory audit	36,18,000	7,00,000
Tax audit	1,00,500	1,00,000
Other services	-	3,65,000
	37,18,500	11,65,000
25 Prior period expenses		
Depreciation on property, plant and equipment (refer note 8)	30,19,670	-
Amortisation on intangible assets (refer note 9)	24,47,440	-
Purchase of short messaging services	7,22,836	-
Travelling and conveyance	-	77,25,237
Gratuity expenses	-	85,63,753
Interest expenses	-	8,13,688
	61,89,946	1,71,02,678

Significant accounting policies and other explanatory information for the year ended 31 March 2017 (Amount in ₹, except for share data, and if otherwise stated)

- 26 There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31 March 2017. This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

27 Expenditure in foreign currency (accrual basis)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Business promotion	-	1,03,610
Membership and subscription	-	23,33,279
Purchases of Short Messaging Services	16,96,89,055	75,73,35,348
Legal and professional charges	2,59,719	2,75,898
Travelling and conveyance	26,47,998	30,00,504
Total	17,25,96,772	76,30,48,639

28 Earnings in foreign currency (accrual basis)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Sale of services - Short Messaging Services	86,57,50,495	1,43,27,48,827
Dividend income	35,54,03,375	-
Total	1,22,11,53,870	1,43,27,48,827

29 Value of imports on CIF basis

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Capital goods	29,14,585	-
Total	29,14,585	-

30 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 2017 in respect of operating leases is ₹ 24,954,642 (Previous year ₹ 13,994,636).

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 2017	As at 31 March 2016
Not later than 1 year	2,26,75,019	2,36,45,750
Later than 1 year but not later than 5 years	2,16,87,711	8,78,04,026
Later than 5 years	-	-
Total	4,43,62,730	11,14,49,776

Significant accounting policies and other explanatory information for the year ended 31 March 2017 (Amount in ₹, except for share data, and if otherwise stated)

- 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 2017	As at 31 March 2016
Minimum lease payments		
Not later than 1 year	1,14,67,288	-
Later than 1 year but not later than 5 years	2,86,68,220	-
Later than 5 years	-	-
Present value of minimum lease payments		
Not later than 1 year	90,23,590	-
Later than 1 year but not later than 5 years	2,58,33,943	-
Later than 5 years	-	-

31 Earnings per share

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

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Net profit after tax attributable to equity shareholders (₹)	51,40,40,154	27,87,10,825
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 (₹)	10.28	5.57
Nominal value per equity share (₹)	10	10

The Earnings per share for year ended 31 March 2016 have also been adjusted for issue of bonus shares in accordance with Accounting Standard (AS) 20 - Earnings Per Share.

32 The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

Particulars	As at 31 March 2017	As at 31 March 2016
	(₹)	(₹)
Receivables		
EURO € 153,129 (Previous year - € 876,508)	1,06,03,800	6,58,21,817
USD \$ 242,993 (Previous year - \$ 25,479)	1,57,55,306	16,90,116
Payables		
EURO € 49,707 (Previous year - € 538,947)	34,42,081	4,04,72,478
USD \$ 786,331 Previous year \$ 11,879)	5,09,84,615	7,87,957

Significant accounting policies and other explanatory information for the year ended 31 March 2017 (Amount in ₹, except for share data, and if otherwise stated)

33 Contribution towards Corporate Social Responsibility (CSR)

Section 135 of the Companies Act, 2013 and Rules made thereunder prescribe that every company having a net worth of ₹ 500 crore or more, or turnover of ₹ 1,000 crore or more or a net profit of ₹ 5 crore or more during any financial year shall ensure that the Company spends, in every financial year, at least 2% of the average net profits earned during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy. The provisions pertaining to corporate social responsibility as prescribed under the Companies Act, 2013 are applicable to Route Mobile Limited. The financial details as sought by the Companies Act, 2013 are as follows:

	Amount
Average net profit of the Company for last three financial years	23,64,31,344
Prescribed CSR expenditure (2% of the average net profit as computed above)	47,28,627
<u>Details of CSR expenditure during the financial year: -</u>	
Total amount to be spent for the financial year	47,28,627
Amount spent	13,38,599
Amount unspent	33,90,028

Significant accounting policies and other explanatory information for the year ended 31 March 2017 (Amount in ₹, except for share data, and if otherwise stated)

34 Related party disclosures as required under Accounting Standard 18, "Related party disclosures" are given below:

a) Names of related parties and description of relationship:

Description of relationship	Names of related parties
(i) Subsidiaries	Sphere Edge Consulting India Private Limited RouteSMS Solutions (UK) Limited Routesms Solutions Nigeria Limited RouteSMS Solutions (FZE) Limited Route Mobile Pte. Ltd. - Singapore (with effect from 17 October 2016) Cellent Technologies India Private Limited (with effect from 9 September 2016) Start Corp India Private Limited (with effect from 9 September 2016)
(ii) Fellow subsidiaries	Defero Mobile Pte Limited Route Voice Limited
(iii) Key Management Personnel (KMP)	Rajdipkumar Gupta Sandipkumar Gupta Chandrakant Gupta Pratik Rohit Joshi (with effect from 2 June 2016) Gaurav Jhunjhunwala (with effect from 2 June 2016)
(iv) Entities in which KMP/relatives of KMP can exercise significant influence	Graphixide Services Private Limited 29 Three Holidays Private Limited Spectrum Technologies
(v) Relatives of KMP	Chamelidevi Gupta Sarika Gupta Sunita Gupta Tanvi Gupta

Significant accounting policies and other explanatory information for the year ended 31 March 2017
(Amount in ₹, except for share data, and if otherwise stated)

b) Details of related party transactions :

Particulars	Subsidiaries/fellow subsidiary			Key Management Personnel (KMP)			Entities in which KMP/ relatives of KMP exercise significant influence		Relatives of KMP	
	31 March 2017	31 March 2016		31 March 2017	31 March 2016		31 March 2017	31 March 2016	31 March 2017	31 March 2016
Purchases of short message services										
Sphere Edge Consulting India Private Limited	58,26,46,950	31,30,32,260		-	-		-	-	-	-
Spectrum Technologies	-	-		-	-	10,18,00,822	6,16,89,918	-	-	-
Sale of short message services										
Start Corp India Private Limited	1,90,95,802	-		-	-	-	-	-	-	-
Cellent Technologies India Private Limited	37,727	-		-	-	-	-	-	-	-

Particulars	Subsidiaries/fellow subsidiary			Key Management Personnel (KMP)			Entities in which KMP/ relatives of KMP exercise significant influence		Relatives of KMP	
	31 March 2017	31 March 2016		31 March 2017	31 March 2016		31 March 2017	31 March 2016	31 March 2017	31 March 2016
Technical and support services										
RouteSMS Solutions (UK) Limited	2,39,91,094	91,20,045		-	-	-	-	-	-	-
Routesms Solutions Nigeria Limited	1,37,99,098	54,65,614		-	-	-	-	-	-	-
RouteSMS Solutions (FZE) Limited	7,36,26,009	4,51,24,774		-	-	-	-	-	-	-
Sphere Edge Consulting India Private Limited	-	10,89,250		-	-	-	-	-	-	-
Route Voice Limited	67,05,267	31,41,223		-	-	-	-	-	-	-
Defero Mobile Pte Limited	18,08,069	-		-	-	-	-	-	-	-
Travelling and conveyance										
29 Three Holidays Private Limited	-	-		-	-	1,32,61,091	1,36,31,840	-	-	-
Business promotion										
Graphixide Services Private Limited	-	-		-	-	6,29,211	3,51,197	-	-	-
Expenses reimbursed by other company										
Cellent Technologies India Private Limited	1,10,033	-		-	-	-	-	-	-	-
RouteSMS Solutions (UK) Limited	62,141	1,57,990		-	-	-	-	-	-	-
RouteSMS Solutions (FZE) Limited	2,43,911	-		-	-	-	-	-	-	-
Routesms Solutions Nigeria Limited	-	1,65,927		-	-	-	-	-	-	-

[illegible]

Significant accounting policies and other explanatory information for the year ended 31 March 2017
(Amount in ₹, except for share data, and if otherwise stated)

Chandrakant Gupta	-	-	4,50,000	6,00,000	-	-	-	-
Sitting fees to Directors	-	-	-	-	-	-	-	-
Chamelidevi Gupta	-	-	-	-	-	48,000	-	28,000
Issue of bonus shares	-	-	-	-	-	-	-	-
Sandipkumar Gupta	-	-	9,00,00,000	5,40,00,000	-	-	-	-
Rajdipkumar Gupta	-	-	9,00,00,000	5,40,00,000	-	-	-	-
Chandrakant Gupta	-	-	3,00,00,000	1,80,00,000	-	-	-	-
Chamelidevi Gupta	-	-	-	-	-	3,00,00,000	-	1,80,00,000
Sunita Gupta	-	-	-	-	-	2,70,00,000	-	1,62,00,000
Sarika Gupta	-	-	-	-	-	2,70,00,000	-	1,62,00,000
Dividend received	-	-	-	-	-	-	-	-
RouteSMS Solutions (FZE) Limited	35,54,03,375	-	-	-	-	-	-	-
Salaries, wages and bonus	-	-	-	-	-	-	-	-
Sarika Gupta	-	-	-	-	-	4,00,000	-	6,00,000
Sunita Gupta	-	-	-	-	-	4,00,000	-	6,00,000
Tanvi Gupta	-	-	-	-	-	4,00,000	-	-

Particulars	Subsidiaries/fellow subsidiary		Key Management Personnel (KMP)		Entities in which KMP/relatives of KMP exercise significant influence		Relatives of KMP	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016	31 March 2017	31 March 2016	31 March 2017	31 March 2016
Amount receivable								
Spectrum Technologies	-	-	-	-	-	15,26,195	-	-
Start Corp India Private Limited	32,45,898	-	-	-	-	-	-	-
Cellent Technologies India Private Limited	69,124	-	-	-	-	-	-	-
29 Three Holidays Private Limited	-	-	-	-	-	44,848	-	-
Sphere Edge Consulting India Private Limited	-	37,334	-	-	-	-	-	-
RouteSMS Solutions (UK) Limited	2,40,53,235	92,78,035	-	-	-	-	-	-
Routesms Solutions Nigeria Limited	1,95,42,031	56,31,541	-	-	-	-	-	-
Route Voice Limited	98,46,490	31,41,223	-	-	-	-	-	-

Significant accounting policies and other explanatory information for the year ended 31 March 2017
(Amount in ₹, except for share data, and if otherwise stated)

[illegible]

35 Segment reporting

In accordance with Accounting Standard (AS) 17, 'Segment Reporting', segment information has been given in the consolidated financial statements of Route Mobile Limited, and therefore, no separate disclosure on segment information is given in these financial statements.

- 36 The Board of Directors at its meeting held on 5 September 2017 have recommended final dividend of ₹ 75,000,000 (₹ 1.5 per equity share). The dividend proposed is subject to the approval of the shareholders in the ensuing Annual General Meeting.
- 37 The financial statements of the Company for the year ended 31 March 2016 were audited and reported by another firm of Chartered Accountants. Previous year figures have been regrouped or rearranged, wherever considered necessary to make them comparable with those of the current year.

As per our report of even date attached

For Walker Chandiok & Co LLP

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Bharat Shetty

Partner

Place : Mumbai

Date : 5 September 2017

For Ramanand & Associates

Chartered Accountants

Firm's Registration No.: 117776W

Ramanand G. Gupta

Partner

Place : Mumbai

Date : 5 September 2017

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

Chairman and Director
(DIN No. 01636981)

Rajdipkumar Gupta

Managing Director
(DIN No. 01272947)

Pratik Joshi

Chief Financial Officer

Place : Mumbai

Date : 5 September 2017

Sandipkumar Gupta

Director
(DIN No. 01272932)

Gaurav Jhunjunwala

Company Secretary

Consolidated Financial Statement

Independent Auditor's Report on Consolidated Financial Statements

Walker Chandiok & Co LLP

Chartered Accountants,
16th Floor, Tower II, Indiabulls Finance Centre, S. B. Marg,
Elphinstone (West), Mumbai - 400 013.
Maharashtra

Ramanand & Associates

Chartered Accountants,
6/C, Ground Floor, Ostwal Park Building No.4, Near Jesal
Park Jain Temple, Bhayandar (East),
Thane - 401 105. Maharashtra

Independent Auditor's Report

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

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of 'Route Mobile Limited'(Formerly known as 'Routesms Solutions Limited') (the "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as the "Group") and its associate, which comprise the Consolidated Balance Sheet as at 31 March 2017, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (the "Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associate in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). The Holding Company's Board of Directors and the respective Board of Directors/management of the subsidiaries included in the Group and its associate are responsible for the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. Further, in terms of the provisions of the Act, the respective Board of Directors/management of the companies included in the Group, and its associate company covered under the Act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the

assets and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
4. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether these consolidated financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit

procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

7. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 9 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on these consolidated financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries and associate, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associate as at 31 March 2017, their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matters

9. We did not audit the financial statements of five subsidiaries, whose financial statements reflect total assets of ₹498,456,805 and net assets of ₹145,850,066 as at 31 March 2017, total revenues of ₹1,590,664,582 and net cash inflows amounting to ₹204,886,017 for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of ₹ Nil for the year ended 31 March 2017, as considered in the consolidated financial statements, in respect of an associate, whose financial statements have not been audited by us. These 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 associate, 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 and associate is based solely on the reports of the other auditors.

Further, of these subsidiaries and associate, two subsidiaries and one associate, are located outside India whose financial statements and other financial

information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries and associate 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 and associate located outside India is based on the reports of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

10. The consolidated financial statements of the group for the year ended 31 March 2016 were audited and reported by Ramanand & Associates, Chartered Accountants, vide their unmodified opinion dated 31 December 2016 on those statements.

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.

Report on Other Legal and Regulatory Requirements

11. 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 and other financial information of the subsidiaries and associate, we report, to the extent applicable, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
 - c) The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

- d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014(as amended);
- e) On the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiary companies covered under the Act, none of the directors of the Group companies covered under the Act, are disqualified as at 31 March 2017 from being appointed as a director in terms of Section 164(2) of the Act;
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, and its subsidiary companiescovered under the Act and the operating effectiveness of such controls, refer to our separate report in "Annexure A";
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements as also the other financial information of the subsidiaries and associates:
- (i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associateas detailed in Note 23 to the consolidated financial statements;
- (ii) The Group and its associate did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies covered under the Actduring the year ended 31 March 2017;
- (iv) These consolidated financial statements have made requisite disclosures in Note 20as to holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 by the Holding Company and its subsidiary companiescovered under the Act. Based on the audit procedures performed and taking into consideration the information and explanations given to us and on consideration of the reports of the other auditors on separate financial statements and other financial information, in our opinion, these disclosures are in accordance with the books of account maintained by the respective companies.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013
per **Bharat Shetty**
Partner
Membership No.: 106815
Place: Mumbai
Date: 5 September 2017

For **Ramanand & Associates**
Chartered Accountants
Firm's Registration No.: 117776W
per **Ramanand G. Gupta**
Partner
Membership No.: 103975
Place: Mumbai
Date: 5 September 2017

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 2017

Annexure A

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

1. In conjunction with our audit of the consolidated financial statements of Route Mobile Limited (Formerly known as 'Routesms Solutions Limited') (the "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as the "Group"), and its associate as at and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting ("IFCoFR") of the Holding Company and its three 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 three 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 three subsidiary companies, which are companies covered under the Act, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note issued by the ICAI.

Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR includes obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

6. A Company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's IFCoFR include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of IFCoFR, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the IFCoFR to future periods are subject to the risk that the IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion and based on the consideration of the reports of the other auditors on IFCoFR of the three subsidiary companies, the Holding Company and its three 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 2017, based on internal control over financial reporting criteria established by the Holding Company and its three subsidiary companies, which are companies covered under the Act, 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 Matters

9. We did not audit the IFCoFR in so far as it relates to three subsidiary companies, which are companies covered under the Act, whose financial statements reflect total assets of ₹ 253,074,315 and net assets of ₹ 80,185,715 as at 31 March 2017, total revenues of ₹ 651,627,544 and net cash inflows amounting to ₹ 125,813,439 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 three subsidiary companies, as aforesaid, under Section 143(3) (i) of the Act in so far as it relates to such subsidiary companies is based solely on the reports of the auditors of such companies. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditors.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013
per **Bharat Shetty**
Partner
Membership No.: 106815
Place: Mumbai
Date: 5 September 2017

For **Ramanand & Associates**
Chartered Accountants
Firm's Registration No.: 117776W
per **Ramanand G. Gupta**
Partner
Membership No.: 103975
Place: Mumbai
Date: 5 September 2017

Consolidated Financial Statement

Consolidated Balance Sheet

Consolidated Balance Sheet as at 31 March 2017			
	Notes	As at 31 March 2017 In	As at 31 March 2016 In
Equity and liabilities			
Shareholders' funds			
Share capital	3	500,000,000	20,00,00,000
Reserves and surplus	4	77,09,69,413	51,32,18,230
		<u>1,27,09,69,413</u>	<u>71,32,18,230</u>
Minority interest		51,77,713	-
Non-current liabilities			
Long-term borrowings	5	2,58,33,943	-
Deferred tax liabilities	6	7,43,932	49,414
Long-term provisions	7	1,05,05,329	95,13,591
		<u>3,70,83,204</u>	<u>95,63,005</u>
Current liabilities			
Short-term borrowings	8	15,00,00,000	-
Trade payables - outstanding dues to micro and small enterprises		-	-
Trade payables - outstanding dues to other than micro and small enterprises	9	35,99,60,292	47,92,91,809
Other current liabilities	10	16,38,63,573	1,09,13,77,890
Short-term provisions	11	1,99,14,142	1,31,93,645
		<u>69,37,38,007</u>	<u>1,58,38,63,344</u>
Total		<u>2,00,69,68,337</u>	<u>2,30,66,44,579</u>
Assets			
Non-current assets			
Property, plant and equipment	12	17,09,79,528	8,61,11,764
Intangible assets	13	1,79,89,192	1,05,43,296
Capital work-in-progress		-	1,20,98,265
Goodwill on consolidation		13,82,90,260	8,28,233
Non-current investments	14	4,30,735	4,67,913
Deferred tax assets (net)	15	1,01,66,340	24,38,442
Long-term loans and advances	16	14,89,84,651	4,65,17,354
Other non-current assets	17	2,87,86,795	25,07,32,787
		<u>51,56,27,501</u>	<u>40,97,38,054</u>

Current assets

Current investments	18	37,028	-
Trade receivables	19	32,63,17,980	24,16,28,645
Cash and bank balances	20	1,10,93,52,115	1,62,07,83,875
Short-term loans and advances	21	4,67,55,391	2,64,70,192
Other current assets	22	88,78,322	80,23,813
		1,49,13,40,836	1,89,69,06,525
Total		2,00,69,68,337	2,30,66,44,579

Significant accounting policies and other explanatory information 1 to 40

As per our report of even date attached

For Walker Chandiok & Co LLP

Chartered Accountants

Firm's Registration No.: 001076N/N500013

For Ramanand & Associates

Chartered Accountants

Firm's Registration No.: 117776W

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

Partner

Ramanand G. Gupta

Partner

Chandrakant GuptaChairman and Director
(DIN No. 01636981)**Rajdipkumar Gupta**Managing Director
(DIN No. 01272947)**Pratik Joshi**

Chief Financial Officer

Sandipkumar GuptaDirector
(DIN No. 01272932)**Gaurav Jhunjunwala**

Company Secretary

Place : Mumbai

Date : 5 September 2017

Place : Mumbai

Date : 5 September 2017

Place : Mumbai

Date : 5 September 2017

Consolidated Financial Statement

Consolidated Statement of Profit and Loss

Consolidated Statement of Profit and Loss for the year ended 31 March 2017			
	Notes	Year ended 31 March 2017 In ₹	Year ended 31 March 2016 In ₹
Revenue from operations	24	4,57,58,09,180	3,63,61,07,958
Other income	25	7,20,82,990	3,49,62,086
Total revenue		4,64,78,92,170	3,67,10,70,044
Expenses			
Purchases of short messaging services	26	3,25,37,02,009	2,47,07,05,856
Employee benefits expense	27	25,85,75,950	23,69,94,196
Finance costs	28	75,28,288	78,99,424
Depreciation and amortisation expense	29	5,41,44,840	2,49,23,312
Other expenses	30	25,63,74,592	13,32,04,150
Prior period expenses	31	61,89,946	1,71,02,678
Total expenses		3,83,65,15,625	2,89,08,29,616
Profit before tax		81,13,76,545	78,02,40,428
Tax expense			
Current tax		21,37,47,082	17,57,13,788
Tax adjustment in respect of earlier years		33,73,631	-
Deferred tax credit		(76,55,322)	(57,88,979)
Total tax expense		20,94,65,391	16,99,24,809
Profit after tax before share in profit of associate and minority interest		60,19,11,154	61,03,15,619
Share in profit of associate		-	-
Minority interest		(1,32,522)	-
Profit for the year		60,20,43,676	61,03,15,619
Earnings per equity share (Face value ₹ 10 each)	35		
Basic and diluted		12.04	12.21

Significant accounting policies and other explanatory information 1 to 40

As per our report of even date attached

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

Bharat Shetty
Partner

Place : Mumbai
Date : 5 September 2017

For Ramanand & Associates
Chartered Accountants
Firm's Registration No.: 117776W

Ramanand G. Gupta
Partner

Place : Mumbai
Date : 5 September 2017

For and on behalf of the Board of Directors

Chandrakant Gupta
Chairman and Director
(DIN No. 01636981)

Rajdipkumar Gupta
Managing Director
(DIN No. 01272947)

Pratik Joshi
Chief Financial Officer

Place : Mumbai
Date : 5 September 2017

Sandipkumar Gupta
Director
(DIN No. 01272932)

Gaurav Jhunjunwala
Company Secretary

Consolidated Financial Statement

Consolidated Cash Flow Statement

Consolidated Cash Flow Statement for the year ended 31 March 2017			
	Notes	Year ended 31 March 2017 In ₹	Year ended 31 March 2016 In ₹
Cash flow from operating activities			
Profit before tax		81,13,76,545	78,02,40,428
Adjustments for:			
Depreciation and amortisation expense		5,41,44,840	2,49,23,312
Advances and trade receivable written off		2,28,43,863	1,40,86,365
Interest income on fixed deposits		(3,37,67,000)	(2,93,59,746)
Provision for doubtful debts		11,32,807	1,16,76,009
Loss on sale of property, plant and equipment		9,27,688	8,32,531
Interest on delayed payment of income taxes		25,98,485	-
Interest on borrowings from bank		2,61,466	31,49,766
Other borrowing cost		10,08,171	41,76,667
Unrealised foreign exchange loss		26,43,011	41,47,152
Prior period expenses		61,89,946	1,71,02,678
Liabilities no longer payable, written back		(2,04,74,621)	(42,10,562)
Operating profit before working capital changes		84,88,85,201	82,67,64,600
Adjustments for working capital			
(Increase) in trade receivables		(8,95,91,071)	(1,91,49,278)
(Increase) in loans and advances and other assets		(2,76,19,388)	(45,48,03,273)
(Decrease)/Increase in trade payables, provisions and other liabilities		(1,06,75,63,543)	1,43,77,54,321
Cash (used in)/generated from operating activities		(33,58,88,801)	1,79,05,66,370
Direct taxes paid (net)		(26,18,77,542)	(19,98,33,478)
Net cash (used in)/generated from operating activities		59,77,66,343	1,59,07,32,892
Cash flow from investing activities			
Purchase of property, plant and equipment		(14,33,92,234)	(6,37,07,312)
Fixed deposits matured		12,31,89,642	-
Acquisition of Company		(13,33,72,250)	-
Proceeds from sale of property, plant and equipment		35,98,852	-
Sale of current investments		43,73,438	-
Interest received		3,32,10,372	2,93,59,746
Net cash used in investing activities		(11,23,92,180)	(3,43,47,566)
Cash flow from financing activities			
Repayment of long-term borrowings (including finance lease obligations)		(1,27,46,495)	(22,93,400)
Interest paid		(11,58,818)	(81,40,121)
Issue of shares to minority shareholders		53,10,235	-
Proceeds from/ (Repayment of) short-term borrowings (net)		15,00,00,000	(5,40,16,171)
Interim dividend paid		-	(22,00,00,000)
Tax on dividend		-	(4,48,10,000)
Net cash generated from/(used in) financing activities		14,14,04,922	(32,92,59,692)
Change in Currency fluctuation reserve arising on consolidation		(4,26,47,458)	-
Net increase/(decrease) in cash and cash equivalents (A+B+C+D)		(61,14,01,059)	1,22,71,25,634

Cash and cash equivalents at the beginning of the year	1,41,78,78,826	19,07,53,192
Cash and cash equivalents taken over on acquisition	15,02,553	-
Cash and cash equivalents at the end of the year	80,79,80,320	1,41,78,78,826

Cash and cash equivalents comprise of :

Cash on hand	1,36,223	6,20,138
Balances with banks		
- in current accounts	42,41,80,025	1,36,72,42,403
- in EEFC accounts	64,69,132	1,36,43,364
- in deposit accounts (with maturity upto 3 months)	37,68,59,691	3,61,20,641
- wallets balances	3,35,249	2,52,280
	80,79,80,320	1,41,78,78,826

Notes:

- The above Consolidated Cash Flow Statement has been prepared under "Indirect Method" as set out in Accounting Standard - 3 on "Cash Flow Statements" notified under Section 133 to the Companies Act, 2013.
- Previous year's figures have been regrouped/rearranged wherever necessary.

As per our report of even date attached

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

For Ramanand & Associates
Chartered Accountants
Firm's Registration No.: 117776W
Ramanand G. Gupta
Partner

For and on behalf of the Board of Directors

Chandrakant Gupta Chairman and Director (DIN No. 01636981)	Sandipkumar Gupta Director (DIN No. 01272932)
Rajdipkumar Gupta Managing Director (DIN No. 01272947)	Gaurav Jhunjunwala Company Secretary
Pratik Joshi Chief Financial Officer	

Place : Mumbai
Date : 5 September 2017

Place : Mumbai
Date : 5 September 2017

Place : Mumbai
Date : 5 September 2017

Place : Mumbai
Date : 5 September 2017

Consolidated Financial Statement

Notes to the Consolidated Financial Statements

Note 1: Corporate information

'Route Mobile Limited' (RML) (Formerly known as 'Routesms Solutions Limited'), (the "Company") and its subsidiaries (collectively referred to as the "Group") are technology service provider for mobile communications industry with a focus on enterprise messaging. The Group has developed an indigenous technology platform to support Mobile Network Operators (MNOs), OTT Players, Enterprises, Aggregators and Resellers.

Note 2: Significant accounting policies

(a) Principles of consolidation

- (i) The financial statements of the Company and its subsidiaries have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and the unrealised profits.
- (ii) The financial statements of the Company and its subsidiaries have been consolidated using uniform accounting policies.
- (iii) The excess of the costs to the Company of its investments in each of the subsidiaries over its share of equity in the respective subsidiaries, on the acquisition date is recognised in the consolidated financial statements as Goodwill on consolidation.
- (iv) Minority interest in the net assets is identified and presented in the consolidated Balance Sheet separately from liabilities and equity of the Company's shareholders. Minority

interest's share of Net Profit / (Loss) for the year, of consolidated subsidiaries is identified and adjusted against the profit after tax of the Group.

- (v) Entity in which the Group has significant influence but not a controlling interest is considered as associate and investment therein is reported according to the equity method i.e. the investment in initially recorded at cost. The carrying amount of the investment in associate is increased or decreased to recognise the Group's share of the profit or loss after the date of acquisition.

(b) Basis of preparation of consolidated financial statements

These consolidated financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India ("Indian GAAP") on accrual basis under the historical cost convention. These consolidated financial statements have been prepared to comply in all material aspects with the Accounting Standards prescribed by the Central Government, in accordance with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) and Section 133 of the Companies Act, 2013 (the "Act") and in particular Accounting Standard (AS) 21 – 'Consolidated Financial Statements'.

All assets and liabilities have been classified as current and non-current as per normal operating cycle of the Group and other criteria set out in Schedule III to the Act. Based on nature of services, the Group has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

(c) Use of Estimates:

The preparation of the consolidated financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of consolidated financial statements and the reported amounts of revenue and expense for the year. Key estimates made by the Group in preparing these consolidated financial statements comprise useful lives of assets, provision for doubtful debts/advances, accrual for expenses, impairment testing, retirement benefits and income taxes. Actual results could differ from those estimates. Any revision to accounting estimates are recognised in the year in which such revisions are made.

(d) Property, plant and equipment (Tangible assets) and Capital work-in-progress

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated losses, if any. Cost includes inward freight, net of cenvat 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.

(e) 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.

(f) Depreciation/Amortisation

Depreciation on Property, plant and equipment is provided under the Written Down Value (WDV) method over the useful lives of assets as prescribed under 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 which they believe that the useful life as mentioned represents the period over which they expect to use these assets. Hence, the useful life for these assets are different from the useful life as prescribed under Part C of Schedule II of the Act.

Intangible assets are amortized over a period of three years.

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

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

(g) Impairment of assets

Management evaluates at regular intervals, using external and internal sources, the need for impairment of any asset. Impairment occurs where the carrying value exceeds the present value of future cash flows expected to arise from the continuing use of the asset and its net realisable value on its eventual disposal. Any loss on account of impairment is expensed as the excess of the carrying amount over the higher of the asset's net sales price or present value as determined.

After impairment, depreciation 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 if there was no impairment.

(h) Investments

Investments that are readily realisable and intended to be held for not more than a year from the date on which such investments were made, are classified as "Current Investments". Investments are classified into long-term investments and current investments. Long-term investments are carried at cost. Provision for diminution in the value of long-term investments is not made unless it is considered other than temporary. Current investments are valued at lower of cost and net realisable value.

(i) Foreign currency translations

As the foreign operations of the Group are non-integral in nature, assets and liabilities are translated at the exchange rate prevailing at the date of the Balance Sheet. The items in the Statement of Profit and Loss are translated at the average exchange rate during the period. The differences arising out of the translation are transferred to Currency translation reserve. On the disposal of a non-integral foreign operation, the cumulative Currency translation reserve which relates to that operation is recognized in the Statement of Profit and Loss.

(j) Foreign currency transactions

- (i) Initial recognition - Transactions denominated in foreign currencies are recorded at the rates of exchange prevailing on the date of the transaction.
- (ii) Conversion - Monetary assets and liabilities denominated in foreign currency are converted at the rate of exchange prevailing on the date of the Balance Sheet.
- (iii) Exchange differences - All exchange differences arising on settlement/conversion of foreign currency transactions are included in the Consolidated Statement of Profit and Loss in the year in which they arise.

(k) Employee benefits

- i. 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 Consolidated Statement of Profit and Loss.
- ii. 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.
- iii. 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 and actuarial gains/losses are charged to the Consolidated Statement of Profit and Loss. 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 work or at the time of retirement (with minimum 5 years of service), whichever is earlier.

(l) Revenue recognition

- (i) Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group, the revenue can be reliably measured, the sale price is determinable and collectability is reasonably assured and is reported net of discounts based on the terms of the contract and applicable indirect taxes.

SMS Revenue – The Group recognises revenue based on the usage of Short

Message Services (SMS). The revenue is recognised when the Group's services are used based on the specific terms of the contract with customers.

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/loss 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) Lease rentals are recognised ratably on a straight-line basis over the lease term.
- (iv) Dividend income is recognised when the right to receive the dividend is established.
- (v) Interest income is recognised on time proportion basis.
- (vi) All revenues from services, as rendered, are recognised when persuasive evidence of an arrangement exists, the sale price is fixed or determinable and collectability is reasonably assured and are reported net of sales incentives, discounts based on the terms of the contract and applicable indirect taxes.

(m) Leases:

Finance lease

Leases which effectively, transfer to the Group, all the risks and benefits incidental to ownership of the leased asset, are classified as Finance lease. 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 leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return.

Operating lease

Leases where the lessor effectively retains substantially all risks and benefits incidental to ownership of the asset are classified as Operating lease. Operating lease payments are recognised as an expense in the consolidated Statement of Profit and Loss account on a straight line basis over the lease term.

(n) 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 treated as revenue expenditure.

(o) Taxes on income

Current income tax expense comprises taxes on income from operations in India and in foreign jurisdictions. Income tax payable in India is determined in accordance with the provisions of the Income Tax Act, 1961. Tax expense relating to foreign operations is determined in accordance with tax laws applicable in countries where such operations are domiciled.

Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Company and its Indian subsidiaries will pay normal income tax after the tax holiday period. Accordingly, MAT is recognised as an asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with it will fructify.

Deferred tax expense or benefit is recognised on timing differences being the difference

between taxable income and accounting income that originate in one period and is likely to reverse in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

In the event of unabsorbed depreciation and carry forward of losses, deferred tax assets are recognised only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available to realise such assets. In other situations, deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available to realise these assets. Deferred tax assets are reviewed at each Balance Sheet date to reassess certainty of realisation.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction for relevant tax paying units and where the Group is able to and intends to settle the asset and liability on a net basis.

The Group offsets deferred tax assets and deferred tax liabilities if it has a legally enforceable right and these relate to taxes on income levied by the same governing taxation laws.

(p) Provisions and 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 neither recognised nor disclosed in the consolidated financial statements.

(q) Earnings per share

Basic earnings per share are computed by dividing net profit after tax attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing net profit after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares attributable to equity shareholders, 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.

(r) Cash and cash equivalents

Cash and cash equivalents for the purpose of the Consolidated cash flow statement comprise of the cash on hand and at bank and short-term investments with an original maturity of three months or less.

Significant accounting policies and other explanatory information for the year ended 31 March 2017 (Amount in ₹, except for share data, and if otherwise stated)

	As at 31 March 2017		As at 31 March 2016	
	Number	Amount	Number	Amount
3 Share capital				
Authorised share capital				
Equity shares of ₹ 10 each	10,00,00,000	1,00,00,00,000	4,00,00,000	40,00,00,000
Issued, subscribed and fully paid up				
Equity shares of ₹ 10 each	5,00,00,000	50,00,00,000	2,00,00,000	20,00,00,000
	5,00,00,000	50,00,00,000	2,00,00,000	20,00,00,000

a) Reconciliation of share capital

Equity shares

Balance at the beginning of the year	2,00,00,000	20,00,00,000	20,00,000	2,00,00,000
Add: Bonus shares issued during the year (refer note (d) below)	3,00,00,000	30,00,00,000	1,80,00,000	18,00,00,000
Balance at the end of the year	5,00,00,000	50,00,00,000	2,00,00,000	20,00,00,000

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	Number of shares held	% holding	Number of shares held	% holding
Sandipkumar Gupta	1,50,00,000	30	60,00,000	30
Rajdipkumar Gupta	1,50,00,000	30	60,00,000	30
Chandrakant Gupta	50,00,000	10	20,00,000	10
Chamelidevi Gupta	50,00,000	10	20,00,000	10
Sunita Gupta	45,00,000	9	18,00,000	9
Sarika Gupta	45,00,000	9	18,00,000	9
	4,90,00,000	98	1,96,00,000	98

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

	Number	Amount	Number	Amount
Equity shares allotted as fully paid bonus shares	3,00,00,000	30,00,00,000	1,80,00,000	18,00,00,000

Significant accounting policies and other explanatory information for the year ended 31 March 2017 (Amount in ₹, except for share data, and if otherwise stated)

	As at 31 March 2017	As at 31 March 2016
4 Reserves and surplus		
a) Surplus in Statement of Profit and Loss		
Balance at the beginning of the year	50,82,88,997	31,64,89,378
Add : Transferred from Statement of Profit and Loss	60,20,43,676	61,03,15,619
Add : Reversal of provision for Corporate Social Responsibility	-	22,00,000
Add : Reversal of provision for proposed dividend (refer note (i) below)	-	2,00,00,000
Add : Reversal of provision for dividend distribution tax (refer note (i) below)	-	40,94,000
Less: Interim dividend paid during the year	-	22,00,00,000
Less: Dividend distribution tax	-	4,48,10,000
Less: Transfer to Statutory reserve	34,281	-
Less: Issue of bonus shares	30,00,00,000	18,00,00,000
Balance at the end of the year	81,02,98,392	50,82,88,997
b) Statutory reserve		
Balance at the beginning of the year	-	-
Add: Transferred from Statement of Profit and Loss	34,281	-
Balance at the end of the year	34,281	-
c) Foreign currency translation reserve		
Balance at the beginning of the year	49,29,233	(25,87,059)
Add/(Less): Movement during the year (net)	(4,42,92,493)	75,16,292
Balance at the end of the year	(3,93,63,260)	49,29,233
Total Reserve and Surplus (a+b+c)	77,09,69,413	51,32,18,230

Note:

Proposed dividend for the earlier year had been reversed since the resolution for declaration of dividend was not approved by the shareholders at the Annual General Meeting of the Company.

Significant accounting policies and other explanatory information for the year ended 31 March 2017 (Amount in ₹, except for share data, and if otherwise stated)

	As at 31 March 2017	As at 31 March 2016
5 Long-term borrowings		
Secured		
Finance lease obligations*	3,48,57,533	-
Vehicle loans from banks**	-	22,93,400
Less : Current maturities of long-term borrowings (refer note 10)	(90,23,590)	(22,93,400)
	2,58,33,943	-
*Finance Lease obligations are secured by the assets obtained on finance lease (computers and computer servers) and are repayable in equal quarterly installments over a period of 4 years and carry a finance charge.		
** secured by hypothecation of vehicles purchased against the loan.		
6 Deferred tax liabilities		
Depreciation and amortisation	7,43,932	49,414
	7,43,932	49,414
7 Long-term provisions		
Provision for gratuity (refer note 33(a))	1,05,05,329	95,13,591
	1,05,05,329	95,13,591
8 Short-term borrowings		
Working capital loan from banks*	15,00,00,000	-
	15,00,00,000	-
*secured by way of first charge on fixed deposits		
9 Trade payables		
Trade payables - outstanding dues to other than micro and small enterprises	35,99,60,292	47,92,91,809
	35,99,60,292	47,92,91,809
10 Other current liabilities		
Current maturity of long term borrowings (refer note 5)	90,23,590	22,93,400
Interest accrued but not due on borrowings	1,10,819	-
Security deposits	20,19,937	3,70,000
Statutory dues	1,30,82,873	99,63,449
Advance from customers	10,40,66,498	1,04,20,06,249
Book overdraft	1,26,31,470	-
Capital creditors	25,15,610	1,70,48,647
Dues to employees	22,50,235	70,19,218
Outstanding expenses	1,81,62,541	1,26,76,927
	16,38,63,573	1,09,13,77,890
Note:		
There are no amounts due to be transferred to the Investor Education and Protection Fund as at the year end.		
11 Short-term provisions		
Provision for gratuity (refer note 33(a))	44,18,862	12,82,670
Provision for compensated absences (refer note 33(b))	22,52,949	-
Provision for tax (net of advance tax)	1,32,42,331	1,19,10,975
	1,99,14,142	1,31,93,645

Significant accounting policies and other explanatory information for the year ended 31 March 2017 (Amount in ₹, except for share data, and if otherwise stated)

12 Property, plant and equipment

Gross block	Building	Furniture and fittings	Leasehold improvements	Vehicles	Office equipment	Computers	Total
Balance as at 01 April 2015	3,30,99,737	1,18,91,257	-	1,69,49,806	62,09,708	6,60,68,820	13,42,19,328
Additions	-	3,08,017	-	41,45,976	6,83,452	4,14,16,880	4,65,54,325
Disposals	-	(4,72,730)	-	(35,000)	(17,80,804)	(77,11,276)	(99,99,810)
Balance as at 31 March 2016	3,30,99,737	1,17,26,544	-	2,10,60,782	51,12,356	9,97,74,424	17,07,73,843
Additions	-	2,89,77,799	2,38,00,297	1,40,35,309	19,40,495	7,27,53,738	14,15,07,638
Acquired on acquisition of subsidiaries	-	-	-	-	7,990	3,17,273	3,25,263
Disposals	-	(76,56,809)	-	(38,51,877)	(28,76,780)	(2,88,750)	(1,46,74,216)
Foreign currency translation adjustment	-	(23,094)	-	-	(5,138)	1,46,322	1,18,090
Balance as at 31 March 2017	3,30,99,737	3,30,24,440	2,38,00,297	3,12,44,214	41,78,923	17,27,03,007	29,80,50,618

Accumulated depreciation and amortisation

Balance as at 01 April 2015	1,00,34,117	67,10,691	-	78,82,840	38,45,595	4,39,98,885	7,24,72,128
Depreciation charge	11,24,497	15,06,080	-	36,37,864	12,90,926	1,38,27,226	2,13,86,593
Reversal on disposal of assets	-	(4,30,497)	-	(19,484)	(14,21,336)	(73,25,325)	(91,96,642)
Balance as at 31 March 2016	1,11,58,614	77,86,274	-	1,15,01,220	37,15,185	5,05,00,786	8,46,62,079
Depreciation and amortisation charge	10,15,878	67,66,840	41,03,499	61,09,549	8,91,022	2,99,50,596	4,88,37,384
Adjustment (refer note 31)	-	-	-	30,042	-	29,89,628	30,19,670
Reversal on disposal of assets	-	(48,21,711)	-	(30,61,901)	(21,23,332)	(1,40,732)	(1,01,47,676)
Foreign currency translation adjustment	-	(4,621)	-	-	(786)	7,05,040	6,99,633
Balance as at 31 March 2017	1,21,74,492	97,26,782	41,03,499	1,45,78,910	24,82,089	8,40,05,318	12,70,71,090

Balance as at 31 March 2016	2,19,41,123	39,40,270	-	95,59,562	13,97,171	4,92,73,638	8,61,11,764
Balance as at 31 March 2017	2,09,25,245	2,32,97,658	1,96,96,798	1,66,65,304	16,96,834	8,86,97,689	17,09,79,528

The above table includes following assets taken on finance lease

Particulars	As at 31 March 2017				As at 31 March 2016		
	Gross block	Accumulated depreciation	Net block	Depreciation charge for the year	Gross block	Accumulated depreciation	Net block
Computers	3,77,24,352	8,38,319	3,68,86,033	8,38,319	-	-	-

Significant accounting policies and other explanatory information for the year ended 31 March 2017 (Amount in ₹, except for share data, and if otherwise stated)

13 Intangible assets

	Gross block	Computer software	Trademark	License	Total
Balance as at 01 April 2015		1,16,81,985	-	-	1,16,81,985
Additions		45,10,484	-	-	45,10,484
Disposals		-	-	-	-
Foreign currency translation adjustment		1,32,878	-	-	1,32,878
Balance as at 31 March 2016		1,63,25,347	-	-	1,63,25,347
Additions		1,55,63,921	-	-	1,55,63,921
Acquired on acquisition of subsidiaries		-	29,570	11,673	41,243
Disposals		-	-	-	-
Foreign currency translation adjustment		(8,08,700)	-	-	(8,08,700)
Balance as at 31 March 2017		3,10,80,568	29,570	11,673	3,11,21,811
Accumulated amortisation					
Balance as at 01 April 2015		22,15,990	-	-	22,15,990
Amortisation charge		35,36,719	-	-	35,36,719
Reversal on disposal of assets		-	-	-	-
Foreign currency translation adjustment		29,342	-	-	29,342
Balance as at 31 March 2016		57,82,051	-	-	57,82,051
Amortisation charge		52,96,221	5,332	5,903	53,07,456
Adjustment (refer note 31)		24,47,440	-	-	24,47,440
Reversal on disposal of assets		-	-	-	-
Foreign currency translation adjustment		(4,04,328)	-	-	(4,04,328)
Balance as at 31 March 2017		1,31,21,384	5,332	5,903	1,31,32,619
Net block					
Balance as at 31 March 2016		1,05,43,296	-	-	1,05,43,296
Balance as at 31 March 2017		1,79,59,184	24,238	5,770	1,79,89,192

Significant accounting policies and other explanatory information for the year ended 31 March 2017 (Amount in ₹, except for share data, and if otherwise stated)

	As at 31 March 2017	As at 31 March 2016
14 Non-current investments		
Trade, Unquoted (at cost)		
Equity shares in Associate		
2,450 equity shares (previous year 2,450) of THB 100 each fully paid up of Defero Mobile (Thailand) Co. Ltd.	4,30,735	4,67,913
	4,30,735	4,67,913
15 Deferred tax assets (net)		
Deferred tax liabilities		
Depreciation and amortisation	7,14,209	53,39,211
	7,14,209	53,39,211
Deferred tax assets		
Provision for compensated absences	7,79,746	-
Provision for gratuity	44,80,623	37,36,586
Provision for expenses	11,87,049	-
Provision for doubtful debts	44,33,131	40,41,067
	1,08,80,549	77,77,653
Deferred tax assets (net)	1,01,66,340	24,38,442
16 Long-term loans and advances		
(Unsecured, Considered good (unless otherwise stated))		
Capital advances (refer note 37)	2,60,33,092	44,37,533
Advance tax (net of provision for tax)	4,98,74,029	63,84,330
Security deposits	2,11,94,908	2,08,99,386
Prepaid expenses	1,82,327	96,560
Loans and advances to employees	6,50,000	5,49,900
Balances with government authorities	5,10,50,295	1,41,49,645
	14,89,84,651	4,65,17,354
17 Other non-current assets		
(Unsecured, Considered good (unless otherwise stated))		
Non-current bank balances (refer note 20)	2,83,43,612	25,00,00,000
Interest accrued but not due on fixed deposits	4,43,183	7,32,787
	2,87,86,795	25,07,32,787
18 Current investments		
(at cost or fair value whichever is lower)		
Unquoted		
Investments in mutual funds	37,028	-
	37,028	-

Significant accounting policies and other explanatory information for the year ended 31 March 2017 (Amount in ₹, except for share data, and if otherwise stated)

	As at 31 March 2017	As at 31 March 2016
19 Trade receivables (Unsecured)		
Outstanding for a period exceeding six months from the date they are due for payment		
Considered good	2,04,47,456	-
Considered doubtful	1,28,08,816	1,16,76,009
Less: Provision for doubtful debts	(1,28,08,816)	(1,16,76,009)
Others	30,58,70,524	24,16,28,645
	32,63,17,980	24,16,28,645
20 Cash and bank balances		
Cash and cash equivalents		
Cash on hand	1,36,223	6,20,138
Balances with banks:		
- in current accounts	42,41,80,025	1,36,72,42,403
- in EEFC accounts	64,69,132	1,36,43,364
- in deposit accounts (with maturity upto 3 months)	37,68,59,691	3,61,20,641
- wallets balances	3,35,249	2,52,280
Other bank balances		
Deposits with maturity more than 3 months but less than 12 months	8,12,32,734	16,62,68,296
Balances with bank held as		
Margin money	22,01,39,061	3,66,36,753
Other deposits with maturity more than 12 months	2,83,43,612	25,00,00,000
Less : Amounts disclosed as Other non-current assets (refer note 17)	(2,83,43,612)	(25,00,00,000)
	1,10,93,52,115	1,62,07,83,875

Significant accounting policies and other explanatory information for the year ended 31 March 2017 (Amount in ₹, except for share data, and if otherwise stated)

Disclosure on specified bank notes (SBNs)

During the year, the Group had SBNs/ other denomination notes (other notes) as defined in the MCA notification G.S.R. 308 (E) dated 31 March 2017. The denomination wise details of the SBNs and other notes held and transacted during the period from 8 November 2016 to 30 December 2016 is given below:

Particulars	SBN*	Other notes	Total
Closing cash on hand as at 8 November 2016	4,38,000	31,327	4,69,327
(Add) Permitted receipts	-	5,950	5,950
(Add) Withdrawal from bank accounts	-	3,54,080	3,54,080
(Less) Permitted payments	-	(2,69,279)	(2,69,279)
(Less) Amount deposited in banks	(4,38,000)	(16,000)	(4,54,000)
Closing cash on hand as at 30 December 2016	-	1,06,078	1,06,078

* The term 'Specified Bank Notes' shall have the same meaning as provided in the Government of India notification S.O. 3407 (E), dated 8 November 2016.

21 Short-term loans and advances

(Unsecured, Considered good (unless otherwise stated))

Security deposits	47,54,862	94,95,006
Prepaid expenses	92,97,361	5,10,363
Advances to suppliers	1,69,93,977	1,10,26,624
Advances to related parties	-	-
- Due by companies in which director is a director	26,71,819	29,42,287
- Due by associate company	69,44,814	-
Loans and advances to employees	40,92,601	24,95,912
Balances with government authorities	19,99,957	-
	4,67,55,391	2,64,70,192

22 Other current assets

(Unsecured, Considered good (unless otherwise stated))

Other receivables	8,276	-
Interest accrued but not due on deposits with bank	88,70,046	80,23,813
	88,78,322	80,23,813

Significant accounting policies and other explanatory information for the year ended 31 March 2017 (Amount in ₹, except for share data, and if otherwise stated)

	As at 31 March 2017	As at 31 March 2016
23 Commitment and contingencies		
A] Claims against the Group not acknowledged as debts		
Income tax matters	58,40,920	-
Service tax matters*	25,00,27,544	-
Guarantees given on behalf of the Group by banks	7,01,39,061	3,66,36,753
	32,60,07,525	3,66,36,753
B] Other commitment		
For purchase of property	54,66,908	-
	54,66,908	-
*The above figure does not include amounts towards 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.		
24 Revenue from operations		
Sale of services - short messaging services	4,55,45,29,094	3,63,61,07,958
Other operating income		
Software development fees	2,12,80,086	-
	4,57,58,09,180	3,63,61,07,958
25 Other income		
Interest income on fixed deposits	3,37,67,000	2,93,59,746
Liabilities no longer payable, written back	2,04,74,621	42,10,562
Rental income	2,96,706	3,15,000
Consultancy income	1,67,94,414	-
Miscellaneous income	7,50,249	10,76,778
	7,20,82,990	3,49,62,086
26 Purchases of short messaging services		
Purchases of short messaging services	3,25,37,02,009	2,47,07,05,856
	3,25,37,02,009	2,47,07,05,856

Significant accounting policies and other explanatory information for the year ended 31 March 2017 (Amount in ₹, except for share data, and if otherwise stated)

	As at 31 March 2017	As at 31 March 2016
27 Employee benefits expense		
Salaries, wages and bonus (refer note 33(a) and 33(b))	23,85,14,226	22,80,70,967
Contribution to provident fund and other funds (refer note below)	5,36,457	2,32,324
Staff welfare	1,95,25,267	86,90,905
	25,85,75,950	23,69,94,196
Defined contribution plan: The amount recognised as an expense during the year is ₹ 536,457 (Previous year: ₹ 232,324).		
28 Finance costs		
Interest on borrowings from bank	2,61,466	31,49,766
Interest on delayed payment of statutory dues	36,60,166	5,72,991
Interest on delayed payment of income taxes	25,98,485	-
Other borrowing cost	10,08,171	41,76,667
	36,60,166	78,99,424
29 Depreciation and amortisation expense		
Depreciation on property, plant and equipment (refer note 12)	4,88,37,384	2,13,86,593
Amortisation on intangible assets (refer note 13)	53,07,456	35,36,719
	5,41,44,840	2,49,23,312

Significant accounting policies and other explanatory information for the year ended 31 March 2017 (Amount in ₹, except for share data, and if otherwise stated)

	Year ended 31 March 2017	Year ended 31 March 2016
30 Other expenses		
Power and fuel	42,56,371	41,00,924
Repairs and maintenance - Buildings	74,59,087	16,86,534
Repairs and maintenance - Others	1,11,47,026	96,27,754
Insurance	8,90,086	1,97,517
Rent (refer note 34)	5,00,67,124	1,52,69,999
Rates and taxes	75,45,947	36,63,400
Communication	1,46,73,329	86,92,545
Travelling and conveyance	3,89,44,633	1,92,53,802
Printing and stationery	20,61,259	8,21,969
Business promotion	3,44,03,224	48,93,068
Donations	1,36,000	1,10,000
Expenditure on Corporate Social Responsibility	13,38,599	7,00,000
Legal and professional charges	3,98,28,170	2,90,91,058
Auditor's remuneration (refer note below)	37,18,500	11,65,000
Advances and trade receivable written off	2,28,43,863	1,40,86,365
Provision for doubtful debts	11,32,807	1,16,76,009
Net loss on foreign currency transactions and translation	63,64,234	20,01,126
Loss on sale of property, plant and equipment	9,27,688	8,32,531
Bank charges	36,86,051	16,06,684
Membership and subscription	1,06,480	26,79,193
Sitting fees to Directors	4,91,697	84,000
Miscellaneous expenses	43,52,417	9,64,672
	25,63,74,592	13,32,04,150

a. Auditors' remuneration (excluding service tax)

As auditor		
Statutory audit	36,18,000	7,00,000
Tax audit	1,00,500	1,00,000
Other services	-	3,65,000
	37,18,500	11,65,000

31 Prior period expenses

Depreciation on property, plant and equipment (refer note 12)	30,19,670	-
Amortisation on intangible assets (refer note 13)	24,47,440	-
Purchases of short messaging services	7,22,836	-
Travelling and conveyance	-	77,25,237
Gratuity expenses	-	85,63,753
Interest expenses	-	8,13,688
	61,89,946	1,71,02,678

**Significant accounting policies and other explanatory information for the year ended 31
(Amount in ₹, except for share data, and if otherwise stated)**

32 (a) Statement of Consolidated net assets and Consolidated profit attributable to Owners and Minority Interest

For disclosures mandated by Schedule III of Companies Act, 2013, by way of additional information, refer below:

Name of the entities	Country of incorporation	% of effective holding of Route Mobile Limited as at 31 March 2017	% of effective holding of Route Mobile Limited as at 31 March 2016	Net Assets, i.e. total assets minus total liabilities		Share in profit/(loss)	
				As % of consolidated net assets	Amount	As % of consolidated profit	Amount
Parent: Route Mobile Limited	India			63%	80,44,03,084	85%	51,40,40,154
Subsidiaries: Indian							
Sphere Edge Consulting India Private Limited	India	100%	100%	5%	6,65,46,944	2%	1,14,90,048
Cellent Technologies India Private Limited	India	100%	-	1%	64,18,224	3%	1,68,53,553
Start Corp India Private Limited	India	100%	-	1%	72,20,546	0%	7,03,228
Foreign							
RouteSMS Solutions (UK) Limited (Refer Note 1)	United Kingdom	100%	100%	3%	4,33,86,654	2%	1,08,95,735
Routesms Solutions Nigeria Limited	Nigeria	100%	100%	2%	2,22,77,698	3%	1,64,97,527
RouteSMS Solutions (FZE) Limited (Refer Note 1)	United Arab Emirates	100%	100%	27%	34,60,82,947	63%	38,27,05,744
Route Mobile Pte. Ltd.	Singapore	100%	-	0%	11,46,934	0%	(13,866)
Subtotal					1,29,74,83,031		95,31,72,123
Adjustments arising out of consolidation				-2%	(2,65,13,618)	-58%	(35,12,60,969)
Total				100%	1,27,09,69,413	100%	60,19,11,154
Minority interest in step down foreign subsidiaries							
- Route Mobile Limited (Ghana)					50,10,885		2,99,350
- Route Mobile LLC					1,66,828		(1,66,828)
Consolidated net assets / Profit after tax					1,27,61,47,126		60,20,43,676

Note:

1. Amount disclosed is after consolidation of step down subsidiaries and associate, as applicable.

b. The contribution of the subsidiaries acquired and incorporated during the year (before inter-company elimination) is as under:

Name of Subsidiary	Revenue	Net Profit/(Loss)	Net Assets
Cellent Technologies India Private Limited	7,31,40,096	1,68,53,553	64,18,224
Start Corp India Private Limited	2,51,19,932	7,03,228	72,20,546
Route Mobile Pte. Ltd.	-	(13,866)	11,46,934

Significant accounting policies and other explanatory information for the year ended 31 March 2017 (Amount in ₹, except for share data, and if otherwise stated)

33 Employee benefits

a. Gratuity:

Defined benefit plans: - The Group provides for gratuity benefit in the Indian entities 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. 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 Indian entities in the Group:

Particulars	31 March 2017	31 March 2016
Change in benefit obligation		
Projected Benefit Obligation ("PBO") at the beginning of the year	1,07,96,261	85,63,753
Service cost	44,47,453	18,44,614
Interest cost	8,15,118	6,55,127
Actuarial gain	(11,34,641)	(2,67,233)
Benefits paid	-	-
PBO at the end of the year	1,49,24,191	1,07,96,261
Net liability as at year end recognized in Balance Sheet	1,49,24,191	1,07,96,261
Net gratuity cost comprises the following components:		
Service cost	44,47,453	18,44,614
Interest cost	8,15,118	6,55,127
Recognised net actuarial gain	(11,34,641)	(2,67,233)
Net gratuity cost	41,27,930	22,32,508

The actuarial assumptions used in accounting for the gratuity plan were as follows:

Discount rate	6.75%	7.55%
Rate of increase in compensation levels	10.00%	12% for first three years and 8% thereafter
Attrition rate	20.00%	15.00%
Rate of return on plan assets	N.A	N.A
Mortality rate	Indian assured lives mortality (2006-08) ultimate	Indian assured lives mortality (2006-08) ultimate

Significant accounting policies and other explanatory information for the year ended 31 March 2017 (Amount in ₹, except for share data, and if otherwise stated)

Details of Present Value of Obligation, Plan Assets and Experience Adjustments:

	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
Present value of obligation	1,49,24,191	1,07,96,261	85,63,753	-	-
Fair value of plan assets	-	-	-	-	-
Deficit/(Surplus)	1,49,24,191	1,07,96,261	85,63,753	-	-
Experience adjustments:					
On plan liabilities:- (gain) / loss	(11,34,641)	(2,67,233)	-	-	-
On plan assets:- gain / (loss)	-	-	-	-	-

b. Compensated absences

The Company provided for ₹ 2,252,949 (Previous year ₹ Nil) towards compensated absences during the year.

34 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 Statement of Profit and Loss for the year ended 31 March 2017 in respect of operating leases is ₹ 50,067,124 (Previous year ₹ 15,269,999).

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 2017	As at 31 March 2016
Not later than 1 year	4,45,01,751	4,89,48,059
Later than 1 year but not later than 5 years	2,35,06,606	11,52,14,861
Later than 5 years	-	-
Total	6,80,08,357	16,41,62,920

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

Particulars	As at 31 March 2017	As at 31 March 2016
Minimum lease payments		
Not later than 1 year	1,14,67,288	-
Later than 1 year but not later than 5 years	2,86,68,220	-
Later than 5 years	-	-
Present value of minimum lease payments		
Not later than 1 year	90,23,590	-
Later than 1 year but not later than 5 years	2,58,33,943	-
Later than 5 years	-	-

Significant accounting policies and other explanatory information for the year ended 31 March 2017 (Amount in ₹, except for share data, and if otherwise stated)

35 Earnings per share

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

Particulars	Year Ended 31 March 2017	Year Ended 31 March 2016
Net profit after tax attributable to equity shareholders (₹)	60,20,43,676	61,03,15,619
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(₹)	12.04	12.21
Nominal value per equity share (₹)	10	10

The Earnings per share for year ended 31 March 2016 have also been adjusted for issue of bonus shares in accordance with Accounting Standard (AS) 20 - Earnings Per Share.

36 The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

Particulars	As at 31 March 2017	As at 31 March 2016
Receivables		
EURO € 904,269 (Previous year - € 992,122)	6,26,18,367	7,45,03,903
USD \$ 794,060 (Previous year - \$ 43,315)	5,14,85,662	28,73,217
AED 98 (previous year -Nil)	1,726	-
Payables		
EURO € 939,762 (Previous year - € 1,014,538)	6,50,76,088	7,61,87,260
USD \$ 1,903,551 Previous year \$ 80,544)	12,34,23,510	53,42,668
AED 83,431 (Previous year- Nil)	14,72,130	-
GBP 8,000 (Previous year- Nil)	6,50,921	-

37 Related party disclosures as required under Accounting Standard 18, "Related party disclosures" are given below:

a) Names of related parties and description of relationship:

Description of relationship	Names of related parties
(i) Key Management Personnel (KMP)	Rajdipkumar Gupta Sandipkumar Gupta Chandrakant Gupta Pratik Joshi (with effect from 2 June 2016) Gaurav Jhunjunwala (with effect from 2 June 2016)
(ii) Entities in which KMP/relatives of KMP can exercise significant influence	Graphixide Services Private Limited 29 Three Holidays Private Limited Spectrum Technologies
(iii) Associate	Defero Mobile (Thailand) Co. Ltd.
(iv) Relatives of KMP	Chamelidevi Gupta Sarika Gupta Sunita Gupta Tanvi Gupta

Significant accounting policies and other explanatory information for the year ended 31 March 2017

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

b) Details of related party transactions :

Particulars	Key Management Personnel (KMP)		Entities in which KMP / relatives of KMP can exercise significant influence		Relatives of KMP		Associate	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016	31 March 2017	31 March 2016	31 March 2017	31 March 2016
Purchases of short message services								
Spectrum Technologies	-	-	10,18,00,822	6,16,89,918	-	-	-	-
Travelling and conveyance								
29 Three Holidays Private Limited	-	-	3,11,08,180	2,53,21,789	-	-	-	-
Business promotion								
Graphixide Services Private Limited	-	-	6,29,211	3,51,197	-	-	-	-
Expenses reimbursed by other company								
Graphixide Services Private Limited	-	-	71,457	9,13,068	-	-	-	-
Expenses reimbursed to other company								
29 Three Holidays Private Limited	-	-	-	6,27,300	-	-	-	-
Rental income								
29 Three Holidays Private Limited	-	-	34,500	-	-	-	-	-
Graphixide Services Private Limited	-	-	-	3,15,000	-	-	-	-
Advance towards purchase of flat								
Rajdipkumar Gupta	1,40,16,546	-	-	-	-	-	-	-
Sandipkumar Gupta	1,20,16,546	-	-	-	-	-	-	-
Advances received								
Rajdipkumar Gupta	-	29,83,454	-	-	-	-	-	-
Sandipkumar Gupta	-	29,83,454	-	-	-	-	-	-
Advances given								
Defero Mobile (Thailand) Co. Ltd.	-	-	-	-	-	-	74,97,741	-
Remuneration to Directors								
Rajdipkumar Gupta	1,89,48,040	6,66,95,225	-	-	-	-	-	-

Significant accounting policies and other explanatory information for the year ended 31 March 2017

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

Sandipkumar Gupta	1,89,48,040	6,66,95,225	-	-	-	-	-	-
Remuneration to KMP								
Chandrakant Gupta	6,50,000	9,00,000	-	-	-	-	-	-
Pratik Joshi	5,74,531	-	-	-	-	-	-	-
Gaurav Jhunjhunwala	5,50,002	-	-	-	-	-	-	-
Sitting fees to Directors								
Chamelidevi Gupta	-	-	-	-	48,000	28,000	-	-
Rajdipkumar Gupta	1,55,399	-	-	-	-	-	-	-
Sandipkumar Gupta	1,55,399	-	-	-	-	-	-	-
Issue of bonus shares								
Sandipkumar Gupta	9,00,00,000	5,40,00,000	-	-	-	-	-	-
Rajdipkumar Gupta	9,00,00,000	5,40,00,000	-	-	-	-	-	-
Chandrakant Gupta	3,00,00,000	1,80,00,000	-	-	-	-	-	-
Chamelidevi Gupta	-	-	-	-	3,00,00,000	1,80,00,000	-	-
Sunita Gupta	-	-	-	-	2,70,00,000	1,62,00,000	-	-
Sarika Gupta	-	-	-	-	2,70,00,000	1,62,00,000	-	-
Salaries, wages and bonus								
Sarika Gupta	-	-	-	-	13,00,000	11,50,000	-	-
Sunita Gupta	-	-	-	-	13,00,000	11,50,000	-	-
Tanvi Gupta	-	-	-	-	4,00,000	-	-	-
Balances with related parties (as at year-end) :								
Amount receivable								
Spectrum Technologies	-	-	-	15,26,195	-	-	-	-
29 Three Holidays Private Limited	-	-	-	44,848	-	-	-	-
Amount payable								
29 Three Holidays Private Limited	-	15,68,506	-	-	-	-	-	-
Rajdipkumar Gupta	-	29,83,454	-	-	-	-	-	-
Sandipkumar Gupta	-	29,83,454	-	-	-	-	-	-
Advances receivable / adjustable								
Rajdipkumar Gupta	1,40,16,546	-	-	-	-	-	-	-
Sandipkumar Gupta	1,20,16,546	-	-	-	-	-	-	-
Graphixide Services Private Limited	-	-	26,71,819	29,42,287	-	-	-	69,44,814
Defero Mobile (Thailand) Co. Ltd.	-	-	-	-	-	-	-	-
Sitting fees payable								
Chamelidevi Gupta	-	-	-	-	36,000	28,000	-	-

c)

Significant accounting policies and other explanatory information for the year ended 31 March 2017 (Amount in ₹, except for share data, and if otherwise stated)

38 Segment Reporting

"The Company has identified business segments as its primary segment with secondary segment reported geographically. The activities of the Group comprise of only one 'business segment' i.e. sale of service - 'short messaging services'. As the Group business falls within primary business segment, the consolidated financial statements are reflective of the information required by Accounting Standard (AS) 17, "Segment Reporting". The Company's operations span across the world and are categorised geographically as (a) "India", (b) "United Arab Emirates" and (c) "Nigeria".

The following geographic segments individually contribute 10 percent or more of the Group revenue and segment assets:

Geographic Segments	Revenues (By location of customers) Year ended 31 March 2017	Segment assets (By location of assets) As at 31 March 2017	Capital expenditure incurred (By location of assets) Year ended 31 March 2017
India	86,90,44,223 (38,71,96,198)	1,31,86,55,246 (83,28,14,778)	16,42,49,203 (6,30,57,471)
United Arab Emirates	91,82,35,893 (44,34,22,083)	31,50,32,391 (1,24,12,48,698)	1,35,20,914 -
Nigeria	50,78,83,432 (37,92,12,435)	8,75,03,267 (7,78,76,660)	- -

Notes:

1) Figures in brackets relate to the previous year

- 39** The Board of Directors at its meeting held on 5 September 2017 has recommended final dividend of ₹ 75,000,000 (₹ 1.5 per equity share). The dividend proposed is subject to the approval of the shareholders in the ensuing Annual General Meeting.
- 40** The financial statements of the Company for the year ended 31 March 2016 were audited and reported by Ramanand & Associates, Chartered Accountants. Previous year figures have been regrouped or rearranged, wherever considered necessary to make them comparable with those of the current year.

As per our report of even date attached

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

Place : Mumbai
Date : 5 September 2017

For Ramanand & Associates
Chartered Accountants
Firm's Registration No.: 117776W
Ramanand G. Gupta
Partner

Place : Mumbai
Date : 5 September 2017

For and on behalf of the Board of Directors
Chandrakant Gupta
Chairman and Director
(DIN No. 01636981)
Rajdipkumar Gupta
Managing Director
(DIN No. 01272947)
Pratik Joshi
Chief Financial Officer
Sandipkumar Gupta
Director
(DIN No. 01272932)
Gaurav Jhunjunwala
Company Secretary
Place : Mumbai
Date : 5 September 2017

PROXY FORM

ROUTE MOBILE LIMITED
(Formerly known as Routesms Solutions Limited)
CIN: U72900MH2004PLC146323

Regd. Office: 401, Fourth Floor, Evershine Mall New Link Road, Malad (West),
Mumbai – 400 064
Tel No. 022-4033 7676 | **Fax No.** 022-4033 7650
E-mail: complianceofficer@routemobile.com
Web-site: www.routemobile.com

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies
(Management and Administration) Rules, 2014]

Name	
Address	
Email Id	
Folio No.	

I / We, being the Member(s) of ____ shares of the above named Company, hereby appoint:

1. Name:
Address:
Email ID:
Signature: or failing him/her

2. Name:
Address:
Email ID:
Signature: or failing him/her

3. Name:
Address:
Email ID:
Signature:

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 13th Annual General Meeting of Route Mobile Limited (Formerly known as Routesms Solutions Limited) to be held on Friday, 22nd September, 2017 at 09:00 A.M. at 401, Fourth Floor, Evershine Mall New Link Road, Malad (West), Mumbai – 400 064 and at any adjournment(s) thereof in respect of such resolutions as are indicated below:

Resolution No.	Particulars of the Resolution	For	Against	Abstain
Ordinary Resolution				
1.	Adoption of Standalone and Consolidated Financial Statements of the Company along with the reports of the Board of Directors and Auditors and thereon for the year ended 31st March, 2017			
2.	To declare a Final dividend of ₹ 1.5 per equity share of 10/- each for the Financial year 2016-17			
3.	Re-appointment of Mrs. Chamelidevi Gupta (DIN: 02743720) as Director of the Company			
4.	To ratify the appointment of Walker Chandiok & Co LLP (formerly known as Walker, Chandiok & Co.) Chartered Accountants (Firm Registration No. 001076N/N500013) as the Statutory Auditors of the Company for the Financial Year 2017-2018.			
5.	To alter Memorandum of Association of the Company.			

Affix
Rs. 1.00
Revenue
Stamp

Signed this 5th day of September, 2017

Signature of Shareholder:

Signature of Proxy holder (s):

Notes:

1. Proxy need not be member.
2. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before commencement of the Meeting.
3. It is optional to indicate your preference. If you leave the “for”, “against” or “abstain” column blank, the proxy will be entitled to vote in the manner as he/she may deem appropriate.

ATTENDANCE SLIP

ROUTE MOBILE LIMITED
(Formerly known as Routesms Solutions Limited)
CIN: U72900MH2004PLC146323

Regd. Office: 401, Fourth Floor, Evershine Mall New Link Road, Malad (West),
Mumbai – 400 064

Tel No. 022-4033 7676 | **Fax No.** 022-4033 7650

E-mail: complianceofficer@routemobile.com

Web-site: www.routemobile.com

ATTENDANCE SLIP

PLEASE fill attendance slip and hand it over at the entrance of the meeting hall Joint shareholders may obtain additional Slip at the venue of the meeting.

I/ We hereby record my/our presence at the 13th Annual General Meeting of Route Mobile Limited (Formerly Known as Routesms Solutions Limited) to be held on Friday, 22nd September, 2017 at 09:00 A.M. at 401, Fourth Floor, Evershine Mall New Link Road, Malad (West), Mumbai – 400 064.

Name: _____

Folio No: _____ No. of Shares held: _____

Name of Proxy / Representative, if any: _____

Signature of shareholder(s)/Proxy/ Representative: _____

ROUTE MAP OF THE VENUE

Address: 401, Fourth Floor, Evershine Mall, New Link Road, Malad (West), Mumbai – 400 064.

Landmark: Near Goregaon Sports Complex



NOTES

NOTES

NOTES



www.routemobile.com