RAMANAND & ASSOCIATES
CHARTERED ACCOUNTANTS

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UDIN: 20103975AAAAKL2338

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 March31, 2020, The 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

CA Ramanand Gupta
Partner
M.No. 103975
Place: Mumbai
Date: 1st September 2020

ROUTESMS SOLUTIONS FZE

P.O. Box: 31291

RAS AL KHAIMAH - UNITED ARAB EMIRATES

TRANSLATED VERSION OF AUDITED STATEMENT OF FINANCIAL POSITION AS AT 31ST MARCH 2020

		31-Mar-20	31-Mar-20	31-Mar-19	31-Mar-19
ASSETS	**Notes**	AED	INR	AED	INR
NON CURRENT ASSETS					
Property, plant & equipment	5	36,44,807	7,47,99,220	38,96,500	7,35,07,086
Investment in subsidiary	6	1,47,000	26,72,673	1,47,000	26,72,673
Total Non Current Assets		**37,91,807**	**7,74,71,892**	**40,43,500**	**7,61,79,759**
CURRENT ASSETS					
Cash and cash equivalents	7	12,28,775	2,52,17,064	7,82,126	1,47,54,731
Due from related parties	8-A	8,15,64,055	1,67,38,68,391	6,30,87,552	1,19,01,40,408
Accounts receivable	9	1,28,97,047	26,46,74,915	49,64,929	9,36,62,896
Advances, deposits & prepayments	10	15,92,635	3,26,84,288	9,54,953	1,80,15,094
Total Current Assets		**9,72,82,512**	**1,99,64,44,658**	**6,97,89,560**	**1,31,65,73,129**
Total Assets		**10,10,74,319**	**2,07,39,16,550**	**7,38,33,060**	**1,39,27,52,888**
Equity & Liabilities					
Retained earnings		6,14,26,844	1,26,02,65,808	5,45,29,774	1,02,85,98,296
Total Equity		**6,14,26,844**	**1,26,02,65,808**	**5,45,29,774**	**1,02,85,98,296**
NON CURRENT LIABILITIES					
Term Loan(Long term)	13-A	17,17,230	3,52,41,223	18,15,854	3,42,55,905
Total Non Current Liabilities		**17,17,230**	**3,52,41,223**	**18,15,854**	**3,42,55,905**
CURRENT LIABILITIES					
Due to related parties	8-B	2,74,47,263	56,32,76,387	97,00,281	18,29,94,835
Accounts payable	11	94,95,187	19,48,61,491	56,24,356	10,61,02,925
Accruals, provisions and other payables	12	7,45,611	1,53,01,508	19,20,611	3,62,32,136
Term loan(Short term)	13-B	2,42,184	49,70,132	2,42,184	45,68,777
Total Current Liabilities		**3,79,30,245**	**77,84,09,518**	**1,74,87,432**	**32,98,98,672**
Total Equity & Liabilities		**10,10,74,319**	**2,07,39,16,550**	**7,38,33,060**	**1,39,27,52,875**

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

ROUTESMS SOLUTIONS FZE

P.O. Box: 31291

RAS AL KHAIMAH - UNITED ARAB EMIRATES

TRANSLATED VERSION OF AUDITED COMPREHENSIVE INCOME STATEMENT

FOR THE YEAR ENDED 31ST MARCH 2020

		31-Mar-20	**31-Mar-20**	**31-Mar-19**	**31-Mar-19**
	Notes	AED	INR	AED	INR
Revenue	14	9,03,40,253	1,77,80,51,201	7,07,23,384	1,29,43,46,401
Less: Cost of revenue	15	(7,89,72,319)	(1,55,43,10,752)	(5,29,45,511)	(96,89,84,054)
Gross Profit		**1,13,67,934**	**22,37,40,448**	**1,77,77,873**	**32,53,62,348**
Other income	16	23,12,140	4,55,06,863	8,99,019	1,64,53,427
Total		**1,36,80,074**	**26,92,47,311**	**1,86,76,892**	**34,18,15,774**
Less : General & Administrative Expenses and Other Charges					
General and administrative expenses	17	38,99,454	7,67,47,946	29,92,175	5,47,61,392
Depreciation on fixed assets	5	2,51,693	49,53,750	3,02,331	55,33,121
Finance charges	18	5,81,858	1,14,51,964	9,61,966	1,76,05,444
Total expenses		**47,33,004**	**9,31,53,660**	**42,56,472**	**7,78,99,957**
Net profit for the year		**89,47,070**	**17,60,93,651**	**1,44,20,421**	**26,39,15,818**

(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 2020

	Retained Earnings	Total	Retained Earnings	Total
	AED	AED	INR	INR
As on 31/03/2018	**4,00,67,628**	**4,00,67,628**	**71,07,17,169**	**71,07,17,169**
Changes during the year	41,725	41,725	7,86,457	7,86,457
Net Profit during the year	1,44,20,421	1,44,20,421	26,39,15,818	26,39,15,818
FCTR	-	-	5,31,78,853	5,31,78,853
As on 31/03/2019	**5,45,29,774**	**5,45,29,774**	**1,02,85,98,296**	**1,02,85,98,296**
Dividend declared	(20,50,000)	(20,50,000)	(4,03,47,518)	(4,03,47,518)
Net Profit during the year	89,47,070	89,47,070	17,60,93,651	17,60,93,651
FCTR	-	-	9,59,21,379	9,59,21,379
As on 31/03/2020	**6,14,26,844**	**6,14,26,844**	**1,26,02,65,808**	**1,26,02,65,808**

(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 2020

	31-Mar-20	31-Mar-20	31-Mar-19	31-Mar-19
	AED	INR	AED	INR
Cash Flow from Operating Activities				
Operating profit for the year	89,47,070	17,60,93,651	1,44,20,421	26,39,15,818
Adjustments:-				
Unrealised foreign exchange	-	4,97,57,470	-	5,31,78,853
Depreciation of fixed assets	2,51,693	49,53,750	3,02,331	55,33,121
Operating Income Before Working Capital Changes	**91,98,762**	**23,08,04,871**	**1,47,22,752**	**32,26,27,791**
(Increase) / Decrease in operating assets				
Trade and other receivable	(85,69,800)	(17,10,12,019)	(25,71,813)	(7,38,16,177)
Due from related parties	(1,84,76,503)	(48,37,27,983)	(1,59,46,261)	(1,07,44,78,742)
Increase / (Decrease) in operating liabilities				
Accounts payable	38,70,831	8,87,58,567	(27,66,176)	4,42,72,431
Accruals, provisions and other payables	(11,75,000)	(2,09,30,628)	5,78,621	3,48,57,911
Due to related parties	1,77,46,982	34,29,69,599	62,92,772	17,00,95,675
Net Cash Flow from Operating Activities	**25,95,273**	**5,87,41,322**	**3,09,895**	**(49,69,34,503)**
Cash flow from Investing Activities				
Purchase of fixed assets during the period	-	-	-	-
Net Cash flow from Investing Activities	**-**	**-**	**-**	**-**
Cash flow from financing Activities				
Retained earnings	(20,50,000)	(4,03,47,518)	41,725	-
Bank borrowings	(98,624)	**(13,86,672)**	(98,620)	3,88,24,683
Net Cash flow from Financing Activities	**(21,48,624)**	**(4,17,34,190)**	**(56,895)**	**3,88,24,683**
Net increase (Decrease) in cash and cash equivalents	**4,46,649**	**5,89,54,244**	**2,53,000**	**(52,72,49,851)**
Add opening cash and cash equivalents	7,82,126	1,47,54,731	5,29,126	25,84,71,276
Closing Cash and cash equivalents	**12,28,775**	**7,28,26,273**	**7,82,126**	**(26,87,78,575)**

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

ROUTESMS SOLUTIONS FZE

RAS AL KHAIMAH - UNITED ARAB EMIRATES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020

1 CORPORATE INFORMATION

1.1 General

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.

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..

1.2 Principal activities

The main activities of the Company are information technology cosultancy, internet consultancy and computer software house.

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.

2.3 Functional and presentation currency

These financial statements are presented in United Arab Emirates Dirham (AED), the Entity's functional and presentation currency and are rounded to the nearest value.

2.4 Use of estimates and judgments

The preparation of financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that effect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods effected.

Significant areas where considerable management judgment is required are disclosed along with accounting policies.

2.5 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.

2.6 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 March 2020 , except to the extent of impact of the 'New and revised IFRSs adopted on these financial statements' from 1 April 2019, 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.

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: -

Building	5 Years
Computers and Servers	3 years
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.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

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.

3.7 - 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

3 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

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.

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.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

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.

3.10 - 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 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

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.

3.16 - Borrowings

Borrowings are initially recognized at the fair value of the consideration received less directly attribute 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 expenses like end of service benefits are paid as and when incurred.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

3 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

• 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.

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.

3.20 Leases

The Entity as a lessee

The Entity assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Entity applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Entity recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Entity recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Entity by the end of the lease term or the cost of the right-of-use asset reflects that the Entity will exercise a purchase option.

The Entity has presented right-of-use assets that do not meet the definition of investment property within ‘property, plant and equipment'.

3 <u>SIGNIFICANT ACCOUNTING POLICIES (CONTD.)</u>

3.20 Leases (Contd.)

ii) Lease liabilities

At the commencement date of the lease, the Entity recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including insubstance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Entity and payments of penalties for terminating the lease, if the lease term reflects the Entity exercising the option to terminate.

In calculating the present value of lease payments, the Entity uses the interest rate implicit in the lease or, if that rate cannot be readily determined, the Entity's incremental borrowing rate. Generally, the Entity uses its incremental borrowing rate as the discount rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Entity has presented it's lease liabilities within ‘borrowings'.

iii) Short-term leases and leases of low-value assets

The Entity applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

- **IFRS 16 Leases**

The Entity has adopted IFRS 16 ‘Leases’, issued in January 2016, with the date of initial application of 1 January 2019. IFRS 16 supersedes IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. IFRS 16 introduces significant changes to lessee accounting. It removes the distinction between operating and finance leases under IAS 17 and requires a lessee to recognise a right-of-use asset and a lease liability at

<u>Transition</u>

The entity has intially applied IFRS 16 at 01 January 2019, using the modified retrospective approach, under which the cumulative effect of initial application is recognized in retained earnings at 01, January 2019.

The entity has assessed that the adoption of IFRS 16 has no material impact on the financial statements since 1st January 2019.

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 16 Leases
- IFRIC 23 *Uncertainty over Income Tax Treatments*
- Amendments to IFRS 9 *Prepayment Features with Negative Compensation*
- Amendments to IAS 28 *Long-term Interests in Associates and Joint Ventures*
- Annual Improvements 2015-2017 Cycle - *IFRS 3, IFRS 11, IAS 12, & IAS 23*
- Amendment to lAS 19 *Plan Amendment, Curtailment or Settlement*

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 *Insurance Contracts*	1 January 2021
Amendments to References to the Conceptual Framework in IFRS Standards	1 January 2020
Amendments to IFRS 3 *Definition of a Business*	1 January 2020
Amendments to IAS 1 and IAS 8 *Definition of Material*	1 January 2020
Amendments to IFRS 9, IAS 39 and IFRS 7 *Interest Rate Benchmark Reform*	1 January 2020

5 *PROPERTY, PLANT & EQUIPMENT*

	Building	Computer & Servers	Office Equipments	Total
	INR	INR	INR	INR
Cost				
At 31/03/2019	**7,43,54,120**	**1,36,25,401**	**63,688**	**8,80,43,209**
Additions during the period	-	-	-	-
Foreign Exchange	65,31,816	11,96,956	5,595	77,34,366
At 31/03/2020	**8,08,85,935**	**1,48,22,357**	**69,283**	**9,57,77,575**
Depreciation				
At 31/03/2019	**52,68,967**	**92,20,692**	**46,464**	**1,45,36,123**
For the year	34,32,550	15,14,567	6,633	49,53,750
Foreign Exchange	6,09,439	8,74,688	4,355	14,88,483
At 31/03/2020	**93,10,956**	**1,16,09,947**	**57,452**	**2,09,78,355**
Net Book Value				
At 31/03/2019	**6,90,85,153**	**44,04,709**	**17,224**	**7,35,07,086**
At 31/03/2020	**7,15,74,979**	**32,12,410**	**11,831**	**7,47,99,220**

In the opinion of the management there is no impairment to the net book value of the property, plant & equipment as at 31 March 2020

ROUTESMS SOLUTIONS FZE
P.O. Box: 31291
RAS AL KHAIMAH - UNITED ARAB EMIRATES
TRANSLATED VERSION OF AUDITED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

6 INVESTMENT IN SUBSIDIARY

	31-Mar-20	31-Mar-20	31-Mar-19	31-Mar-19
	AED	INR	AED	INR
M/s.Route Mobile LLC,Dubai	**1,47,000**	**26,72,673**	**1,47,000**	**26,72,673**

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-20	31-Mar-20	31-Mar-19	31-Mar-19
	AED	INR	AED	INR
Cash in hand	33,518	6,87,861	62,190	11,73,203
Cash at bank	11,95,256	2,45,29,203	7,19,936	1,35,81,528
	12,28,775	**2,52,17,064**	**7,82,126**	**1,47,54,731**

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-20	31-Mar-20	31-Mar-19	31-Mar-19
	AED	INR	AED	INR
Route Mobile Limited	51,16,099	10,49,93,265	43,12,870	8,13,61,856
Route Mobile LLC	1,18,93,654	24,40,83,150	81,16,475	15,31,16,504
Route Mobile PTE Ltd	23,10,102	4,74,08,221	18,85,163	3,55,63,408
Route Mobile UK Limited	6,11,68,013	1,25,52,98,103	4,82,03,513	90,93,54,485
RouteSms Solutions Nigeria Limited	4,94,667	1,01,51,622	6,365	1,20,075
Route Mobile INC	5,62,977	1,15,53,489	5,61,613	1,05,94,772
Cellent Technologies India Pvt Ltd	-	-	-	-
Route Mobile Uganda Limited	18,543	3,80,542	1,553.51	29,307
Route Voice Limited	-	-	-	-
Due from related parties	**8,15,64,055**	**1,67,38,68,391**	**6,30,87,552**	**1,19,01,40,408**

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-20**	**31-Mar-20**	**31-Mar-19**	**31-Mar-19**
	AED	INR	AED	INR
Route Mobile (Ghana) Limited	5,079	1,04,234	5,435	1,02,526
Route Mobile Limited	2,09,817	43,05,893	34,95,730	6,59,46,595
Route Mobile UK Limited	2,66,57,441	54,70,67,552	61,76,259	11,65,14,505
RouteSms Solutions Nigeria Limited	4,27,926	87,81,954	22,858	4,31,210
Route Mobile LLC	1,47,000	30,16,754		
Due to related parties	**2,74,47,263**	**56,32,76,387**	**97,00,281**	**18,29,94,835**

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

C) Remuneration to manager	**8,82,000**	1,81,00,521	**8,82,000**	1,66,38,842
D) Expense Reimbursement -Route Mobile Limited, India	**12,49,330**	2,56,38,917	**14,23,459**	2,68,53,413
E) Interest Income - Route Mobile (UK) Limited	**8,16,535**	1,67,57,040	**8,49,941**	1,60,34,053
F) Sales made to Route Mobile LLC	**1,03,82,858**	21,30,78,394	**95,90,797**	18,09,29,433
G) Purchases made from Route Mobile LLC	**2,09,817**	43,05,892	**9,912**	1,86,989

9 *ACCOUNTS RECEIVABLE*	**31-Mar-20**	**31-Mar-20**	**31-Mar-19**	**31-Mar-19**
	AED	INR	AED	INR
Sundry debtors	**1,28,97,047**	**26,46,74,915**	**49,64,929**	**9,36,62,896**

Ageing of Accounts Receivable	**31-Mar-20**	**31-Mar-20**	**31-Mar-19**	**31-Mar-19**
	AED	INR	AED	INR
Current	56,44,807	11,58,43,480	-	-
1 to 30 days	28,06,679	5,75,99,040	-	-
31 to 90 days	31,85,586	6,53,75,020	29,78,957	5,61,97,728
Above 90 days	12,59,976	2,58,57,395	19,85,972	3,74,65,165
	1,28,97,047	**17,34,42,520**	**49,64,929**	**9,36,62,893**

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-20**	**31-Mar-20**	**31-Mar-19**	**31-Mar-19**
	AED	INR	AED	INR
Advance to suppliers	2,84,973	58,48,254	3,42,791	64,66,718
Other receivable	52,925	10,86,134	496	9,357
Tax refund	12,54,738	2,57,49,900	6,11,666	1,15,39,018
	15,92,635	**3,26,84,288**	**9,54,953**	**1,80,15,094**

11 *ACCOUNTS PAYABLE*

	31-Mar-20	31-Mar-20	31-Mar-19	31-Mar-19
	AED	INR	AED	INR
Trade creditors	**94,95,187**	**19,48,61,491**	**56,24,356**	**10,61,02,925**

12 *ACCRUALS, PROVISIONS AND OTHER PAYABLES*

	31-Mar-20	31-Mar-20	31-Mar-19	31-Mar-19
	AED	INR	AED	INR
Advance from customer	73,728	15,13,056	-	-
Expense payable	6,71,882	1,37,88,452	19,20,611	3,62,32,136
Tax due	-	-	-	-
	7,45,611	**1,53,01,508**	**19,20,611**	**3,62,32,136**

13 *BANK BORROWINGS*

	31-Mar-20	31-Mar-20	31-Mar-19	31-Mar-19
	AED	INR	AED	INR
A) Term loan(Long term)	17,17,230	3,52,41,223	18,15,854	3,42,55,905
B) Current maturity of Long Term loan	2,42,184	49,70,132	2,42,184	45,68,777
	19,59,414	**4,02,11,355**	**20,58,038**	**3,88,24,683**

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*

	31-Mar-20	31-Mar-20	31-Mar-19	31-Mar-19
	AED	INR	AED	INR
Sales	**9,03,40,253**	**1,77,80,51,201**	**7,07,23,384**	**1,29,43,46,401**

15 *COST OF REVENUE*

	31-Mar-20	31-Mar-20	31-Mar-19	31-Mar-19
	AED	INR	AED	INR
Purchase	**7,89,72,319**	**1,55,43,10,752**	**5,29,45,511**	**96,89,84,054**

16 *OTHER INCOME*

	31-Mar-20	31-Mar-20	31-Mar-19	31-Mar-19
	AED	INR	AED	INR
Exchange gain	-	-	-	0
Interest received	8,16,535	1,60,70,810	8,49,941	1,55,55,224
Miscellaneous income	14,95,604	2,94,36,053	49,078	8,98,203
	23,12,140	**4,55,06,863**	**8,99,019**	**1,64,53,427**

17 *GENERAL & ADMINISTRATIVE EXPENSES*

	31-Mar-20	31-Mar-20	31-Mar-19	31-Mar-19
	AED	INR	AED	INR
Management & administration fees	12,49,330	2,45,88,958	14,23,459	2,60,51,483
Managerial remuneration	8,82,000	1,73,59,273	8,82,000	1,61,41,953
Internet and website expenses	1,48,605	29,24,801	2,81,789	51,57,171
Business promotion	47,027	9,25,572	1,31,362	24,04,126
Legal & professional charges	13,76,527	2,70,92,413	1,25,187	22,91,114
Bad debts	17,466	3,43,761	58,280	10,66,613
Software expense	1,30,374	25,65,984	58,762	10,75,435
Travelling expense	8,731	1,71,841	11,773	2,15,464
Office expense	1,500	29,523	7,893	1,44,454
Staff welfare	21,098	4,15,245	4,437	81,204
Insurance	16,200	3,18,844	1,719	31,460
Communication charges	596	11,730	4,046	74,048
Rental charges	-	-	-	-
Repairs & maintenance	-	-	-	-
Misc expenses	-	-	1,468	26,867
	38,99,454	**7,67,47,946**	**29,92,175**	**5,47,61,392**

18 *FINANCE CHARGES*

	31-Mar-20	31-Mar-20	31-Mar-19	31-Mar-19
	AED	INR	AED	INR
Bank charges	41,060	8,08,131	58,675	10,73,842
Foreign exchange loss	3,98,700	78,47,100	7,78,254	1,42,43,241
Interest on loans	1,42,098	27,96,732	1,25,037	22,88,361
	5,81,858	**1,14,51,964**	**9,61,966**	**1,76,05,444**

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-20	31-Mar-20	31-Mar-19	31-Mar-19
	AED	INR	AED	INR
Financial Assets				
Trade and other receivables	1,44,89,682	29,73,59,182	59,19,882	11,16,77,989
Cash in hand and at banks	12,28,775	2,52,17,084	7,82,126	1,47,54,729
Due from related parties	8,15,64,055	1,67,38,68,391	6,30,87,552	1,19,01,40,408
	9,72,82,512	**1,99,64,44,658**	**6,97,89,560**	**1,31,65,73,127**
Financial Liabilities				
Trade and other paybles	1,02,40,798	21,01,63,019	75,44,967	14,23,35,060
Due to related parties	2,73,00,263	51,50,16,751	97,00,281	17,20,47,162
Borrowings	19,59,414	4,02,11,355	20,58,038	3,88,24,683
	3,69,03,268	**69,61,76,494**	**2,15,89,461**	**38,29,17,305**

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-20			
Non-derivative financial liabilities			
Trade and other paybles	21,01,62,999	21,01,62,999	-
Due to related parties	51,50,16,754	51,50,16,754	-
Borrowings	4,02,11,355	49,70,132	3,52,41,223
	69,61,76,497	**66,19,20,592**	**3,42,55,905**
31-Mar-19			
Non-derivative financial liabilities			
Trade and other paybles	14,23,35,060	14,23,35,060	-
Due to related parties	17,20,47,155	17,20,47,155	-
Borrowings	3,88,24,683	45,68,777	3,42,55,905
	38,29,17,316	**34,64,42,129**	**3,64,75,187**

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 it's 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.