



RAMANAND & ASSOCIATES

— CHARTERED ACCOUNTANTS —

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UDIN: **19103975AAAAEU5779**

To,

The Board of Directors,

ROUTESMS SOLUTION FZE
P.O BOX NO:31291
RAS AL KHAIMAH-
UNITED ARAB EMIRATES

Dear Sirs,

We have verified the translated version of the audited standalone financial statements of **ROUTESMS SOLUTION FZE** (the "**Company**") for the years ended March 31, 2019, March 31, 2018 and March 31, 2017 ("**Financial Years**"). These financial statements have been translated by the Company in Indian Rupee in accordance with Ind AS 21, 'The Effect of Changes in Foreign Currency Rates'. The work carried out by us is in accordance with the Standard on Related Services (SRS) 4400, "Engagements to Perform Agreed-upon Procedures regarding Financial Information" issued by the Institute of Chartered Accountants of India.

As required under Schedule VI Part A item no.(11)(I)(A)(ii)(b) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("**SEBI ICDR Regulations**"), we have verified the translated financial information contained in the Annexure attached to this certificate which is proposed to be uploaded on the website of **ROUTE MOBILE LIMITED** in connection with its proposed initial public offering of equity shares of Rs. 10/- each.

We did not audit the standalone financial statements of **ROUTESMS SOLUTION FZE**. These financial statements have been audited by other audit firms, whose reports have been furnished to us by the Company.



These translated financials should not in any way be construed as a reissuance or re-dating of any of the previous audit reports, nor should these be construed as a new opinion on any of the audited standalone financial statements referred to herein.

These translated financials are intended solely for use of the management for uploading on website of **ROUTE MOBILE LIMITED** in connection with its proposed initial public offering of equity shares of Rs. 10/- each.. Our certificate should not be used, referred to or distributed for any other purpose except with our prior consent in writing.

Thanking you,

For Ramanand & Associates

Chartered Accountants

FRN No: - 117776W


Ramanand G. Gupta

Managing Partner

M.No. 103975

Date 27th September,2019



ROUTESMS SOLUTIONS FZE

TRANSLATED VERSION OF AUDITED STATEMENT OF FINANCIAL POSITION AS AT 31ST MARCH 2019

		31-Mar-19	31-Mar-19	31-Mar-18	31-Mar-18
	Notes	AED	INR	AED	INR
ASSETS					
NON CURRENT ASSETS					
Property, plant & equipment	5	3,896,500	73,507,086	4,198,831	74,471,754
Investment in subsidiary	6	147,000	2,672,673	147,000	2,672,673
Total Non Current Assets		4,043,500	76,179,759	4,345,831	77,144,427
CURRENT ASSETS					
Cash and cash equivalents	7	782,126	14,754,731	529,126	9,384,741
Due from related parties	8-A	63,087,552	1,190,140,408	47,141,291	836,112,393
Accounts receivable	9	4,964,929	93,662,896	2,769,152	49,114,537
Advances, deposits & prepayments	10	954,953	18,015,094	578,917	10,267,853
Total Current Assets		69,789,560	1,316,573,129	51,018,486	904,879,523
Total Assets		73,833,060	1,392,752,888	55,364,317	982,023,950
Equity & Liabilities					
Retained earnings		54,529,774	1,028,598,296	40,067,628	710,717,169
Total Equity		54,529,774	1,028,598,296	40,067,628	710,717,169
NON CURRENT LIABILITIES					
Term Loan(Long term)	13-A	1,815,854	34,255,905	2,056,527	36,475,187
Total Non Current Liabilities		1,815,854	34,255,905	2,056,527	36,475,187
CURRENT LIABILITIES					
Due to related parties	8-B	9,700,281	182,994,845	3,407,509	60,436,618
Accounts payable	11	5,624,356	106,102,925	8,390,532	148,817,049
Accruals, provisions and other payables	12	1,920,611	36,232,136	1,341,990	23,801,964
Term loan(Short term)	13-B	242,184	4,568,777	100,131	1,775,961
Total Current Liabilities		17,487,432	329,898,682	13,240,162	234,831,591
Total Equity & Liabilities		73,833,060	1,392,752,885	55,364,317	982,023,948

(Notes on pages 8 to 23 form an integral part of these Translated financial statements)



ROUTESMS SOLUTIONS FZE
TRANSLATED VERSION OF AUDITED COMPREHENSIVE INCOME STATEMENT
FOR THE YEAR ENDED 31ST MARCH 2019

		31-Mar-19	31-Mar-19	31-Mar-18	31-Mar-18
	Notes	AED	INR	AED	INR
Revenue	14	70,723,384	1,294,346,401	88,714,707	1,569,412,210
Less: Cost of revenue	15	(52,945,511)	(968,984,054)	(56,552,338)	(1,000,442,123)
Gross Profit		17,777,873	325,362,348	32,162,369	568,970,088
Other income	16	899,019	16,453,427	1,119,890	19,811,473
Total		18,676,892	341,815,774	33,282,259	588,781,561
<u>Less : General & Administrative Expenses and Other Charges</u>					
General and administrative expenses	17	2,992,175	54,761,392	12,275,787	217,165,458
Depreciation on fixed assets	5	302,331	5,533,121	325,217	5,753,273
Finance charges	18	961,966	17,605,444	160,926	2,846,870
Total expenses		4,256,472	77,899,957	12,761,930	225,765,601
Net profit for the year		14,420,421	263,915,818	20,520,329	363,015,960

(Notes on pages 8 to 23 form an integral part of these Translated financial statements)



ROUTESMS SOLUTIONS FZE**TRANSLATED VERSION OF AUDITED STATEMENT OF CHANGES IN EQUITY****FOR THE YEAR ENDED 31ST MARCH 2019**

	Retained Earnings	Total	Retained Earnings	Total
	AED	AED	INR	INR
As on 31/03/2017	19,547,299	19,547,299	345,262,819	345,262,819
Net Profit during the year	20,520,329	20,520,329	363,015,960	363,015,960
FCTR	-	-	2,438,389	2,438,389
As on 31/03/2018	40,067,628	40,067,628	710,717,169	710,717,169
Changes during the year	41,725	41,725	786,457	786,457
Net Profit during the year	14,420,421	14,420,421	263,915,818	263,915,818
FCTR	-	-	53,178,853	53,178,853
As on 31/03/2019	54,529,774	54,529,774	1,028,598,296	1,028,598,296

(Notes on pages 8 to 23 form an integral part of these Translated financial statements)



ROUTESMS SOLUTIONS FZE
TRANSLATED VERSION OF AUDITED STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31ST MARCH 2019

	31-Mar-19	31-Mar-19	31-Mar-18	31-Mar-18
	AED	INR	AED	INR
<u>Cash Flow from Operating Activities</u>				
Operating profit for the year	14,420,421	263,915,818	20,520,329	363,015,960
Adjustments:-				
Unrealised foreign exchange	-	49,757,470	-	2,438,389
Depreciation of fixed assets	302,331	5,533,121	325,217	5,753,273
Operating Income Before Working Capital Changes	14,722,751	319,206,409	20,845,546	371,207,622
<u>(Increase) / Decrease in operating assets</u>				
Accounts receivable	(2,195,777)	(44,548,359)	(1,645,266)	(29,267,819)
Advances, deposits & prepayments	(376,036)	(7,747,241)	(381,981)	(6,790,157)
Due from related parties	(15,946,261)	(354,028,015)	(40,591,568)	(720,450,727)
<u>Increase / (Decrease) in operating liabilities</u>				
Accounts payable	(2,766,176)	(42,714,125)	4,889,176	86,986,556
Accruals, provisions and other payables	578,621	12,430,172	1,264,171	22,427,739
Due to related parties	6,292,772	122,558,227	3,297,000	58,485,138
Net Cash Flow from Operating Activities	309,895	5,157,068	(12,322,922)	(217,401,648)
<u>Cash flow from Investing Activities</u>				
Purchase of fixed assets during the period	-	-	(3,941,400)	(69,936,034)
Net Cash flow from Investing Activities	-	-	(3,941,400)	(69,936,034)
<u>Cash flow from financing Activities</u>				
Retained earnings	41,725	786,457	-	-
Bank borrowings	(98,620)	(573,535)	2,156,658	38,251,148
Net Cash flow from Financing Activities	(56,895)	212,922	2,156,658	38,251,148
Net increase (Decrease) in cash and cash equivalents	253,000	5,369,990	(14,107,663)	(249,086,534)
Add opening cash and cash equivalents	529,126	9,384,741	14,636,790	258,471,276
Closing Cash and cash equivalents	782,126	14,754,731	529,126	9,384,741

(Notes on pages 8 to 23 form an integral part of these Translated financial statements)



ROUTESMS SOLUTIONS FZE
TRANSLATED VERSION OF AUDITED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST MARCH 2019

1 COMPANY'S NATURE, OPERATIONS AND OWNERSHIP

- a) **M/s ROUTESMS SOLUTIONS FZE** is a Free Zone Establishment registered with Ras Al Khaimah Investment Authority, Ras Al Khaimah with License No.RAKIA 72 FZ3 01 13 6543 issued on 31/01/2013.
- b) The Company is located in Ras Al Khaimah Free Zone and the Company's registered office address is P.O. Box 31291 - Ras Al Khaimah, U.A.E..
- c) The main activities of the Company are information technology consultancy, internet consultancy, computer software house and enterprise messaging solutions.
- d) Mr. Sandipkumar Chandrakant Gupta (Indian National holding Passport No.Z2470094) is the Manager and Authorized Signatory thereof.
- e) The license issuing authority, RAKIA, does not stipulate any requirement of Share capital and hence does not issue Share Certificate, Memorandum of Association or Articles of Association for a Free Zone Establishment.

2 BASIS OF PREPARATION

2.1 - Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS') and the requirements of UAE Federal Law No. (2) of 2015

2.2 - Basis of measurement

The financial statements have been prepared under the historical cost convention unless otherwise indicated.



2 BASIS OF PREPARATION (Contd....)

2.3 - Going concern

The financial statements are prepared on a going concern basis which assumed that the Entity will continue to operate as a going concern for the foreseeable future.

2.4 - Comparative information

* The accounting policies and estimates adopted are consistent with those used in previous financial years.

* Certain comparative figures are regrouped and rearranged wherever necessary to conform to the presentation adopted in these financial statements. Such reclassification do not affect previously reported net income or shareholders' equity.

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 - Changes in accounting policies

The accounting policies applied in the preparation of these financial statements are consistent with those applied by the Entity in its annual audited financial statements as at and for the year ended 31 December 2017, except to the extent of impact of the 'New and revised IFRSs adopted on these financial statements' from 1 January 2018, as set out in Note 4.

3.2 - Foreign currencies

The financial statements are presented in United Arab Emirates Dirham (AED), which is the Entity's functional and presentation currency. Transactions in foreign currencies are recorded at the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denomination in foreign currencies are converted at the rate of exchange ruling at the date of financial position. The resultant foreign exchange gains and losses are recognized in the Income statement.

3.3 - Property, plant and equipment

(a) Cost and valuation

Property, plant & equipment are stated at cost less accumulated depreciation and impairment, if any. Cost includes expenditure that is directly attributable to the acquisition or construction. Where items of property, plant and equipment are subsequently revalued such revalued property, plant and equipment are carried at revalued amounts less any subsequent depreciation thereon and impairment.

(b) Subsequent costs

Subsequent cost are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Entity and the cost can be reliably measured.

Cost of repairs and maintenance are charged to the statement of profit or loss during the period in which they are incurred.

(c) Depreciation

Depreciation on property, plant & equipment is provided on a straight line basis at the rates calculated to write off the cost of each asset by equal annual instalments over its expected useful life.



3 SIGNIFICANT ACCOUNTING POLICIES (Contd...)

Management reviews the residual values and estimated useful lives at the end of each annual reporting period in accordance with IAS 16 and IAS 38. Management determined that current year expectations do not differ from previous estimates based on its review.

The rates of depreciation are based upon the following estimated useful lives: -

Computers and Servers	3 years
Computer & Office equipment	5 Years

(d) Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognising of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss in the year the asset is derecognised.

3.4 - Intangible assets

Intangible assets are recognised if it is probable that the future economic benefits that are attributable to the assets will flow to the Entity and the cost of the assets can be measured reliably. Accordingly, these assets are stated in the statement of financial position at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation is charged on straight line basis over their estimated useful lives. The amortisation period and the amortisation method is reviewed at the end of each reporting period, with effect of any change in estimate being accounted for on a prospective basis.

3.5 - Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined on the weighted average basis. The cost of inventory comprises the cost of purchase and other costs incurred in bringing the inventory to its present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

3.6 - Impairment of non-financial assets

Assets that have an indefinite useful life are not to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which these are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.



3 SIGNIFICANT ACCOUNTING POLICIES (Contd...)

3.7 - Financial instruments

Financial assets and financial liabilities are recognised in the Entity's statement of financial position when the Entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

3.8 - Financial assets

Initial recognition and measurement

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets (other than financial assets at fair value through profit or loss) are added to or deducted from the fair value of the financial assets, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are recognised immediately in profit or loss.

Subsequent classification and measurement

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

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Impairment of financial assets

The Entity has financial assets under "trade and other receivables" that are subject to the the expected credit loss model under IFRS 9. The Entity has applied the simplified approach to measuring the expected credit losses which uses lifetime expected losses allowance for all trade receivables and financial investments. To measure the expected credit losses, trade receivables have been grouped based on similar credit risk characteristics and days past due. The revised impairment methodology has not resulted in additional credit loss in trade receivables.

Derecognition of financial assets

A financial asset (or, when applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired,
- The Entity retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement,
- The Entity has transferred its rights to receive cash flows from the asset and either:
 - has transferred substantially all the risks and rewards of the asset, or
 - has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.



3 SIGNIFICANT ACCOUNTING POLICIES (Contd...)

When the Entity has transferred its right to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Entity's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Entity could be required to repay.

3.9 - Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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

The Entity's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Subsequent measurement

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

- ***Financial liabilities at fair value through profit or loss***

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Entity that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

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

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Entity has not designated any financial liability as at fair value through profit or loss.

- ***Loans and borrowings***

Term loans are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the interim consolidated income statement when the liabilities are derecognised as well as through the amortisation process.

Derecognition of financial liabilities

The Entity derecognises financial liabilities when, and only when, the Entity's obligations are discharged, cancelled or they expire. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, then the difference in the respective carrying amounts is recognised in the interim consolidated income statement.



3 SIGNIFICANT ACCOUNTING POLICIES (Contd...)

3.10 - Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

3.11 - Fair value of financial instruments

Management considers that the fair values of the Entity's financial assets and liabilities are not materially different from their carrying values in the date of statement of financial position.

3.12 - Trade and other receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are stated at the amounts that they are estimated to realize net of provision for bad and doubtful receivables.

Allowance for doubtful debts

Allowance for doubtful debts is determined using a combinations of factors to ensure that the receivables are not overstated due to uncollectibility. The allowance for doubtful debts for all customers is based on a variety of factors including the overall quality and ageing of the receivables, continuing credit evaluation of the customer's financial conditions and collateral requirements from customers in certain circumstances. In addition, specific allowances for individual accounts are recorded when the Entity becomes aware of the customer's liability to meet its financial obligations.

3.13 - Cash and cash equivalents

Cash and cash equivalents are defined as cash and bank balances that are readily convertible to known amounts of cash and which are subjected to an insignificant risk of changes in values.

3.14 - Trade payables and accruals

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

3.15 - Provisions

Provisions are obligations of the Entity where the timing or amount (or both) of the obligation is uncertain.

Provision are recognized when the business has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are not recognized for future operating losses.



3 SIGNIFICANT ACCOUNTING POLICIES (Contd...)

3.16 - Borrowings

Borrowings are initially recognized at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, these are subsequently measured at amortized cost using the effective interest method. Any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the income statement over the period of the borrowings using the effective interest method. Borrowings are classified as current liabilities unless the establishment has an unconditional right to defer settlement of the liability for at least 12 months after the date of financial position.

3.17 - Employee's end of service benefits

The Entity provides end of services benefits to its employees. The entitlement to those benefits is usually based upon the employees' length of services and the completion of a minimum services period. The expected costs of these benefits are accrued over the period of employment and in accordance with U.A.E. Labour Law.

3.18 - Revenue recognition

Revenue from contracts with customers

IFRS 15 Revenue from Contracts with Customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance found across several Standards and Interpretations within IFRSs. It establishes a new five-step model that will apply to revenue arising from contracts with customers.

- Step 1** Identify the contract with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for each of those rights and obligations.
- Step 2** Identify the performance obligations in the contract: A performance obligation in a contract is a promise to transfer a good or service to the customer.
- Step 3** Determine the transaction price: Transaction price is the amount of consideration to which the Entity expects to be entitled in exchange for transferring the promised goods and services to a customer, excluding amounts collected on behalf of third parties.
- Step 4** Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Entity will allocate the transaction price to each performance obligation in an amount that depicts the consideration to which the Entity expects to be entitled in exchange for satisfying each performance obligation.
- Step 5** Recognise revenue as and when the Entity satisfies a performance obligation.

The Entity satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Entity's performance as the Entity performs; or
- The Entity's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The Entity's performance does not create an asset with an alternative use to the Entity and the Entity has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.



3 SIGNIFICANT ACCOUNTING POLICIES (Contd...)

The Entity has elected to apply the input method. The Entity considers that the use of input method, which requires revenue recognition on the basis of the Entity's efforts to the satisfaction of the performance obligation, provides the best reference to revenue actually earned. In applying the input method the Entity estimates the cost to complete the projects in order to determine the amount of revenue to be recognised. These estimates include the cost of providing infrastructure, potential claims by contractors and the cost of meeting other contractual obligations to the customers.

When the Entity satisfies a performance obligation by delivering the promised goods or services it creates a contract asset based on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised this gives rise to a contract liability.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty. The Entity assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Entity has concluded that it is acting as a principal in all of its revenue arrangements.

Revenue is recognised in the income statement to the extent that it is probable that the economic benefits will flow to the Entity and the revenue and costs, if applicable, can be measured reliably.

3.19 - Expenditure recognition

Expenses are recognised in the statement of income on the basis of a direct association between the cost incurred and the earning of specific items of income. All expenditure incurred in the running of the business and in maintaining the property, plant and equipment in a state of efficiency has been charged to the statement of income. For the purpose of presentation of the statement of income, the "function of expenses" method has been adopted, on the basis that it presents fairly the elements of the Entity's performance.

4 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

4.1 - New and revised IFRSs adopted on these financial statements

A number of new or amended standards became applicable for the current reporting period and the Entity amended its accounting policies and make adjustments as a result of adopting the following standards:

- IFRS 9 Financial Instruments
- IFRS 15 Revenue from Contracts with Customers
- IFRIC 22 Foreign Currency Transactions and Advance Consideration
- Clarifications to IFRS 15 'Revenue from Contracts with Customers'
- Classification and Measurement of Share-based Payment Transactions (Amendments to IFRS 2)
- Applying IFRS 9 'Financial Instruments' with IFRS 4 'Insurance Contracts' (Amendments to IFRS 4)
- Transfers of Investment Property (Amendments to IAS 40)
- Annual Improvements to IFRS Standards 2014–2016 Cycle (Amendments to IFRS 1 and IAS 28)

The nature and the impact of each new standard or amendment is described below:



4 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) (Contd...)

◆ IFRS 9 Financial Instruments

IFRS 9 sets out requirements for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non financial items. The standard replaces *IAS 39 Financial Instruments: Recognition and Measurement*

IFRS 9 was adopted without restating the comparative information, the reclassifications and the adjustments arising from the new impairment rules are therefore not reflected in the comparative statement of financial position as at 31 December 2017, but are recognized in the opening statement of financial position as at 1 January 2018.

The details of new significant accounting policies are summarized in the Notes 3.7 to 3.11

The nature and effect of the changes to the previous accounting policies are set out below:

The following table illustrates the original measurement categories under IAS 39 and the measurement categories under IFRS 9 for each class of Group's financial assets as at 01 January 2018

	Classification		Carrying amount (INR)		
	Original	New	Original	Impact of	New
	Under IAS 39	Under IFRS 9	Under IAS 39	IFRS 9	Under IFRS 9
Trade & other receivables	Loans and receivables	Amortised cost	111,677,989	-	111,677,989
Due from related parties	Loans and receivables	Amortised cost	1,190,140,408	-	1,190,140,408
Cash and bank balances	Loans and receivables	Amortised cost	14,754,731	-	14,754,731

The adoption of IFRS 9 has not had a significant effect on Entity's accounting policies for financial liabilities.

◆ IFRS 15 Revenue from Contracts with Customers

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaced *IAS 18 Revenue*, *IAS 11 Construction Contracts* and related interpretations.

The Entity has adopted IFRS 15 using the cumulative effect method (without practical expedients), with the effect of initially applying this standard recognised at the date of initial application (i.e. 01 January 2018).

Accordingly, the information presented for 31 December 2017 has not been restated - i.e. it is presented, as previously reported, under IAS 18, IAS 11 and related interpretations.

The impact of transition to IFRS 15 on retained earnings at 01 January 2018 is not material.



4 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) (Contd...)

4.2 - New and revised IFRSs in issue but not yet effective

The Entity has not early applied the following new standards, amendments and interpretations that have been issued but not yet effective:

New and revised IFRSs	Effective for annual periods beginning on or after
◆ IFRS 17 <i>Insurance Contracts</i>	1 January 2021
◆ Amendments to References to the Conceptual Framework in IFRS Standards	1 January 2020
◆ Amendments to IFRS 3 <i>Definition of a Business</i>	1 January 2020
◆ Amendments to IAS 1 and IAS 8 <i>Definition of Material</i>	1 January 2020



5 PROPERTY, PLANT & EQUIPMENT

	Building	Computer & Servers	Office Equipments	Total
	INR	INR	INR	INR
<u>Cost</u>				
At 31/03/2018	69,905,879	12,810,260	59,878	82,776,017
Additions during the period	-	-	-	-
Foreign Exchange	4,448,241	815,141	3,810	5,267,191
At 31/03/2019	74,354,120	13,625,401	63,688	88,043,209

Depreciation

At 31/03/2018	1,697,542	6,572,845	33,876	8,304,263
For the period	3,359,979	2,163,022	10,121	5,533,121
Foreign Exchange	115,736	114,239	557	230,532
At 31/03/2019	5,268,967	9,220,692	46,464	14,536,123

Net Book Value

At 31/03/2018	68,208,337	6,237,416	26,001	74,471,754
At 31/03/2019	69,085,153	4,404,709	17,224	73,507,086

In the opinion of the management there is no impairment to the net book value of the property, plant & equipment as at 31 March 2019.



ROUTESMS SOLUTIONS FZE
TRANSLATED VERSION OF AUDITED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

6 INVESTMENT IN SUBSIDIARY

	31-Mar-19	31-Mar-19	31-Mar-18	31-Mar-18
	AED	INR	AED	INR
M/s.Route Mobile LLC,Dubai	147,000	2,672,673	147,000	2,672,673

The above represents the amount invested in M/s.Route Mobile LLC,Dubai towards Share Capital as M/s Routesms Solutions FZE is holding 49% shares in that Company .

7 CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the statement of cash flows comprise the following balance sheet amounts:

	31-Mar-19	31-Mar-19	31-Mar-18	31-Mar-18
	AED	INR	AED	INR
Cash in hand	62,190	1,173,203	3,430	60,836
Cash at bank	719,936	13,581,528	525,696	9,323,905
	782,126	14,754,731	529,126	9,384,741

8 TRANSACTIONS WITH RELATED PARTIES

Related parties represent associated companies, shareholders, directors, and key management personnel of the Company and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Company's management.

The Company, in the ordinary course of business, enters into transactions with other business enterprises that fall within the definition of related parties contained in International accounting standard 24. Such transactions are made on terms and conditions believed by the Company to be comparable to those that could be obtained from third parties. At the end of the reporting period the significant transactions with related parties are as follows.

A) DUE FROM RELATED PARTIES

	31-Mar-19	31-Mar-19	31-Mar-18	31-Mar-18
	AED	INR	AED	INR
Route Mobile Limited	4,312,870	81,361,856	1,839,197	32,620,562
Route Mobile LLC	8,116,475	153,116,504	3,860,180	68,465,336
Route Mobile PTE Ltd	1,885,163	35,563,408	764,120	13,552,667
Route Mobile UK Limited	48,203,513	909,354,485	35,807,871	635,099,380
RouteSms Solutions Nigeria Limited	6,365	120,075	673,873	11,952,018
Route Mobile INC	561,613	10,594,772	2,916,739	51,732,177
Cellent Technologies India Pvt Ltd	-	-	546,596	9,694,594
Route Mobile Uganda Limited	1,554	29,307	-	-
Route Voice Limited	-	-	732,715	12,995,658
Due from related parties	63,087,552	1,190,140,408	47,141,291	836,112,393

Amount advanced to M/s.Route Mobile(UK) Limited bears interest @ 2.5% P.A.

The above amounts represent the net receivable from related parties in the normal course of business.



8 TRANSACTIONS WITH RELATED PARTIES (Contd...)

B) DUE TO RELATED PARTIES

	31-Mar-19	31-Mar-19	31-Mar-18	31-Mar-18
	AED	INR	AED	INR
Route Mobile (Ghana) Limited	5,435	102,531	259,041	4,594,428
Route Mobile Limited	3,495,730	65,946,600	3,148,468	55,842,190
Route Mobile UK Limited	6,176,259	116,514,505	-	-
RouteSms Solutions Nigeria Limited	22,858	431,210	-	-
Due to related parties	9,700,281	182,994,845	3,407,509	60,436,618

The above amounts represent the net payable to the related parties in the normal course of business.

C) Remuneration to manager	882,000	16,638,842	882,000	15,643,422
D) Expense Reimbursement -Route Mobile Limited, India	1,423,459	26,853,413	8,400,108	148,986,891
E) Interest Income - Route Mobile (UK) Limited	849,941	16,034,053	359,067	6,368,522
F) Sales made to Route Mobile LLC	9,590,797	180,929,441	-	-
G) Purchases made from Route Mobile LLC	9,912	186,994	-	-

9 ACCOUNTS RECEIVABLE

	31-Mar-19	31-Mar-19	31-Mar-18	31-Mar-18
	AED	INR	AED	INR
Sundry debtors	4,964,929	93,662,896	2,769,152	49,114,537

Ageing of Accounts Receivable

	31-Mar-19	31-Mar-19	31-Mar-18	31-Mar-18
	AED	INR	AED	INR
0 to 90 days	2,978,957	56,197,737	2,611,875	46,325,016
90 and above	1,985,972	37,465,158	157,277	2,789,521
	4,964,929	93,662,896	2,769,152	49,114,537

Accounts receivable are stated net of any required provision and are short term in nature, fair value approximates carrying value.

The company's terms of sale require the amounts to be paid within 60 days of date of invoice.

10 ADVANCES, DEPOSITS & PREPAYMENTS

	31-Mar-19	31-Mar-19	31-Mar-18	31-Mar-18
	AED	INR	AED	INR
Advance to suppliers	342,791	6,466,718	560,400	9,939,429
Other receivable	496	9,357	18,517	328,423
Tax refund	611,666	11,539,018	-	-
	954,953	18,015,094	578,917	10,267,853



11 ACCOUNTS PAYABLE

Trade creditors

31-Mar-19	31-Mar-19	31-Mar-18	31-Mar-18
AED	INR	AED	INR
5,624,356	106,102,925	8,390,532	148,817,049

12 ACCRUALS, PROVISIONS AND OTHER PAYABLES

Advance from customer

Expense payable

Tax due

31-Mar-19	31-Mar-19	31-Mar-18	31-Mar-18
AED	INR	AED	INR
-	-	220,375	3,908,639
1,920,611	36,232,136	1,108,038	19,652,502
-	-	13,578	240,824
1,920,611	36,232,136	1,341,991	23,801,964

13 BANK BORROWINGS

A) Term loan(Long term)

B) Current maturity of Long Term loan

31-Mar-19	31-Mar-19	31-Mar-18	31-Mar-18
AED	INR	AED	INR
1,815,854	34,255,905	2,056,527	36,475,187
242,184	4,568,777	100,131	1,775,961
2,058,038	38,824,683	2,156,658	38,251,148

The above loan was obtained from Mashreq bank in 2017 for the term of 15 years bearing an interest rate of 7.34% per annum.

14 REVENUE

Sales

31-Mar-19	31-Mar-19	31-Mar-18	31-Mar-18
AED	INR	AED	INR
70,723,384	1,294,346,401	88,714,707	1,569,412,210

15 COST OF REVENUE

Purchase

31-Mar-19	31-Mar-19	31-Mar-18	31-Mar-18
AED	INR	AED	INR
52,945,511	968,984,054	56,552,338	1,000,442,123

16 OTHER INCOME

Exchange gain

Interest received

Miscellaneous income

31-Mar-19	31-Mar-19	31-Mar-18	31-Mar-18
AED	INR	AED	INR
-	-	747,823	13,229,402
849,941	15,555,224	359,067	6,352,094
49,078	898,203	13,000	229,977
899,019	16,453,427	1,119,890	19,811,473

17 GENERAL & ADMINISTRATIVE EXPENSES

Management & administration fees

Managerial remuneration

Internet and website expenses

Business promotion

Legal & professional charges

Bad debts

Software expense

Travelling expense

Office expense

Staff welfare

Insurance

Communication charges

Rental charges

Repairs & maintenance

Misc expenses

31-Mar-19	31-Mar-19	31-Mar-18	31-Mar-18
AED	INR	AED	INR
1,423,459	26,051,483	8,400,108	148,602,554
882,000	16,141,953	882,000	15,603,068
281,789	5,157,171	-	-
131,362	2,404,126	1,185,881	20,978,890
125,187	2,291,114	706,703	12,501,967
58,280	1,066,613	-	-
58,762	1,075,435	-	-
11,773	215,464	291,970	5,165,111
7,893	144,454	43,618	771,627
4,437	81,204	59,611	1,054,552
1,719	31,460	53,424	945,100
4,046	74,048	250,925	4,439,002
-	-	6,013	106,373
-	-	13,064	231,109
1,468	26,867	382,470	6,766,106
2,992,175	54,761,392	12,275,787	217,165,458



18 FINANCE CHARGES

	31-Mar-19	31-Mar-19	31-Mar-18	31-Mar-18
	AED	INR	AED	INR
Bank charges	58,675	1,073,842	86,115	1,523,422
Foreign exchange loss	778,254	14,243,241	-	-
Interest on loans	125,037	2,288,361	74,811	1,323,448
	961,966	17,605,444	160,926	2,846,870

19 FINANCIAL INSTRUMENTS**19.1 CAPITAL RISK MANAGEMENT**

The Entity manages its capital on a basis that it will be able to continue as a going concern while maximising the return to the shareholders through the optimization of the equity balance.

19.2 CATEGORIES OF FINANCIAL INSTRUMENTS

	31-Mar-19	31-Mar-19	31-Mar-18	31-Mar-18
	AED	INR	AED	INR
Financial Assets				
Trade and other receivables	5,919,882	111,677,989	3,348,070	59,382,389
Cash in hand and at banks	782,126	14,754,731	529,126	9,384,741
Due from related parties	63,087,552	1,190,140,408	47,141,291	836,112,393
	69,789,560	1,316,573,129	51,018,487	904,879,523
Financial Liabilities				
Trade and other payables	7,544,967	142,335,060	9,732,522	172,618,996
Due to related parties	9,700,281	182,994,842	3,407,509	60,436,625
Borrowings	2,058,038	38,824,683	2,156,658	38,251,148
	19,303,287	364,154,585	15,296,689	271,306,768

Financial instruments comprise of financial assets and financial liabilities.

19.3 FINANCIAL RISK MANAGEMENT OBJECTIVES

The Entity is exposed to the following risks related to financial instruments. The Entity has not framed formal risk management policies, however, the risks are monitored by management on a continuous basis.

a) Credit Risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Entity, and arises principally from the Entity's trade and other receivables and bank balances.

The Entity has adopted a policy of only dealing with creditworthy counterparties, for whom the credit risk is assessed to be low. The Entity attempts to control credit risk by monitoring credit exposures, setting credit limits for non-related counterparties and monitoring outstanding receivables.

Balances with banks are assessed to have low credit risk of default since these banks are highly regulated by the central banks of the respective countries.



b) Liquidity Risk

Liquidity risk is the risk that the Entity will be unable to meet its funding requirements. The Entity limits its liquidity risk by ensuring adequate cash from operations and availability of bank facilities.

The table below summarises the maturities of the Entity's undiscounted financial liabilities as at 31 March 2019 and 31 March 2018 based on the contractual payment dates.

	Carrying value	Less than 1 year	More than 1 year
31-Mar-19			
<u>Non-derivative financial liabilities</u>			
Trade and other payables	142,335,060	142,335,060	-
Due to related parties	182,994,845	182,994,845	-
Borrowings	38,824,683	4,568,777	34,255,905
	<u>364,154,588</u>	<u>329,898,682</u>	<u>34,255,905</u>
31-Mar-18			
<u>Non-derivative financial liabilities</u>			
Trade and other payables	172,619,013	172,619,013	-
Due to related parties	60,436,618	60,436,618	-
Borrowings	38,251,148	1,775,961	36,475,187
	<u>271,306,778</u>	<u>234,831,591</u>	<u>36,475,187</u>

c) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Entity is exposed to interest rate risk on its interest bearing borrowings.

d) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Entity is exposed to currency risk but the management believes that the credit loss due to the exchange fluctuations will not be material.

20 CONTINGENT LIABILITIES

Except for the ongoing business obligations which are under normal course of business against which no loss is expected, there has been no other known contingent liabilities or capital commitments on Company's account as of balance sheet date.

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