



Independent Auditors' Report on the Special Purpose Financial Information

**To the members of
Route Mobile (Nepal) Private Limited**

Opinion

1. We have audited the accompanying special purpose financial information of **Route Mobile (Nepal) Private Limited** (‘the Company’), which comprise the balance sheet as of 31st March 2022 and the statement of profit and loss (including other comprehensive income), the statement of changes in equity, and the related notes to the financial statements (together hereinafter referred to as ‘special purpose financial information’).
2. In our opinion, the accompanying special purpose financial information for the year ended 31st March 2022, has been prepared, in all material respects, in accordance with the basis of accounting specified in note 1 to the special purpose financial information.

Basis for Opinion

3. We conducted our audit in accordance with International Standards on Auditing (ISAs) subject to the materiality specified in the audit instructions as described further in paragraph 10 below. Our responsibilities under those standards are further described in the ‘Auditor’s Responsibilities’ section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA Code of Ethics) and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Basis of accounting and Restriction on Use and Distribution

4. We draw attention to note 1 to the special purpose financial information which describes the basis of accounting for the aforesaid special purpose financial information. The special purpose financial information has been prepared by the Management solely for the limited purpose to enable its ultimate holding company, Route Mobile Limited, to prepare its financial statements for the year ended 31st March 2022, and therefore, it may not be suitable for another purpose. This report is issued solely for the aforementioned purpose and intended only for the use by the management of the Group and the statutory auditors of the ultimate holding company in relation to the audit of financial statements of the ultimate holding company, and accordingly, should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.



Responsibilities of Management and Those Charged with Governance for the special purpose financial information

5. Management is responsible for the preparation of the special purpose financial information in accordance with the basis of accounting specified in note 1 to the special purpose financial information and for such internal control as management determines is necessary to enable the preparation of special purpose financial information that are free from material misstatement, whether due to fraud or error.
6. In preparing the special purpose financial information, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
7. Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the special purpose financial information

8. Our objectives are to obtain reasonable assurance about whether the special purpose financial information as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these special purpose financial information.
9. As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the special purpose financial information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the special purpose financial information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.

However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the special purpose financial information, including the disclosures, and whether the special purpose financial information represent the underlying transactions and events in a manner of the basis of accounting specified in note 1 to the special purpose financial information.

As requested by the group auditor in their audit instructions of the Company, dated 15th April 2022, we have planned and performed our audit using the materiality level specified in their audit instructions, which is different from the materiality level that we would have used, had we been designing the audit to express an opinion on the special purpose financial information alone. We communicate with the management regarding, among other matters, the planned scope and timing of the audit and significant audit findings that we identify during our audit.

For **Ramanand & Associates**

(Chartered Accountants)

SRN No. 117776W



Ramanand Gupta

Partner

(Membership No. 103975)

UDIN: 22103975AIQO0B4224

Place: Mumbai

Date: 09.05.2022

Route Mobile Nepal Private Limited

Balance sheet as at 31 st March 2022

(Amounts in NPR, except for share data, and if otherwise stated)

	Note	As at 31 March 2022	As at 31 March 2021
ASSETS			
Non-current assets			
Property, plant and equipment		-	-
Financial assets			
Loans	2	65,00,000	65,00,000
Deferred tax assets (net)	3	4,03,855	3,53,143
		69,03,855	68,53,143
Current assets			
Financial assets			
Trade receivables	4	1,29,893	1,03,833
Cash and cash equivalents	5	13,27,420	13,27,420
Other Financial Asset	6	23,007	23,007
		14,80,320	14,54,260
		83,84,175	83,07,403
EQUITY AND LIABILITIES			
Equity			
Equity share capital	7	50,00,000	50,00,000
Other equity	8	(12,11,565)	(10,59,427)
		37,88,435	39,40,573
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	9	34,27,540	34,95,098
		34,27,540	34,95,098
Current liabilities			
Financial liabilities			
Trade payables	10	7,78,421	7,75,800
Other current financial liabilities	11	2,93,357	-
Other current liabilities	12	96,422	95,932
		11,68,200	8,71,732
		83,84,175	83,07,403
Significant accounting policies and other explanatory information		1-24	

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

For Ramanand & Associates

Chartered Accountants

Firm Reg No : 117776W

Ramanand G. Gupta

Partner

M.No : 103975

Place : Mumbai

Date : 9th May 2022

UDIN No: 22103975AIQO0B4224



For Route Mobile Nepal Private Limited

Rajdipkumar Gupta
Director



Sandipkumar Gupta
Director

Route Mobile Nepal Private Limited

Statement of profit and loss for the year ended 31 March, 2022

(Amounts in NPR, except for share data, and if otherwise stated)

	Note	Year ended 31 March 2022	Year ended 31 March 2021
I. Revenue from operations	13	28,254	3,57,442
II. Other Income	14	90,114	-
III. Total Revenue (I + II)		<u>1,18,369</u>	<u>3,57,442</u>
IV. Expenses			
Purchases of short messaging services	15	38,719	3,53,013
Other expenses	16	2,82,500	1,67,213
Total expenses		<u>3,21,219</u>	<u>5,20,225</u>
V. Profit / (Loss) before tax (III-IV)		(2,02,850)	(1,62,784)
Tax expense			
(i) Current tax		-	-
(ii) Deferred tax Expense/(Credit)		(50,713)	(40,696)
VI Net profit / (loss) after tax (V-VI)		<u>(1,52,138)</u>	<u>(1,22,088)</u>
VII Earnings / (loss) per equity share:			
Basic and diluted (in NPR.)		(3.04)	(2.44)
Face value per share (in NPR.)		10	10

Significant accounting policies and other
explanatory information

1-24

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

For Ramanand & Associates

Chartered Accountants

Firm Reg No : 117776W



Ramanand G. Gupta
Partner

M.No : 103975

Place : Mumbai

Date : 9th May 2022

UDIN No: 22103975AIQO0B4224



For Route Mobile Nepal Private Limited



Rajdipkumar Gupta
Director



Sandipkumar Gupta
Director



Route Mobile Nepal Private Limited

Statement of profit and loss for the year ended 31 March, 2022

(Amounts in NPR, except for share data, and if otherwise stated)

	31 March 2022	31 March 2021
Cash flows from operating activities		
Profit / (loss) before tax	(2,02,850)	(1,62,784)
Operating profit / (loss) before working capital changes	(2,02,850)	(1,62,784)
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Trade receivables	(26,060)	(3,472)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	2,621	5,51,190
Other financial liabilities	2,93,357	(1,98,177)
Other current liabilities	490	22,558
Cash generated from operating activities	2,70,408	3,72,099
Net income tax refund / (paid)	-	-
Net cash generated from operating activities (A)	67,558	2,09,316
Cash flows from investing activities		
Net cash generated from / (used in) investing activities (B)	-	-
Cash flows from financing activities		
Intercompany Borrowings	(67,558)	1,70,684
Net cash generated used in investing activities (C)	(67,558)	1,70,684
Net increase / (decrease) in cash and cash equivalents	-	3,80,000
Cash and cash equivalents as at the beginning of the period	13,27,420	9,47,420
	13,27,420	13,27,420
Components of Cash and Cash Equivalents:		
Cash on hand		
Balances with banks		
- in current accounts	13,27,420	13,27,420
Total	13,27,420	13,27,420

For Ramanand & Associates

Chartered Accountants

Firm Reg No : 117776W

Ramanand G. Gupta

Partner

M.No : 103975

Place : Mumbai

Date : 9th May 2022

UDIN No: 22103975AIQOQB4224



For Route Mobile Nepal Private Limited

Rajdipkumar Gupta
DirectorSandipkumar Gupta
Director

Route Mobile Nepal Private Limited

Statement of Changes in Equity for the year ended 31 March, 2022

(Amounts in NPR, except for share data, and if otherwise stated)

Equity share capital

Particulars	Note	Number of shares	Amount
As at 31 March 2021	7	50,000	50,00,000
Changes during the year		-	-
As at 31 March 2022		50,000	50,00,000

Other equity

Particulars	Retained earnings
Balance as at 31 March 2021	(10,59,427)
Profit / (loss) for the year	(1,52,138)
Balance as at 31 March 2022	(12,11,565)

For Ramanand & Associates

Chartered Accountants

Firm Reg No : 117776W

**Ramanand G. Gupta**
Partner

M.No : 103975

Place : Mumbai

Date : 9th May 2022

UDIN No: 22103975AIQOQB4224

**For Route Mobile Nepal Private Limited****Rajdipkumar Gupta**
Director**Sandipkumar Gupta**
Director

Route Mobile Nepal Private Limited**Significant accounting policies and other explanatory information for the year ended 31 March, 2022****(Amounts in NPR, except for share data, and if otherwise stated)**

	As at 31 March 2022	As at 31 March 2021
2 Non-current loans		
Unsecured considered good		
Security deposits	15,00,000	15,00,000
Loan to related party	50,00,000	50,00,000
	65,00,000	65,00,000
3 Deferred tax assets (net)		
Deferred tax assets arising on account of :		
Disallowance	4,03,855	3,53,143
Total deferred tax assets	4,03,855	3,53,143
4 Trade receivables		
Unsecured, considered good	1,29,893	1,03,833
	1,29,893	1,03,833
5 Cash and cash equivalents		
Balances with banks:		
- in current accounts	13,27,420	13,27,420
	13,27,420	13,27,420
6 Other Financial assets		
VAT receivable	23,007	23,007
	23,007	23,007



Route Mobile Nepal Private Limited

Significant accounting policies and other explanatory information for the year ended 31 March, 2022

(Amounts in NPR, except for share data, and if otherwise stated)

	As at 31 March 2022	As at 31 March 2021
7 Ordinary share capital		
Authorised capital		
100,000 Ordinary Shares of NPR. 100/= each	1,00,00,000	1,00,00,000
Issued, subscribed and fully paid up		
50,000 Ordinary Shares of NPR. 100/= each	50,00,000	50,00,000
	50,00,000	50,00,000

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

	As at 31 March 2022		As at 31 March 2021	
	Number	Amount	Number	Amount
Balance at the beginning of the year	50,000	50,00,000	50,000	50,00,000
Add: Issued during the year	-	-	-	-
Balance at the end of the year	50,000	50,00,000	50,000	50,00,000

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

	As at 31 March 2022		As at 31 March 2021	
	Number of shares	% of holding	Number of shares	% of holding
Route Mobile (UK) Limited	50,000	100	50,000	100
Total	50,000	100	50,000	100



Route Mobile Nepal Private Limited

Significant accounting policies and other explanatory information for the year ended 31 March, 2022

(Amounts in NPR, except for share data, and if otherwise stated)

8 Other equity

	As at 31 March 2022	As at 31 March 2021
Surplus in the statement of profit and loss	(12,11,565)	(10,59,427)
Total other equity	(12,11,565)	(10,59,427)
Surplus in the statement of profit and loss		
Balance at the beginning of the year	(10,59,427)	(9,37,340)
Add: Profit / (loss) for the year	(1,52,138)	(1,22,088)
Balance at the end of the year	(12,11,565)	(10,59,427)
Other equity	(12,11,565)	(10,59,427)

Nature and purpose of reserves**(i) Surplus in the statement of profit and loss**

Retained earnings pertain to the accumulated earnings / (losses) made by the company over the years.

9 Non-current Borrowings**Unsecured**

Loans and advances from related parties

34,27,540	34,95,098
34,27,540	34,95,098

10 Trade payables

Sundry Creditors

7,78,421	7,75,800
7,78,421	7,75,800

11 Other current financial liabilities

Outstanding expenses

2,93,357	-
2,93,357	-

12 Other current liabilities

Advance from customers

Statutory dues

6,501	6,626
89,921	89,305
96,422	95,932



Route Mobile Nepal Private Limited

Significant accounting policies and other explanatory information for the year ended March 31, 2022

(Amounts in NPR, except for share data, and if otherwise stated)

	Year ended 31 March 2022	Year ended 31 March 2021
13 Revenue from operations		
Sale of services		
'Messaging and voice services	28,254	3,57,442
Total revenue	28,254	3,57,442
14 Other income		
Liabilities no longer payable written back	24,625	-
Foreign exchange gain (net)	65,489	-
	90,114	-
15 Purchases of short messaging services		
Purchases of messaging services	38,719	3,53,013
	38,719	3,53,013
16 Other expenses		
Professional charges	2,82,500	-
Foreign exchange loss (net)	-	1,67,213
	2,82,500	1,67,213



Route Mobile Nepal Private Limited

Significant accounting policies and other explanatory information for the year ended 31 March, 2022

(Amounts in NPR, except for share data, and if otherwise stated)

17 Fair value measurements**Financial instruments by category:**

Particulars	31 March 2022	31 March 2021
	Amortised cost	Amortised cost
Financial Assets - Non-current		
Investments	-	-
Loans	65,00,000	65,00,000
Financial Assets - Current		
Investments		
Cash and cash equivalents	13,27,420	13,27,420
Financial Liabilities - Non-current		
Borrowings	34,27,540	34,95,098
Financial Liabilities - Non-current		
Trade payables	7,78,421	7,75,800

I. Fair value hierarchy

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

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

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

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

II. Financial assets and liabilities measured at fair value Fair value hierarchy - recurring fair value measurement:

NIL

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

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

The carrying amounts of non-current loans, non-current borrowings, trade receivables, cash and bank balances, current loans, trade payables, current borrowings and other current financial liabilities are considered to be approximately equal to the fair value.



Route Mobile Nepal Private Limited

Significant accounting policies and other explanatory information for the year ended 31 March, 2022

(Amounts in NPR, except for share data, and if otherwise stated)

18 Financial risk management

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

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

The Company is exposed to credit risk, market risk and liquidity risk. The Company's senior management oversees the management of these risks.

A Credit risk

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

To manage credit risk, the Company follows a policy of providing 30 days credit to the domestic customers. In case of foreign debtors, credit period upto 90 days to reputed customers. The credit limit policy is established considering the current economic trends of the industry in which the company is operating.

However, the trade receivables are monitored on a periodic basis for assessing any significant risk of non-recoverability of dues and provision is created accordingly.

Bank balances are held with only high rated banks.

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

Particulars	As at 31 March 2022	As at 31 March 2021
Less than 6 Months	37,171	11,111
6 months-1 year	-	-
1 - 2 year	-	92,722
2 - 3 year	92,722	-
More than 3 year	-	-
Total	1,29,893	1,03,833
Provision of doubtful debts	-	-



Route Mobile Nepal Private Limited**Significant accounting policies and other explanatory information for the year ended 31 March, 2022****B Liquidity risk**

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to maintain optimum levels of liquidity and to ensure that funds are available for use as per requirement.

The liquidity risk principally arises from obligations on account of following financial liabilities viz. borrowings, trade payables and other financial liabilities.

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

The Company's financial liabilities based on contractual undiscounted payments at each reporting date is as follows:

As at 31 March 2022

Particulars	Upto 1 year	Between 1 and 3 years	Beyond 3 years	Total
Financial Liabilities - Current				
Trade payables	27,246	7,51,175	-	7,78,421
Other current financial liabilities	2,93,357	-	-	2,93,357
Other current liabilities	7,116	85,479	3,826	96,422
Total	3,27,720	8,36,654	3,826	11,68,200

C Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: Foreign currency risk, interest rate risk and price risk. The company does not have any unhedged foreign currency exposure. The company has no outstanding borrowing as at the reporting date and has not made any investments. Hence the company is not exposed to market risk.



Route Mobile Nepal Private Limited

Significant accounting policies and other explanatory information for the year ended 31 March, 2022

(Amounts in NPR, except for share data, and if otherwise stated)

19 Capital Management

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

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

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

Particulars	As at 31 March 2022	As at 31 March 2021
Equity Share Capital	50,00,000	50,00,000
Other Equity	(12,11,565)	(10,59,427)



Route Mobile Nepal Private Limited**Significant accounting policies and other explanatory information for the year ended 31 March, 2022****(Amounts in NPR, except for share data, and if otherwise stated)**

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

a) Names of related parties and description of relationship:

Description of relationship	Names of related parties
(i) Holding Company	Route Mobile (UK) Limited
(ii) Ultimate holding company	Route Mobile Limited

b) Details of related party transactions:

Particulars	31 March 2022	31 March 2021
<u>Sale of short message services (SMS)</u>		
Route Mobile (UK) Limited	28,128	-

c) Balances with related parties (as at year-end)

Particulars	31 March 2022	31 March 2021
<u>Amount receivable</u>		
Route Mobile (UK) Limited	1,29,893	1,03,833
<u>Loans & Advances payable</u>		
Route Mobile (UK) Limited	34,27,540	34,95,098



Route Mobile Nepal Private Limited**Significant accounting policies and other explanatory information for the year ended 31 March, 2022**

(Amounts in NPR, except for share data, and if otherwise stated)

21 There are no operating lease for the year ended 31st March 2022

22 Earnings / (loss) per share

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

Particulars	Year Ended 31 March 2022	Year Ended 31 March 2021
Net profit / (loss) after tax attributable to equity shareholders (NPR)	(1,52,138)	(1,22,088)
Weighted average number of shares outstanding during the year - Basic and diluted	50,000	50,000
Basic and diluted earnings / (loss) per share (NPR)	(3.04)	(2.44)
Nominal value per equity share (NPR)	10	10

23 Segment Reporting

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

24 The figures for previous year have been regrouped wherever necessary to make them comparable with the current years figures.

The annexed notes form an integral part of these Financial Statements.

For Ramanand & Associates

Chartered Accountants

Firm Reg No : 117776W


Ramanand G. Gupta

Partner


M.No : 103975

Place : Mumbai

Date : 9th May 2022

UDIN No: 22103975AIQOQB4224

**For Route Mobile Nepal Private Limited**


Rajdipkumar Gupta
Director


Sandipkumar Gupta
Director

