

KHANDELWAL JAIN & CO.

CHARTERED ACCOUNTANTS

BRANCH OFFICE :
GF- 8 & 9, HANS BHAWAN
1, BAHADUR SHAH ZAFAR MARG,
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INDEPENDENT AUDITOR'S REPORT

**To the Members of
NEXG DEVICES PRIVATE LIMITED**

Report on the Audit of the Financial Statements

1. Opinion

We have audited the accompanying financial statements of **NEXG DEVICES PRIVATE LIMITED**("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit and its cash flows for the year ended on that date.

2. Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



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3. Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

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

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

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

4. Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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

The Board of Directors are also responsible for overseeing the company's financial reporting process.



5. Auditor's Responsibility

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit: We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

6. Report on Other Legal and Regulatory Requirements

- A. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act 2013, we give in the Annexure "A" statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- B. As required by section 143(3) of the Act, based on our audit we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account;
 - (d) the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014;



- (e) On the basis of the written representations received from the directors as on March 31, 2019, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019, from being appointed as a director in terms of subsection (2) of Section 164 of the Companies Act, 2013.
- (f) With respect to the adequate internal financial controls over financial reporting of the company and operating effectiveness of such controls, refer to our separate report in "Annexure-B"; and
- (g) With respect to the other matters to be included in the Auditor's report in accordance with the Rule 11 of the Companies (Audit and Auditors) rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :-
- The Company has disclosed the impact, if any, of pending litigations on its financial position in its financial statements-refer note 26 to the financial statements;
 - The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses -refer note 26 to the financial statements;
 - There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company.

For Khandelwal Jain & Co.**Chartered Accountants****Firm Registration No: 105049W****Naveen Jain****Partner****Membership No 511596****Place: New Delhi****Date: 20-05-2019**

KHANDELWAL JAIN & CO.

CHARTERED ACCOUNTANTS

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ANNEXURE "A" TO THE AUDITORS' REPORT

Annexure referred to in paragraph 6A of the Independent Auditors' Report of even date to the Members of **NEXG DEVICES PRIVATE LIMITED** on the financial statements for the year ended 31st March, 2019, we report that;

- I. (a) The Company is maintaining proper records showing full particulars including quantitative details and situations of its Fixed Assets.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets and as informed, no material discrepancies were noticed on such verification.
- (c) Company has not owned any immovable property. Accordingly paragraph 3 (I) (c) of the order is not applicable.
- II. (a) As per the information furnished, the Inventories have been physically verified by the management at reasonable intervals during the period. In our opinion, having regard to the nature and location of stocks, the frequency of physical verification is reasonable.
- (b) In our opinion, and according to the information and explanations given to us, procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of Inventory. In our opinion, the discrepancies noticed on physical verification of stocks were not material in relation to the operation of the Company and the same have been properly dealt with in the books of account.
- III. (a) The Company has granted unsecured loan to Company covered in the register maintained under Section 189 of the Companies Act, 2013.
- (b) In our opinion and considering the explanation given to us, receipt of the principal amount and interest is regular.
- (c) In respect of above said loan, there is no overdue amount as at year end.



- IV. In our opinion and according to the information and explanations given to us, the Company has, in respect of loans, investments, guarantees, and security, complied with the provisions of section 185 and 186 of the Companies Act, 2013, wherever applicable.
- V. In our opinion and according to the information and explanation given to us, the Company has not accepted any deposits within the meaning of the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under.
- VI. According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 148 (1) of the Companies Act, 2013 for the products of the Company.
- VII. (a) According to the information and explanations given to us and records examined by us, the Company is generally regular in depositing undisputed statutory dues with the appropriate authorities, in respect of provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, custom duty, excise duty, GST, cess and other material statutory dues wherever applicable, though there have been slight delay in few cases. According to information and explanation given to us, and as per the records examined by us, no undisputed arrears of statutory dues outstanding as at 31st March 2019 for a period of more than six months from the date they became payable.
- (b) According to information and explanation given to us, as per the records examined by us, disputed statutory dues outstanding over 6 months as at 31st March, 2019 aggregating to Rs. 83,490/- that have not been deposited on account of disputed matters pending before Commissioner (Appeal) at West Bengal VAT department pertaining to F.Y. 2014-15.
- VIII. According to the information and explanations given to us and records examined by us, as at the Balance Sheet date the Company has not defaulted in repayment of dues to financial institution or banks or debenture holders.
- IX. As per information given to us, no money was raised by way of initial public offer or further public offer (including debt instruments) and no term loan has been taken during the year by the Company.
- X. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.
- XI. According to the information and explanation given to us and the books of accounts verified by us, the Managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197, where applicable read with the Schedule V to the Companies Act.
- XII. The Company is not a Nidhi Company. Accordingly, paragraphs 3(xii) of the order are not applicable.



- XIII. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of Companies Act, 2013 where applicable and details of such transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.
- XIV. According to information and explanations given to us, the Company during the year has not made any preferential allotment as private placement of shares or fully or partly convertible debentures. Accordingly, paragraph 3(xiv) is not applicable.
- XV. According to the information and explanation given to us and certified by the management the company has not entered into any non-cash transaction with directors or persona connected with him.
- XVI. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Khandelwal Jain & Co.
Chartered Accountants
Firm Registration No: 105049W



Naveen Jain
(Partner)
Membership No 511596



Place: New Delhi
Date: 20-05-2019

KHANDELWAL JAIN & CO.

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ANNEXURE "B" TO THE AUDITOR'S REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

To the Members of
NEXG DEVICES PRIVATE LIMITED

We have audited the internal financial controls over financial reporting NEXG DEVICES PRIVATE LIMITED ("the Company") as of March 31, 2019 in conjunction with our audit of the financial statements of the company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the guidance note on Audit of Internal financial control over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal financial controls over Financial Reporting (the "Guidance Note") and the standards on auditing as specified under Section 143 (10) of the companies act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and, both issued by Institute of Chartered Accountants of India. Those standards and the guidance note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate Internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.



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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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



Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31,2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For KHANDELWAL JAIN & CO.
Chartered Accountants
Firm Registration No. 105049W



Naveen Jain
Partner
Membership No: 511596



Place: New Delhi
Dated: 20-05-2019

NEXG DEVICES PRIVATE LIMITED
BALANCE SHEET AS AT 31st March 2019

Particulars	Note No.	As at 31st March 2019	As at 31st March 2018
EQUITY AND LIABILITIES			
Shareholders' Funds			
a) Share Capital	2	97,800,000	97,800,000
b) Reserves and Surplus	3	(142,668,149)	(212,553,546)
Non-Current Liabilities			
a) Long Term Borrowings	4	275,704,850	275,406,837
b) Deferred Tax Liabilities (net)	5	1,708,443	1,111,703
c) Long Term Provisions	6	245,932	137,247
Current Liabilities			
a) Short-Term Borrowings	7	195,042,694	2,657,990
b) Trade payables	8		
i) Due from Micro Small and Medium Enterprises		-	-
ii) Due from others		2,093,503,751	3,467,160,320
c) Other Current Liabilities	9	18,857,281	6,913,371
d) Short-Term Provisions	10	13,921,532	3,656,484
		2,554,116,334	3,642,290,406
ASSETS			
Non-current Assets			
a) Property, Plant and Equipment	11	18,911,745	20,132,820
b) Intangible Assets	11	148,223	-
c) Long-term Loans and Advances	12	211,500	211,500
d) Other Non Current Assets	13	1,612,969	1,844,939
Current Assets			
a) Inventories	14	111,391,984	29,183,794
b) Trade Receivables	15	1,210,516,870	2,344,268,247
c) Cash and Cash Equivalents	16	24,146,342	17,020,894
d) Short-term Loans and Advances	17	1,065,862,756	1,092,782,892
e) Other Current Assets	18	121,313,945	136,845,320
		2,554,116,334	3,642,290,406
Notes forming part of Financial statement	1 to 40		

As per our report of even date attached

For Khandelwal Jain & Co.
Chartered Accountants
Firm Registration Number: 105049W



Naveen Jain
Partner
Membership No: 511596

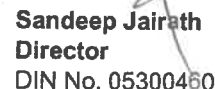



Place: New Delhi
Date: 20-05-2019

For and on Behalf of the Board of Directors


Sunil Batra
Managing Director
DIN No. 02188254




Sandeep Jairath
Director
DIN No. 05300460


Shubham Vedi
Company Secretary
ACS:36863

NEXG DEVICES PRIVATE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st Mar, 2019

Particulars	Note No.	For the year ended 31st March 2019	For the year ended 31st March 2018
I Revenue			
a) Revenue from Operations	19	14,199,729,219	6,123,193,554
b) Other Income	20	66,154,270	33,349,559
Total Revenue		14,265,883,489	6,156,543,113
II Expenses			
a) Purchases of Stock-in-Trade		14,036,098,503	5,741,445,638
b) Changes in Inventories of Stock-in-Trade	21	(82,208,190)	202,056,597
c) Employee Benefits Expense	22	27,960,999	71,329,231
d) Finance Cost	23	29,791,868	33,749,944
e) Depreciation and Amortization Expense	11	3,875,565	3,260,202
f) Other Expenses	24	179,882,607	87,170,900
Total Expenses		14,195,401,353	6,139,012,512
Profit/ (Loss) before Exceptional and Extraordinary items and Tax		70,482,136	17,530,601
Exceptional Items		-	-
Profit/ (Loss) before Extraordinary items and Tax		70,482,136	17,530,601
Extraordinary Items		-	-
Profit/ (Loss) before Tax		70,482,136	17,530,601
Tax Expense:			
Current tax / Current Tax (MAT)		13,773,581	3,574,288
Deferred tax		596,740	913,326
MAT credit entitlement		(13,773,581)	(3,574,288)
Profit/ (Loss) for the period		69,885,396	16,617,275
Earnings per equity share (Face Value ` 10/- each):	33		
Basic		7.15	1.70
Diluted		1.89	0.45

As per our report of even date attached

For Khandelwal Jain & Co.
Chartered Accountants
Firm Registration Number: 105049W

Naveen Jain
Partner
Membership No: 511596



Place: New Delhi
Date: 20-05-2019

For and on Behalf of the Board of Directors

Sunil Batra
Managing Director
DIN No. 02188254

Sandeep Jairath
Director
DIN No. 05300460

Shubham Vedi
Company Secretary
ACS:36863

NexG Devices Private Limited
Cash Flow Statement for the year ended 31st March 2019

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
A Cash flows from Operating activities		
Profit before tax	70,482,136	17,530,601
Adjusted for:		
Depreciation and amortisation	3,875,565	3,260,202
Interest expense	16,757,251	28,719,839
Interest income	(66,154,270)	(27,812,922)
Profit on Sale of Investment	-	(2,574,374)
Debts/advances written off	489,664	2,926,389
Balances Written off/back (net)	23,871,506	(2,937,491)
Operating profit before working capital changes	49,321,851	19,112,244
Movement in working capital		
Decrease/ (increase) in Trade Receivables	1,133,261,712	(2,138,365,531)
Decrease/ (increase) in Trade Payables	(1,373,656,569)	3,217,337,640
Decrease/(Increase) in loans and advances	26,920,137	150,000
Decrease/(Increase) in other current assets	58,834,000	(1,189,096,164)
Decrease/(increase) in inventories	(82,208,190)	202,056,597
Increase/ (decrease) in current liabilities and provisions	11,578,826	(3,803,794)
Cash generated from operations	(175,948,232)	107,390,992
Direct taxes paid (net of refunds)	(3,574,288)	(1,250,994)
Net cash from operating activities	(179,522,520)	106,139,998
B Cash flows from Investing activities		
Purchase of fixed assets	(2,802,713)	(16,716,000)
Proceeds from / (Investment in) Fixed Deposits (net)	8,705,024	14,145,008
Sale/(Purchase) of investments in mutual funds	-	52,574,374
Interest income	12,753,721	4,861,640
Net cash used for investing activities	18,656,032	54,865,023
C Cash flows from Financing activities		
Proceeds / (Repayment) of Borrowings	193,224,549	(125,488,521)
Interest paid	(16,759,559)	(29,601,388)
Net cash from (used for) financing activities	176,464,990	(155,089,909)
Net increase in cash and cash equivalents (A+B+C)	15,598,502	5,915,112
Cash and cash equivalents at the beginning of the year	6,847,840	932,728
Cash and cash equivalents at the end of the year	22,446,342	6,847,840

Notes:-

1) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard - 3 on Cash Flow Statement

2) Cash and bank balance not includes the following, which are not available for use by the Company :

Cash in Hand	112,269	76,570
Bank Balance and Fixed Deposits	24,034,073	16,944,324
	24,146,342	17,020,894
Less: Fixed Deposits with more than 3 Months	1,700,000	10,173,054
	22,446,342	6,847,840

3) The Previous year's figures have been re-classified/re-grouped to conform to current year's classification.

As per our report of even date attached

For Khandelwal Jain & Co.
Chartered Accountants
Firm Registration Number: 105049W

Naveen Jain

Naveen Jain
Partner
Membership No: 511596



Place: New Delhi
Date: 20-05-2019

For and on Behalf of the Board of Directors

Sunil Batra

Sunil Batra
Managing Director
DIN No. 02188254

Sandeep Jaisrath

Sandeep Jaisrath
Director
DIN No. 05300460

Shubham Vedi

Shubham Vedi
Company Secretary

NEXG DEVICES PRIVATE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note "2" Share Capital	As at 31st March, 2019 (Rs.)	As at 31st March, 2018 (Rs.)
Authorised		
1,00,00,000 (PY:1,00,00,000) Equity Shares of Rs.10/- each	100,000,000	100,000,000
	100,000,000	100,000,000
Issued, Subscribed & Paid up		
97,80,000 (PY:97,80,000) Equity Shares of Rs 10/- each	97,800,000	97,800,000
	97,800,000	97,800,000

2.1 Reconciliation of equity shares outstanding:

Particulars	As at 31st March, 2019 (Rs.)		As at 31st March, 2018 (Rs.)	
	No. of Shares	Rs.	No. of Shares	Rs.
No. of shares at the beginning of the year	9,780,000	97,800,000	9,780,000	97,800,000
Add: Issue of Shares/ Calls received	-	-	-	-
No. of shares at the end of the year	9,780,000	97,800,000	9,780,000	97,800,000

2.2 Detail of Shareholders holding more than 5% shares in the Company:

Particulars of Shareholders	As at 31st March, 2019 (Rs.)		As at 31st March, 2018 (Rs.)	
	No of Shares	% holding	No of Shares	% holding
Media Matrix Worldwide Limited * (Holding Company)	4,990,000	51	4,990,000	51
Infotel Business Solutions Limited	4,040,000	41	4,790,000	49
Media Matrix Enterprises Pvt Ltd	750,000	8	-	-
	9,780,000	100	9,780,000	100

2.3 : 4 Shares are held by four individuals as nominees of the Holding Company.

2.4 : The Company has only one class of equity shares having par value of Rs. 10/- per share. Each shareholder of equity shares is entitled for pari pasu voting right. The dividend proposed by the Board is subject to the approval of the shareholders in the ensuing Annual General Meeting. The distribution will be in proportion to the number of equity shares held by the shareholders.

Note "3" Reserves & Surplus	As at 31st March, 2019 (Rs.)	As at 31st March, 2018 (Rs.)
Surplus		
Opening Balance	(212,553,546)	(229,170,820)
Add: Profit/ (Loss) for the year	69,885,396	16,617,275
	(142,668,149)	(212,553,546)



NEXG DEVICES PRIVATE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note "4"-Long Term Borrowings	As at 31st March, 2019 (Rs.)	As at 31st March, 2018 (Rs.)
Secured		
Car Loan from bank (Refer Note 4.1 below)	2,868,850	2,570,837
Unsecured		
0% Compulsorily Convertible Debentures (CCDs) (Refer Note no : 31)	172,836,000	172,836,000
0% Compulsorily Convertible Debentures (CCDs). (Refer Note no : 32)	100,000,000	100,000,000
Total	275,704,850	275,406,837

Note No. 4.1 : Terms of Vehicle Loan

Vehicle Loan of Rs. 44,89,823 (P.Y. Rs. 36,49,978) are secured by way of hypothecation of respective vehicles. These loans are repayable in equated monthly installments and shall be repaid by 2023. Interest rates on above vary from 8-8.5% p.a.

Repayment Schedule:

2019-20	1,620,973
2020-21	1,760,594
2021-22	672,084
2022-23	436,182

Note "5"-Deferred Tax Liability(Net)	As at 31st March, 2019 (Rs.)	As at 31st March, 2018 (Rs.)
Deferred Tax Liabilities (net)		
For Fixed Assets	1,839,937	1,172,165
Deferred Tax Assets		
For Employee Benefits	131,494	60,462
For Others	-	-
Total	1,708,443	1,111,703

Note "6"-Long Terms Provisions	As at 31st March, 2019 (Rs.)	As at 31st March, 2018 (Rs.)
Provision for employee benefits		
Gratuity.	148,176	59,428
Leave Encashment.	97,756	77,819
Total	245,932	137,247

Note "7"-Short Term Borrowings	As at 31st March, 2019 (Rs.)	As at 31st March, 2018 (Rs.)
Secured Loan		
Overdraft Facility from Bank (Secured by charge on all existing and future receivables/current assets/moveables assets/moveable fixed assets and corporate guarantee of NexG Ventures India Pvt. Ltd. Media Matrix Worldwide Ltd., Infotel Business Solutions Ltd. At Interest Rate of 9.25%-9.60%)	195,042,694	1,457,990
Unsecured Loan		
From Related Party (Interest Rate of 9% P.A. and same is repayable on demand)	-	1,200,000
Total	195,042,694	2,657,990

Note "8"-Trade Payable	As at 31st March, 2019 (Rs.)	As at 31st March, 2018 (Rs.)
Due from Micro Small and Medium Enterprises		
Others		
For Purchase & Services	2,083,203,880	3,463,836,136
For Expenses	10,299,871	3,324,184
(Includes Rs. 6,08,592/- (PY Rs. 3,96,334/-) due to Related Parties(refer Note 36))		
Total	2,093,503,751	3,467,160,320

Note "9"-Other Current Liabilities	As at 31st March, 2019 (Rs.)	As at 31st March, 2018 (Rs.)
Current Maturity of Long Term Borrowings	1,620,973	1,079,141
Expenses Payable	1,995,937	4,042,059
Salaries and Other Payable	876,356	1,150,643
Statutory dues Payables	4,333,637	639,220
Advances from Customers	10,030,378	-
Interest accrued and due on borrowing*	-	2,308
* Interest of NIL (P.Y. 2,308) due on 31.03.2019.		
Total	18,857,281	6,913,371



Note "10"-Short Term Provisions	As at 31st March, 2019 (Rs.)	As at 31st March, 2018 (Rs.)
Provision for employee benefits		
Gratuity	556	323
Leave Encashment	147,395	81,873
Provision for Income Tax (MAT)	13,773,581	3,574,288
Total	13,921,532	3,656,484

Note "12"- Long Term Loans and Advances	As at 31st March, 2019 (Rs.)	As at 31st March, 2018 (Rs.)
Unsecured, Considered Good		
Security Deposits	211,500	211,500
Total	211,500	211,500

Note "13"-Other Non Current Assets	As at 31st March, 2019 (Rs.)	As at 31st March, 2018 (Rs.)
In Bank Deposit Accounts with maturity of more than 12 months (Refer Note No. 16)	1,612,969	1,844,939
Total	1,612,969	1,844,939

Note "14"-Inventories	As at 31st March, 2019 (Rs.)	As at 31st March, 2018 (Rs.)
Stock-in-trade	111,391,984	29,183,794
(Mobile Handset, routers, gadgets etc.)		
Total	111,391,984	29,183,794

Note "15"-Trade Receivables	As at 31st March, 2019 (Rs.)	As at 31st March, 2018 (Rs.)
(Unsecured, considered good unless otherwise stated)		
Outstanding for a period		
- Exceeding Six Months		
Considered good	225,837	16,899,960
Considered doubtful	-	-
- Other	1,210,291,034	2,327,368,287
(Includes Rs. 1,58,95,138/- (PY - Nil) due from Related Party (Refer Note 36))		
Total	1,210,516,871	2,344,268,247

Note "16"-Cash and Cash Equivalents	As at 31st March, 2019 (Rs.)	As at 31st March, 2018 (Rs.)
Cash on hand	112,269	76,570
Balances with banks		
- Bank Balances	22,334,073	6,771,270
- Fixed Deposits with less than 3 months maturity	-	-
- Fixed Deposits with 3-12 months maturity	1,700,000	10,173,054
- Fixed Deposits with more than 12 months maturity	1,612,969	1,844,939
	25,647,042	18,789,263
Less: Amount disclosed under other non current assets	1,612,969	1,844,939
(refer note 13)	24,034,073	16,944,324
Total	24,146,342	17,020,894

Note "17"-Short-term Loans and Advances	As at 31st March, 2019 (Rs.)	As at 31st March, 2018 (Rs.)
(Unsecured, considered good)		
Loans and advances to Related Party	3,500,000	-
Loans and advances to others	673,635,318	1,087,700,000
Advances to Employee	62,586	-
Advances to Suppliers	388,664,852	5,082,892
Total	1,065,862,756	1,092,782,892

Note "18"-Other Current Assets	As at 31st March, 2019 (Rs.)	As at 31st March, 2018 (Rs.)
Interest Accrued		
On Loan	76,316,719	22,778,774
On Fixed Deposit	35,113	172,508
Prepaid Expenses	294,041	724,971
TDS Recoverable	7,162,392	3,134,308
Balance recoverable from revenue authorities	15,249,964	10,314,933
MAT Credit Entitlement	18,562,426	4,788,845
Claim Receivable	-	93,761,081
Security Deposit-	3,693,290	1,169,900
Total	121,313,944	136,845,320



NEXG DEVICES PRIVATE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note "19"-Revenue from Operations	For the Year ended 31st March 2019 Rs.	For the Year ended 31st March 2018 Rs.
Sale of Products	14,121,919,692	6,068,971,468
Service Income	67,087,155	51,703,135
Commission Income	10,722,373	2,518,951
Total	14,199,729,219	6,123,193,554

Note "20"-Other Income	For the Year ended 31st March 2019 Rs.	For the Year ended 31st March 2018 Rs.
Interest Income (TDS Rs.65,42,139/- P.Y. Rs. 27,92,904/-)		
- On FDRs	5,855,437	1,349,987
- On Others	60,298,833	26,462,935
Balances Written back (net)	-	2,937,491
Profit on Sale of Current Investment	-	2,574,374
Misc Income	-	24,772
Total	66,154,270	33,349,559

Note "21"-Change in Inventories	For the Year ended 31st March 2019 Rs.	For the Year ended 31st March 2018 Rs.
Opening Stock	29,183,794	231,240,391
Less: Closing Stock	111,391,984	29,183,794
Total	(82,208,190)	202,056,597

Note "22"-Employee Benefits Expense	For the Year ended 31st March 2019 Rs.	For the Year ended 31st March 2018 Rs.
Salaries, Wages and Bonus, etc.	13,865,849	10,320,292
Contribution in Provident Fund & others	741,315	757,130
Manpower Outsource Salary	13,002,192	59,779,008
Staff Welfare Expenses	351,643	472,801
Total	27,960,999	71,329,231

Note "23"-Finance Cost	For the Year ended 31st March 2019 Rs.	For the Year ended 31st March 2018 Rs.
Interest on Loans From		
Bank	16,569,878	3,103,273
Others	187,373	25,616,566
Bank Charges and Processing fee	12,809,399	5,027,868
Interest on Others	225,218	2,237
Total	29,791,868	33,749,944



Note "24"-Other Expenses	For the Year ended 31st March 2019 Rs.	For the Year ended 31st March 2018 Rs.
i) Administrative Expenses		
Communication Expenses	64,121	115,578
Postage & Courier Expenses	39,250	27,888
Electricity Expenses	139,810	114,809
Printing and Stationery	44,090	293,513
Rates & Taxes	1,314,431	2,290,594
Rent	2,757,955	1,119,000
Insurance Expenses	4,280,431	4,685,633
Business Support Services	3,342,112	-
Travel and Conveyance	2,862,392	3,545,520
Repairs & Maintenance	502,763	959,957
Professional Charges	38,977,431	36,561,269
Auditors Remunerations-		
Audit Fees	250,000	200,000
Out of Pockets Exps	15,230	18,086
Prior Period Expenses	92,336	48,048
Donations	250,000	1,500,000
Exchange Fluctuation (Net)	71,004,721	136,466
Commission Expenses	8,861,627	2,213,085
Bad Debts	489,664	2,926,389
Balance W/Off Net	23,871,506	-
ii) Selling & Distribution Expenses		
Advertisement & Marketing Expenses	13,809,941	5,018,922
Packing & Forwarding Charges	82,517	3,581,600
Freight, Cartage & Octroi	5,337,365	20,887,838
Business Promotion	1,492,914	926,704
Total	179,882,607	87,170,900



Note 11 : Property, Plant and Equipment

Property, Plant and Equipment	Gross Block				Depreciation			Net Block	
	As at 1st April 2018	Additions	Sale/Disposals during the year	As at 31st Mar, 2019	As at 1st April 2018	For the period	Deductions/A adjustments during the year	As at 31st Mar, 2019	As at 31st March 2018
	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
PPE									
Office Equipment	788,759	9,250	-	798,009	196,846	135,389	-	332,235	465,774
Computers	3,568,416	224,500	-	3,792,916	1,821,185	858,408	-	2,679,593	1,113,323
Vehicle	9,789,948	2,299,069	-	12,089,017	1,097,130	1,253,810	-	2,350,940	9,738,077
Furniture & Fittings	273,584	-	-	273,584	28,838	25,990	-	54,828	218,756
Servers	10,048,837	113,124	-	10,161,961	1,192,723	1,593,421	-	2,786,144	7,375,817
Total	24,469,544	2,645,943	-	27,115,487	4,336,724	3,867,018	-	8,203,742	18,911,745
Intangible Assets									
Software	-	156,770	-	156,770	-	8,547	-	8,547	148,223
Total	-	156,770	-	156,770	-	8,547	-	8,547	148,223
Grand Total	24,469,544	2,802,713	-	27,272,257	4,336,724	3,875,565	-	8,212,289	19,059,968
Previous year	7,753,544	16,716,000	-	24,469,544	1,076,522	3,260,202	-	4,336,724	20,132,820
									6,677,022



NEXG DEVICES PRIVATE LIMITED

NOTE-1: SIGNIFICANT ACCOUNTING POLICIES

A. Method of Accounting

- i. The financial statements are prepared in accordance with generally accepted accounting principles ('GAAP') under the historical cost convention on an accrual basis, GAAP comprises mandatory Accounting Standards referred to in section 133 of the companies Act 2013 read with rule 7 of company (Accounts) Rule 2014, to the extent applicable . The managements evaluates all recently issued or revised accounting standards on the ongoing basis.
- ii. The preparation of the Financial Statements in conformity with GAAP requires that the management of the company makes estimates and assumptions that affect the reported accounts of income and expense of the period, reported value of assets and liabilities and disclosures relating to contingent assets and liabilities as of date of the financial statements. Examples of such estimates include provision of doubtful debts, period of utility of tangible/intangible assets etc. Actual results may differ from these estimates.

B. Revenue Recognition

- i. Revenue from sale of products is recognized when persuasive evidence of an arrangement exists, risk and reward of ownership has been transferred to the customer, the sales price is fixed or determinable and collectability is reasonably assured.
- ii. Revenue from Services is recognized when respective service is rendered and accepted by the customer. Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.
- iii. Revenues are shown net of taxes and applicable discounts, rebate, incentives and allowances.
- iv. Commission, brokerage etc. are recognized when the right to receive the same is established.
- v. Insurance Claims are accounted for as and when admitted by the concerned authority.

C. Property, Plant and Equipment

- i. Property, Plant and Equipment are stated at cost, which includes freight, installation cost, duties, taxes and other incidental expenses but net of tax credit.
- ii. Capital work in progress comprises the cost of fixed assets that are not yet ready for their intended use at the balance sheet date.



- iii. Cost of software and expenses on development of new products are accounted for as intangible assets.

D. Depreciation and Amortization

- i. Depreciation is provided pro-rata to the period of use, on the straight line method based on the estimated useful life of the assets, as follows:

<u>Asset</u>	<u>Useful life(in years)</u>
Computers	3 years
Server	6 years
Office Equipment's	5 years
Furniture and Fixture	10 years
Vehicles - Motor Cars	8 years
Mobile phones(ii)	2 years

- ii. For these classes of assets based on internal assessment and technical evaluation, the management believes that the useful lives as given above best represent the period over which the Management expects to use these assets. Hence the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of Companies Act 2013.
- iii. Depreciation due to increase or decrease in the liability on account of exchange fluctuation or on account of rollover charges on forward exchange contract is provided prospectively over the residual life of the assets.
- iv. Intangible assets are amortized over a period of five years or life of product considered at the end of each financial year whichever is earlier. Amortization commences when the asset is available for use.

E. Inventories

Inventories are stated at lower of cost or net realizable value. The Cost is determined using FIFO basis. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.



F. Impairment of Assets

The fixed assets or group of assets (cash generating unit) are reviewed for impairment at each Balance Sheet date. In case of such any indication, the recoverable amount of these assets or group of assets is determined and if such recoverable amount of the assets or cash generating unit to which the assets belong is less than its carrying amount, the impairment loss is recognized by writing down such assets to their recoverable amount. An impairment loss is reversed if there is change in the recoverable amount and such loss either no longer exists or has decreased.

G. Investments

- i. The cost of an investment includes incidental expenses like brokerage, fees and duties incurred prior to acquisition.
- ii. Non-current investments are carried at cost. Provision for diminution in value is made to recognize a decline other than temporary.
- iii. Investments which are intended to be held for less than one year are classified as current investments and are carried at lower of cost and fair value determined on an individual investment basis.
- iv. Advance against share application money are classified under the head "Investments".

H. Foreign Currency Transactions

- i. Transactions denominated in foreign currency are normally recorded at the exchange rate prevailing at the time of the transactions.
- ii. Monetary items denominated in foreign currency at the year end and not covered under forward exchange contracts are translated at the year end rates.
- iii. Any income or expense on account of exchange difference between the date of transactions and on settlement or on translation is recognized in the statement of profit and loss as income or expense.

I. Employees Retirement Benefits

The relevant policies for 'Employee Benefits' in accordance with Revised Accounting Standard – 15 are as under:

Short Term Employee Benefits

Short term employee benefits are recognized in the period during which the services have been rendered.

Long Term Employee Benefits

a) Defined Contribution plan

Provident Fund and employees' state insurance schemes

- All employees of the Company are entitled to receive benefits under the Provident Fund, which is a defined contribution plan. Both the employee and the employer



make monthly contributions to the plan at a predetermined rate (presently 12%) of the employees' basic salary.

- The Company's contributions to both these schemes are expensed in the statement of Profit and Loss.

b) Defined Benefit Plan

(i) Gratuity

The Company provides for gratuity obligations through a defined benefit retirement plan (the 'Gratuity Plan') covering all employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement or termination of employment based on the respective employee salary and years of employment with the Company. The Company provides for the Gratuity Plan based on actuarial valuations in accordance with Accounting Standard 15 (revised), "Employee Benefits". The present value of obligation under gratuity is determined based on actuarial valuation using Project Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

ii) Leave Encashment

The Company has provided for the liability at period end on account of unavailed earned leave as per the actuarial valuation as per the Projected Unit Credit Method.

(iii) Actuarial gains and losses are recognized as and when incurred.

J. Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of the qualifying assets, if any, are capitalized as a part of cost of such asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

K. Income Tax

Tax expense comprises both current and deferred taxes. Current tax is provided for on the taxable profits of the year at applicable tax rates. Deferred income taxes reflect the impact of timing differences between taxable income and accounting income for the year and reversal of timing difference of earlier years.

Deferred Tax is measured based on the tax rates and tax laws enacted or substantially enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that sufficient future taxable income will be available against which deferred tax assets can be realized. Unrecognized deferred tax assets of the earlier years are re-assessed and recognized to the extent it has become reasonably certain that future taxable income will be available against which such deferred tax assets can be realized.



Minimum Alternate Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

L. Earning Per Share

In determining earning per share, the company considers the net profits after tax and includes the post tax effects of any extra- ordinary items. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period.

For calculating diluted earnings per share, the number of shares comprise the weighted average shares considering for deriving basic earnings per share, and also the weighted average number of shares, if any which would have been used in the conversion of all dilutive potential equity shares.

M. Segment Reporting

Segments are identified in line with the Accounting Standard on Segment Reporting (AS-17) taking into account the organization structure as well as the differential risk and returns of the segments. The un-allocable items include income and expenses items which are not directly identifiable to any segment and therefore not allocated to any business segment.

N. Provision, Contingent Liabilities& Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is provable that there will be an out flow of resources. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the Financial Statements.

O. Cash & Cash Equivalents

Cash comprises cash on hand and demand deposit with bank. Cash equivalents are short term balances (with an original maturity of three months or less from the date acquisition) highly liquid investments that are readily convertible into known amounts of cash which are subject to insignificant risk of changes value.



NOTE: 25 Corporate Information

The Company has rich experience in procurement and distribution of Mobile Handsets of various brands. NexG Devices Private Limited (NDPL) has distribution arrangement with these brands for distribution and marketing of handsets in the Indian markets. The Company has marketing offices and warehouses located at various cities in India and over a period of time it has established a nationwide network to handle the distribution business all over India.

With the launch of 4G services , mainly for Reliance Jio, this market is going to expand manifold and will have more opportunities for the company, having a strong presence with warehouses across the country . Company is currently doing business with Gionee and Comio mobile brands to distribute mobile handset to LFRs(Large Format Retail outlets)across the country

Company is in the process of further tie-up with renowned brands by leveraging its logistics, warehousing & distribution expertise across the country.

26. Contingent Liability not provided for:

Particulars	As at 31-03-2019	As at 31-03-2018
Contingent Liabilities		
i) Guarantees issued by Banks	1,50,00,000	2,00,00,000
ii) Letter of Credit issued by Banks	4,64,08,238	-
iii) Claim against the Company not acknowledge as Debt	17,35,361	17,35,361
iv) Sales Tax Authorities	83,490	83,490
Total	6,32,27,089	2,18,18,851

- The Company's pending litigations comprise of claims against the Company and proceedings pending with Tax Authorities / Statutory Authorities. The Company has reviewed all its pending litigations and proceedings and has made adequate provisions, wherever required and disclosed the contingent liabilities, wherever applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a material impact on its financial position
- The Company periodically reviews all its long term contracts to assess for any material foreseeable losses. Based on such review wherever applicable, the Company has made adequate provisions for these long term contracts in the books of account as required under any applicable laws/accounting standards.
- As at March 31, 2019 the Company did not have any outstanding long term derivative



27. On the basis of information to the extend available with company. There is no liability towards amount and interest payable to Micro Small and Medium Enterprises as March 31, 2019 (Previous year Nil). Hence, other disclosures pursuant to the provisions of Micro Small and Medium Enterprises Development Act, 2006 are not applicable to Company. Above information has been relied upon by the auditors.
28. In the opinion of the Board ,the value on realization of current assets , Investment, Loans and Advances in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet and the provision for all known and determined liabilities is adequate and not in excess of the amount reasonably required.
29. Balances of some of the trade receivables, Trade payables, Loan and advances are subject to confirmations from the respective parties and consequential reconciliations/adjustments arising there from, if any. The Management however doesn't except any material variances.
30. As at the year end, the accumulated losses exceed the paid up share capital and the net worth of the Company has been completely eroded. However, the management is confident of generating cash flows from business operations and is in process of taking all efforts including infusion of fresh funds.
31. The Company has issued 1,72,836 Zero% Compulsory Convertible Debentures (CCD's) of Rs.1000/- each fully paid up amounting to Rs.172,836,000 on dated 31.03.2014, which would be converted into equity shares after 9 years from the date of allotment. Each CCD of Rs. 1000 each will be convertible into 100 equity shares of Rs. 10 each of the Company.
32. The Company issued 10,00,000 Zero% Optionally Fully Convertible Debenture (CCD's) of Rs. 100 each for a period of 15 years. The CCDs will be compulsorily convertible into Equity Shares of the company at any point of time commencing after completion of 10 years from the date of allotment till the expiry of 15 years from the said date. Each CCD of Rs.100 each will be convertible into 10 equity shares of Rs.10 each of the Company.

33. Earnings Per Share [EPS]

The computation of Earnings per share is as under

Particulars	For the Year ended 31-03-2019	For the Year Ended 31-03-2018
Basic		
Profit/ (Loss) after tax (Rs)	6,98,85,396	16,617,275
Weighted average number of shares	9,780,000	9,780,000
Basic EPS (Rs.)	7.15	1.70
Diluted	6,98,85,396	16,617,275



Profit/ (Loss) after tax (Rs.)	3,70,63,600	3,70,63,600
Weighted average number of shares	1.89	0.45
Diluted EPS (Rs.)	10.00	10.00
Nominal value per share (Rs.)		

Note: For CCDs conversion ratio taken on the basis of Face Value of the shares.

34. Employee Benefits

The Company has adopted Accounting Standard 15 (Revised) "Employees Benefits prescribed by the Companies (Accounting Standard) Rules, 2006. During the Year, Company has recognized the following amounts in the financial statements.

a) Defined Contribution Plans

Particular	2018-19	2017-18
Employers Contribution to PF	6,09,261	5,21,422
Employers Contribution to ESI	NIL	17,133

b) Defined Benefits Plans

The Present value of Obligation is determined based on actuarial valuation using Project Unit Credit Method, which recognizes each period of services as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment is recognized in the same manner as gratuity.

a) Actuarial assumptions:

Particular	Gratuity	Leave Encashment
Discount Rate (per annum)	6.75 %	6.75%
Rate of increase in compensation levels	6.00%	6.00%

b) Table Showing changes in present value of obligations:

Particular	Gratuity	Leave Encashment
Present Value of obligation as at the beginning of the period	59,751 (4128)	1,59,692 (-)
Current Service cost	93,913 (59,119)	1,59,494 (1,59,692)



Interest cost	4,033 (289)	10,779 (-)
Actuarial (Gain)/Losses	(8965) (-3785)	16,147 (-)
Benefits payments	- (-)	(1,00,961) (-)
Present Value of obligation as at the end of the period	1,48,732 (59,751)	2,45,151 (159,692)

c) Amounts to be recognized in balance sheet:

Particular	Gratuity	Leave Encashment
Present value of the obligation at the end of the period	1,48,732 (59,751)	2,45,151 (-)
Fair value of plan assets at end of period	- (-)	- (-)
Net liability/(asset) recognized in Balance Sheet and related analysis	1,48,732 (59,751)	2,45,151 (1,59,692)
Funded Status	(1,48,732) (-59,751)	2,45,151 (-1,59,692)

d) Expenses recognized in Statement of Profit and Loss:

Particular	Gratuity	Leave Encashment
Interest Cost	4,033 (289)	10,779 (-)
Current service cost	93,913 (59,119)	1,59,494 (-)
Expected return on plan assets	- (-)	- (-)
Net Actuarial (gain)/ loss recognized in the period	(8,965) (-3,785)	16,147 (-)
Expenses/(Income) recognized in the statement of Profit and Loss	88,981 (55,623)	1,86,420 (-)



35. Business Segment

(a) Primary (Business) Segment

The Company is mainly engaged in the business of trading in mobile & accessories and related services. There are no reportable business segment taking into account all the factors, viz., the nature of product and services, identical risks and return, the organization structure and the internal financial reporting system.

(b) Secondary (Geographical) Segment

Considering that the Company caters mainly to the needs of Indian market and the export turnover is insignificant i.e. 0.54% (P.Y. 0.84%) for the year ended March 31st, 2019, there are no reportable geographical segments.

36. Related Party Disclosures

As required under Accounting Standard 18 on "Related Party Disclosures", the disclosure of transactions with related parties as defined in the Accounting Standard are given below:

(a) Name of Related parties and its relationship:

Name	Relationship
MN Ventures Private Limited (earlier Digivision Holding Private Limited)	Ultimate Holding Company
Media Matrix Worldwide Limited	Immediate Holding Company
DigiVive Services Private Limited	Fellow Subsidiary (Ceased w.e.f. 01.09.2018)
Media Matrix Enterprises Private Limited	Fellow Subsidiary
DigiCall Teleservices Private Limited	Fellow Subsidiary (till June 30, 2017)
DigiCall Global Services Private Limited	Fellow Subsidiary (till June 30, 2017)
Infotel Business Solutions Limited	Associate Company and Significant Influence
Mr. Sunil Batra (Managing Director)	Key Managerial Persons (KMPs)
In-Touch Infotech Services Private Limited	Significant Influence of KMP

Notes: 1. Related parties are disclosed with whom transactions have been carried out during the year.

Note: 2. Remuneration is paid by the Company to the Managing Director .

Particulars	31-Mar-2019	31-Mar-2018
Basic Salary	14,72,220	8,38,348
Other Allowance	7,19,913	4,19,177
Employer Contribution to Provident Fund	1,76,664	1,00,601
Total	23,68,797	13,58,126



(b) Transactions/outstanding balances with Related Parties:

Amount in (Rs.)

Particulars	Media Matrix Enterprises		Media Matrix Worldwide		Intouch Infotech Services		Infotel Business Solutions	
	Private Limited		Limited		Private Limited		Limited	
Relationship	Fellow Subsidiary		Holding Company		Significant Influence		Associate Company	
Nature of Transactions	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
Unsecured Borrowing	-	-	1728,36,000	1728,36,000	-	-	-	-
Loan Given	35,00,000	-	-	-	-	-	-	-
Interest Income	-	-	-	-	-	-	-	-
Loan Received	100,00,000	870,00,000	-	-	-	-	-	-
ZOFCDs Issued	-	1000,00,000	-	-	-	-	-	-
Interest Expense (Net of TDS)	1,68,635	3,46,280	-	-	-	13,01,917	-	-
Loan Repaid	112,00,000	858,00,000	-	-	-	-	-	-
Loan Taken	-	-	-	-	-	150,00,000	-	-
Business Support Service Received	-	-	-	-	-	-	-	-
Car Lease (Net of Taxes)	-	-	-	-	6,16,200	3,41,667	-	-
Professional Fees	-	-	-	-	-	23,50,000	17,40,000	21,85,837
Loan repaid	-	-	-	-	-	250,00,000	-	-
Purchase	-	-	-	-	-	-	-	1338,17,031
Sales	150,31,221	-	-	-	-	-	-	-
Closing balances								
Trade Receivables	158,95,138	-	-	-	-	-	-	-
Borrowings	1000,00,000	1012,00,000	1728,36,000	1728,36,000	-	-	-	-
Interest Receivable	-	-	-	-	-	-	-	-
Interest on Loan Payable	-	2,308	-	-	-	-	-	-
ST Loans & Advances	35,00,000	-	-	-	-	-	-	-
Trade Payable	-	-	1,29,600	-	1,92,792	3,96,334	2,86,200	-

37. Details of Sales and Purchase under broad heads

Particulars	Sales for the Year ended 31st March 2019	Purchase for the Year ended 31st March 2019	Sales for the Year ended 31st March 2018	Purchase for the Year ended 31st March 2018
	Rs.	Rs.	Rs.	Rs.
Sale of Products				
Mobile Handsets & routers, gadgets Etc.	8,37,75,09,317	8,29,39,78,476	605,46,15,697	572,70,89,868
Server	5,71,61,08,699	5,68,78,18,989	-	-
Total	14,09,36,18,016	13,98,17,97,465	6,10,23,88,526	5,83,04,48,288



38. Foreign Currency exposure

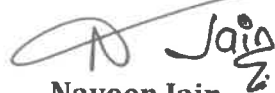
Particulars	2018-19	2017-18
	Rs.	Rs.
Earning in Foreign Currency	6,70,87,155	5,11,28,135
Total	6,70,87,155	5,11,28,135

39. The details of unhedged foreign currency exposure as at the year-end is as follows:

Particulars	2018-19		2017-18	
	USD	INR	USD	INR
Trade Receivable	-	-	38,864.99	25,64,079
Total	-	-	38,864.99	25,64,079

40. The Previous year's figures have been re-classified/re-grouped to confirm to current year's classification.

As per our report of even date attached
For Khandelwal Jain & Co.
Chartered Accountants
Firm Registration Number: 105049W




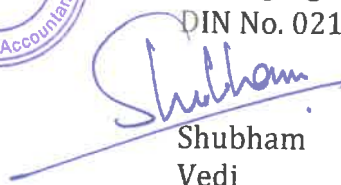
Naveen Jain
Partner
Membership No: 511596



For and on behalf of the Board


Sunil Batra
Managing Director
DIN No. 02188254


Sandeep Jairath
Director
DIN No. 05300460


Shubham
Vedi
Company Secretary
ACS: 36863

Place: New Delhi
Date: 20-05-2019