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EXPERIENTIALLY**

<p>Telecom Division</p> <p>International Roaming & Enhanced Communications</p> <p>ROAMI Telecom Limited</p>			<p>Virtual Events & Demand Gen. Division</p> <p> vReach™</p>
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**VIRTUALSOFT SYSTEMS LIMITED
ANNUAL REPORT 2017-2018**

Virtualsoft Systems Limited

BOARD OF DIRECTORS	Mr. Gokul Tandan	Managing Director
	Mr. Rajendra V. Kulkarni	Director
	Mr. S C Rajpal	Director
	Mrs. Ritu Tandon	Director
	Ms. Ashima Puri	Director
COMPANY SECRETARY	Ms. Ritika Ahuja	
CHIEF FINANCIAL OFFICER (CFO)	Mr. Athar Ahmad	
BANKERS	HDFC BANK LIMITED S-355, Panchshila Park. New Delhi-110 017.	
STATUTORY AUDITORS	Krishna Neeraj & Associates, Chartered Accountants, 54, Ground Floor, Rajendra Palce, New Delhi-110008	
REGISTERED OFFICE	S-101, Panchsheel Park,, New Delhi-110 017	
SHARE TRANSFER AGENT	Mas Services Ltd. T-34, Okhla Industrial Area, Phase-II, New Delhi-110020	

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NOTICE

Notice is hereby given that the Twenty Sixth Annual General Meeting of the Members of the Company will be held on Friday, September 28, 2018 at 9:00 a.m. at Ambica Palace, B-3/B, Near Main Market, Bhajanpura, Main Wazirabad Road, Delhi –110 053, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2018 and the Profit & Loss Account for the year ended as on that date and the Reports of Auditors and Directors thereon.
2. To re-appoint Mr. Gokul Tandan, Director who retires by rotation and being eligible, has offered himself for re-appointment.
3. To ratify the appointment of M/s Krishna Neeraj & Associates, Chartered Accountants as Auditors of the Company who has been appointed for a period of 5 years & to hold the office until the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

SPECIAL BUSINESS:

4. VSL EMPLOYEES STOCK OPTION SCHEME 2018

To consider and, if thought fit, to pass the following resolutions with or without modifications, as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 62 and all other applicable provisions, if any, of the Companies Act 2013, the Memorandum and Articles of Association of the Company, Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (the “SBEB Regulations”) (including any statutory modification(s) or re-enactment of the Act or the SBEB Regulations, for the time being in force) and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any Committee, including Nomination and Remuneration Committee, which may exercise its powers, including the powers conferred by this resolution), consent of the Company be and is hereby accorded to the Board to create, offer, issue and allot at any time to or for the benefit of such person(s) who are in the employment of the Company, including Directors of the Company whether whole time or otherwise whether working in India or out of India, excluding Independent Directors, under a Scheme titled “VSL EMPLOYEE STOCK OPTION SCHEME 2018” (hereinafter referred as the “ESOP Scheme, 2018” or “Scheme”), options exercisable into equity shares being not more than 10,00,000 equity shares of Rs.10 each of the Company at an exercise price of 25% discount on the Fair Market Value of Share or Nominal Value of shares, whichever is higher, on the date of Grant of Options under ESOP Scheme 2018, in one or more tranches and on such terms and conditions as may be fixed or determined by the Board/Committee in accordance with the provisions of the Companies Act 2013 or SBEB Regulations or other provisions of the laws as may be prevailing and applicable at that time, each option granted being exercisable for one equity share of the Company.”

“RESOLVED FURTHER THAT the Board be and is hereby authorised to issue and allot Equity shares upon exercise of such options from time to time in accordance with ESOP Scheme, 2018 and such equity shares shall rank pari passu in all respects with the existing Equity Shares of the Company.”

“RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issue, bonus issues, stock split, merger and sale of division and others, if any additional stock options are issued by the Board to the option grantees for the purpose of making a fair and reasonable adjustment to the options granted earlier, the above ceiling of 10,00,000 stock options shall be deemed to be increased/adjusted to the extent of such additional options issued”

“RESOLVED FURTHER THAT for the purpose of giving effect to any creation, offer, issue, allotment of equity shares, the Board/Committee be and is hereby authorized on behalf of the Company, to evolve, decide upon and bring in to effect the Scheme and make any modifications, changes, variations, alterations, or revisions in the said Scheme from time to time or to suspend, withdraw or revive the Scheme from time to time as may be specified by any statutory authority and to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit or necessary or desirable for such purpose and with power on behalf of the Company to settle any questions, difficulties, or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the members of the Company.”



RESOLVED FURTHER THAT The Employees shall not have right to receive any dividend or to vote or in any manner enjoy the benefits of a shareholder in respect of option granted to them, till shares are issued on exercise of option.

EXPLANATORY STATEMENT:

ITEM NO. 4

This is the first time the Company has approved Employee Stock Option Schemes i.e. ESOP 2018.

The Company has more than 50 employees and most of them have joined last two to three years. In order to attract and retain the talented employees, ESOP Scheme is considered to be one of the best tools.

Therefore, the Board of Directors in their Meeting held on August 14, 2018 had resolved to initiate a new ESOP Scheme. Under the proposed ESOP 2018 Scheme, it was proposed to issue 10,00,000 stock options to the eligible employees at an exercise price of a 25% discount on the Fair Market Value of Share or Nominal Value of shares, whichever is higher on the date of Grant of Options under ESOP Scheme 2018. The ESOP 2018 Scheme shall be implemented and administered directly by the Company and the Company shall conform to the accounting policies specified in Regulation 15 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

Explanation as per Rule 12 of Companies (Share Capital and Debentures) Rules, 2014:

The total number of stock options to be granted	10,00,000
Identification of classes of employees entitled to Participate in the ESOP Scheme	As per the Scheme
The appraisal process for determining the eligibility of employees to the ESOP Scheme	To be decided by the Nomination and Remuneration Committee
The requirements of vesting and period of vesting	As per the Scheme
The maximum period within which the option shall be vested	4 Years
The exercise period and process of exercise	25% less than the Fair Market Value of share or Nominal Value of shares, whichever is higher on the date of Grant.
The exercise period and process of exercise	As per Scheme
The lock-in period, if any	Three Years
The maximum number of options to be granted Per employee and in aggregate	3,00,000 and 10,00,000
The method which the company shall use to value its options	Fair Value Method
The conditions under which options vested in Employees lapse e.g. in case of termination of Employment for misconduct The specific time period within which the Employees shall exercise the vested options	As per the Scheme
In the event of a proposed termination of Employment or resignation of employee	As per the Scheme
A statement to the effect that the Company Shall comply with the applicable accounting Standards	The Company shall comply with the applicable accounting Standards



A copy of the Scheme is available at the Corporate Office of the Company for inspection by the members.

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

None of the Directors or Key Managerial Personnel or relatives of Directors and Key Managerial Persons are concerned or interested in this resolution.

Registered Office:

S-101, Panchsheel Park, New Delhi-110 017.

Dated: August 23, 2018

By Order of the Board of Directors

Gokul Tandan
Managing Director
Virtualsoft Systems Limited

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. The instrument of proxy should, however, be deposited at the Registered Office of the Company not less than 48 hours before the Meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday September 22, 2018 to Friday September 28, 2018 (both days inclusive).
4. Member are requested:
 - i. to kindly notify the change of address, if any to the Company/ the Registrar / Depository Participant.
 - ii. To bring their copy of the Annual Report,
 - iii. to deposit to duly completed attendance slip at the meeting
5. Electronic copy of the Notice of General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
6. Voting through electronic means
 - I. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014, the Company is pleased to offer e-Voting facility as an alternative mode of voting which will enable the Members to cast their votes electronically. Necessary arrangements have been made by the Company with National Securities Depository Limited (NSDL) to facilitate e-voting. E-voting is optional and members shall have the option to vote either through e-voting or in person at the general meeting.
 - II. The Members whose names appear in the Register of Members/list of Beneficial Owners as received from National Securities Depository (NSDL) on 21st September, 2018 are entitled to vote on the resolutions set forth in this Notice.



The Voting period will commence at 9.00 am on 25th September 2018 and will end at 5.00 pm on 27th September, 2018.

III. The instructions for members for voting electronically are as under:-

(A) In case of members receiving e-mail:.

- i) If you are holding shares in Demat form and had logged on to www.evotingindia.com and casted your vote earlier for EVSN of any Company, then your existing login id and password are to be used.
- ii) Log on to the e-voting website www.evoting.nsdl.com.
- iii) Click on "Shareholders" tab to cast your votes.
- iv) Now, select the Electronic Voting Sequence Number - "EVSN" along with "COMPANY NAME" from the drop down menu and click on "SUBMIT"
- v) Now, fill up the following details in the appropriate boxes:

	For Members holding shares in Demat Form	For Members holding shares in Physical Form
User ID	For NSDL: 8 Character DP ID followed by 8 Digits Client ID For CDSL: 16 digits beneficiary ID	Folio Number registered with the Company
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department when prompted by the system while e-voting (applicable for both demat shareholders as well as physical shareholders)	Same
DOB*#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.	Same
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.	Same

Members who have not updated their PAN with the Company/Depository Participants are requested to use the default number: RMCEV1234Z in the PAN field.

- # Please enter any one of the details in order to login. In case either of the details are not recorded with the depository please enter the value 30/05/2014 in the DOB column or the <Default Value> in the Dividend Bank details field.
- vi) After entering these details appropriately, click on "SUBMIT" tab.
- vii) Members holding shares in physical form will then reach directly the EVSN selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily

enter their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@ # \$ % & *). Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through NDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Kindly note that this changed password is to be also used by the Demat holders for voting for resolutions for the Company or any other Company on which they are eligible to vote, provided that Company opts for e-voting through NSDSL platform.

- viii) Click on the relevant EVSN on which you choose to vote.
- ix) On the voting page, you will see Resolution Description and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- x) Click on the "Resolutions File Link" if you wish to view the entire Resolutions. xi) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (B) In case of members receiving the physical copy of Notice of EGM [for members whose e-mail IDs are not registered with the company/ depository participant(s) or requesting physical copy]:
 - i. Initial password is provided as below at the bottom of the Attendance Slip for the AGM
 - ii. Please follow all steps from sl. no. (ii) to sl. no. (xii) above, to cast vote.
- (C) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to log on to [https:// www.evoting.nsd.com](https://www.evoting.nsd.com) and register themselves, link their account which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution in PDF format in the system for the scrutinizer to verify the vote.
- (D) The voting period begins at 9.00 am on 26th September 2018 and will end at 5.00 pm on 28th September 2018. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of September 23, 2018, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- (E) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evoting.nsd.com under help section or write an email to evoting@nsdl.co.in.
- IV. The Company has appointed Mr. Sanjeev Kumar Jha, Practicing Company Secretary holding CP No: 9870 as the Scrutinizer for conducting the e-voting process in fair and transparent manner.
- V. A copy of this notice has been placed on the website of the Company and the website of NSDL.
- 7. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 am to 5.00 pm) on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.

Registered Office:

S-101, Panchsheel Park, New Delhi-110 017.

Dated: August 23th, 2018

By Order of the Board of Directors

Gokul Tandan
Managing Director
Virtualsoft Systems Limited

DIRECTORS' REPORT

Dear Shareholders,

Your Directors take pleasure in presenting for your consideration and approval the Twenty Sixth Annual Report of Your Company for the financial year ended March 31, 2018.

1 Financial Result

PARTICULARS	(Rupees in Lacs)	
	Year Ended 31.03.2018	Year Ended 31.03.2017
1. Income from Operations		
a) Net Sales/ Income From Operations	101.40	110.65
b) Other Operating Income	6.31	0.46
Total Income (a+b)	107.71	111.11
2. Expenses		
a. Cost of Materials Consumed	-	-
b. Purchase of Stock In Trade	75.96	77.28
c. Change in the inventories of Finished Goods, Work in Progress and Stock in Trade	-	-
d. Depreciation & Amortisation expenses	1.94	3.68
e. Employee Benefit Expenses	44.20	64.35
f) Finance cost	0.36	4.94
g). Other expenditure	33.35	38.19
Total Expenses	155.81	188.44
3. Profit/(Loss) before Exceptional items and Extraordinary items and TAX (1-2)	(48.10)	(77.33)
4. Exceptional Items	-	-
5. Profit/(Loss) before Extraordinary Items and tax (3-4)	(48.10)	(77.33)
6. Extraordinary items		
7. Profit/(Loss) before Tax (5-6)	(48.10)	(77.33)
8. TAX Expenses		
Current Tax	-	-
Deferred Tax	-	-
Total Tax Expenses	-	-
9. Net Profit/(Loss) for the period (7-8)	(48.10)	(77.33)
10. Other Comprehensive income/(Loss)		
(a) items that will not be reclassified to profit and loss in subsequent period, net of tax	-	-
(b) Items that will be reclassified to profit and loss in subsequent period, net of tax	-	-
Other Comprehensive income/(Loss) for the period (Net of Tax Expense)	-	-
11. Total Comprehensive income for the period (9+10)	(48.10)	(77.33)
12. Paid-up equity share capital	1,029.76	1,029.76



13. Earnings Per Share before and after extraordinary Items (from Continuing Operations) (of Rs. 10/- each)		
(a) Basic (Rs.)	(0.47)	(0.75)
(b) Diluted (Rs.)	(0.47)	(0.75)

2. BUSINESS AND OPERATIONS OF THE COMPANY

1. BUSINESS AND OPERATIONS OF THE COMPANY

VirtualSoft-Co-creating, Integrating &Optimising World’s best & most innovative roaming, communications & collaboration platforms, Apps and solutions to provide consumers and enterprises an unbeatable communication & productivity experience.

Video Rich Broadband and 4G mobile networks – with 5G coming by the end of this decade - are revolutionizing the way we do business and run our lives.Virtual Soft through its vReach division offer outstanding digital broadband solutions. vReach uses technology developed inhouse and by our best-of–breed global partners to the advantage of large enterprises, associations and media companies as well as their customers and consumers. Broadband network& application solutions offer a convergence of voice, data and video that can be used for your enterprise – by creating and leveraging business function specific virtual events – both live & on-demand, and also by embedding contextual communication & video functionality into key enterprise processes , greatly enhancing the user experience and their productivity impact. This is ideally done through an annual engagement contract with VirtualSoft.

A proprietary system called v Code guarantees clarity and seamless delivery of audio, video and multimedia files across both narrowband and broadband networks.

Virtual Soft has developed a world-class Enterprise Communication Platform called vReach that utilizes existing corporate computing and communications infrastructure to make real-time business meeting and events more cost-effective and convenient by reducing travel and extending reach to globally dispersed customers, partners, and co-workers over low and high bandwidth connections through a simple browser interface.

VirtualSoft'svReach division also offers Rich Media content creation and migration services using proprietary technology and business methods. Over the last many years VirtualSoft has created near video on-demand content synchronized with Power point slides and other interactive mechanisms for leading conference organizers like CII, FICCI,Nasscom, Exhibitions India, Invest India and Sugar Technologists' Association of India and for leading enterprises such as SAP,IBM, India Today, Gangaram Hospital, JamiaMilliaIslamia University and Indian Federation of Neuro Rehabilitation (IFNR)

We has created over 12,000 hours of such content for over 600 different conferences and training events. This content is available in CD/DVD form as well as on knowledge on-demand servers accessible over the intranet and/or internet.

vReach has also created a Demand Generation Practice where it uses its own and third party platforms, in-house multi-media content development, social media – web and telemarketing to create customized channel training & development, sales enablement and customer engagement programs mainly for Business to Business brands, in the Technology space.

In the year under Review, we continued making progress on both the Digital Demand Generation and Telecom initiatives that were launched in the past few years.

In Demand Generation, we continued to strengthen the strategic partnership for India and APAC with 6Connex Inc. (www.6Connex.com) – a California based global leader in Virtual Experience & Virtual Destination based business solutions. Supplementing 6Connex's latest Version 7 Technology/ Platform with our own domain competence, technology, processes and goto market ecosystem, Virtual Soft is poised launched a range of next generation Virtual Experience based events for demand generation, customer engagement, collaboration, learning and knowledge management. This will build on the work done in the past few years for brands like CNBC/ Web 18, Cisco, Oracle, and Intel – both at the India & APAC level.

The Telecom Division launched for global roaming solutions and services under “Roam1” brand (www.roam1.com), in FY 2010-11. The global roaming business portfolio was hived off into a subsidiary Roam 1 Telecom Ltd during FY 13-14, we continue to make significant progress in terms of innovative and unique product introductions and plans as well as gaining market share and acceptance – both from end –customers and channel partners.

Our key offerings in Roam 1 Telecom Ltd, are based on Global or Regional (e.g Europe) Single Sim Product or Platform , that contains multiple IMSI Profiles or local country specific numbers – anywhere from 3 to 12 in ONE SIM that provides low cost Voice and data services when the subscriber travels overseas. This SIM provides Free Incoming in over 60 countries and provides low cost Call Back to India. This is offered through both prepaid and post-paid plans. The billing is in real time and is visible instantly on the web which ensures that there is no room for over billing. The customer gets to retain the card and can publish the number as his permanent International Number on his business card and stationary etc. This way every time the customer goes abroad, he adds talk time on his card which makes repeat business very easy for us. The Global Single SIM Product is supported by a wide array of country and continent specific products and plans for voice and data.

Roam1 launched the Konnect VOIP Dialling App on a pilot basis for International Roamers, in the last fiscal, which has met with success, with hundreds of paid users successfully using this App every month. This App was enhanced in the year under review with the goal of launching this to a wider section of users in India, post getting certain regulatory approvals. and overseas.

VirtualSoft thus develops, integrates, optimizes and deploys the technologies of the day to provide the infrastructure, application platforms and Apps needed for rich and enhanced communications & international roaming services for enterprises and consumers – as well as for creating collaborative virtual business solutions for sales, customer engagement, training and knowledge management.

In the year under Review, with an intent to synergise the two divisions at a corporate level, the C2E3 Initiative was strengthened. C2E3 stands for Connect Communicate Engage Experientially and Cost – Effectively and provides a bridge for the Telecom & Roam 1 Division to collaborate with the Virtual Events

and Demand Gen Division in technology & product development, marketing and large partner and account development. This will create unique cross developed product offerings, solutions and services in the enhanced communications and collaboration space – including for and based on web and video conferencing, cloud telephony& unified communications, Rich Communication Services (RCS) , connected device life-cycle management solutions and will facilitate more sales yield from our sales teams & goto market partners. VirtualSoft now intends strengthening its Systems and Solutions Integration capability in this area , including the capability to offer Mobile First, On -Premises and and integrated/blended C2E3 and digital transformation solutions to both Large Enterprises and SMEs – directly and through Business Partners. The company is also examining setting up an incubator / accelerator in domains of expertise, interest and future growth

With the foundation in Enterprise Broadband solutions, Telecom and Roaming Solutions and now the C2E2 Initiative – all of which are being enhanced for major scale up, the Company now expects significant growth in both revenues and profitability in the years to come.

3. DIVIDEND

Your Directors do not recommend a dividend due to loss incurred for the current financial year.

4. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

The provisions of Section 125(2) of the Companies Act, 2013 do not apply pertaining to this financial year as there was no dividend declared and paid last year.

5. MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

No material changes and commitments affecting the financial position of the Company occurred between the ends of the financial year to which this financial statement relate on the date of this report

6. STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY

The Company has devised and implemented a mechanism for risk management and has developed a Risk Management Policy. The Policy provides for

constitution of a Risk Committee, which will work towards creating a Risk Register, identifying internal and external risks and implementing risk mitigation steps. The Committee will provide status updates to the Board of Directors of the Company.

7. DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable.

8. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

There were no loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 during the year under review and hence the said provision is not applicable.

9. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

No fresh Contracts or Arrangements was made with related parties pursuant to Section 188 except those continuing which were approved earlier by shareholders. Notes to Accounts on the transactions with related parties are self explanatory.

10. STATUTORY AUDITORS

M/s. Krishna Neeraj & Associates, Chartered Accountants, Auditors of the Company has been appointed for a period of 5 years. His appointment is to be ratified at the ensuing Annual General Meeting. The Board proposes his ratification.

11. SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors has appointed Mr Sanjeev Kumar Jha from SJK & Co., practicing Company Secretary for conducting secretarial audit of the Company for the financial year 2017-18. The Secretarial Audit Report is annexed herewith as Annexure A.

The Secretarial Audit report does not contain any qualification, reservation or adverse remark.

12. INTERNAL AUDIT

Pursuant to the provisions of the Companies Act, 2013,

the Board of Directors has appointed CA Jyoti Kumar from Jyoti Kumar & Co., Chartered Accountant for conducting secretarial audit of the Company for the financial year 2017-2018.

13. EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND THE PRACTICING COMPANY SECRETARY IN THEIR REPORTS

There was no qualifications, reservations or adverse remarks made by the either by the Auditors or by the Practicing Company Secretary in their respective reports.

14. COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES

The company has a policy in place which will be provided upon request. In terms of Section 136 of the Act, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the policy which is available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary in this regard.

15. ANNUAL RETURN

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and administration) Rules, 2014 is furnished in Annexure B and is attached to this Report.

16. NUMBER OF BOARD MEETINGS & THEIR COMMITTEES CONDUCTED DURING THE YEAR UNDER REVIEW

The Company had FOUR (4) Board meetings during the financial year under review. The details are mentioned elsewhere in the Corporate Governance Report.

17. DIRECTORS

Mr. Gokul Tandan retires by rotation at the ensuing Annual General Meeting of the Company and being eligible offer themselves for reappointment. The Board of Directors is duly constituted.

18. DECLARATION OF INDEPENDENT DIRECTORS

The Independent Directors have submitted their

disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules.

19. DEPOSITS

The Company has not accepted deposits from the public for the year under consideration.

20. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The details of financial performance of Subsidiary/ Joint Venture/Associate Company is furnished in Annexure C. and attached to this report.

21. CAPITAL MARKET DEVELOPMENTS

As on date, 94.78% of Shares are in Demat form and are listed on various stock exchanges. The Company has, from time to time, reminded the shareholders/ investor, holding the Shares in Physical form to convert their Shareholding to dematerialized form.

22. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO

(a) Details of Conservation of Energy

The Company uses electric energy for its equipment such as air-conditioners, computer terminals, lighting and utilities in the work premises.

Steps taken or impact on conservation of energy:
All possible measures have been taken to conserve energy

By identifying potential areas for saving;

By incorporating energy efficient equipment;

By automation.

Steps taken by the company for utilizing alternate sources of energy: Nil

Capital Investment on energy conservation equipments: Nil

(b) Technology Absorption

1. Efforts in brief made towards technology absorption, adaptation and innovation:

These are adapted, wherever necessary, to local conditions.

2. Benefits derived as a result of the above efforts:

New product development, productivity and quality improvements, enhanced safety and environmental protection measures and conservation of energy.

3. Technology Imported: NIL

4. Expenditure on R&D: NIL

C. Foreign Exchange earnings and outgo

The information in this regard is provided in Note no. 31 of the Accounts. There had been no foreign exchanges earnings, during the year.

23. DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submit its responsibility Statement:—

(a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

(c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) the directors had prepared the annual accounts on a going concern basis; and

(e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

Internal financial control means the policies and procedures adopted by the Company for ensuring the orderly and efficient conduct of its business including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information.

(f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.



24. DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE AND PROVIDING VIGIL MECHANISM

The composition of committees has been detailed in Corporate Governance Report part of this Report.

The Company has established a vigil mechanism and oversees through the committee, the genuine concerns expressed by the employees and other Directors. The Company has also provided adequate

Place : New Delhi
Date : August 14, 2018

Mr. Gokul Tandan
Managing Director

Mr. R.V.Kulkarni
Director

Corporate Governance Report

Corporate Governance is about commitment to values and about ethical business conduct. Its about how an organization is managed. This includes its Corporate Structure, its culture, policies and manner in which it deals with various stakeholders. Accordingly timely and accurate disclosure of information regarding the financial situation, performance, ownership and governance of the Company is an important part of Corporate Governance. This improves public understanding of the structure, activities and policies of the Organization. Consequently the Organization is able to attract investors, and to enhance the trust and confidence of the stakeholders.

Your Company believes that sound Corporate Governance is critical to enhance and retain investor trust. Accordingly, your Company always seeks to attain its performance rules with integrity. The Board extends its fiduciary responsibilities in the widest sense of the term. Your Company's endeavors to enhance long – term shareholder value and respect minority rights in all our business decisions.

1. VSL Philosophy on Corporate Governance

- i Satisfy the spirit of law and not just the letter of the law. Corporate Governance standards should go beyond the law.
- 1 Be transparent and maintain high degree of disclosures levels. When in doubt, disclose.
- 2 Make a clear distinction between personal Conveniences and corporate resources.

- 1 Communicate externally, in a truthful manner, about how the Company is run internally.
- 2 Have a simple and transparent corporate structure driven solely by the business needs.
- 3 Management is the trustee of the shareholder's capital and not the owner.

2. Board of Directors

At the core of its Corporate Governance practice is the Board, which oversees how the management serves and protects the long-term interests of all the stakeholders of the Company. Your Company believes that an active, well – Informed and independent Board is necessary to ensure the highest standards of Corporate Governance. Two directors are independent Directors.

During the Financial Year ended 31st March 2018, Four Board Meetings were held on 30.05.17, 14.08.17, 14.11.17 & 14.02.18,

The Last Annual General Meeting was held on 29th September 2018.

The Composition of the Board, attendance of Directors at the Board Meetings held during the year under review as well as in the last Annual General Meeting and the number of other Directorships / Committee positions held by them are as under:



S. No.	Name & Designation	Category	No. Of other Directorships held	No of Board meetings		Attended last AGM (29.09.2017)
				Held	Attended	
1.	Mr. Gokul Tandan	MD	7	4	4	Yes
2.	Mr. Rajendra V. Kulkarni	D	9	4	4	Yes
3.	Mr. Suresh Rajpal	NEID	8	4	4	No
4.	Ms. Ritu Tnadon	WD	4	4	4	No
5.	Ms. Ashima Puri	NEID	0	4	4	No

(MD- Managing Director, D - Director, NEID - Non-Executive Independent Director, WD-Woman Director)

Directorship / Committee Positions

S. No.	Name of the Director	Directorships	Committees Positions Name of the Company	Committee	Position
1.	Mr. Gokul Tandan	9	1. M/s. Goto Customers Services Pvt. Ltd. 2. M/s. Virtual Software & Training Pvt.Ltd. 3. M/s. Foundation Technologies Pvt. Ltd. 4. M/s. Roam1 Telecom Ltd. 5. M/s. Vreach Solutions Pvt. Ltd. 6. M/s Enhanced Communications & Technologies Pvt Ltd 7. M/s Vemanya Design Worx Pvt Ltd 8. M/s Cloudconnect Communications Pvt Ltd 9. M/s Pawsome Pet Services LLP		Director Director Director Director Director Director Director Designated Partner
2.	Mr.Rajendra V. Kulkarni	11	1. M/s M R Capital Pvt. Ltd. 2. M/s. Vijay Stampings Pvt. Ltd. 3. M/s. Prime Valves India Ltd. 4. M/s. Marble Arch Estate Pvt. Ltd 5. M/s. Veerana Estate Pvt. Ltd. 6. M/s. Foundation Technologies (Pvt.) Ltd. 7. M/s. Virtual Software & Training (P). Ltd. 8. M/s. Roan1 Telecom. Ltd. 9 M/s. Office Zone Products Pvt. Ltd. 10. M/s Cloudconnect Communications Pvt Ltd 11. M/s BLUE LILY FIST TRADING LLP		Director Director Director Director Director Director Director Director Director Designated Partner
3.	Mr. Suresh Rajpal	8	1. M/s. Vishnova Solution Pvt. Ltd. 2. M/s Gisil Design Pvt.Ltd. 3. M/s. Electronic Tender.Com(India) Pvt.Ltd 4. M/s. Inde Pay networksPvt.Ltd. 5. M/s MobiRel Technology Services India Pvt. Ltd. 6. M/s. Visnova InteractivePvt.Ltd. 7. M/s. Inde Livelihood Foundation 8. M/s. Fakebuster India Pvt.Ltd.		Director Director Director Director Director Director Director Director
4.	Ms. Ritu Tandon	4	1..M/s. Foundation Technologies Pvt.Ltd. 2.M/s. Vreach Solutions Pvt. Ltd. 3.M/s. Vemanya Design Worx Pvt. Ltd. 4. M/s. Roam1 Telecom Ltd.		Director Director Director Director

None of the Directors on the Board hold Directorships in more than fifteen Companies and hold memberships in more than ten Committees and they do not act as Chairman of more than five Committees across all the Companies in which they are Directors.

2.1 Information Placed before the Board

Minutes of Audit Committee Meetings, Nomination & Remuneration Committee, Stakeholder Relationship Committee, Risk Management Committee Meetings.

- Recruitment and Remuneration of senior executives below the board level.
- Details of Joint Ventures / Collaboration Agreement.
- Disclosure of material related party transaction, if any
- Compliance with Regulatory and statutory requirements including listing requirements & Shareholders services.
- Details of show cause, demand, prosecution and penalty notices which are materially important
- Transactions involving substantial payments towards goodwill, brand equity or intellectual Property.
- Sale of material nature of investments, subsidiaries and assets, which are outside the normal course of business.

3. Committees of the Board

In terms of the SEBI code, the Board of the Company has constituted the Following Committees:

3.1 Audit Committee

Share Transfer and Investors Grievance Committee.

3.1 Audit Committee

The following are the members and their attendance at the committee meetings:-

S.No.	Name of Directors	Status	No. of meetings	
			Held	Attended
1.	Mr. Suresh Rajpal	Member	4	4
2.	Mr. Rajendra V Kulkarni	Member	4	4
3.	Ms. Ashima Puri	Chairperson	4	4

The broad terms of references of Audit Committee are as follows:

- Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending the appointment / re- appointment of external and internal auditors, tax auditors, fixation of statutory audit fees, internal audit fees and tax audit fees and also approval for payment of any other services.
- Review and management the annual financial statements before submission to the Board.
- Review quarterly UN – audited /audited financial results, half yearly review report.
- Review with Management, external and internal auditors the adequacy of internal control system.
- Review the adequacy of internal audit program me, internal audit reports; follow up reports and guidelines prepared for internal audit.
- To do any internal investigations either departmentally or with the help of internal auditors or any other outside agency into matters where they are suspected fraud or irregularities.
- Discussion with external Auditors before the Audit commences about nature and scope of audit as well as have post audit discussion to ascertain any area of concern.
- Review the Company's financial and Risk management policies.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders and creditors.

3.2. Stakeholder Relationship Committee

The STIG Committee consists of two Directors chaired by NEID.

This Committee looks into transfer and transmission of Shares, issue of duplicate share certificates,

Consolidation and sub – division of shares and investors' grievance. This Committee particularly looks into Investors Grievances and oversees the performance of the in- house Share Department/ Share Transfer Agents and to ensure prompt and

Efficient investors' services. The Committee met Four times during the year. The following are the members and their attendance at the Committee Meetings:-

Name of Member	No. of meetings	
	Held	Attended
1. Mr. S C Rajpal	4	4
2. Ms. Ritu Tandon	4	4

4. General Body Meetings

Location and time where General Meetings held in the last 3 years is given below:

Year	AGM / EGM	LOCATION	DATE	TIME
2016 - 2017	AGM	Ambica Palace, B-3/B, Near Main Market, Bhajanpura, Main Wazirabad Road, Delhi – 110 053	29.09.2017	9.00 A.M.
2015 - 2016	AGM	Rama Krishna Banquets Hall, Near Main Market, Bhajanpura, Main Wazirabad Road, Delhi - 110 053	30.09.2016	9:00 A.M.
2014 - 2015	AGM	Rama Krishna Banquets Hall, Near Main Market, Bhajanpura, Main Wazirabad Road, Delhi - 110 053	30.09.2015	9:00 A.M.

At the ensuing AGM also there is no such resolution to be passed through Postal Ballot.

4. Disclosures on materially significant related party transactions with Promoters, Directors, Management, their Subsidiaries or Relatives etc., which may have potential conflict with the interest of the Company at large.

None of the materially significant transactions with any of the related parties were in conflict with the interest of the Company.

6. Non – compliance by Company, penalties, strictures imposed on the Company by Stock Exchanges / Securities and Exchange Board of India (SEBI) etc.

During the last three years, there were no strictures or penalties or penalties imposed by either SEBI or the Stock Exchanges or any Statutory Authority for non – compliance of any matter related to the Capital Markets.

7. Means of Communication

This is being done through Quarterly, half yearly and annual results, which are being published in English and Hindi daily newspapers

8. General Shareholders Information:

Detailed information in this regard provided in the shareholder information section forms part of this Annual Report.

9. Compliance Certificate

The Company Secretary have certified that the Company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the Listing Agreement with the Stock Exchanges and the same is annexed to The Director's Report.

The Certificate form the Statutory Auditors will be sent to the Listed Stock Exchanges along with the Annual Return of The Company.



SHAREHOLDERS INFORMATION

Registered Office : S-101, Panchsheel Park, New Delhi-110 017
Corporate Office : A-69, Okhla Industrial Area Phase-II, New Delhi-110020
Annual General Meeting : Date & Time: 28th September, 2018 at 9:00 A .M.
Venue : Ambika Palace, B-3/B, Near Main Market,
Bhajanpura, Main Wazirabad Road, Delhi –110 053

Financial Calendar:

-Financial reporting for the quarter ending June 30. 2018 : 14th August 2018
-Financial reporting for the quarter ending Sep 30. 2018 : 14th November 2018
-Financial reporting for the quarter ending Dec 31. 2018 : 14th February 2018
-Financial reporting for the Year ending March 31. 2019 : 30th May 2019

Date of Book Closures: September 22, 2018 to September 28, 2018, both days inclusive.

Listing on Stock Exchanges:

The Equity Shares of the Company are listed on the Stock Exchange at Bombay Stock Exchange.



Statement Showing Shareholding Pattern

Category code	Category of Shareholder	Number of Shareholders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
					As a percentage of (A+B) ¹ (VI)	As a percentage of (A+B+C) (VII)	Number of shares (VIII)	As a percentage (IX)= (VIII)/(IV)*100
(I)	(II)	(III)	(IV)	(V)				
(A)	Shareholding of Promoter and Promoter Group ²							
1	Indian							
(a)	Individuals/ Hindu Undivided Family	3	3040083	3040083	29.522	29.522	0	0.00
(b)	Central Government/ State Government(s)				0.00	0.00		0.00
(c)	Bodies Corporate	2	4280000	4280000	41.563	41.563	0	0.00
(d)	Financial Institutions/ Banks				0.00	0.00		0.00
(e)	Any Others(Specify)				0.00	0.00		0.00
(e-i)					0.00	0.00		0.00
(e-ii)					0.00	0.00		0.00
	Sub Total(A)(1)	5	7320083	7320083	71.0853	71.0853	0	0.00
2	Foreign							0.00
a	"Individuals (Non-Residents Individuals /Foreign Individuals)"			0.00	0.00		0.00	0.00
b	Bodies Corporate				0.00	0.00		0.00
c	Institutions				0.00	0.00		0.00
d	Any Others(Specify)				0.00	0.00		0.00
d-i					0.00	0.00		0.00
d-ii					0.00	0.00		0.00
	Sub Total(A)(2)	0	0	0	0.00	0.00	0	0.00
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	4	7320083	7320083	71.0853	71.0853	0	0.00
(B)	Public shareholding							0.00
1	Institutions							0.00
(a)	Mutual Funds/ UTI				0.00	0.00		0.00
(b)	Financial Institutions / Banks				0.49	0.49	N.A.	0.00
(c)	Central Government/ State Government(s)	1	50000	50000	0.00	0.00		0.00
(d)	Venture Capital Funds				0.00	0.00		0.00
(e)	Insurance Companies				0.00	0.00		0.00
(f)	Foreign Institutional Investors				0.00	0.00		0.00
(g)	Foreign Venture Capital Investors				0.00	0.00		0.00
(h)	Any Other (specify)				0.00	0.00		0.00
(h-i)					0.00	0.00		0.00
(h-ii)					0.00	0.00		0.00
	Sub-Total (B)(1)	1	50000	50000	0.49	0.49		0.00
B 2	Non-institutions							0.00
(a)	Bodies Corporate	37	79880	70480	0.78	0.78	N.A.	0
(b)	Individuals							0.00
I	Individuals -i. Individual shareholders holding nominal share capital up to Rs 1 lakh	2670	1036857	658301	10.07	10.07	N.A.	0
II	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	13	1640429	1640429	15.93	15.93	N.A.	0
(c)	Any Other (specify) (NRI)	50	156900	7100	1.52	1.52	N.A.	0
(c-i)	Any Other (Clearing Member)	6	13451	13451	0.18	0.13	N.A.	0
(c-ii)					0.00	0.00	0.00	0.00
	Sub-Total (B)(2)	2776	2927517	2389761	28.43	28.43		0.00
(B)	Total Public Shareholding (B)= (B)(1)+(B)(2)	2777	2977517	2135161	28.91	28.91		0.00
	TOTAL (A)+(B)	2781	10297600	9759844	100.00	100.00		0.00(C)
	Shares held by Custodians and against which Depository Receipts have been issued							0.00
1	Promoter and Promoter Group					0.00		0.00
2	Public					0.00		0.00
	Sub-Total (C)	0	0	0	0	0	0	0.00
	GRAND TOTAL (A)+(B)+(C)	2781	10297600	9759844		100.00	0	0.00



Status of Dematerialization as on March 31, 2018

PARTICULARS	NO. OF SHARES	% TO TOTAL CAPITAL
National Security Depository Limited	9230830	89.64%
Central Depository Services (India) Limited	529014	5.14%
TOTAL DEMATERIALIZED	9759844	94.78%
PHYSICAL	537756	5.22%
GRAND TOTAL	10297600	100%

CERTIFICATE ON CORPORATE GOVERNANCE CERTIFICATE

M/s VIRTUAL SOFT SYSTEMS LIMITED

1. We have examined the compliance of conditions of Corporate Governance by **M/s. VIRTUAL SOFT SYSTEMS LIMITED**. ('the Company') for the year ended 31st March, 2018 as stipulated in Clause 49 of the Listing Agreement of the said with various Stock Exchange (hereinafter referred to as "the agreement").
2. The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the Company.
3. In our opinion and based on our review and to the best of our information and according to the explanations given to us, we certify that the conditions of the Corporate Governance as stipulated I clause 49 of the agreement have been complied with in all material aspects of the Company.
4. As required by the Guidance note issued by the institute of Chartered Accountants of India, we have to state that as per the records maintained by the Share transfer and / Investor Grievance Committee, there was no investor except which are constrained by disputes and legal impediments.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For SJK & Co
Practicing Company Secretary
C P No. 9870

Place: New Delhi
Date: 23 Aug, 2018



Annexure A

(For the Financial Year ending on 31st March 2018)

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

To,

The Board of Directors

Virtualsoft Systems Ltd

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Virtualsoft Systems Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon. Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period ended on 31st March 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by Virtualsoft Systems Limited ("The Company") for the period ended on 31st March 2016 according to the provisions of:
 - I. The Companies Act, 2013 (the Act) and the Rules made thereunder;
 - II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
 - III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
 - V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company :-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - e. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - f. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
 - g. the Company has complied with the requirements under the Equity Listing Agreements entered into with BSE Limited, National Stock Exchange of India Limited; and
 - h. The Memorandum and Articles of Association.
- I have also examined compliance with the applicable clauses of the following:
- i) Secretarial Standards issued by The Institute of Company Secretaries of India.
 - ii) The Listing Agreements entered into by the Company with the BSE Limited.
- During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, Listing Agreements etc mentioned above.
2. I further report that the Company has, in my opinion, complied with the provisions of the Companies Act, 1956 and the Rules made under that Act and the provisions of Companies Act, 2013 as notified by Ministry of Corporate Affairs and the Memorandum and Articles of Association of the Company, with regard to:
 - a) maintenance of various statutory registers and documents and making necessary entries therein;
 - b) closure of the Register of Members.

- c) forms, returns, documents and resolutions required to be filed with the Registrar of Companies and the Central Government;
 - d) service of documents by the Company on its Members, Auditors and the Registrar of Companies;
 - e) notice of Board meetings and Committee meetings of Directors;
 - f) the meetings of Directors and Committees of Directors;
 - g) the Annual General Meeting held on 30th September 2015;
 - h) minutes of proceedings of General Meetings and of the Board and its Committee meetings;
 - i) approvals of the Members, the Board of Directors, the Committees of Directors and the government authorities, wherever required;
 - j) constitution of the Board of Directors / Committee(s) of Directors, appointment, retirement and reappointment of Directors including the Managing Director and Whole-time Directors;
 - k) payment of remuneration to Directors including the Managing Director and Whole-time Directors,
 - l) appointment and remuneration of Auditors and Cost Auditors;
 - m) transfers and transmissions of the Company's shares and issue and dispatch of duplicate certificates of shares;
 - n) declaration and payment of dividends;
 - o) transfer of certain amounts as required under the Act to the Investor Education and Protection Fund and uploading of details of unpaid and unclaimed dividends on the websites of the Company and the Ministry of Corporate Affairs;
 - p) borrowings and registration, modification and satisfaction of charges wherever applicable;
 - q) investment of the Company's funds including investments and loans to others;
 - r) form of balance sheet as prescribed under Part I, form of statement of profit and loss as prescribed under Part II and General Instructions for preparation of the same as prescribed in Schedule VI to the Act;
 - s) Directors' report;
 - t) contracts, common seal, registered office and publication of name of the Company; and
 - u) Generally, all other applicable provisions of the Act and the Rules made under the Act.
3. I further report that:
- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
 - Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
 - Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.
 - The Company has obtained all necessary approvals under the various provisions of the Act; and
 - There was no prosecution initiated and no fines or penalties were imposed during the year under review under the Act, SEBI Act, SCRA, Depositories Act, Listing Agreement and Rules, Regulations and Guidelines framed under these Acts against / on the Company, its Directors and Officers.
 - The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code of Business Conduct & Ethics for Directors and Management Personnel;
4. The Company has complied with the provisions of the Securities Contracts (Regulation) Act, 1956 and the Rules made under that Act, with regard to maintenance of minimum public shareholding.
 5. I further report that the Company has complied with the provisions of the Depositories Act, 1996 and the Byelaws framed thereunder by the Depositories with regard to dematerialization / rematerialisation of securities and



- reconciliation of records of dematerialized securities with all securities issued by the Company.
6. The Company has complied with the provisions of the FEMA, 1999 and the Rules and Regulations made under that Act to the extent applicable.
 7. I further report that:
 - a. the Company has complied with the requirements under the Equity Listing Agreements entered into with BSE Limited, National Stock Exchange of India Limited and Calcutta Stock Exchange Limited;
 - b. the Company has complied with the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 including the provisions with regard to disclosures and maintenance of records required under the said Regulations;
 - c. the Company has complied with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 including the provisions with regard to disclosures and maintenance of records required under the said Regulations;
 8. I further report that based on the information received and records maintained there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
 9. I further report that there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Place : New Delhi
Date : 24th August 2018

Sd/-
(Sanjeev Kumar Jha)
Company Secretary
FCS: 8690, CP No: 9870



Annexure -B

Form No. MGT-9

EXTRACT OF ANNUAL RETURN ON THE FINANCIAL YEAR ENDED ON 31st March 2018

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

I. REGISTRATION AND OTHER DETAILS:

i. CIN	L72200DL1992PLC047931
ii. Registration Date	10/03/1992
iii. Name of the Company	VIRTUALSOFT SYSTEMS LIMITED
iv. Category/Sub-Category of the Company	Co. Ltd by Share/ Indian Non Government company
v. Address of the Registered office and contact details	S-101, PANCHSHEEL PARK, NEW DELHI-110020 Ph: 011-4270191
vi. Whether listed company	Yes
vii. Name, Address and Contact details of Registrar and Transfer Agent, if any	Mas Services Pvt. Ltd. T-34, Okhla Industrial Area, Phase-II, New Delhi-110020 Ph: 011-26383145

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr.No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Software Development	72291	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address Of The Company	CIN/GLN	Holding/ Subsidiary /Associate	% of shares held	Applicable Section
1.	Roam1 Telecom Limited	U64100DL2011PLC222155	Subsidiary	51.62	-

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

i. Category-wise Share Holding

Category of Shareholders	No. of Shareholders	Total No. of Shares Demat	No. of Shares held in dematerialized from	Total shareholding as a % of total No. of shares		shares other-wise
				As a % of (A+B) ¹	As a % of (A+B+C)	
(A) Shareholding of Promoter and Promoter Group ²						
1 Indian						
(a) Individuals/ Hindu Undivided Family	3	3040083	3040083	29.522	29.522	0
(b) Central Government/ State Government(s)				0.00	0.00	
(c) Bodies Corporate	2	4280000	4280000	41.563	41.563	0
(d) Financial Institutions/ Banks				0.00	0.00	
(e) Any Others(Specify)				0.00	0.00	
(e-i)				0.00	0.00	
(e-ii)				0.00	0.00	
Sub Total(A)(1)	5	7320083	7320083	71.0853	71.0853	0
2 Foreign						
A Individuals (Non-Residents Individuals/ Foreign Individuals)				0.00	0.00	
B Bodies Corporate				0.00	0.00	
C Institutions				0.00	0.00	
D Any Others(Specify)				0.00	0.00	
d-i				0.00	0.00	
d-ii				0.00	0.00	
Sub Total(A)(2)	0	0	0	0.00	0.00	0
Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	5	7320083	7320083	71.0853	71.0853	0
(B) Public shareholding						
1 Institutions						
(a) Mutual Funds/ UTI				0.00	0.00	
(b) Financial Institutions / Banks	1	50000	50000	0.49	0.49	N.A.
(c) Central Government/ State Government(s)				0.00	0.00	
(d) Venture Capital Funds				0.00	0.00	
(e) Insurance Companies				0.00	0.00	
(f) Foreign Institutional Investors				0.00	0.00	
(g) Foreign Venture Capital Investors				0.00	0.00	
(h) Any Other (specify)				0.00	0.00	
(h-i)				0.00	0.00	
(h-ii)				0.00	0.00	
Sub-Total (B)(1)	1	50000	50000	0.49	0.49	



Virtualsoft Systems Limited

B 2 Non-institutions						
(a) Bodies Corporate	37	79880	70480	0.78	0.78	N.A.
(b) Individuals						
I Individuals -i. Individual share-holders holding nominal share capital up to Rs 1 lakh	2670	1036857	658301	10.07	10.07	N.A.
II ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	13	1640429	1640429	15.93	15.93	N.A.
(c) Any Other (specify) (NRI)	50	156900	7100	1.52	1.52	N.A.
(c-i) Any Other (Clearing Member)	6	13451	13451	0.18	0.13	N.A.
(c-ii)				0.00	0.00	
Sub-Total (B)(2)	2776	2927517	2389761	28.43	28.43	
(B) Total Public Shareholding (B)= (B)(1)+(B)(2)	2777	2977517	2135161	28.91	28.91	
TOTAL (A)+(B)	2781	10297600	9759844	100.00	100.00	
(C) Shares held by Custodians and against which Depository Receipts have been issued						
1 Promoter and Promoter Group					0.00	
2 Public					0.00	
Sub-Total (C)	0	0	0		0	0
GRAND TOTAL (A)+(B)+(C)	2781	10297600	9759844		100.00	0



ii. Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	% change in share holding during the year
1.	Mohini Tandan	346717		3.37	0	346717	3.37	0.00
2.	Gokul Tandan	2693366		26.16	0	2693366	26.16	0.00
3.	Virtual software &	4200000		40.79	0	4200000	40.79	0.00
4.	M R Capital Pvt Ltd	80000		0.78	0	80000	0.78	0.00
Total		7320083		71.08	0	7320083	71.08	0.00

iii. Change in Promoters' Shareholding (please specify, if there is no change)

Sr. no		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	-	-	-	-

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not paid		1,43,248,152		1,43,248,152
Total (i+ii+iii)		1,43,248,152	0	1,43,248,152

Change in Indebtedness during the financial year

- Addition	0			0
- Reduction		0		0
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount		1,62,198,152		1,62,198,152
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)		1,62,198,152	0	1,62,198,152



VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-
2.	Stock Option	-
3.	Sweat Equity	-
4.	Commission - as % of profit - others, specify...	-
5.	Others, please specify	-
6.	Total (A) Ceiling as per the Act	-

B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager
	Independent Directors	-
	· Fee for attending board committee meetings	-
	· Commission	-
	· Others, please specify	-
	Total (1)	-
	Other Non-Executive Directors	-
	· Fee for attending board committee meetings	-
	· Commission	-
	· Others, please specify	-
	Total (2)	-
	Total (B) = (1+2)	-
	Total Managerial Remuneration	-
	Overall Ceiling as per the Act	-



C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	Company Secretary	CFO	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income Tax Act-1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		228000	755832	983832
2.	Stock Option				
3.	Sweat Equity				
4.	Commission - as % of profit - others, specify...				
5.	Others, please specify				
6.	Total		228000	755832	983832

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the companies Act	Brief description	Details of Penalty Punishment/ Compounding fees imposed	Authority [RD /NCLT/Court]	Appeal made. If any (give details)
A. Company					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. Directors					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. Other Officers in Default					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-



CIN : L72200DL1992PLC047931

Virtualsoft Systems Limited

Annexure C

Financial Performance of Subsidiary, Joint Venture & Associate companies
Financials of Subsidiary company Roam1 Telecom Ltd;

Statement of Profit and Loss for the year ended 31 March, 2018

In Indian Rupees

Particulars	Note No.	For the year ended 31st March 2018	For the year ended 31st March 2017
I Revenue from operations	26	5,79,84,621	7,63,51,920
II Other income	27	5,78,257	59,498
III Total income (I+II)		5,85,62,878	7,64,11,418
IV Expenses			
(a) Cost of raw material consumed	28	-	-
(b) Purchase of stock in trade		2,94,38,871	4,51,66,832
(c) Changes in inventories of finished goods, stock in trade and work-in-progress	29	(16,94,049)	6,62,322
(e) Excise duty on sale of goods			
(f) Employee benefit expense	30	3,20,12,141	4,07,35,035
(g) Finance costs	31	50,53,542	78,03,032
(h) Depreciation and amortization expense	32	28,98,903	29,45,484
(i) Other expenses	33	2,50,32,641	4,23,49,095
Total expense		9,27,42,049	13,96,61,800
V Profit before exceptional items and tax (III-IV)		(3,41,79,171)	(6,32,50,383)
VI Exceptional items	34	-	-
VII Profit before tax (V+VI)		(3,41,79,171)	(6,32,50,383)
VIII Income tax expense			
(a) Current tax		-	-
(b) Deferred tax		-	-
Total tax expense		-	-
IX Profit for the year (VII-VIII)		(3,41,79,171)	(6,32,50,383)
X Other comprehensive income			
Items that will not be reclassified to profit or loss in subsequent periods:			
(i) Remeasurements of post-employment defined benefit obligations		(4,76,276)	-
(ii) Change in fair value of FVOCI equity instruments			
(iii) Income tax effect			
Other comprehensive income for the year, net of tax		(4,76,276)	-
XI Total comprehensive income for the year (IX+X)		(3,46,55,447)	(6,32,50,383)
XII Earnings per share in Rs.	42		
Basic earnings per equity share			
~ for Nominal Value of Share Rs.10/-		(18.04)	(42.17)
~ for Nominal Value of Share Rs.5/-		(9.02)	(21.09)
Diluted earnings per equity share			
~ for Nominal Value of Share Rs.10/-		(17.90)	(41.94)
~ for Nominal Value of Share Rs.5/-		(8.95)	(20.97)

Summary of significant Accounting policies 3

The accompanying notes are an integral part of the financial statements

In terms of our report of even date attached.

As per our report of even date
For **Krishna Neeraj & Associates**
Chartered Accountants
FRN: 023233N

For and on behalf of the Board of Directors

CA. Krishna K. Neeraj
Partner
Membership No.:506669

Gopal Tandon
Director
DIN: 00441563

Rajendra Virupaksha Kulkarni
Director
DIN: 00988255

Place : New Delhi
Date : 30-05-2018



CIN : L72200DL1992PLC047931

Virtualsoft Systems Limited

Balance Sheet as at 31 March, 2018

In Indian Rupees

Particulars	Note	As At 31st March 2018	As At 31st March 2017	As At 1st April 2016
A ASSETS				
(a) Property, plant and equipment	7	64,73,250	69,97,176	52,52,742
(b) Intangible assets	8	9,34,044	11,16,841	12,99,638
(c) Intangible assets under development	9	10,45,21,530	10,30,21,530	10,13,71,530
(e) Financial assets				
(i) Investments	10	-	-	-
(ii) Loans	11	26,87,624	32,79,359	29,31,062
(g) Other non-current assets		-	-	-
		11,46,16,448	11,44,14,906	11,08,54,972
Current assets				
(a) Inventories	12	49,36,959	32,42,910	39,05,232
(b) Financial assets				
(i) Trade receivables	13	71,55,115	78,86,869	1,13,70,677
(ii) Cash and cash equivalents	14	5,21,066	8,79,237	9,79,554
(iii) Other bank balances	15	-	1,60,000	-
(iv) Loans	11	24,86,965	20,38,709	28,99,982
(c) Other current assets	16	14,75,317	9,26,428	14,01,501
		1,65,75,421	1,51,34,153	2,05,56,946
TOTAL ASSETS		13,11,91,869	12,95,49,059	13,14,11,918
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	17	7,78,98,750	4,49,98,750	4,49,98,750
(b) Other equity	18	(5,18,51,010)	(9,61,55,562)	(3,29,05,180)
Total equity		2,60,47,740	(5,11,56,812)	1,20,93,570
LIABILITIES				
Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	19	6,82,17,945	14,32,55,755	7,71,38,732
(b) Provisions	20	11,02,681	19,30,553	6,94,027
		6,93,20,626	14,51,86,308	7,78,32,759
Current liabilities				
(a) Financial liabilities				
(i) Borrowings	21	80,26,304	92,81,345	1,44,99,158
(ii) Trade payables	22	66,76,697	68,10,925	95,05,172
(iii) Other financial liabilities	23	7,37,204	7,16,777	7,57,428
(b) Other current liabilities	24	1,93,41,791	1,85,19,689	1,65,82,081
(c) Provisions	20	10,41,506	1,90,827	1,41,750
(d) Current Tax Liabilities (Net)	25	-	-	-
		3,58,23,503	3,55,19,563	4,14,85,589
Total liabilities		10,51,44,129	18,07,05,871	11,93,18,348
TOTAL EQUITY AND LIABILITIES		13,11,91,869	12,95,49,059	13,14,11,918
Summary of Significant Accounting Policies	3			
The accompanying notes are an integral part of the financial statements				

In terms of our report of even date attached.

As per our report of even date
For **Krishna Neeraj & Associates**
Chartered Accountants
FRN: 023233N

For and on behalf of the Board of Directors

CA. Krishna K. Neeraj
Partner
Membership No.:506669

Gopal Tandon
Director
DIN: 00441563

Rajendra Virupaksha Kulkarni
Director
DIN: 00988255

Place : New Delhi
Date : 30-05-2018

STANDALONE FINANCIAL STATEMENT INDEPENDENT AUDITOR'S REPORT

To the Members of VirtualSoft Systems Limited

Report on the Standalone Financial Statements

We have audited the accompanying Standalone Financial Statements of Virtualsoft Systems Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Standalone Financial Statements").

Management's Responsibility for the Standalone 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 Standalone Financial Statements that give a true and fair view of the Financial Position, Financial Performance including Other Comprehensive Income, Cash Flows and the Statement of Changes in Equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Standalone Financial Statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing, issued by

the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Standalone Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Standalone Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Financial Statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Standalone Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, its Profit including Other Comprehensive Income, its Cash Flows and the Statement of Changes in Equity for the year ended on that date.

Emphasis of Matter

Attention is invited to Note No. 35 under Explanatory Notes to Financial Statements regarding compliance with 'Ind-AS 19 – Employee Benefits', the management is providing the provisions of gratuity and leave encashment as per management's policy until financial year 2017-18. Whereas under the said accounting standard, every company is required to made provisions for employee benefits on the basis of valuation done by an Actuary.

Attention is invited to Note No. 43 under Explanatory Notes to Financial Statements regarding the financial statements being prepared on a going concern basis, notwithstanding the fact that the company's net worth is eroded (Net Worth as on 31st March, 2018 is minus Rs. 9,80,00,627/-). These events cast significant doubt on the ability of the Company

to continue as a going concern.

Attention is invited to Note No. 46 under Explanatory Notes to Financial Statements regarding amortization of intangible assets. The company has not provided for amortization of CRM Software and Website under development.

Our opinion is not modified in respect of these matters

Other Matters

The comparative financial information of the Company for the year ended March 31, 2017 prepared in accordance with Indian Accounting Standards, included in these Standalone Financial Statements, have been audited by the predecessor auditors. The report of the predecessor auditors on the comparative financial information dated 30-May-2017 expressed an unmodified opinion.

Report on Other Legal and Regulatory Requirements

1. 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', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) Except for the matter described in the Emphasis of Matter paragraph, In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
 - e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and

the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'.

- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. Following are the instances of delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Company:

Year	Amount(Rs)
1997-1998	43850
1996-1997	27390

For **KRISHNA NEERAJ & ASSOCIATES**
Chartered Accountants
FRN: 023233N

CA. Krishna K. Neeraj
Partner
Membership No. 506669

New Delhi
30th May, 2018

The Annexure referred to in Our Independent Auditor's Report on the standalone financial statements for the year ended 31st March 2018

We report that:

- i. In respect of fixed assets
 - a. The company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
 - b. As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
 - c. According to the information and explanations given to us, point (c) is not applicable as the company does not have any immovable properties.
- ii. In respect of its Inventories:
 - a) As informed and represented to us, there were no inventories lying with the company which were required to be physically verified during the year by the management at reasonable intervals.
 - b) As the company does not have inventory, point (b) is not applicable.
- iii. In respect of loans granted by the company:
 - a) The company has not granted any loans, secured or unsecured to Companies firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
 - b) Accordingly, para (iii)(b) and para 3(iii) (c) of the order is not applicable to the Company in respect of repayment of the principal amount and interest.
- iv. In our opinion and according to the information and explanations given to us, the company has complied with provisions of section 185 and 186 of the Companies Act, 2013 with respect to respect of loans and investments made.
- v. In our opinion and according to the information and explanations given to us, The company has not accepted any deposits from the public during the year. Therefore, the provisions of sections 73 to 76 of the Companies Act, 2013 and the rules framed thereunder are not applicable to the Company.
- vi. We have been informed by the management that no cost records have been prescribed by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for any of the products sold or services rendered by the company.
- vii. According to the information and explanations given to us and on the basis of books of accounts, the company is not regular in depositing undisputed statutory dues including Service Tax, Goods and Service Tax, Income Tax, and other material statutory dues as applicable with appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Income Tax, Sales Tax, Service Tax, Goods and Service tax, and Excise Duty were outstanding as on 31st of March, 2018 for a period of more than six months from the date they became payable.

According to the information and explanations given to us, there is no amount payable in respect of income tax, service tax, sales tax, goods and service tax, customs duty, excise duty, value added tax and cess whichever applicable, which have not been deposited on account of any dispute as at March 31, 2018.
- viii. In our opinion and according to the information and explanations given by the management, the Company has not taken any loans from financial institutions or banks so there is no default in repayment of dues to financial institutions or banks or bond holders.
- ix. According to the information and explanations given to us, we report that no fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year.
- x. Based on our audit procedures and according to the information given by the management, the money raised by way of initial public offer or further public offer (including debt instruments) and term loans have been applied for the purpose for which they were obtained
- xi. According to the information and explanations given to us and based on our examination of records of the company, The company has not paid/provided for managerial remuneration in the financial year under consideration.
- xii. According to the information and explanations given to us, The company is not a Nidhi Company. Therefore clause xii) of the order is not applicable to the company
- xiii. According to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc. as required

by the applicable accounting standards.

- xiv. In our opinion and according to information and explanations given to us and based on our examination of the records, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- xv. In our opinion and according to information and explanations given to us, the company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, para 3(xv) of the order is not applicable.
- xvi. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **KRISHNA NEERAJ & ASSOCIATES**
Chartered Accountants
FRN: 023233N

CA. Krishna K. Neeraj
Partner
Membership No. 506669

New Delhi
30th May, 2018

Annexure- B to the Auditors' Report

Report on Internal Financial Controls Over Financial Reporting

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

We have audited the internal financial controls over financial reporting of Virtualsoft Systems Limited ("the Company") as of March 31, 2018 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 Controls 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 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.

Auditors' 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, issued by ICAI and deemed to be prescribed 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 the 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 was 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 controls 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 judgement, 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 Company's 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 that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
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, 2018, 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 **KRISHNA NEERAJ & ASSOCIATES**

Chartered Accountants
FRN: 023233N

CA. Krishna K. Neeraj
Partner
Membership No. 506669

New Delhi
30th May, 2018

Balance Sheet as at 31 March, 2018

In Indian Rupees

Particulars	Note	As At 31st March 2018	As At 31st March 2017	As At 1st April 2016
A				
I ASSETS				
Non-current assets				
(a) Property, plant and equipment	6	4,95,945	6,89,915	10,58,223
(b) Capital work in progress	7	45,11,334	45,11,334	45,11,334
(e) Financial assets				
(i) Investments	10	9,26,30,000	7,92,00,000	7,92,00,000
(ii) Loans	11	2,46,985	5,06,985	25,71,014
(f) Deferred Tax Assets (Net)	0	-	-	-
		9,78,84,264	8,49,08,234	8,73,40,571
II Current assets				
(a) Inventories	11	-	-	-
(b) Financial assets				
(i) Trade receivables	12	55,39,531	5,18,151	29,08,487
(ii) Cash and cash equivalents	13	13,66,710	18,70,599	8,05,839
(iii) Other bank balances	14	2,50,000	2,50,000	2,51,000
(iv) Loans	11	7,88,166	9,03,835	10,03,070
(v) Other Financial Assets	17	97,520	76,203	54,472
(c) Other current assets	16	39,39,773	21,06,810	31,92,941
		1,19,81,700	57,25,597	82,15,809
TOTAL ASSETS		10,98,65,964	9,06,33,831	9,55,56,380
EQUITY AND LIABILITIES				
III Equity				
(a) Equity share capital	17	10,29,76,000	10,29,76,000	10,29,76,000
(b) Other equity	18	(16,53,61,642)	(16,07,32,565)	(15,29,99,474)
Total equity		(6,23,85,642)	(5,77,56,565)	(5,00,23,474)
LIABILITIES				
IV Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	19	16,21,98,152	14,32,48,152	13,73,73,624
(b) Provisions	21	12,34,193	16,61,684	16,50,117
		16,34,32,345	14,49,09,836	13,90,23,741
V Current liabilities				
(a) Financial liabilities				
(i) Borrowings	0	-	-	-
(ii) Trade payables	22	53,91,363	4,93,251	8,98,976
(iii) Other financial liabilities	23	71,240	2,06,224	2,34,468
(b) Other current liabilities	24	32,71,249	27,81,086	54,22,669
(c) Provisions	21	85,409	-	-
		88,19,261	34,80,561	65,56,113
Total liabilities		17,22,51,606	14,83,90,397	14,55,79,854
TOTAL EQUITY AND LIABILITIES		10,98,65,964	9,06,33,831	9,55,56,380

Summary of Significant Accounting Policies 3

The accompanying notes are an integral part of the financial statements

In terms of our report of even date attached.

For **Krishna Neeraj & Associates**

Chartered Accountants

FRN: 023233N

CA. Krishna K. Neeraj

Partner

Membership number : 506669

New Delhi

30th May, 2018

Rajendra V. Kulkarni

Director

For and on behalf of the Board of Directors of VSL

Gokul Tandan

Managing Director

Ritika Ahuja

Company Secretary

Athar Ahmad

Chief Financial Officer



CIN : L72200DL1992PLC047931

Virtualsoft Systems Limited

Statement of Profit and Loss for the year ended 31 March, 2018

Particulars	Note No.	Figures at the end of Current Reporting Period	Figures at the end of Previous Reporting Period
I Revenue from operations	26	1,01,40,278	1,10,65,043
II Other income	27	6,31,263	45,517
III Total income (I+II)		1,07,71,541	1,11,10,560
IV Expenses			
(a) Purchase of services	28	75,96,718	77,27,563
(b) Employee benefit expense	30	44,19,754	64,35,182
(c) Finance costs	31	-	4,94,018
(d) Depreciation and amortization expense	32	1,93,970	3,68,307
(e) Other expenses	33	33,71,323	38,18,581
Total expense		1,55,81,765	1,88,43,651
V Profit before exceptional items and tax (III-IV)		(48,10,223)	(77,33,091)
VI Exceptional items	34	-	-
VII Profit before tax (V+VI)		(48,10,223)	(77,33,091)
VIII Income tax expense			
(a) Current tax		-	-
(b) Deferred tax		-	-
Total tax expense		-	-
IX Profit for the year (VII-VIII)		(48,10,223)	(77,33,091)
X Other comprehensive income			
Items that will not be reclassified to profit or loss in subsequent periods:			
(i) Remeasurements of post-employment defined benefit obligations		1,81,147	-
(ii) Change in fair value of FVOCI equity instruments		-	-
(iii) Income tax effect		-	-
Other comprehensive income for the year, net of tax		1,81,147	-
XI Total comprehensive income for the year (IX+X)		(46,29,076)	(77,33,091)
XII Earnings per share in Rs.	39		
Basic earnings per equity share		(0.47)	(0.75)
Diluted earnings per equity share		(0.47)	(0.75)
Summary of significant Accounting policies	3		
The accompanying notes are an integral part of the financial statements			

In terms of our report of even date attached.

For Krishna Neeraj & Associates
Chartered Accountants
FRN: 023233N

For and on behalf of the Board of Directors of VSL

CA. Krishna K. Neeraj
Partner
Membership number : 506669

Rajendra V. Kulkarni
Director

Gokul Tandan
Managing Director

Ritika Ahuja
Company Secretary

New Delhi
30th May, 2018

Athar Ahmad
Chief Financial Officer



Statement of changes in equity for the year ended 31st March 2018

A	Equity share capital	Note No.	Nos.	Rs. in Laks
	As at 1st April 2016		1,02,97,600	10,29,76,000
	Changes in equity share capital	17	-	-
	As at 31st March 2017		1,02,97,600	10,29,76,000
	Changes in equity share capital	17	-	-
	As at 31st March 2018		1,02,97,600	10,29,76,000

(B) Other equity

Particulars	Capital Reserve	Retained Earnings	FVOCI -Equity instruments	Total other equity
Balance as at 1st April 2016	20,00,000	(15,49,99,474)	-	(15,29,99,474)
Profit for the year	-	(77,33,091)	-	(77,33,091)
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	(77,33,091)	-	(77,33,091)
Issue of equity shares	-	-	-	-
Income/Deferred Tax relating to earlier years	-	-	-	-
Balance as at 31st March 2017	20,00,000	(16,27,32,565)	-	(16,07,32,565)
Balance as at 1st April 2017	20,00,000	(16,27,32,565)	-	(16,07,32,565)
Profit for the year	-	(48,10,223)	-	(48,10,223)
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	(48,10,223)	-	(48,10,223)
Equity Dividend including taxes thereon	-	-	-	-
Issue of equity shares	-	-	-	-
Balance as at 31st March 2018	20,00,000	(16,75,42,789)	-	(16,55,42,789)

In terms of our report of even date attached.

For **Krishna Neeraj & Associates**
Chartered Accountants
FRN: 023233N

CA. Krishna K. Neeraj
Partner
Membership number : 506669

New Delhi
30th May, 2018

Rajendra V. Kulkarni
Director

For and on behalf of the Board of Directors of VSL

Gokul Tandan
Managing Director

Athar Ahmad
Chief Financial Officer

Ritika Ahuja
Company Secretary



Cash Flow Statement for the year ended 31 March, 2018

Particulars	31 March 2018	31 March 2017
Cash flow from operating activities		
Profit after tax	(48,10,223)	(77,33,091)
Adjustment to reconcile profit before tax to net cash flows :		
Depreciation/amortization	1,93,970	3,68,307
(Profit)/Loss on sale of property, plant and equipment	-	-
Other comprehensive income	-	-
Deferred tax	-	-
Interest expense	-	4,94,018
Other non operating income	6,31,263	-
Operating profit before working capital changes	(39,84,990)	(68,70,766)
Movements in working capital:		
(Decrease)/increase in trade payables and other liabilities	52,53,291	(30,75,552)
(Decrease)/increase in short-term provisions	85,409	-
(Decrease)/increase liability for current tax	-	-
Decrease/(increase) in trade receivable	(50,21,380)	23,90,336
Decrease/(increase) in inventories	-	-
Decrease/(increase) in other bank balances	-	1,000
Decrease/(increase) in short term loans	1,15,669	99,235
Decrease/(increase) in other current assets	(18,54,281)	10,64,400
Cash generated from operations	(54,06,282)	(63,91,347)
Direct taxes paid	-	-
Net cash flow from/(used in) operating activities (A)	(54,06,282)	(63,91,347)
Cash flows from investing activities		
Purchase of property, plant and equipment, including intangible assets, capital work in progress	-	-
Proceeds from sale of property, plant and equipment	-	-
Decrease/(increase) in non-current investments	(1,34,30,000)	-
(Decrease)/increase in long-term provisions	(4,27,491)	11,567
Decrease/(increase) in other non-current assets	-	-
Increase/(decrease) in other non-current Financial Liabilities	-	-
Decrease/(increase) in long term loans Assets	2,60,000	20,64,029
Interest received	(6,31,263)	-
Net cash flow from investing activities (B)	(1,42,28,754)	20,75,596
Cash flow from financing activities		
Proceeds from issuance of equity share capital		-



Virtualsoft Systems Limited

Proceeds/(Repayment) of long-term borrowings	1,89,50,000	58,74,528
Proceeds/(Repayment) of short-term borrowings	-	-
Equity Dividend including taxes thereon	-	-
Interest paid	-	(4,94,018)
Net cash flow from / (used in) financing activities (C)	1,89,50,000	53,80,510
Net increase/(decrease) in cash and cash equivalents (A + B +C)	(5,03,889)	10,64,759
Cash and cash equivalents at the beginning of the year	18,70,599	8,05,839
Cash and cash equivalents at the end of the year	13,66,710	18,70,598
Components of cash and cash equivalents		
Cash in hand	11,51,479	10,61,260
Cheques/ drafts in hand		
With banks in current account	1,43,992	7,38,100
Unpaid dividend accounts in deposit accounts	71,240	71,240
	-	-
Total cash and cash equivalents [Refer Note No. 16]	13,66,710	18,70,599

Note : The above Cash flow statement has been prepared under the Indirect method setout in Ind AS-7 s

In terms of our report of even date attached.

For **Krishna Neeraj & Associates**

Chartered Accountants

FRN: 023233N

CA. Krishna K. Neeraj

Partner

Membership number : 506669

New Delhi

30th May, 2018

Rajendra V. Kulkarni

Director

For and on behalf of the Board of Directors of VSL

Gokul Tandan

Managing Director

Athar Ahmad

Chief Financial Officer

Ritika Ahuja

Company Secretary

1. Corporate information

Virtualsoft Systems Limited ('the Company') is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its equity shares are listed on the BSE Limited in India. The registered office of the Company is located at Flat No.S-101, Panchsheel Park, New Delhi - 110017.

The vision of the company is to empower business and learning communities with rich "knowledge on demand". The Company is primarily engaged in the business of Pioneering Broadband, Virtual Event & Providing Mobile Roaming Services & Solutions.

These standalone financial statements are approved for issue by the Board of Directors on May 30, 2018.

2. Basis of preparation

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, Companies (Indian Accounting Standards) (Amendment) Rules, 2016 as amended and the relevant provisions of the Companies Act, 2013.

For all periods up to and including the year ended 31 March 2017, the Company prepared its financial statements in accordance accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP), to the extent applicable, and the presentation requirements of the Companies Act, 2013. These financial statements for the year ended 31 March 2018 are the first the Company has prepared in accordance with Ind AS.

The transition to Ind AS was carried out in accordance with Ind AS 101 First Time Adoption of Indian Accounting Standards with the date of transition as April 1, 2016.

The standalone financial statements have been prepared on a going concern basis using historical cost convention and on an accrual method of accounting, except for certain financial assets and financial liabilities which are measured at fair value/ amortized cost (Refer accounting policy regarding financial instruments).

The standalone financial statements are presented in Indian Rupees Lakhs and all values have been rounded to the nearest rupees, unless stated otherwise.

3. Significant accounting policies

The Company has applied the following accounting policies to all periods presented in the standalone financial statements.

a) Functional and presentation currency

The standalone financial statements are prepared in Indian Rupees, which is the Company's presentation currency and the functional currency for all its operations.

b) Current and non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is classified as current when it is:

- expected to be realised or intended to sold or consumed in the normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realised within twelve months after the reporting period; or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets are classified as non-current.

A liability is classified as current when:

- it is expected to be settled in the normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within twelve months after the reporting date; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting date.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current only.

Operating cycle of the Company is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. As the Company's normal operating cycle is not clearly identifiable, it is assumed to be twelve months.

c) Revenue recognition

Revenue is recognised to the extent that it is

probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

Sale of goods

Revenue from sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer which usually is on actual despatch of goods to the buyer. Amounts disclosed are inclusive of excise duty and net of returns and allowances, trade discounts, volume rebates, value added taxes and goods and service tax and amounts collected on behalf of third parties.

Rendering of services

Revenue from services is recognised by reference to the stage of completion of work.

d) Other Income

i. Interest Income

Interest income is accrued on time basis, by reference to the principal outstanding and at the effective interest rate applicable. Interest income is included in finance income in the statement of profit and loss.

ii. Dividends

Dividend income is recognised in the statement of profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

iii. Rental Income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and is included in other income in the statement of profit and loss.

e) Property, plant and equipment

All property, plant and equipment are stated at historical cost, net of accumulated depreciation (other

than freehold land) and accumulated impairment losses, if any.

The initial cost of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use. It also includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. Items such as spares are capitalized when they meet the definition of property, plant and equipment.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Likewise, expenditure towards major inspections and overhauls are identified as a separate component and depreciated over the expected period till the next overhaul expenditure.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future economic benefits from the existing asset beyond its previously assessed standard of performance/life. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Depreciation on property, plant and equipment is calculated using the straight-line method (SLM) to allocate their cost, net of their residual values, over their estimated useful lives, as per the useful life prescribed in Schedule II to the Companies Act, 2013.

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at the end of each reporting period.

Freehold land is not depreciated.

Leasehold buildings are amortised over the duration of the shorter of the useful life or lease term.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits

are expected from its use. Any gain or loss arising on the disposal or retirement or derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in the statement of profit and loss.

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as of 1 April, 2016 measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Capital work-in-progress represents cost of property, plant and equipment that are not yet ready for their intended use and are carried at cost determined as aforesaid.

f) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets are not capitalised and the expenditure is recognised in the statement of profit and loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite useful lives are amortised over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates to be adjusted prospectively. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss.

The Company does not have any intangible assets with indefinite useful lives.

Software are amortized on a straight line basis over a period of 4 years.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying

amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as of 1 April, 2016 measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

g) Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and wherever applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Depreciation on investment properties is calculated using the straight-line method (SLM) to allocate their cost, net of their residual values, over their estimated useful lives, as per the useful life prescribed in Schedule II to the Companies Act, 2013.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the statement of profit and loss in the period of derecognition.

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its investment properties recognised as of 1 April, 2016 measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

h) Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and conditions are accounted for as follows:

- Raw materials, components, stores and spares, packing materials and others: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first-in, first-out (FIFO) basis.
- Work in progress: cost includes cost of direct materials and labour and estimated overheads upto the stage of completion. Cost is determined on first-in, first-out (FIFO) basis.
- Finished goods: cost includes cost of direct materials, labour, cost of manufacturing, cost of conversion and other costs incurred in finishing the goods. Cost is determined on first-in, first-out (FIFO) basis.
- Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first-in, first-out (FIFO) basis.
- Scrap is valued at estimated net realizable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

i) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. Borrowing costs also include exchanged differences to the extent regarded as an adjustment to the borrowing costs.

All other borrowing costs are expensed in the period in which they occur and are recognised in the statement of profit and loss using the effective interest method.

j) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to 1 April 2016, the Company has determined whether the arrangements contain lease on the basis of facts and

circumstances existing on the date of transition.

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Leases in which a significant portion of the risk and rewards of ownership are not transferred to the Company are classified as operating lease. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term unless the payments are structured to increase in line with the expected general inflation to compensate for the lessor's expected inflationary cost increases.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease unless the receipts are structured to increase in line with the expected general inflation to compensate for the expected inflationary cost increases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

Leases are classified as finance leases when substantially all the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

k) Income taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income tax relating to items recognized outside of profit or loss is recognized outside of profit or loss [either in other comprehensive income (OCI) or in equity]. Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- in respect of taxable temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled by the Company and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of deductible temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted as at the reporting date.

Current tax and deferred tax relating to items recognised outside profit or loss are recognised outside profit or loss (either in other comprehensive income or in equity).

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and tax liabilities on a net basis.

l) Employee benefits

Short-term obligations

Liabilities for wages and salaries, including non-

monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Other long-term employee benefit obligations

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Post-employment obligations

The Company operates the following post-employment schemes:

- a. Defined benefit plans in the nature of gratuity, and
- b. Defined contribution plans such as provident fund.

Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in Indian Rupees is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms

approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Defined contribution plans

The company pays provident fund contributions to publicly administered provident funds as per local regulations. The company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due.

m) Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

n) Provisions, contingent liabilities and contingent assets

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources

embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss, net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. The unwinding of discount is recognized in the statement of profit and loss as a finance cost.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent assets are not recognised but disclosed in the financial statements when an inflow of economic benefits is probable.

o) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

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

- Debt instruments at amortised cost
 - Debt instruments at fair value through other comprehensive income (FVTOCI)
 - Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
 - Equity instruments measured at fair value through other comprehensive income (FVTOCI)
 - i. Debt instruments at amortised cost
- A 'debt instrument' is measured at the amortised cost, if both the following conditions are met:
- a. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
 - b. Contractual terms of the asset that give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss.

- ii. Debt instruments at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- a. The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b. The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

iii. Debt instruments at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

iv. Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Equity investment in subsidiaries and joint ventures are carried at historical cost as per the accounting policy choice given by Ind AS 27.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred

nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities and deposits;
- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, twelve month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in the subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on a twelve month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables and borrowings, etc.

Subsequent measurement

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

i. Financial liabilities at FVTPL

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

ii. Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

p) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Company are measured at their fair values and recognised as income in the statement of profit and loss.

Where guarantees in relation to loans or other payables of group companies are provided for no

compensation, the fair value are accounted for as contributions and recognised as part of cost of investment.

q) Accounting for foreign currency transactions

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Indian Rupees (INR), which is the Company's presentation currency and functional currency.

Transactions in currencies other than the functional currency are translated into the functional currency at the exchange rates that approximates the rate as at the date of the transaction. Monetary assets and liabilities denominated in other currencies are translated into the functional currency at exchange rates prevailing on the reporting date. Non-monetary assets and liabilities denominated in other currencies and measured at historical cost or fair value are translated at the exchange rates prevailing on the dates on which such values were determined.

All exchange differences are included in statement of profit and loss.

r) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

s) Dividends

The Company recognises a liability to make cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

t) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the shareholders of the Company by the weighted average number of equity shares

outstanding during the financial year.

Diluted earnings per share

Diluted earnings per share is calculated by dividing the profit attributable to the shareholders of the Company (after adjusting the corresponding income/ charge for dilutive potential equity shares, if any) by the weighted average number of equity shares outstanding during the financial year plus the weighted average number of additional equity shares that would have been issued on conversion of all the dilutive potential equity shares.

4. Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Income taxes

The Company is subject to income tax laws as applicable in India. Significant judgment is required in determining provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions

in the period in which such determination is made.

In assessing the realisability of deferred tax assets, management considers whether it is probable, that some portion, or all, of the deferred tax assets will not be realised. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the projected future taxable income and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable incomes over the periods in which the deferred tax assets are deductible, management believes that it is probable that the Company will be able to realise the benefits of those deductible differences in future.

Employee benefit obligations

The cost of the defined benefit obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates. Further details about gratuity obligations are given in Note No. 38.

Contingencies

Management judgment of contingencies is based on the internal assessments and opinion from the consultants for the possible outflow of resources, if any.

5. Recent accounting pronouncements

- a) Ind AS 115 – Revenue from contract with customers:
Ind AS 115, Revenue from contracts with customers,

deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a promised good or service and thus has the ability to direct the use and obtain the benefits from the good or service in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. The standard replaces Ind AS 18 Revenue and Ind AS 11 Construction contracts and related appendices.

The new standard is mandatory for financial years commencing on or after 1 April 2018 and early application is not permitted.

The company is in the process of assessing the detailed impact of Ind AS 115. Presently, the company is not able to reasonably estimate the impact that application of Ind AS 115 is expected to have on its financial statements, except that adoption of Ind AS 115 is not expected to significantly change the timing of the company's revenue recognition for product sales. Consistent with the current practice, recognition of revenue will continue to occur at a point in time when products are dispatched to customers, which is also when the control of the asset is transferred to

the customer under Ind AS 115.

- b) Appendix B to Ind AS 21 - Foreign currency transactions and advance consideration:

The MCA has notified Appendix B to Ind AS 21, Foreign currency transactions and advance consideration. The appendix clarifies how to determine the date of transaction for the exchange rate to be used on initial recognition of a related asset, expense or income where an entity pays or receives consideration in advance for foreign currency denominated contracts.

The amendment will come into force from 1 April 2018. The company is in the process of assessing the detailed impact of the amendment and its impact on the financial statements. The effect on adoption of Ind AS 21 is expected to be insignificant.

Notes to financial statements for the year ended 31 March 2018

(All amounts in Indian Rupees unless otherwise stated)

6 Property, plant and equipment

Particulars	Office Equipments	Computer	Vehicle	Total
Deemed Cost				
At 1 April 2016*	7,99,265	71,200	1,87,758	10,58,223.00
Additions	-			
At 31 March 2017	7,99,265.00	71,200.00	1,87,758.00	10,58,223.00
Additions	-			
Disposals / adjustments	-			
At 31 March 2018	7,99,265.00	71,200.00	1,87,758.00	10,58,223.00
Depreciation				
At 1 April 2016*				-
Charge for the year	1,80,550	-	1,87,758	3,68,308.00
Disposals / adjustments				-
At 31 March 2017	1,80,550.00	-	1,87,758.00	3,68,308.00
Charge for the year	1,80,550	13,420	-	1,93,970.00
Disposals / adjustments				-
At 31 March 2018	3,61,100.00	13,420.00	1,87,758.00	5,62,278.00
Net Block				
At 1 April 2016	7,99,265.00	71,200.00	1,87,758.00	10,58,223.00
At 31 March 2017	6,18,715.00	71,200.00	-	6,89,915.00
At 31 March 2018	4,38,165.00	57,780.00	-	4,95,945.00

*The Company has elected to measure all of its property, plant and equipment at their previous GAAP carrying value, as deemed cost, at the transition date.

Note : 7 Intangible assets under Development

	CRM Software	Website under development	Total
Deemed Cost			
At 1 April 2016*	24,71,334	20,40,000	45,11,334
Additions			
Disposals / adjustments			
At 31 March 2017	24,71,334	20,40,000	45,11,334
Additions			
Disposals / adjustments			
At 31 March 2018	24,71,334	20,40,000	45,11,334
Net block			
At 1 April 2016	24,71,334	20,40,000	45,11,334
At 31 March 2017	24,71,334	20,40,000	45,11,334
At 31 March 2018	24,71,334	20,40,000	45,11,334

*The Company has elected to measure all of its Intangible assets at their previous GAAP carrying value, as deemed cost, at the transition date.



Note : 10 Financial assets - Investments

	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
(A) Investment in Subsidiary			
Equity instruments (unquoted)			
15,95,000 (31 March 2017: 12,00,000, 1 April 2016: 12,00,000) Equity Shares of Roam1 Telecom Limited of Rs. 10 each fully paid up*	9,26,30,000	7,92,00,000	7,92,00,000
Total	9,26,30,000	7,92,00,000	7,92,00,000
Aggregate amount of quoted investments	-	-	-
Aggregate market value of quoted investments	-	-	-
Aggregate amount of unquoted investments	9,26,30,000	7,92,00,000	7,92,00,000
Aggregate amount of impairment in value of investments	-	-	-

Note : 11 Financial assets - Loans

	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
(a) Non Current Loans (Unsecured, Considered Good)			
Loans to related parties (subsidiary)	1,54,485	1,54,485	22,18,514
Security Deposits *	92,500	3,52,500	3,52,500
Loans and advances to employees	-	-	-
Total Non Current Loans	2,46,985	5,06,985	25,71,014
(b) Current Loans (Unsecured, Considered Good)			
Advances to related parties (subsidiary)	-	-	-
Advances Recoverable	-	-	-
Security Deposits	-	-	-
Loans and advances to employees	7,88,166	9,03,835	10,03,070
Total Current Loans	7,88,166	9,03,835	10,03,070

Note : 12 Inventories

(valued at lower of cost and net realizable value)

	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Raw Materials*	-	-	-
Work-in-Progress	-	-	-
Finished Goods	-	-	-
Stores and Spares	-	-	-
Total	-	-	-]

Note : 13 Financial assets - Trade receivables

	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Trade receivables	55,39,531	5,18,151	29,08,487
Total	55,39,531	5,18,151	29,08,487
Break-up of security details			
Secured, considered good	-	-	-
Unsecured, considered good	52,45,630	2,24,250	26,14,586
Doubtful	2,93,901	2,93,901	2,93,901
Total	55,39,531	5,18,151	29,08,487
Less : Allowance for bad and doubtful debts	-	-	-
Total	55,39,531	5,18,151	29,08,487

Note : 14 Financial assets - Cash and cash equivalents

	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Balances with banks:			
-In current accounts	1,43,992	7,38,100	2,72,126
-in unpaid dividend accounts	71,240	71,240	71,240
-Deposits with original maturity of 3 months or less (including interest accrued thereon)@	-	-	-
Cash in hand	11,51,479	10,61,260	4,62,473
Total	13,66,710	18,70,599	8,05,839

Note : 15 Financial assets - Other Bank Balances

	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Deposits with original maturity for more than 3 months but not more than 12 months	2,50,000	2,50,000	2,51,000
Total	2,50,000	2,50,000	2,51,000

Note : 16 Financial assets - Other Current Financial Assets

	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Interest Accrued on FDR	97,520	76,203	54,472
Total	97,520	76,203	54,472

Note : 17 Other current assets

	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Balances with statutory / government authorities	38,08,558	21,06,810	28,73,767
Other Advances to Subsidiary/related party	1,31,215		3,19,174
Total	39,39,773	21,06,810	31,92,941

Note : 18 Share capital

	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Authorised share capital 15,000,000 (31 March 2017 : 15,000,000, 1 April 2016 : 15,000,000) Equity Shares of Rs. 10/- each	15,00,00,000	15,00,00,000	15,00,00,000
Total	15,00,00,000	15,00,00,000	15,00,00,000
Issued, Subscribed and fully paid up shares			
1,02,97,600 (31 March 2017 : 1,02,97,600, 1 April 2016 : 1,02,97,600) Equity Shares of Rs. 10/- each, fully paid up	10,29,76,000	10,29,76,000	10,29,76,000
Add: Forfeited Shares - Amount Originally Paid up	-	-	-
Total	10,29,76,000	10,29,76,000	10,29,76,000



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

Particulars	As at 31st March 2018		As at 31st March 2017	
	No.	Rs. in Lakhs	No.	Rs. in Lakhs
Equity Shares at the beginning of the year	1,02,97,600	10,29,76,000	1,02,97,600	10,29,76,000
Add : Shares issued on exercise of preferential allotment during the year	-	-	-	-
Equity Shares at the end of the year	1,02,97,600	10,29,76,000	1,02,97,600	10,29,76,000

Terms/ rights attached to equity shares

The company has only one class of equity shares having par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends only in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(b) Details of shareholders holding more than 5% shares in the company

Particulars	As at 31st March 2018		As at 31st March 2017		As at 1st April 2016	
	No.	% Holding	No.	% Holding	No.	% Holding
(a) Virtual Software and Training Private Limited	42,00,000	40.79%	42,00,000	40.79%	42,00,000	40.79%
(b) Gokul Tandan	26,93,366	26.16%	26,93,366	26.16%	26,93,366	26.16%
(c) Mohini Tandan	3,46,717	3.37%	3,46,717	3.37%	3,46,717	3.37%
Total	68,93,366	70.32%	68,93,366	70.32%	68,93,366	70.32%

(c) Other details of Equity Shares for a period of five years immediately preceding 31st March 2018

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016	As at 31st March 2015	As at 31st March 2014
- Aggregate number of shares allotted as fully paid up pursuant to Contract without payment being received In cash	Nil	Nil	Nil	Nil	Nil
- Aggregate number of shares allotted as fully paid up by way of bonus shares	Nil	Nil	Nil	Nil	Nil
- Aggregate number of shares bought back	Nil	Nil	Nil	Nil	Nil

Note : 19 Other Equity

	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
(i) Capital Reserve	20,00,000	20,00,000	20,00,000
(ii) Securities Premium	-	-	-
(iii) General reserve	(16,73,61,642)	(16,27,32,565)	(15,49,99,474)
(iv) Profit and Loss	-	-	-
Total	(16,53,61,642)	(16,07,32,565)	(15,29,99,474)
(i) Capital Reserve			
Opening Balance	20,00,000	20,00,000	
Less : Issue of equity shares	-	-	
Closing Balance	20,00,000	20,00,000	



(ii) Securities Premium		
Opening Balance	-	-
Add : Addition on Issue of equity shares		
Closing Balance	-	-
(iii) Retained earnings		
Opening Balance	(16,27,32,565)	(15,49,99,474)
Add : Profit for the year	(48,10,223)	(77,33,091)
Add : Remeasurement of post employment benefit obligation, net of tax	1,81,147	-
Less: Income/Deferred Tax relating to earlier years		
Less: Equity Dividend including taxes thereon		
Closing Balance	(16,73,61,642)	(16,27,32,565)
(iv) Other Reserves		
Opening Balance	-	-
Add : Change in fair value equity instruments measured at FVOCI	-	-
Closing Balance	-	-

Note : 20 Financial liabilities - Non-Current Borrowings

	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Secured Loans			
Term Loans from Banks	-	-	1,34,984
Term Loans from Others			
Total (A)	-	-	1,34,984
Unsecured Loans			
Loans from Directors	15,93,59,750	14,04,09,750	12,81,59,750
Term Loans from Others Relative party	8,38,402	8,38,402	70,78,890
Other Loan	20,00,000	20,00,000	20,00,000
Total (B)	16,21,98,152	14,32,48,152	13,72,38,640
Total Borrowings [C=A+B]	16,21,98,152	14,32,48,152	13,73,73,624
Current Maturities (included in Note No. : 26)	-	-	-
Non-current	16,21,98,152	14,32,48,152	13,73,73,624

The Company has not defaulted in the repayment of borrowings and interest as at Balance Sheet date.

Note : 21 Other Financial Liabilities

	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Financial Guarantee Obligation	-	-	-
Total	-	-	-
Current (included in Note : 26)	-	-	-
Non-current	-	-	-

Note : 22 Provisions

	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Provision for gratuity	12,11,281	13,75,461	13,63,894
Provision for Leave Encashment	1,08,321	2,86,223	2,86,223
Total	13,19,602	16,61,684	16,50,117
Current	85,409	-	-
Non-current	12,34,193	16,61,684	16,50,117

Note : 23 Financial liabilities - Trade Payables

	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Current			
Total outstanding dues of micro & small enterprises*	-	-	-
Others	53,91,363	4,93,251	8,98,976
Total	53,91,363	4,93,251	8,98,976

*Amounts due to Micro & Small enterprises under MSMED Act, 2006 is Rs. Nil (31st March 2017: Rs. Nil, 1st April 2016: Rs. 0.67 lakhs). In the absence of information about registration of such enterprises under the said Act, the details of dues to Micro & Small Enterprises have been furnished to the extent such parties have been identified by the Company based on information made available by them.

Note : 24 Other financial liabilities

	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Current Maturities of Non-Current Borrowings (refer to Note : 21)	-	1,34,984	1,63,228
Unclaimed Dividend	71,240	71,240	71,240
Interest accrued but not due on borrowings			
Total	71,240	2,06,224	2,34,468

Note : 25 Other current liabilities

	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Statutory Dues Payable	15,56,835	3,33,082	29,04,947
Salary Payable			
Other Payables	17,14,414	24,48,004	25,17,722
Total	32,71,249	27,81,086	54,22,669

Note : 26 Current tax liabilities (Net)

	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Income tax Payable	-	-	-

27 Revenue from operations	As at 31st March 2018	As at 31st March 2017
Sales of Products (Including Excise Duty)	1,01,40,278	1,10,65,043
Total	1,01,40,278	1,10,65,043
28 Other Income	31st March 2018	31st March 2017
Miscellaneous Receipts	6,31,263	45,517
Total	6,31,263	45,517
29 Purchase of Services	31st March 2018	31st March 2017
Purchases	75,96,718	77,27,563
Total Cost of Raw Material Consumed [A]	75,96,718	77,27,563
30 Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	31st March 2018	31st March 2017
Opening Stock of Finished Goods	-	-
Less: Closing Stock of Finished Goods	-	-
Total (A)	-	-
Opening Stock of Work-in-Progress	-	-
Less: Closing Stock of Work-in-Progress	-	-
Total (B)	-	-
Total Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade [A+B]	-	-
31 Employee Benefit Expenses	31st March 2018	31st March 2017
Director's Remuneration	-	-
Salaries, Wages, Bonus and Other Benefits	40,92,194	62,06,370
Gratuity	1,04,712	11,567
Leave Compensation	56,223	68,005
Contribution to Provident and Other Funds	24,875	35,595
Workmen and Staff Welfare Expenses	1,41,750	1,13,645
Total	44,19,754	64,35,182
32 Finance Costs	31st March 2018	31st March 2017
Interest Expenses	-	-
Other Financial Charges	-	4,94,018
Total	-	4,94,018
33 Depreciation and amortization expenses	31st March 2018	31st March 2017
Depreciation on Property Plant & Equipment (Read with Note No. 7)	1,93,970	3,68,307
Total	1,93,970	3,68,307



34 Other Expenses	31st March 2018	31st March 2017
Manufacturing Expenses		
Other Manufacturing Expenses	7,01,463	5,83,602
Repairs to office	8,596	4,050
Total (A)	7,10,059	5,87,652
Administrative and Selling Expenses		
Advertisement and Publicity	2,44,060	15,572
Auditors' Remuneration & Refreshment	61,750	60,000
Conveyance Expenses	43,880	82,443
Bank Charges	28,029	52,842
Project Expense		2,78,378
Communication Expense	12,896	13,459
Legal & Professional Fees	14,14,975	13,54,747
Printing & Stationery	51,618	97,256
Rent	6,68,217	11,52,300
Fees and Subscription Expense	1,03,842	1,23,932
Selling Expenses	31,998	-
Total (B)	26,61,264	32,30,929
Total Other Expenses [C=A+B]	33,71,323	38,18,581
35 Exceptional Items	31st March 2018	31st March 2017
Profit on Sale of Property, plant and equipment (Net)	-	
Total	-	-
Payment to auditor	31st March 2018	31st March 2017
i) Audit fees	61,750	60,000
ii) Fees for income tax matters	-	-
iii) Certification charges & others	-	-
Total	61,750	60,000
*Corporate Social Responsibility Expenses	31st March 2018	31st March 2017
Gross Amount required to be spent by the Company (as per Section 135 of Companies Act, 2013)	-	-
Amount spent during the year		
i) Construction/acquisition of any assets	-	-
ii) On purposes other than (i) above		
36 Employee benefit obligations		
(A) Defined benefit plans		
"Gratuity: Provision for gratuity is determined by actuaries using the projected unit credit method." The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The company makes provision of such gratuity asset/liability in the books of accounts on basis of actuarial valuation for FY 2017-		

18 however it relied on its own estimate for making provision for defined benefit plans for FY 2016-17 and did not obtain actuarial valuation from actuary to determine opening and closing actuarial liability of defined benefit plans.

The following tables summarise the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the respective plans:

(i) Changes in the present value of the defined benefit obligation are as follows:

Particulars	Gratuity Funded	Leave Encashment
Defined benefit obligation at at 1 April 2016*	13,63,894	2,86,223
Interest expense	-	-
Current service cost	11,567	68,005
Benefits paid	-	(68,005)
Actuarial (gain)/ loss	-	-
Defined benefit obligation at 31 March 2017*	13,75,461	2,86,223
Interest expense	-	-
Current service cost	-	-
Benefits paid	(1,04,712)	(56,223)
Actuarial (gain)/ loss	(59,468)	(1,21,679)
Defined benefit obligation at 31 March 2018	12,11,281	1,08,321

* Based on management estimates

(ii) The amount to be recognized in the Balance Sheet:

Particulars	Gratuity Funded	Leave Encashment
Present value of obligation	13,63,894	1,08,321
Fair value of plan assets	-	-
Net (assets) / liability recognized in balance sheet as provision as at 1 April 2016*	13,63,894	1,08,321
Present value of obligation	13,75,461	2,86,223
Fair value of plan assets	-	-
Net (assets) / liability recognized in balance sheet as provision as at 31 March 2017*	13,75,461	2,86,223
Present value of obligation	12,11,281	1,08,321
Fair value of plan assets	-	-
Net (assets) / liability recognized in balance sheet as provision as at 31 March 2018	12,11,281	1,08,321

* Based on management estimates

(iii) Amount recognised in Statement of Profit and Loss:

Particulars	Gratuity Funded	Leave Encashment
Interest Cost	-	-
Current service cost	11,567	68,005
Expected return on plan asset	-	-
Amount recognised in Statement of Profit and Loss for year ended 31 March 2017	11,567	68,005
Interest Cost	-	-
Current service cost	-	-
Amount recognised in Statement of Profit and Loss for year ended 31 March 2018	-	-

(iv) Amount recognised in Other Comprehensive Income:

Particulars	Gratuity Funded	Leave Encashment
Actuarial (gain)/ loss on obligations	-	-
Actuarial (gain)/ loss on plan assets	-	-
Amount recognised in Other Comprehensive Income for year ended 31 March 2017	-	-
Actuarial (gain)/ loss on obligations	(59,468)	(1,21,679)
Actuarial (gain)/ loss on plan assets		
Amount recognised in Other Comprehensive Income for year ended 31 March 2018	(59,468)	(1,21,679)

(v) Changes in the fair value of plan assets are as follows:

Particulars	Gratuity Funded	Leave Encashment
Fair value of plan assets at 1 April 2016	-	-
Expected return on plan assets	-	-
Actuarial gain/(loss)	-	-
Fair value of plan assets at 31 March 2017	-	-
Expected return on plan assets	-	-
Actuarial gain/(loss)	-	-
Fair value of plan assets at 31 March 2018	-	-

(vi) The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Investment Details	Gratuity	Gratuity	Gratuity
Investment with Insurer	0%	0%	0%

(vii) The principal assumptions used in determining gratuity & leave encashment obligations for the Company's plans are shown below:

Gratuity & Leave Encashment

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Average Past Service (Years)	9.40	NA	NA
Average remaining working life (Years)	19.20	NA	NA
Average Age (Years)	38.80	NA	NA
Weighted average duration (Years) - Gratuity	16.00	NA	NA
Weighted average duration (Years) - Leave Encashment	15.00	NA	NA
Discounting rate	7.75% PA	NA	NA
Salary Growth Rate	5.00% PA	NA	NA

(viii) Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase rate. Effect of change in mortality rate is negligible. Please note that the sensitivity analysis presented below may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumption would occur in isolation of one another as some of the assumptions may be correlated. The results of sensitivity analysis are given below:



Particulars	31st March, 2018		31st March, 2017	
	Gratuity Funded	Leave Encashment	Gratuity Funded	Leave Encashment
Liability with 1% increase in Discount Rate	11,03,784.00	99,034.00	NA	NA
Liability with 1% decrease in Discount Rate	13,34,715.00	1,18,894.00	NA	NA
Liability with 1% increase in Salary Growth Rate	13,36,912.00	1,19,083.00	NA	NA
Liability with 1% decrease in Salary Growth Rate	11,00,208.00	98,725.00	NA	NA
(B) Defined contribution plans			31 March 2018	31 March 2017
Employer's Contribution to Provident Fund			24,875	35,595
Employer's Contribution to ESI			-	-
Employer's Contribution to NPS			-	-
Total			24,875	35,595

37 Segment information

The Company's operations predominately relate to empower business and learning communities with rich "knowledge-ondemand". The Company is engaged in pioneering Broadband, Virtual event & proving mobile roaming services & solutions.

Geographical Information

Particulars	31st March 2018	31st March 2017
1. Revenue from external customers		
- Within India	1,01,40,278	1,10,65,043
- Outside India	-	-
Total revenue per statement of profit and loss	1,01,40,278	1,10,65,043

The revenue information above is based on the locations of the customers

2. Non-current operating assets

- Within India	50,07,279	52,01,249
- Outside India	-	-
Total	50,07,279	52,01,249

Non-current operating assets for this purpose consist of property, plant and equipment, CWIP, investment properties and intangible assets.

38A. Related Party Disclosures:

In accordance with the requirements of Ind AS - 24 'Related Party Disclosures' the names of the related parties where control exists/ able to exercise significant influence along with the aggregate transactions and year end balances with them as identified by the management in the ordinary course of business and on arms' length basis are given below:



- (a) Subsidiary Companies :
Roam1 Telecom Limited
- (b) Key Management Personnel (KMP):

Mr. Gokul Tandon	Chairman cum Managing
Director	
Mr. Rajendra V. Kulkarni	Director
MS Aashima Puri	Director
Mr S.C. Rajpal	Director
Mrs Ritu Tandon	Director
Ms Ritika Ahuja	Ccompany Secretary
Mr Athar Ahmad	Chief Financial Officer

- (c) **Enterprises over which KMP/ relatives of KMP exercise significant influence :-**

M/S GISIL DESIGNS PVT LTD	MR SURESH RAJPAL IS DIRECTOR
M/S ELCTRONIC TENDER.COM(INDIA) PVT LTD	MR SURESH RAJPAL IS DIRECTOR
M/S INDE PAY NETWORKS PVT LTD	MR SURESH RAJPAL IS DIRECTOR
M/S MOBIRELTECHNOLOGY SERVICES INDIA PVT LTD	MR SURESH RAJPAL IS DIRECTOR
M/S VISHNOVA INTERACTIVE PVT LTD	MR SURESH RAJPAL IS DIRECTOR
M/S INDE LIVELIHOOD FOUNDATION	MR SURESH RAJPAL IS DIRECTOR
M/S FAKEBUSTER INDIA PVT LTD	MR SURESH RAJPAL IS DIRECTOR
M/S ROAM1 TELECOM LIMITED	MR SURESH RAJPAL IS DIRECTOR
M/S GOTO CUSTOMER SERVICES PVT LTD	Gokul TANDON IS DIRECTOR
M/S Virtual Software & Training Pvt Ltd.	Gokul TANDON IS DIRECTOR
M/S V REACH SOLUTIONS PVT LTD	Gokul TANDON IS DIRECTOR
M/S ENHANCED COMMUNICATIONS & TECHNOLOGIES PVT LTD	Gokul TANDON IS DIRECTOR
M/S VEMANYA DESIGN WORKS PVT LTD	Gokul TANDON IS DIRECTOR
M/S VIRTUAL SOFT SYSTEMS LIMITED	Gokul TANDON IS DIRECTOR
M R CAPITAL PVT LTD	RAJENDRA KULKARNI IS DIRECTOR
M/S VIJAY STAMPINGS PVT LTD	RAJENDRA KULKARNI IS DIRECTOR
M/S PRIME VALVES INDIA LTD	RAJENDRA KULKARNI IS DIRECTOR
M/S MARBLE ARCH ESTATE PRIVATE LIMITED	RAJENDRA KULKARNI IS DIRECTOR
M/S VEERANA ESTATE PRIVATE LIMITED	RAJENDRA KULKARNI IS DIRECTOR
M/S FOUNDATION TECHNOLOGIES PVT LTD	RAJENDRA KULKARNI IS DIRECTOR
M/S Virtual Software & Training Pvt Ltd.	RAJENDRA KULKARNI IS DIRECTOR
M/S OFFICE ZONE PRODUCTS PRIVATE LIMITED	RAJENDRA KULKARNI IS DIRECTOR
M/SVIRTUAL SOFT SYSTEMS LIMITED	RAJENDRA KULKARNI IS DIRECTOR
M/S VIRTUAL SOFT SYSTEMS LIMITED	RITU TANDON IS DIRECTOR
M/S FOUNDATION TECHNOLOGIES PVT LTD	RITU TANDON IS DIRECTOR
M/S V REACH SOLUTIONS PVT LTD	RITU TANDON IS DIRECTOR
M/S VEMANYA DESIGN WORX PVT LTD	RITU TANDON IS DIRECTOR
m/s Roam1 telecom limited	RITU TANDON IS DIRECTOR
M/S Roam1 Telecom Limited	Aashima puri is a Director

B. Related Party Transactions:

Particulars	Subsidiary		KMP		Other Related Parties		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
Short-term Employee Benefits	-	-	-	-	-	-	-	-
Interest Paid/Payable	-	-	3.60	52.85	-	-	3.60	52.85
Lease Rent Paid/Payable	-	-	-	-	-	-	-	-
Interest Received/Receivable	-	-	-	-	-	-	-	-
Reimbursement of Expenses	-	-	-	7.66	-	-	-	7.66
Rent Received/Receivable	-	-	-	-	-	-	-	-
JobWork Charges Paid/Payable	-	-	-	-	-	19.01	-	19.01
Purchases	-	-	-	-	-	-	-	-
Sales	-	-	-	-	-	-	-	-
Sale of PPE	-	-	-	-	-	-	-	-
Purchase of PPE	-	-	-	-	-	-	-	-
FINANCE								
Unsecured Loans Received	-	-	189.50	788.55	-	61.90	189.50	850.45
Unsecured Loans Paid back	-	-	-	17.50	-	-	-	17.50
Unsecured Loans Received Back	-	-	-	-	-	-	-	-
Short Term Loans Paid	-	-	-	-	-	1.98	-	1.98
Short Term Loans Received Back	-	-	-	-	-	1.98	-	1.98
Advances Paid	153.10	-	-	-	-	-	153.10	-
Advances Received Back	156.41	-	-	-	-	-	156.41	-
Corporate guarantee given	-	-	-	-	-	-	-	-

All transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured. For the year ended 31 March 2018, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2017: Nil, 1 April 2016: Nil)

39 Detail of loans given, Investment made and guarantee given covered U/s 186(4) of the Companies Act, 2013

Particulars	31st March 2018	31st March 2017
(a) Loan given by the Company for general business purposes as at balance sheet date :	-	-
(b) Corporate guarantee given by the Company as at balance sheet date : For securing the credit facilities sanctioned to subsidiary company	-	-

40 Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity shareholders of the company by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit for the year attributable to the equity shareholders of the company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the profit and share data used in the basic and diluted EPS computation:

Particulars	31 March 2018	31 March 2017
Profit for the year	(48,10,223)	(77,33,091)
Weighted average number of equity shares in calculating basic EPS (absolute value in number)	1,02,97,600	1,02,97,600
Effect of dilution	-	-
Weighted average number of equity shares in calculating diluted EPS (absolute value in number)	1,02,97,600	1,02,97,600
Earnings per share		
- Basic (on nominal value of Rs. 10 per share) Rs./ share	(0.47)	(0.75)
- Diluted (on nominal value of Rs. 10 per share) Rs./ share	(0.47)	(0.75)

41 Leases

Operating Lease

Company as a lessee:

The Company has taken certain vehicles and immovable properties on operating lease. All operating leases entered into by the Company are cancelable on giving notice of one to three months.

Company as a lessor:

The Company has given certain immovable properties on operating lease. All operating leases entered into by the Company are cancelable on giving notice of one to three months.

Finance Lease

The company does not have any finance lease as at March 31, 2018.

42 Capital commitments

Particulars	31st March 2018	31st March 2017	1st April 2016
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	-	-	-

43 Contingent liabilities

There are no contingent liabilities as on date of Balance sheet

44 Going Concern Basis

'The company has accumulated losses of Rs.16,53,61,642/- as at 31st March, 2018 and its net worth as at that date is minus Rs. 6,23,85,642/-. Although these events or conditions may cast significant doubt on the Company's ability to continue as going concern, it has detailed plan for renewal of its operations. Accordingly the financial statements have been prepared on the basis that the company is a going concern and that adjustment are required to the carrying value of assets and liabilities.

45 Reconciliation and confirmations

Balances of debtors and creditors and loans and advances to/from parties, security deposits are subject to reconciliations and confirmations.

46 Provision for tax

In view of the carried forward losses, no provision for current tax have been made during the year. Provision for Deferred tax has also not been recognized in the Balance Sheet in view of the fact that there exists no virtual certainty supported by convincing evidence that there will be available sufficient future profits against which such deferred tax asset can be adjusted.

47 Intangible assets under development

The company is developing a CRM software called Live Webcast Suite for providing telecom services and a

Website. No amount has been capitalized during the year. The management is of the opinion that since the process is still going on & hence no amortization is required during this year

48 Other Disclosures

- a) The company has not received any Government Grants during the year
- b) As at year end, there was no amount due to any small scale industrial undertaking
- c) Figures are rounded off to nearest rupee.

49 Financial Instruments measurements and disclosures

(a) Financial instruments by category :

Particulars	31st March 2018			31st March 2017			1st April 2016		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
Financial Assets									
Non-current									
Investment	-	-	-	-	-	-	-	-	-
Loans	-	-	2,46,985	-	-	5,06,985	-	-	25,71,014
Current									
Trade receivables	-	-	55,39,531	-	-	5,18,151	-	-	29,08,487
Cash and cash equivalents	-	-	13,66,710	-	-	18,70,599	-	-	8,05,839
Other bank balances	-	-	2,50,000	-	-	2,50,000	-	-	2,51,000
Loans	-	-	7,88,166	-	-	9,03,835	-	-	10,03,070
Total	-	-	81,91,392	-	-	40,49,570	-	-	75,39,410
Financial liabilities									
Non-current									
Borrowings	-	-	16,21,98,152	-	-	14,32,48,152	-	-	13,73,73,624
Other Financial Liabilities	-	-	-	-	-	-	-	-	-
Current									
Borrowings	-	-	-	-	-	-	-	-	-
Trade payables	-	-	53,91,363	-	-	4,93,251	-	-	8,98,976
Other financial liabilities	-	-	71,240	-	-	2,06,224	-	-	2,34,468
Total	-	-	16,76,60,755	-	-	14,39,47,627	-	-	13,85,07,068

(b) Fair value of financial assets and liabilities measured at amortised cost :

The carrying amounts of financial assets and liabilities carried at amortised cost are reasonable approximation of their fair value.

(c) Fair value hierarchy :

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows based on the lowest level input that is significant to the fair value measurement as whole.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices, for example listed equity instruments, traded bonds and mutual funds that have quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques that 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.



The following table presents assets and liabilities measured at fair value at 31 March 2018 and 31 March 2017:

Particulars	31st March 2018			31st March 2017		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets for which fair values are disclosed						
Investment Property	-	-	-	-	-	-
Financial assets:						
Measured at fair value						
Financial investments at FVTOCI						
Listed Equity investments	-	-	-	-	-	-
Financial assets at amortised cost						
Advances to related parties	-	-	-	-	-	-
Loans to employees	-	-	-	-	-	-
Security Deposits	-	-	92,500.00	-	-	3,52,500.00
	-	-	92,500.00	-	-	3,52,500.00
Financial liabilities:						
Measured at fair value						
Financial liabilities at amortised cost						
Borrowings	-	-	-	-	-	-
Financial Guarantee Obligation	-	-	-	-	-	-

There are no transfers among levels 1, 2 and 3 during the year.

50 Financial risk management objectives and policies

The Company's principal financial liabilities comprise loans and trade payables. The main purpose of these financial liabilities is to raise finance for the Company's operations. The Company has various financial assets such as trade receivables, bank balances and short-term deposits, which arise directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is responsible to ensure that Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. All activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

(a) 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: interest rate risk, foreign currency risk and other price risk. Financial instruments affected by market risk include loans and borrowings, deposits and investments.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interests rate primarily relates to the Company's long-term debt obligations with floating interest rates. The Company's policy is to manage its interest cost using a mix of fixed & floating rate borrowings.

The following table demonstrates the sensitivity to a reasonably possible change in the interest rates on borrowings at variable/ floating interest rates. With all the other variables held constant, the Company's profit before tax is affected

through the impact on floating rate borrowings, as follows:

Interest rate sensitivity	Increase / Decrease in Basis points	Effect on profit before tax
31-Mar-18		
MCLR	+50	(8,10,991)
MCLR	-50	8,10,991
31-Mar-17		
MCLR	+50	7,16,241
MCLR	-50	(7,16,241)

Sensitivity is calculated based on the assumption that amounts outstanding as at reporting date were utilised for the entire financial year.

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

The Company has sales and purchases from outside India. The Company has transactional currency exposures arising from sales and purchases by an operating unit in currencies other than the unit's functional currency.

Exposures in foreign currency are managed through a natural hedging policy, which is reviewed periodically to ensure that the results from fluctuating currency exchange rates are appropriately managed. The Company strives to achieve asset liability offset of foreign currency exposures.

The following table demonstrates the sensitivity to a reasonably possible change in US\$ and EUR exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. With all the other variables held constant, the Company's profit before tax is affected through the impact on change of foreign currency rate as follows-

(iii) Price risk

Commodity price risk

The Company is affected by the price volatility of certain commodities. Its operating activities require the ongoing purchase and manufacture of copper cables and therefore require a continuous supply of copper. To meet requirements the Company enters into contracts to purchase copper.

The Company's Board of Directors has developed and enacted a risk management strategy regarding commodity price risk and its mitigation.

Equity price risk

The Company's non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The Company's Board of Directors reviews and approves all equity investment decisions.

At the reporting date, the Company's exposure to unlisted equity securities (other than investments in subsidiaries) at fair value was Rs. Nil.

(b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk for trade receivables, cash and cash equivalents, investments, other bank balances, loans, other financial assets and financial guarantees.

Customer credit risk is managed by the Company subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on credit rating and individual credit limits are defined in accordance with credit assessment. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit or other forms of credit assurance.

The Company has a detailed review mechanism of overdue customer receivables at various levels within organisation to ensure proper attention and focus for realisation and based on the assessment performed, the management does not expect any material loss on its receivables and hence no provision is deemed necessary on account of expected credit loss.

The Company assesses the recoverability of other financial assets, potentially subject to credit risk, on regular basis. Factors such as business and financial performance of counterparty, their ability to repay, regulatory changes and overall economic conditions are considered to assess future recoverability.

(c) Liquidity risk

Liquidity risk is the risk that the Company may encounter difficulty in meeting its present and future obligations associated with financial liabilities that are required to be settled by delivering cash or another financial asset.

The Company monitors its risk of shortage of funds using cash flow forecasting models. These models consider the maturity of their financial investments, committed funding and projected cash flows from operations.

The Company's objective is to provide financial resources to meet its business objectives in a timely, cost effective and reliable manner. A balance between continuity of funding and flexibility is maintained through the use of bank borrowings. The Company also monitors compliance with its debt covenants. The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

The tables below summarise the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

Particulars	Carrying amount	Payable on demand	0-1 year	1-5 years	More than 5 years
Borrowings	16,21,98,152	-	-	16,21,98,152	-
Trade payables	53,91,363	-	53,91,363	-	-
Other Financial liabilities	71,240	-	71,240	-	-
Total	16,76,60,755	-	54,62,603	16,21,98,152	-

As at 31-March-2017

Particulars	Carrying amount	Payable on demand	0-1 year demand	1-5 years	More than 5 years
Borrowings	14,32,48,152	-	-	14,32,48,152	-
Trade payables	4,93,251	-	4,93,251	-	-
Other Financial liabilities	71,240	-	71,240	-	-
Total	14,38,12,643	-	5,64,491	14,32,48,152	-

As at 1-April-2016

Particulars	Carrying amount	Payable on amount	0-1 year demand	1-5 years	More than 5 years
Borrowings	13,73,73,624	-	-	2,062	13,73,71,562
Trade payables	8,98,976	-	8,98,976	-	-
Other Financial liabilities	2,34,468	-	2,34,468	-	-
Total	13,85,07,068	-	11,33,444	2,062	13,73,71,562

51 Capital management

The Company's objectives when managing capital is to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth.

The Company sets the amount of capital required on the basis of annual business and long-term operating plans which include capital and other strategic investments.

The funding requirements are met through a mixture of equity, internal fund generation and short-term and long-term borrowings.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio optimum. Net debt are non-current and current borrowings as reduced by cash and cash equivalents and other bank balances. Equity comprises all components including other comprehensive income.

The following table summarizes the capital of the Company:

Particulars	31 March, 2018	31 March, 2017	1 April, 2016
Cash and cash equivalents	13,66,710	18,70,599	8,05,839
Other bank balances	2,50,000	2,50,000	2,51,000
Total (a)	16,16,710	21,20,599	10,56,839
Non-current borrowings	16,21,98,152	14,32,48,152	13,73,73,624
Current borrowings	-	-	-
Current maturities of non-current borrowings	-	1,34,984	1,63,228
Interest accrued but not due on borrowings	-	-	-
Total (b)	16,21,98,152	14,33,83,136	13,75,36,852
Net debt [c=b-a]	16,05,81,442	14,12,62,537	13,64,80,013
Total Capital (d)	(6,23,85,642)	(5,77,56,565)	(5,00,23,474)
Capital and net debt [e=c+d]	9,81,95,800	8,35,05,972	8,64,56,539
Gearing ratio [c/e]	163.53%	169.16%	157.86%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2018 and 31 March 2017.

52 First time adoption of Ind AS

These financial statements, for the year ended 31 March 2018, are the first the Company has prepared in accordance with Ind AS. The preparation of these financial statements resulted in changes to the accounting policies as compared to most recent annual financial statements prepared under Previous GAAP. Accounting policies have been applied consistently to all periods presented in the financial statements. They have also been applied in preparing the Ind AS opening balance sheet as at 1 April 2016 for the purpose of transition to Ind AS and as required by Ind AS 101.

This note explains the principal adjustments made by the Company in restating its Previous GAAP financial statements, including the balance sheet as at 1 April 2016 and 31 March 2017 and statement of profit and loss for the year ended 31 March 2017.

(A) Ind AS optional exemptions applied:

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

(a) Deemed cost

The Company has elected to continue with the carrying value of all of its property, plant and equipment; investment property; and intangible assets as recognised in the financial statements as at the date of transition to Ind AS, measured as per previous GAAP and used it as its deemed cost at the date of transition.

(b) Investments in subsidiary

The company has elected to apply previous GAAP carrying amount of its equity investment in subsidiary as deemed cost as on the date of transition to Ind AS.

(c) Effect of changes in exchange rate

In respect of long term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period, the Company has elected to recognise exchange differences on translation of such long term foreign currency monetary items in line with its Previous GAAP accounting policy.

In respect of long term foreign currency monetary items recognised in the financial statements beginning with the first Ind AS financial reporting period, exchange differences are recognised in the statement of profit and loss.

(B) Ind AS mandatory exceptions

(a) Estimates

The estimates at 1 April 2016 and at 31 March 2017 are consistent with those made for the same dates in accordance with Indian GAAP apart from the following items where application of Indian GAAP did not require estimation:
- Impairment of financial assets based on expected credit loss model.

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at 1 April 2016, the date of transition to Ind AS and as of 31 March 2017.

(b) Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS. Accordingly, the classification and measurement of financial assets has been made on the basis of the facts and circumstances existed at the date of transition.

Impact of transition to Ind AS

The following is a summary of the effects of the differences between Ind AS and previous GAAP on the Company's total equity and profit for the year previously reported under previous GAAP following transition to Ind AS.

53.1 Reconciliation of equity as at 1 April 2016 (date of transition to Ind AS)

Particulars	Regrouped Indian GAAP	Adjustments	Ind AS
ASSETS			
Non-current assets			
Property, plant and equipment	10,58,223	-	10,58,223
Capital work in progress	45,11,334	-	45,11,334
Investment Property	-	-	-
Other Intangible assets	-	-	-
Financial assets	-	-	-
(i) Investments	7,92,00,000	-	7,92,00,000
(ii) Loans	25,71,014	-	25,71,014
Deferred Tax Assets (Net)	-	-	-
	-	-	-
	8,73,40,571	-	8,73,40,571

Current assets			
Inventories	-	-	-
Financial assets			
(i) Trade receivables	29,08,487	-	29,08,487
(ii) Cash and cash equivalents	8,05,839	-	8,05,839
(iii) Other bank balances	2,51,000	-	2,51,000
(iv) Loans	10,03,070	-	10,03,070
(v) Other Financial Assets	54,472	-	54,472
Other current assets	31,92,941	-	31,92,941
	82,15,809	-	82,15,809
TOTAL ASSETS	9,55,56,380	-	9,55,56,380
EQUITY AND LIABILITIES			
Equity			
Equity share capital	10,29,76,000	-	10,29,76,000
Other equity	(15,29,99,474)	-	(15,29,99,474)
Total equity	(5,00,23,474)	-	(5,00,23,474)
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	13,73,73,624	-	13,73,73,624
Provisions	16,50,117	-	16,50,117
	13,90,23,741	-	13,90,23,741
Current liabilities			
Financial liabilities			
(i) Borrowings	-	-	-
(ii) Trade payables	8,98,976	-	8,98,976
(iii) Other financial liabilities	2,34,468	-	2,34,468
Other current liabilities	54,22,669	-	54,22,669
Provisions	-	-	-
	-	-	-
	65,56,113	-	65,56,113
Total liabilities	14,55,79,854	-	14,55,79,854
Total equity and liabilities	9,55,56,380	-	9,55,56,380

53.2 Reconciliation of equity as at 31 March 2017

Particulars	Regrouped Indian GAAP	Adjustments	Ind AS
ASSETS			
Non-current assets			
Property, plant and equipment	6,89,915	-	6,89,915
Capital work in progress	45,11,334	-	45,11,334
Investment Property	-	-	-
Other Intangible assets	-	-	-
Financial assets			
(i) Investments	7,92,00,000	-	7,92,00,000
(ii) Loans	5,06,985	-	5,06,985
Deferred Tax Assets (Net)	-	-	-
	8,49,08,234	-	8,49,08,234
Current assets			
Inventories	-	-	-
Financial assets			



Virtualsoft Systems Limited

(i) Trade receivables	5,18,151	-	5,18,151
(ii) Cash and cash equivalents	18,70,599	-	18,70,599
(iii) Other bank balances	2,50,000	-	2,50,000
(iv) Loans	9,03,835	-	9,03,835
Other current assets	21,06,810	-	21,06,810
	56,49,394	-	56,49,394
TOTAL ASSETS	9,05,57,628	-	9,05,57,628
EQUITY AND LIABILITIES			
Equity			
Equity share capital	10,29,76,000	-	10,29,76,000
Other equity	(16,07,32,565)	-	(16,07,32,565)
Total equity	(5,77,56,565)	-	(5,77,56,565)
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	14,32,48,152	-	14,32,48,152
(ii) Other Financial Liabilities	-	-	-
Provisions	16,61,684	-	16,61,684
	14,49,09,836	-	14,49,09,836
Current liabilities			
Financial liabilities			
(i) Borrowings	-	-	-
(ii) Trade payables	4,93,251	-	4,93,251
(iii) Other financial liabilities	2,06,224	-	2,06,224
Other current liabilities	27,81,086	-	27,81,086
Provisions	-	-	-
	0.00	-	-
	34,80,561	-	34,80,561
Total liabilities	14,83,90,397	-	14,83,90,397
TOTAL EQUITY AND LIABILITIES	9,06,33,831	-	9,06,33,831
54 Reserve Reconciliation			
Reserves & Surplus		1st April, 2016	31st March, 2017
As per IGAAP		(15,29,99,474)	(16,07,32,565)
Fair value gain/(loss) on financial instruments as per Ind AS 109		-	-
Actuarial gain/(loss) on long term defined benefit plans		-	-
Deferred tax impact as per Ind AS 12		-	-
De-recognition of Proposed Dividend as per Ind AS 8		-	-
Correction of prior period items as per Ind AS 8		-	-
Others		-	-
As per Ind AS		(15,29,99,474)	(16,07,32,565)



55 Profit reconciliation March 31, 2017

Nature of Adjustment

For the year ended March 31, 2017

Profit as per IGAAP (16,07,32,565)

Other Income - Fair value gain on financial instruments -

Finance Cost - Accounting for financial assets and liabilities -

Employee Benefits - Remeasurement of Defined Benefit Plans -

Other Expenses - Correction of prior period items -

Deferred tax on above adjustments -

Profit as per Ind AS (16,07,32,565)

56 The disclosure relating to Specified Bank Notes held and transacted by the Company during the period from 8th November, 2016 to 30th December, 2016 in accordance with the amendment to Schedule III vide G.S.R. 308(E) dated 30 March, 2017 as issued by the Ministry of Corporate Affairs is not applicable to the Company for the year ended March 31, 2018.

57 Figures are rounded off to nearest rupees.

For **Krishna Neeraj & Associates**

Chartered Accountants

FRN: 023233N

CA. Krishna K. Neeraj

Partner

Membership number : 506669

New Delhi

30th May, 2018

Rajendra V. Kulkarni

Director

For and on behalf of the Board of Directors of VSL

Gokul Tandan

Managing Director

Ritika Ahuja

Company Secretary

Athar Ahmad

Chief Financial Officer

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of VirtualSoft Systems Limited

Report on the Consolidated financial statements

We have audited the accompanying Consolidated Ind AS Financial Statements of Virtualsoft Systems Limited ("the Company" or "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising the consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss, including the Consolidated Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the Consolidated Financial Position, Consolidated Financial Performance including Other Comprehensive Income, Consolidated Cash Flows and the Consolidated Statement of Changes in Equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

The respective Board of Directors of the Companies included in the Group are responsible for 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 the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the Consolidated Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the Consolidated Ind AS Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Ind AS Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, its Profit including Other Comprehensive Income, its Cash Flows and the Statement of Changes in Equity for the year ended on that date.

Emphasis of Matter

Attention is invited to Note No. 34 under Explanatory Notes to Financial Statements regarding compliance with 'Ind-AS 19 – Employee Benefits', the management is providing the provisions of gratuity and leave encashment as per management's policy until financial year 2017-18. Whereas under the said Indian accounting standard, every company on which the standard is applicable is required to make provisions for employee benefits on the basis of valuation done by an Actuary.

Attention is invited to Note No. 42 under Explanatory Notes to Financial Statements regarding the financial statements being prepared on a going concern basis, notwithstanding the fact that the company's net worth is eroded (Net Worth as on 31st March, 2018 is minus Rs. 200,976,627/-). These events cast significant doubt on the ability of the Company to continue as a going concern.

Attention is invited to Note No. 45 under Explanatory Notes to Financial Statements regarding amortization of intangible assets. The company has not provided for amortization of CRM Software and Website under development.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report, to the extent applicable, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS have been kept so far as it appears from our examination by the Company so far as it appears from our examination of those books.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with

- by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
- d) Except for the matter described in Emphasis of Matter Paragraph, In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
- e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure A'.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company does not have any pending litigations which would impact its financial position.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. Following are the instances of delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Company:

Year	Amount(Rs.)
1997-1998	43,850
1996-1997	27,390

For **KRISHNA NEERAJ & ASSOCIATES**

Chartered Accountants
FRN: 023233N

New Delhi
30th May, 2018

CA. Krishna K. Neeraj
Partner
Membership No. 506669

Annexure - A to the Auditors' Report

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

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

We have audited the internal financial controls over financial reporting of Virtualsoft Systems Limited ("the Company") as of March 31, 2018 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 Controls 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 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.

Auditors' 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,

issued by ICAI and deemed to be prescribed 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 the 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 was 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 controls 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 judgement, 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 Company's 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 that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
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, 2018, 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 **KRISHNA NEERAJ & ASSOCIATES**

Chartered Accountants

FRN: 023233N

New Delhi
30th May, 2018

CA. Krishna K. Neeraj
Partner
Membership No. 506669



CIN : L72200DL1992PLC047931

Virtualsoft Systems Limited

Consolidated Balance Sheet as at 31 March, 2018

In Indian Rupees

Particulars	Note	As At 31st March 2018	As At 31st March 2017	As At 1st April 2016
A ASSETS				
I Non-current assets				
(a) Property, plant and equipment	7	69,69,194	76,87,090	63,10,965
(b) Intangible Assets	8	7,77,65,742	6,84,68,538	6,86,51,335
(c) Intangible Asset under development	9	10,00,32,864	9,85,32,864	9,68,82,864
(d) Financial assets				
(i) Loans	10	29,34,609	37,86,344	34,38,047
(f) Other non-current assets	0	-	-	-
		18,77,02,409	17,84,74,836	17,52,83,211
II Current assets				
(a) Inventories 11		49,36,959	32,42,910	39,05,232
(b) Financial assets				
(i) Trade receivables	12	1,26,94,646	84,05,020	1,21,60,469
(ii) Cash and cash equivalents	13	18,87,776	29,09,836	17,85,393
(iii) Other bank balances	14	2,50,000	2,50,000	2,51,000
(iv) Loans	10	32,75,131	29,42,543	39,03,052
(v) Other financial assets	15	97,520	76,203	54,472
(c) Other current assets	16	54,15,090	30,33,238	45,94,441
		2,85,57,123	2,08,59,750	2,66,54,059
TOTAL ASSETS		21,62,59,532	19,93,34,586	20,19,37,270
III EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	17	10,29,76,000	10,29,76,000	10,29,76,000
(b) Other equity 18		(20,09,76,627)	(22,58,73,915)	(18,11,11,693)
Total equity		(9,80,00,627)	(12,28,97,915)	(7,81,35,693)
Minority Interest		3,68,64,424	(68,63,764)	1,93,57,488
LIABILITIES				
IV Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	19	23,04,16,097	28,65,03,907	21,46,75,584
(ii) Other Financial Liabilities	20	-	-	-
(b) Provisions 20		25,87,500	37,83,064	24,85,894
		23,30,03,597	29,02,86,971	21,71,61,478
V Current liabilities				
(a) Financial liabilities				
(i) Borrowings	21	80,26,304	92,81,345	-
(ii) Trade payables	22	1,20,68,062	73,04,174	82,85,450
(iii) Other financial liabilities	23	8,08,444	9,23,001	1,53,27,826
(b) Other current liabilities	24	2,26,13,040	2,13,00,774	1,99,40,721
(c) Provisions 20		8,76,289	-	-
		4,43,92,139	3,88,09,294	4,35,53,997
Total liabilities		27,73,95,736	32,90,96,266	26,07,15,475
TOTAL EQUITY AND LIABILITIES		21,62,59,532	19,93,34,586	20,19,37,270

Summary of Significant Accounting Policies 3
The accompanying notes are an integral part of the financial statements

In terms of our report of even date attached.

for **Krishna Neeraj & Associates**
Chartered Accountants
FRN: 023233N

For and on behalf of the Board of Directors of VSL Chartered Accountants

CA. Krishna K. Neeraj
Partner
Membership No.:506669
New Delhi
30th May, 2018

Rajendra V. Kulkarni
Director
DIN:-00988255

Gokul Tandan
Managing Director
DIN:-00441563

Ritika Ahuja
Company Secretary

Athar Ahmad
Chief Financial Officer



CIN : L72200DL1992PLC047931

Virtualsoft Systems Limited

Consolidated Statement of Profit and Loss for the year ended 31 March, 2018

Particulars	Note No.	For the year ended 31 March, 2018	For the year ended 31 March, 2017
I Revenue from operations	25	6,81,24,899	8,74,16,963
II Other income	26	12,09,520	1,05,015
III Total income (I+II)		6,93,34,419	8,75,21,978
IV Expenses			
(a) Cost of raw material consumed	27	3,70,35,589	5,28,94,395
(b) Purchase of stock in trade			
(c) Changes in inventories of finished goods, stock in trade and work-in-progress	28	(16,94,049)	6,62,322
(e) Excise duty on sale of goods			
(f) Employee benefit expense	29	3,64,31,895	4,71,70,217
(g) Finance costs	30	50,53,542	82,97,050
(h) Depreciation and amortization expense	31	30,92,873	33,13,791
(i) Other expenses	32	2,84,03,964	4,61,67,676
Total expense		10,83,23,814	15,85,05,451
V Profit before exceptional items and tax (III-IV)		(3,89,89,394)	(7,09,83,473)
VI Exceptional items	33	-	-
VII Profit before tax (V+VI)		(3,89,89,394)	(7,09,83,473)
VIII Income tax expense			
(a) Current tax		-	-
(b) Deferred tax		-	-
Total tax expense		-	-
IX Profit for the year (VII-VIII)		(3,89,89,394)	7,09,83,473)
Less: Share of Minority in Current Year Profits/Loss		(1,65,35,097)	(2,62,21,252)
		(2,24,54,297)	(4,47,62,221)
X Other comprehensive income			
Items that will not be reclassified to profit or loss in subsequent periods:			
(i) Remeasurements of post-employment defined benefit obligations		(2,95,129)	-
(ii) Change in fair value of FVOCI equity instruments			
(iii) Income tax effect			
Other comprehensive income for the year, net of tax		(2,95,129)	-
XI Total comprehensive income for the year (IX+X)		(2,27,49,426)	(7,09,83,473)
XII Earnings per share in Rs.	38		
Basic earnings per equity share		(2.18)	(4.35)
Diluted earnings per equity share		(2.18)	(4.35)
Summary of significant Accounting policies	3		
The accompanying notes are an integral part of the financial statements			

In terms of our report of even date attached.

for **Krishna Neeraj & Associates**
Chartered Accountants
FRN: 023233N

For and on behalf of the Board of Directors of VSL Chartered Accountants

CA. Krishna K. Neeraj
Partner
Membership No.:506669
New Delhi
30th May, 2018

Rajendra V. Kulkarni
Director
DIN:-00988255

Gokul Tandan
Managing Director
DIN:-00441563

Ritika Ahuja
Company Secretary

Athar Ahmad
Chief Financial Officer



Statement of changes in equity for the year ended 31st March 2018

A	Equity share capital	Note No.	Nos.	Rs. in Laks
	As at 1st April 2016		1,02,97,600	10,29,76,000
	Changes in equity share capital	17	-	-
	As at 31st March 2017		1,02,97,600	10,29,76,000
	Changes in equity share capital	17	-	-
	As at 31st March 2018		1,02,97,600	10,29,76,000

(B) Other equity

Particulars	Capital Reserve Reserve	Securities Premium	Retained Earnings	FVOCI -Equity instruments	Total other equity
Balance as at 1st April 2016	20,00,000	3,93,41,382	(22,24,53,078)	-	(18,11,11,696)
Profit for the year	-	-	(7,09,83,473)	-	(7,09,83,473)
Less: Share of Minority in Current Year			2,62,21,252		
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	-	(4,47,62,221)	-	(4,47,62,221)
Issue of equity shares	-	-	-	-	-
Income/Deferred Tax relating to earlier years	-	-	-	-	-
Balance as at 31st March 2017	20,00,000	3,93,41,382	(26,72,15,299)	-	(22,58,73,917)
Balance as at 1st April 2017	20,00,000	3,93,41,382	(26,72,15,299)	-	(22,58,73,917)
Profit for the year	-	(3,89,89,394)	-	(3,89,89,394)	
Less: Share of Minority in Current Year			1,65,35,097	-	1,65,35,097
Less: Adjustment due to shareholding change			1,15,36,944	-	1,15,36,944
Other comprehensive income	-	-	(2,95,129)	-	(2,95,129)
Total comprehensive income for the year	-	-	(1,12,12,482)	-	(1,12,12,482)
Equity Dividend including taxes thereon	-	-	-	-	-
Adjustment due to consolidation	-	3,61,09,770	-	-	3,61,09,770
Balance as at 31st March 2018	20,00,000	7,54,51,152	(27,84,27,781)	-	(20,09,76,629)

The accompanying notes form an integral part of these financial statements

In terms of our report of even date attached.

for **Krishna Neeraj & Associates**
Chartered Accountants
FRN: 023233N

For and on behalf of the Board of Directors of VSL Chartered Accountants

CA. Krishna K. Neeraj
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Chief Financial Officer

Consolidated Cash Flow Statement for the year ended 31 March, 2018

Particulars	Note No.	As at 31 March, 2018	As at 31 March, 2017
A Cash flow from operating activities			
Profit after tax		(3,89,89,394)	(7,09,83,473)
Adjustment to reconcile profit before tax to net cash flows :			
Depreciation/amortization		30,92,873	33,13,791
(Profit)/Loss on sale of property, plant and equipment		-	-
Other comprehensive income		(2,95,129)	-
Deferred tax		-	-
Interest expense		50,53,542	82,97,050
Interest income		(5,78,257)	(1,05,015)
Operating profit before working capital changes		(3,17,16,365)	(5,94,77,647)
Movements in working capital:			
(Decrease)/increase in trade payables and other liabilities		59,61,596	(1,40,26,048)
(Decrease)/increase in short-term provisions		8,76,289	-
(Decrease)/increase liability for current tax		-	-
Decrease/(increase) in trade receivable		(42,89,626)	37,55,449
Decrease/(increase) in inventories		(16,94,049)	6,62,322
Decrease/(increase) in other bank balances		-	1,000
Decrease/(increase) in short term loans		(3,32,588)	9,60,509
Decrease/(increase) in other current assets		(24,03,169)	15,39,476
Cash generated from operations		(3,35,97,913)	(6,65,84,939)
Direct taxes paid		-	-
Net cash flow from/(used in) operating activities (A)		(3,35,97,913)	(6,65,84,939)
Cash flows from investing activities			
Purchase of property, plant and equipment, including intangible assets, capital work in progress		(1,31,72,181)	(61,57,121)
Proceeds from sale of property, plant and equipment		-	-
Decrease/(increase) in non-current investments			
(Decrease)/increase in long-term provisions		(11,95,564)	12,97,170
Decrease/(increase) in other non-current assets		-	-
Increase/(decrease) in other non-current Financial Liabilities		-	-
Decrease/(increase) in long term loans		8,51,735	(3,48,297)
Interest received		5,78,257	1,05,015
Net cash flow from investing activities (B)		(1,29,37,753)	(51,03,233)
Cash flow from financing activities			
Proceeds from issuance of equity share capital		10,79,10,000	-
Proceeds/(Repayment) of long-term borrowings		(5,60,87,810)	7,18,28,323
Proceeds/(Repayment) of short-term borrowings		(12,55,043)	92,81,345
Equity Dividend including taxes thereon		-	-
Interest paid		(50,53,542)	(82,97,050)
Net cash flow from / (used in) financing activities (C)		4,55,13,605	7,28,12,618
Net increase/(decrease) in cash and cash equivalents (A + B +C)		(10,22,060)	11,24,446
Cash and cash equivalents at the beginning of the year		29,09,836	17,85,393
Cash and cash equivalents at the end of the year		18,87,776	29,09,839
Components of cash and cash equivalents			
Cash in hand		17,79,397	15,24,756



Virtualsoft Systems Limited

Cheques/ drafts in hand		
With banks in current account	37,140	11,53,841
Unpaid dividend accounts in deposit accounts	71,240 -	71,240 1,60,000
Total cash and cash equivalents [Refer Note No. 16]	18,87,776	29,09,836

Notes:

Note : The above Cash flow statement has been prepared under the Indirect method setout in Ind AS-7 'Statement of Cash Flow'.

Summary of significant Accounting policies

The accompanying notes are an integral part of the financial statements

In terms of our report of even date attached.

for **Krishna Neeraj & Associates**
Chartered Accountants
FRN: 023233N

For and on behalf of the Board of Directors of VSL Chartered Accountants

CA. Krishna K. Neeraj
Partner
Membership No.:506669
New Delhi
30th May, 2018

Rajendra V. Kulkarni
Director
DIN:-00988255

Gokul Tandan
Managing Director
DIN:-00441563

Ritika Ahuja
Company Secretary

Athar Ahmad
Chief Financial Officer

Notes to the financial statements for the year ended 31 March, 2018

1. Corporate information

Virtualsoft Systems Limited ('the Company') is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its equity shares are listed on the BSE Limited in India. The registered office of the Company is located at Flat No. S-101, Panchsheel Park, New Delhi - 110017.

The vision of the company is to empower business and learning communities with rich "knowledge on demand". The Company is primarily engaged in the business of Pioneering Broadband, Virtual Event & Providing Mobile Roaming Services & Solutions.

Roam1 Telecom Limited is a subsidiary of Virtualsoft Systems Limited (a BSE listed Company). The company is providing International Roaming Card Services & Solutions.

These consolidated Ind AS financial statements are approved for issue by the Board of Directors on May 30, 2018.

2. Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, Companies (Indian Accounting Standards) (Amendment) Rules, 2016 as amended and the relevant provisions of the Companies Act, 2013.

For all periods up to and including the year ended 31 March 2017, the Group prepared its financial statements in accordance accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP), to the extent applicable, and the presentation requirements of the Companies Act, 2013. These financial statements for the year ended 31 March 2018 are the first the Group has prepared in accordance with Ind AS.

The transition to Ind AS was carried out in accordance with Ind AS 101 [First-Time Adoption of Indian Accounting Standards] with the date of transition as April 1, 2016.

The consolidated financial statements have been prepared on a going concern basis using historical cost convention and on an accrual method of accounting, except for certain financial assets and financial liabilities which are measured at fair value/ amortized cost (Refer accounting policy regarding financial instruments).

The consolidated financial statements are presented in Indian Rupees Lakhs and all values have been rounded to the nearest Lakh with two decimal places, unless stated otherwise.

3. Significant accounting policies

The Group has applied the following accounting policies to all periods presented in the consolidated financial statements.

a) Basis of consolidation

The consolidated financial statements incorporate the results of Virtualsoft Systems Limited and all its subsidiaries, being the entities that it controls. Control is evidenced where the Group has power over the investee or is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Power is demonstrated through existing rights that give the ability to direct relevant activities, which significantly affect the entity returns.

The financial statements of subsidiaries are prepared for the same reporting year as the parent company. Where necessary, adjustments are made to the financial statements of subsidiaries to align the accounting policies in line with accounting policies of the Group.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intra-Group balances and transactions, and any unrealized income and expenses arising from intra-Group transactions, are eliminated in preparing the consolidated financial statements. Unrealized losses are eliminated unless costs cannot be recovered.

b) Functional and presentation currency

The standalone financial statements are prepared in Indian Rupees, which is the Group's presentation currency and the functional currency for all its operations.

c) Current and non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is classified as current when it is:

- expected to be realised or intended to sold or consumed in the normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realised within twelve months after the reporting period; or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets are classified as non-current.

A liability is classified as current when:

- it is expected to be settled in the normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within twelve months after the reporting date; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting date.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current only.

Operating cycle of the Group is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. As the Group's normal operating cycle is not clearly identifiable, it is assumed to be twelve months.

d) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Group has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

Sale of goods

Revenue from sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer which usually is on actual despatch of goods to the buyer. Amounts disclosed are inclusive of excise duty and net of returns and allowances, trade discounts, volume rebates, value added taxes and goods and service tax and amounts collected on behalf of third parties.

Rendering of services

Revenue from services is recognised by reference to the stage of completion of work.

e) Other Income

i. Interest Income

Interest income is accrued on time basis, by reference to the principal outstanding and at the effective interest rate applicable. Interest income is included in finance income in the statement of profit and loss.

ii. Dividends

Dividend income is recognised in the statement of profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be measured reliably.

iii. Rental Income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and is included in other income in the statement of profit and loss.

f) Property, plant and equipment

All property, plant and equipment are stated at historical cost, net of accumulated depreciation (other than freehold land) and accumulated impairment losses, if any.

The initial cost of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use. It also includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. Items such as spares are capitalized when they meet the definition of property, plant and equipment.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Likewise, expenditure towards major inspections and overhauls are identified as a separate component and depreciated over the expected period till the next overhaul expenditure.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future economic benefits from the existing asset beyond its previously assessed standard of performance/life. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Depreciation on property, plant and equipment is calculated using the straight-line method (SLM) to allocate their cost, net of their residual values, over their estimated useful lives, as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in case of property, plant and equipment relating to PVC Cable Division, where depreciation is provided using the written down value method (WDV).

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at the end of each reporting period.

Freehold land is not depreciated.

Leasehold buildings are amortised over the duration of the shorter of the useful life or lease term.

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

For transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognised as of 1 April, 2016 measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Capital work-in-progress represents cost of property, plant and equipment that are not yet ready for their intended use and are carried at cost determined as aforesaid.

g) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Internally generated intangible assets are not capitalised and the expenditure is recognised in the statement of profit and loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite useful lives are amortised over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates to be adjusted prospectively. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss.

The Group does not have any intangible assets with indefinite useful lives.

Software are amortized on a straight line basis over a period of 4-5 years.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

For transition to Ind AS, the Group has elected to continue with the carrying value of all of its intangible assets recognised as of 1 April, 2016 measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

h) Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and wherever applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Depreciation on investment properties is calculated using the straight-line method (SLM) to allocate their cost, net of their residual values, over their estimated useful lives, as per the useful life prescribed in Schedule II to the Companies Act, 2013.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the statement of profit and loss in the period of derecognition.

For transition to Ind AS, the Group has elected to continue with the carrying value of all of its investment properties recognised as of 1 April, 2016 measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

i) Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and conditions are accounted for as follows:

- Raw materials, components, stores and spares, packing materials and others: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first-in, first-out (FIFO) basis.
- Work in progress: cost includes cost of direct materials and labour and estimated overheads upto the stage of completion. Cost is determined on first-in, first-out (FIFO) basis.
- Finished goods: cost includes cost of direct materials, labour, cost of manufacturing, cost of conversion and other costs incurred in finishing the goods. Cost is determined on first-in, first-out (FIFO) basis.

- Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first-in, first-out (FIFO) basis.
- Scrap is valued at estimated net realizable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

j) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs.

All other borrowing costs are expensed in the period in which they occur and are recognised in the statement of profit and loss using the effective interest method.

k) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to 1 April 2016, the Group has determined whether the arrangements contain lease on the basis of facts and circumstances existing on the date of transition.

Group as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Group's general policy on the borrowing costs.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Leases in which a significant portion of the risk and rewards of ownership are not transferred to the Group are reclassified as operating lease. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term unless the payments are structured to increase in line with the expected general inflation to compensate for the lessor's expected inflationary cost increases.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are reclassified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease unless the receipts are structured to increase in line with the expected general inflation to compensate for the expected inflationary cost increases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

Leases are classified as finance leases when substantially all the risks and rewards of ownership transfer from the Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

l) Income taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income tax relating to items recognized outside of profit or loss is recognized outside of profit or loss [either in other comprehensive income (OCI) or in equity]. Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- in respect of taxable temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled by the Company and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of deductible temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted as at the reporting date.

Current tax and deferred tax relating to items recognised outside profit or loss are recognised outside profit or loss (either in other comprehensive income or in equity).

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and tax liabilities on a net basis.

m) Employee benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12

months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Other long-term employee benefit obligations

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Post-employment obligations

The Group operates the following post-employment schemes:

- a. Defined benefit plans in the nature of gratuity, and
- b. Defined contribution plans such as provident fund.

Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in Indian Rupees is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Defined contribution plans

The Group pays provident fund contributions to publicly administered provident funds as per local regulations. The Group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due.

n) Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment

are reviewed for possible reversal of the impairment at the end of each reporting period.

o) Provisions, contingent liabilities and contingent assets

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss, net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. The unwinding of discount is recognized in the statement of profit and loss as a finance cost.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the financial statements.

Contingent assets are not recognised but disclosed in the financial statements when an inflow of economic benefits is probable.

p) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

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

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

i. Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost, if both the following conditions are met:

- a. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b. Contractual terms of the asset that give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is most relevant to the Group. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss.

ii. Debt instruments at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- a. The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b. The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

iii. Debt instruments at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

iv. Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Equity investment in subsidiaries and joint ventures are carried at historical cost as per the accounting policy choice given by Ind AS 27.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's combined balance sheet) when:

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

Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities and deposits;
- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18.

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, twelve month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in the subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on a twelve month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables and borrowings, etc.

Subsequent measurement

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

i. Financial liabilities at FVTPL

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

ii. Loans and borrowings

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

q) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Group are measured at their fair values and recognised as income in the statement of profit and loss.

r) Accounting for foreign currency transactions

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the Group operates ('the functional currency'). The financial statements are presented in Indian Rupees (INR), which is the Group's presentation currency and functional currency.

Transactions in currencies other than the functional currency are translated into the functional currency at the exchange rates that approximates the rate as at the date of the transaction. Monetary assets and liabilities denominated in other currencies are translated into the functional currency at exchange rates prevailing on the reporting date. Non-monetary assets and liabilities denominated in other currencies and measured at historical cost or fair value are translated at the exchange rates prevailing on the dates on which such values were determined.

All exchange differences are included in statement of profit and loss.

s) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

t) Dividends

The Group recognises a liability to make cash distributions to equity holders of the Group when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

u) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the shareholders of the Group by the weighted average number of equity shares outstanding during the financial year.

Diluted earnings per share

Diluted earnings per share is calculated by dividing the profit attributable to the shareholders of the Group (after adjusting the corresponding income/ charge for dilutive potential equity shares, if any) by the weighted average number of equity shares outstanding during the financial year plus the weighted average number of additional equity shares that would have been issued on conversion of all the dilutive potential equity shares.

4. Significant accounting judgements, estimates and assumptions

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Income taxes

The Group is subject to income tax laws as applicable in India. Significant judgment is required in determining provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

In assessing the realisability of deferred tax assets, management considers whether it is probable, that some portion, or all, of the deferred tax assets will not be realised. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the projected future taxable income and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable incomes over the periods in which the deferred tax assets are deductible, management believes that it is probable that the Group will be able to realise the benefits of those deductible differences in future.

Employee benefit obligations

The cost of the defined benefit obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Contingencies

Management judgement of contingencies is based on the internal assessments and opinion from the consultants for the possible outflow of resources, if any.

5. Recent accounting pronouncements

a) Ind AS 115 – Revenue from contract with customers:

Ind AS 115, Revenue from contracts with customers, deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a promised good or service and thus has the ability to direct the use and obtain the benefits from the good or service in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. The standard replaces Ind AS 18 Revenue and Ind AS 11 Construction contracts and related appendices.

The new standard is mandatory for financial years commencing on or after 1 April 2018 and early application is not permitted.

The Group is in the process of assessing the detailed impact of Ind AS 115. Presently, the Group is not able to reasonably estimate the impact that application of Ind AS 115 is expected to have on its financial statements, except that adoption of Ind AS 115 is not expected to significantly change the timing of the Group's revenue recognition for product sales. Consistent with the current practice, recognition of revenue will continue to occur at a point in time when products are dispatched to customers, which is also when the control of the asset is transferred to the customer under Ind AS 115.

b) Appendix B to Ind AS 21 - Foreign currency transactions and advance consideration:

The MCA has notified Appendix B to Ind AS 21, Foreign currency transactions and advance consideration. The appendix clarifies how to determine the date of transaction for the exchange rate to be used on initial recognition of a related asset, expense or income where an entity pays or receives consideration in advance for foreign currency denominated contracts.

The amendment will come into force from 1 April 2018. The Group is in the process of assessing the detailed impact of the amendment and its impact on the financial statements. The effect on adoption of Ind AS 21 is expected to be insignificant.

Notes to the consolidated financial statements for the year ended 31st March 2018

6 Property, plant and equipment

Particulars	Computer	Furniture and Fixtures	Office Equipments	Vehicles	Total
Deemed Cost*					
At 1st April 2016	35,95,976	3,31,512	76,85,836	12,39,763	1,28,53,087
Additions	7,33,819	-	15,78,332	21,94,970	45,07,121
Disposals / adjustments	-	-	-	-	-
At 31st March 2017	43,29,795	3,31,512	92,64,168	34,34,733	1,73,60,208
Additions	1,23,000	11,39,500	9,29,680	-	21,92,180
Disposals / adjustments	-	-	-	-	-
At 31st March 2018	44,52,795	14,71,012	1,01,93,848	34,34,733	1,95,52,388
Depreciation*					
At 1st April 2016	23,99,088	52,338	36,50,199	4,40,497	65,42,122
Charge for the year	12,70,948	31,494	13,55,028	4,73,526	31,30,996
Disposals / adjustments	-	-	-	-	-
At 31st March 2017	36,70,036	83,832	50,05,227	9,14,023	96,73,118
Charge for the year	3,15,574	98,791	18,10,222	6,85,489	29,10,076
Disposals / adjustments	-	-	-	-	-
At 31st March 2018	39,85,610	1,82,623	68,15,449	15,99,512	1,25,83,194

Particulars	Goodwill	Mobile Application Software	Trade Mark	Website	Total
Deemed Cost					
Addition					-
Disposal					-
Reclassification as held for sale		-	-	-	-
As on 1st April 2016	6,73,51,697	2,97,810	32,350	12,00,000	6,88,81,857
Addition	-				-
Balance as at 31st Mar 2017	6,73,51,697	2,97,810	32,350	12,00,000	6,88,81,857
Addition on account of consolidation	94,80,001				94,80,001
Balance as at 31st Mar 2018	7,68,31,698	2,97,810	32,350	12,00,000	7,83,61,858
Depreciation*					
Balance as at 1st April, 2016	-	1,78,686	9,705	42,131	2,30,522
Charge for the year	-	59,562	3,235	1,20,000	1,82,797
Balance as at 31st Mar, 2017	-	2,38,248	12,940	1,62,131	4,13,319
Charge for the year	-	59,562	3,235	1,20,000	1,82,797
Balance as at 31st Mar, 2018	-	2,97,810	16,175	2,82,131	5,96,116
Net Block					
As on 1st April 2016	6,73,51,697	1,19,124	22,645	11,57,869	6,86,51,335
As on 31st March 2017	6,73,51,697	59,562	19,410	10,37,869	6,84,68,538
As on 31st March 2018	7,68,31,698	-	16,175	9,17,869	7,77,65,742

Additional information:

(1) Goodwill have arisen on account of Consolidation.



8 Intangible assets under development

	As At 31st March 2018	As At 31st March 2018	As At 1st April 2016
CRM Software	9,79,62,864	9,64,62,864	9,48,12,864
Software under development	20,40,000	20,40,000	20,40,000
Website under development	30,000	30,000	30,000
Total	10,00,32,864	9,85,32,864	9,68,82,864

9 Intangible assets under development

	As At 31st March 2018	As At 31st March 2018	As At 1st April 2016
(a) Non Current Loans (Unsecured, Considered Good)			
Loans to related parties	1,54,485	1,54,485	1,54,485
Security Deposits *	27,80,124	36,31,859	32,83,562
Loans and advances to employees	-	-	-
Total Non Current Loans	29,34,609	37,86,344	34,38,047
(b) Current Loans (Unsecured, Considered Good)			
Advances to related parties (subsidiary)	-	-	-
Advances Recoverable	-	-	-
Loans and advances to employees	32,75,131	29,42,543	39,03,052
Security Deposits	-	-	-
Total Current Loans	32,75,131	29,42,543	39,03,052

* Security deposit includes Electricity, telephone and other deposits.

**10 Inventories
(valued at lower of cost and net realizable value)**

	As At 31st March 2018	As At 31st March 2018	As At 1st April 2016
Stock in Trade	49,36,959	32,42,910	39,05,232
Total	49,36,959	32,42,910	39,05,232

Stock in trade represents the value of ERCV amount and the International roaming cards lying idle with the company. The management has taken and valued closing stock in trade at the lower of cost and net realizable value and certified that it has been physically verified at reasonable interval.

11 Financial assets - Trade receivables

	As At 31st March 2018	As At 31st March 2018	As At 1st April 2016
Trade receivables	1,26,94,646	84,05,020	1,21,60,469
Total	1,26,94,646	84,05,020	1,21,60,469
Break-up of security details			
Secured, considered good			
Unsecured, considered good	1,21,70,588	70,88,038	1,04,30,254
Doubtful	5,24,058	13,16,982	17,30,215
Total	1,26,94,646	84,05,020	1,21,60,469
Less : Allowance for bad and doubtful debts	-	-	-
Total	1,26,94,646	84,05,020	1,21,60,469

Note: Trade receivables have been hypothecated with banks against working capital credit facilities of the Company.

12	Financial assets - Cash and cash equivalents	As At 31st March 2018	As At 31st March 2018	As At 1st April 2016	
	Balances with banks:				
	-In current accounts	37,140	11,53,841	4,15,525	
	-in unpaid dividend accounts	71,240	71,240	71,240	
	-Deposits with original maturity of 3 months or less	-	1,60,000	-	
	Cash in hand	17,79,397	15,24,756	12,98,628	
	Total	18,87,776	29,09,836	17,85,393	
13	Financial assets - Other Bank Balances	As At 31st March 2018	As At 31st March 2018	As At 1st April 2016	
	Deposits with original maturity for more than 3 months but not more than 12 months	2,50,000	2,50,000	2,51,000	
	Total	2,50,000	2,50,000	2,51,000	
14	Financial assets - Other Current Financial Assets	As At 31st March 2018	As At 31st March 2018	As At 1st April 2016	
	Interest Accrued on FDR	97,520	76,203	54,472	
	Total	97,520	76,203	54,472]	
15	Other current assets	As At 31st March 2018	As At 31st March 2018	As At 1st April 2016	
	Prepaid Expenses	48,000	35,985	1,36,864	
	Balances with statutory / government authorities	52,35,875	29,97,253	41,38,404	
	Recoverable from Related Party	1,31,215	-	3,19,173	
	Total	54,15,090	30,33,238	45,94,441	
16	Share capital	As At 31st March 2018	As At 31st March 2018	As At 1st April 2016	
	Authorised share capital				
	15,000,000 (31 March 2016 : 15,000,000, 1 April 2016 : 15,000,000) Equity Shares of Rs. 10/- each	15,00,00,000	15,00,00,000	15,00,00,000	
	Total	15,00,00,000	15,00,00,000	15,00,00,000	
	Issued, Subscribed and fully paid up shares				
	1,02,97,600 (31 March 2016 : 1,02,97,600, 1 April 2016 : 1,02,97,600) Equity Shares of Rs. 10/- each, fully paid up	10,29,76,000	10,29,76,000	10,29,76,000	
	Add: Forfeited Shares - Amount Originally Paid up				
	Total	10,29,76,000	10,29,76,000	10,29,76,000	
(a)	Reconciliation of shares outstanding at the beginning and at the end of reporting period				
	Particulars	As at 31st March 2018		As at 31st March 2017	
		No.	Rs.	No.	Rs.
	Equity Shares at the beginning of the year	1,02,97,600	10,29,76,000.00	1,02,97,600	10,29,76,000.00
	Add : Shares issued on exercise of preferential allotment during the year		-	-	
	Equity Shares at the end of the year	1,02,97,600	10,29,76,000.00	1,02,97,600	10,29,76,000.00

Terms/ rights attached to equity shares

The company has only one class of equity shares having par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends only in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(b) Details of shareholders holding more than 5% shares in the company

Particulars	As at 31st March 2018		As at 31st March 2017		As at 1st April 2016	
	No.	% Holding	No.	% Holding	No.	% Holding
(a) Virtual Software and Training Private Limited	42,00,000	40.79%	42,00,000	40.79%	42,00,000	40.79%
(b) Gokul Tandan	26,93,366	26.16%	26,93,366	26.16%	26,93,366	26.16%
(c) Mohini Tandan	3,46,717	3.37%	3,46,717	3.37%	3,46,717	3.37%
Total	68,93,366	70.32%	68,93,366	70.32%	68,93,366	70.32%

(c) Other details of Equity Shares for a period of five years immediately preceding 31st March 2018

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016	As at 31st March 2015	As at 31st March 2014
- Aggregate number of shares allotted as fully paid up pursuant to Contract without payment being received In cash	Nil	Nil	Nil	Nil	Nil
- Aggregate number of shares allotted as fully paid up by way of bonus shares	Nil	Nil	Nil	Nil	Nil
- Aggregate number of shares bought back	Nil	Nil	Nil	Nil	Nil

Note : 17 Other Equity

	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Capital Reserve	20,00,000	20,00,000	20,00,000
Securities Premium Reserve	7,54,51,152	3,93,41,382	3,93,41,383
Retained earnings(Net of Deficit in Statement of Profit and Loss)	(27,84,27,779)	(26,72,15,297)	(22,24,53,076)
Total	(20,09,76,627)	(22,58,73,915)	(18,11,11,693)

Note : 18 Financial liabilities - Non-Current Borrowings

	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Secured Loans			
Term Loans from Banks	-	13,54,025	2,26,986
Term Loans from Others			1,63,228
Total (A)	-	13,54,025	3,90,214
Unsecured Loans			
Loans from Directors	22,75,77,695	28,23,11,480	20,52,06,480
Term Loans from Others Relative party	8,38,402	8,38,402	70,78,890
Other Loan	20,00,000	20,00,000	20,00,000
Total (B)	23,04,16,097	28,51,49,882	21,42,85,370
Total Borrowings [C=A+B]	23,04,16,097	28,65,03,907	21,46,75,584
Current Maturities (included in Note No. : 26)			
Non-current	23,04,16,097	28,65,03,907	21,46,75,584

Note : 19 Provisions

	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Provision for gratuity	28,89,636	30,37,953	7,03,794
Provision for Leave Encashment	5,74,153	7,45,111	7,82,100
Total	34,63,789	37,83,064	24,85,894
Current	8,76,289	-	-
Non-current	25,87,500	37,83,064	24,85,894

Note : 20 Current borrowings

	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Secured Loans			
Working capital facilities from Banks	80,26,304	92,81,345	-
Working capital facilities from Others			
Unsecured Loans			
Bills discounted from Bank			
Loan from Directors			
Total	80,26,304	92,81,345	-

ii) The Company has not defaulted in the repayment of borrowings and interest as at Balance Sheet date.

Note : 21 Financial liabilities - Trade Payables

	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Current			
Total outstanding dues of micro & small enterprises*			
Others	1,20,68,062	73,04,174	82,85,450
Total	1,20,68,062	73,04,174	82,85,450

* In the absence of information about registration of such enterprises under the said Act, the details of dues to Micro & Small Enterprises have been furnished to the extent such parties have been identified by the Company based on information made available by them.

Note : 22 Other financial liabilities

	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Current Maturities of Non-Current Borrowings (refer to Note : 21)	3,86,803	3,55,836	1,44,99,158
Unclaimed Dividend	71,240	71,240	71,240
Interest accrued but not due on borrowings			
Security Deposits	3,50,401	4,95,925	7,57,428
Financial Guarantee Obligation (refer to Note : 22)			
Other Payables			
Total	8,08,444	9,23,001	1,53,27,826

Note : 23 Other current liabilities

	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Expenses Payable	3,89,439	3,08,447	1,44,858
Credit balance in staff imprest/advance	15,690	8,690	14,317
salary payable	37,95,664	48,69,696	45,23,421
Provision for Expenses	10,03,399	2,44,827	1,82,925
Other liabilities	1,44,01,202	1,25,55,073	83,50,319
statutory Dues Payable	30,07,646	33,14,042	67,24,881
Total	2,26,13,040	2,13,00,774	1,99,40,721
24 Revenue from operations	31st March 2018		31st March 2017
Sales of Products (Including Excise Duty)	6,81,24,899		8,74,16,963
Total	6,81,24,899		8,74,16,963
25 Other Income	31st March 2018		31st March 2017
Miscellaneous Receipts	12,09,520		1,05,015
Total	12,09,520		1,05,015
26 Cost of Raw Material Consumed	31st March 2018		31st March 2017
Raw Material			
Add: Purchases	3,70,35,589		5,28,94,395
Total Cost of Raw Material Consumed [A]	3,70,35,589		5,28,94,395
27 Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	31st March 2018		31st March 2017
Opening Stock of Finished Goods	32,42,910		39,05,232
Less: Closing Stock of Finished Goods	49,36,959		32,42,910
Total (A)	(16,94,049)		6,62,322
Opening Stock of Work-in-Progress			-
Less: Closing Stock of Work-in-Progress			-
Total (B)	-		-
Total Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade [A+B]	(16,94,049)		6,62,322
28 Employee Benefit Expenses	31st March 2018		31st March 2017
Director's Remuneration	6,00,000		6,00,000
Salaries, Wages, Bonus and Other Benefits	3,46,92,619		4,47,67,332
Gratuity	4,34,315		15,59,840
Leave Compensation	19,154		93,805
Contribution to Provident and Other Funds	24,875		35,595
Workmen and Staff Welfare Expenses	6,60,932		1,13,645
Total	3,64,31,895		4,71,70,217
29 Finance Costs	31st March 2018		31st March 2017
Interest and Other Financial Charges	50,53,542		82,97,050
Total	50,53,542		82,97,050



	31st March 2018	31st March 2017
30 Depreciation and amortization expenses		
Depreciation on Property Plant & Equipment (Read with Note No. 7)	30,92,873	33,13,791
Depreciation on Investment Property (Read with Note No. 8)		
Amortisation of Intangible assets (Read with Note No. 9)		
Total	30,92,873	33,13,791
31 Other Expenses	31st March 2018	31st March 2017
Manufacturing Expenses		
Power & Fuel Charges	10,62,855	9,08,428
Other Expense	18,79,846	45,81,745
Other Manufacturing Expenses	7,01,463	5,83,602
Repairs to office	14,03,173	14,41,239
Repair and Maintenance Other Assets		
Repairs to Plant and Machinery		
Total (A)	50,47,337	75,15,014
Administrative and Selling Expenses		
Advertisement and Publicity	32,45,074	36,19,936
Auditors' Remuneration & Refreshment	2,45,950	2,40,000
Conveyance Expenses	36,95,991	48,38,990
Exchange Flactuation	14,783	1,19,365
Bank Charges	8,01,808	7,84,738
Project Expense		2,78,378
Cenvat Credit Reversed		27,28,077
Fees, Rates and Taxes	4,50,264	13,71,112
Admin Charges	10,182	
Communication Expense	23,34,611	21,46,224
Freight & Cartage Outward (Net)		
Insurance Charges	4,30,234	3,47,921
Legal & Professional Fees	69,44,892	1,50,53,913
Misc. Expenses		
Postage & Courier Charges		
Printing & Stationery	4,46,296	5,02,609
Rent	33,37,978	48,22,278
Charity and donations	17,485	2,30,065
Security Service Charges		
Telephone and Telecommunication Charges		8,67,561
Fees and Subscription Expense	1,03,842	1,23,932
Selling Expenses	8,96,149	5,77,563
Customs Clearance Expense	3,81,089	
Total (B)	2,33,56,627	3,86,52,662
Total Other Expenses [C=A+B]	2,84,03,964	4,61,67,676

32 Exceptional Items	31st March 2018	31st March 2017
Profit on Sale of Property, plant and equipment (Net)	-	-
Total	-	-
Payment to auditor	31st March 2018	31st March 2017
i) Audit fees	2,45,950	2,40,000
ii) Fees for income tax matters	-	-
iii) Certification charges & others	-	-
Total	2,45,950	2,40,000
*Corporate Social Responsibility Expenses	31st March 2018	31st March 2017
Gross Amount required to be spent by the Company (as per Section 135 of Companies Act, 2013)	-	-
Amount spent during the year		
i) Construction/acquisition of any assets	-	-
ii) On purposes other than (i) above	-	-

33 Employee benefit obligations

(A) Defined benefit plans

Gratuity:

Provision for gratuity is determined by actuaries using the projected unit credit method.”

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with Life Insurance Corporation of India in the form of a qualifying insurance policy.

The following tables summarise the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the respective plans:

(i) Changes in the present value of the defined benefit obligation are as follows:

Particulars	Gratuity Funded	Leave Encashment
Defined benefit obligation at at 1 April 2016	17,03,794	7,82,100
Interest expense	-	-
Current service cost	15,59,840	93,805
Benefits paid	(2,25,681)	(1,30,794)
Actuarial (gain)/ loss	-	-
Defined benefit obligation at 31 March 2017	30,37,953	7,45,111
Interest expense	-	-
Current service cost	(4,34,315)	(19,154)
Benefits paid	(1,04,712)	(56,223)
Actuarial (gain)/ loss	3,90,710	(95,581)
Defined benefit obligation at 31 March 2018	28,89,636	5,74,153

(ii) The amount to be recognized in the Balance Sheet:

Particulars	Gratuity Funded	Leave Encashment
Present value of obligation	17,03,794	7,82,100
Fair value of plan assets	-	-
Net (assets) / liability recognized in balance sheet as provision as at 1 April 2016	17,03,794	7,82,100
Present value of obligation	30,37,953	7,45,111
Fair value of plan assets	-	-
Net (assets) / liability recognized in balance sheet as provision as at 31 March 2017	30,37,953	7,45,111
Present value of obligation	28,89,636	5,74,153
Fair value of plan assets	-	-
Net (assets) / liability recognized in balance sheet as provision as at 31 March 2018	28,89,636	5,74,153

(iii) Amount recognised in Statement of Profit and Loss:

Particulars	Gratuity Funded	Leave Encashment
Interest Cost	-	-
Current service cost	15,59,840	93,805
Expected return on plan asset	-	-
Amount recognised in Statement of Profit and Loss for year ended 31 March 2017	15,59,840	93,805
Interest Cost	-	-
Current service cost	(4,34,315)	(19,154)
Amount recognised in Statement of Profit and Loss for year ended 31 March 2018	(4,34,315)	(19,154)

(iv) Amount recognised in Other Comprehensive Income:

Particulars	Gratuity Funded	Leave Encashment
Actuarial (gain)/ loss on obligations	-	-
Actuarial (gain)/ loss on plan assets	-	-
Amount recognised in Other Comprehensive Income for year ended 31 March 2017	-	-
Actuarial (gain)/ loss on obligations	3,90,710	(95,581)
Actuarial (gain)/ loss on plan assets	-	-
Amount recognised in Other Comprehensive Income for year ended 31 March 2018	3,90,710.00	(95,581.00)

(v) Changes in the fair value of plan assets are as follows:

Particulars	Gratuity Funded	Leave Encashment
Fair value of plan assets at 1 April 2016	-	-
Expected return on plan assets	-	-
Actuarial gain/(loss)	-	-



Fair value of plan assets at 31 March 2017	-	-
Expected return on plan assets	-	-
Actuarial gain/(loss)	-	-
Fair value of plan assets at 31 March 2018	-	-

(vi) The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	31st March, 2018	31st March, 2017	1st April, 2016
Investment Details	Gratuity	Gratuity	Gratuity
Investment with Insurer	0%	0%	0%

(vii) The principal assumptions used in determining gratuity & leave encashment obligations for the Company's plans are shown below:

Gratuity & Leave Encashment

Particulars	31st March, 2018	31st March, 2017	1st April, 2016
Average Past Service (Years)	9.40	NA	NA
Average remaining working life (Years)	19.20	NA	NA
Average Age (Years)	38.80	NA	NA
Weighted average duration (Years) - Gratuity	16.00	NA	NA
Weighted average duration (Years) - Leave Encashment	15.00	NA	NA
Discounting rate	7.75% PA	NA	NA
Salary Growth Rate	5.00% PA	NA	NA

(viii) Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase rate. Effect of change in mortality rate is negligible. Please note that the sensitivity analysis presented below may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumption would occur in isolation of one another as some of the assumptions may be correlated. The results of sensitivity analysis are given below:

Particulars	31st March, 2018		31st March, 2017	
	Gratuity Funded	Leave Encashment	Gratuity Funded	Leave Encashment
Liability with 1% increase in Discount Rate	26,09,270	5,16,241	NA	NA
Liability with 1% decrease in Discount Rate	32,20,177	6,43,178	NA	NA
Liability with 1% increase in Salary Growth Rate	32,26,117	6,44,425	NA	NA
Liability with 1% decrease in Salary Growth Rate	26,00,006	5,14,335	NA	NA

(B) Defined contribution plans	31 March 2018	31 March 2017
Employer's Contribution to Provident Fund	-	-
Employer's Contribution to ESI	-	-
Employer's Contribution to NPS	-	-
Total	-	-

34 Segment information

The Company's operations predominately relate to Cables and accordingly this is the only reportable segment as per Ind AS 108 "Operating Segments".

Geographical Information

Particulars

	31st March 2018	31st March 2017
1. Revenue from external customers		
- Within India	6,81,24,899	8,74,16,963
- Outside India	-	-
Total revenue per statement of profit and loss	6,81,24,899	8,74,16,963
The revenue information above is based on the locations of the customers		
2. Non-current operating assets		
- Within India	18,47,67,800	17,46,88,492
- Outside India	-	-
Total	18,47,67,800	17,46,88,492

Non-current operating assets for this purpose consist of property, plant and equipment, CWIP, investment properties and intangible assets.

35 A. Related Party Disclosures:

In accordance with the requirements of Ind AS - 24 'Related Party Disclosures' the names of the related parties where control exists/ able to exercise significant influence along with the aggregate transactions and year end balances with them as identified by the management in the ordinary course of business and on arms' length basis are given below:

(a) Subsidiary Companies :

Roam1 Telecom Limited

(b) Key Management Personnel (KMP):

Mr. Gokul Tandon	Chairman cum Managing Director
Mr. Rajendra V. Kulkarni	Director
MS Aashima Puri	Director
Mr S.C. Rajpal	Director
Mrs Ritu Tandon	Director
Ms Ritika Ahuja	Ccompany Secretary
Mr Athar Ahmad	Chief Financial Officer

(c) Enterprises over which KMP/ relatives of KMP exercise significant influence :-

M/S GISIL DESIGNS PVT LTD	MR SURESH RAJPAL IS DIRECTOR
M/S ELECTRONIC TENDER.COM(INDIA) PVT LTD	MR SURESH RAJPAL IS DIRECTOR
M/S INDE PAY NETWORKS PVT LTD	MR SURESH RAJPAL IS DIRECTOR
M/S MOBIRELTECHNOLOGY SERVICES INDIA PVT LTD	MR SURESH RAJPAL IS DIRECTOR
M/S VISHNOVA INTERACTIVE PVT LTD	MR SURESH RAJPAL IS DIRECTOR
M/S INDE LIVELIHOOD FOUNDATION	MR SURESH RAJPAL IS DIRECTOR
M/S FAKEBUSTER INDIA PVT LTD	MR SURESH RAJPAL IS DIRECTOR
M/S ROAM1 TELECOM LIMITED	MR SURESH RAJPAL IS DIRECTOR
M/S GOTO CUSTOMER SERVICES PVT LTD	Gokul TANDON IS DIRECTOR
M/S Virtual Software & Training Pvt Ltd.	Gokul TANDON IS DIRECTOR



M/S V REACH SOLUTIONS PVT LTD	Gokul TANDON IS DIRECTOR
M/S ENHANCED COMMUNICATIONS & TECHNOLOGIES PVT LTD	Gokul TANDON IS DIRECTOR
M/S VEMANYA DESIGN WORKS PVT LTD	Gokul TANDON IS DIRECTOR
M/SVIRTUAL SOFT SYSTEMS LIMITED	Gokul TANDON IS DIRECTOR
M R CAPITAL PVT LTD	RAJENDRA KULKARNI IS DIRECTOR
M/S VIJAY STAMPINGS PVT LTD	RAJENDRA KULKARNI IS DIRECTOR
M/S PRIME VALVES INDIA LTD	RAJENDRA KULKARNI IS DIRECTOR
M/S MARBLE ARCH ESTATE PRIVATE LIMITED	RAJENDRA KULKARNI IS DIRECTOR
M/S VEERANA ESTATE PRIVATE LIMITED	RAJENDRA KULKARNI IS DIRECTOR
M/S FOUNDATION TECHNOLOGIES PVT LTD	RAJENDRA KULKARNI IS DIRECTOR
M/S Virtual Software & Training Pvt Ltd.	RAJENDRA KULKARNI IS DIRECTOR
M/S OFFICE ZONE PRODUCTS PRIVATE LIMITED	RAJENDRA KULKARNI IS DIRECTOR
M/S VIRTUAL SOFT SYSTEMS LIMITED	RAJENDRA KULKARNI IS DIRECTOR
M/S VIRTUAL SOFT SYSTEMS LIMITED	RITU TANDON IS DIRECTOR
M/S FOUNDATION TECHNOLOGIES PVT LTD	RITU TANDON IS DIRECTOR
M/S V REACH SOLUTIONS PVT LTD	RITU TANDON IS DIRECTOR
M/S VEMANYA DESIGN WORX PVT LTD	RITU TANDON IS DIRECTOR
m/s Roam1 telecom limited	RITU TANDON IS DIRECTOR
M/S Roam1 Telecom Limited	Aashima puri is a Director

B. Related Party Transactions:

Particulars	Subsidiary		KMP		Other Related Parties		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
Short-term Employee Benefits	-	-	-	-	-	-	-	-
Interest Paid/Payable	-	-	3.60	52.85	-	-	3.60	52.85
Lease Rent Paid/Payable	-	-	-	-	-	-	-	-
Interest Received/Receivable	-	-	-	-	-	-	-	-
Reimbursement of Expenses	-	-	-	7.66	-	-	-	7.66
Rent Received/Receivable	-	-	-	-	-	-	-	-
JobWork Charges Paid/Payable	-	-	-	-	-	19.01	-	19.01
Purchases	-	-	-	-	-	-	-	-
Sales	-	-	-	-	-	-	-	-
Sale of PPE	-	-	-	-	-	-	-	-
Purchase of PPE	-	-	-	-	-	-	-	-
FINANCE								
Unsecured Loans Received	-	-	189.50	788.55	-	61.90	189.50	850.45
Unsecured Loans Paid back	-	-	-	17.50	-	-	-	17.50
Unsecured Loans Received Back	-	-	-	-	-	-	-	-
Short Term Loans Paid	-	-	-	-	-	1.98	-	1.98
Short Term Loans Received Back	-	-	-	-	-	1.98	-	1.98
Advances Paid	153.10	-	-	-	-	-	153.10	-
Advances Received Back	156.41	-	-	-	-	-	156.41	-
Corporate guarantee given	-	-	-	-	-	-	-	-

All transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured. For the year ended 31 March 2018, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2017: Nil, 1 April 2016: Nil)

36 Detail of loans given, Investment made and guarantee given covered U/s 186(4) of the Companies Act, 2013

Particulars	31st March 2018	31st March 2017
(a) Loan given by the Company for general business purposes as at balance sheet date :	-	-
(b) Corporate guarantee given by the Company as at balance sheet date : For securing the credit facilities sanctioned to subsidiary company	-	-

38 Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity shareholders of the company by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit for the year attributable to the equity shareholders of the company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the profit and share data used in the basic and diluted EPS computation:

Particulars	31 March 2018	31 March 2017
Profit for the year	(2,24,54,297)	(4,47,62,221)
Weighted average number of equity shares in calculating basic EPS (absolute value in number)	1,02,97,600	1,02,97,600
Effect of dilution	-	-
Weighted average number of equity shares in calculating diluted EPS (absolute value in number)	1,02,97,600	1,02,97,600
Earnings per share		
- Basic (on nominal value of Rs. 10 per share) Rs./ share	(2.18)	(4.35)
- Diluted (on nominal value of Rs. 10 per share) Rs./ share	(2.18)	(4.35)

38 Leases

Operating Lease

Company as a lessee:

The Company has taken certain vehicles and immovable properties on operating lease. All operating leases entered into by the Company are cancelable on giving notice of one to three months.

Company as a lessor:

The Company has given certain immovable properties on operating lease. All operating leases entered into by the Company are cancelable on giving notice of one to three months.

Finance Lease

The company does not have any finance lease as at March 31, 2018.

39 Contingent liabilities

Contingent Liabilities are not provided for in the accounts and are disclosed by way of notes herein below :

40 Going Concern Basis

The company has accumulated losses of Rs.16,53,61,642/- as at 31st March, 2018 and its net worth as at that date is minus Rs. 6,23,85,642/-. Although these events or conditions may cast significant doubt on the Company's ability to continue as going concern, it has detailed plan for renewal of its operations. Accordingly the financial statements have been prepared on the basis that the company is a going concern and that adjustments are required to the carrying value of assets and liabilities.

41 Reconciliation and confirmations

Balances of debtors and creditors and loans and advances to/from parties, security deposits are subject to reconciliations and confirmations.

42 Provision for tax

In view of the carried forward losses, no provision for current tax have been made during the year. Provision for Deferred tax has also not been recognized in the Balance Sheet in view of the fact that there exists no virtual certainty supported by convincing evidence that there will be available sufficient future profits against which such deferred tax asset can be adjusted.

43 Intangible assets under development

The company is developing a CRM software called Live Webcast Suite for providing telecom services and a Website. No amount has been capitalized during the year. The management is of the opinion that since the process is still going on & hence no amortization is required during this year

44 Other Disclosures

- The company has not received any Government Grants during the year
- As at year end, there was no amount due to any small scale industrial undertaking
- Figures are rounded off to nearest rupee.

45 Financial Instruments measurements and disclosures

(a) Financial instruments by category :

Particulars	31st March 2018			31st March 2017			1st April 2016		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
Financial Assets									
Non-current									
Investment	-	-	-	-	-	-	-	-	-
Loans	-	-	29,34,609	-	-	37,86,344	-	-	34,38,047
Current									
Trade receivables	-	-	1,26,94,646	-	-	84,05,020	-	-	1,21,60,469
Cash and cash equivalents	-	-	18,87,776	-	-	29,09,836	-	-	17,85,393
Other bank balances	-	-	2,50,000	-	-	2,50,000	-	-	2,51,000
Loans	-	-	32,75,131	-	-	29,42,543	-	-	39,03,052
Total	-	-	2,10,42,162	-	-	1,82,93,743	-	-	2,15,37,961
Financial liabilities									
Non-current									
Borrowings	-	-	23,04,16,097	-	-	28,65,03,907	-	-	21,46,75,584
Other Financial Liabilities	-	-	-	-	-	-	-	-	-
Current									
Borrowings	-	-	80,26,304	-	-	92,81,345	-	-	-
Trade payables	-	-	1,20,68,062	-	-	73,04,174	-	-	82,85,450
Other financial liabilities	-	-	8,08,444	-	-	9,23,001	-	-	1,53,27,826
Total	-	-	25,13,18,907	-	-	30,40,12,427	-	-	23,82,88,860

(b) Fair value of financial assets and liabilities measured at amortised cost :

The carrying amounts of financial assets and liabilities carried at amortised cost are reasonable approximation of their fair value.

(c) Fair value hierarchy :

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows based on the lowest level input that is significant to the fair value measurement as whole.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices, for example listed equity instruments, traded bonds and mutual funds that have quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques that 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.

The following table presents assets and liabilities measured at fair value at 31 March 2018 and 31 March 2017:

Particulars	31st March 2018			31st March 2017		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets for which fair values are disclosed						
Investment Property	-	-	-	-	-	-
Financial assets:						
Measured at fair value						
Financial investments at FVTOCI						
Listed Equity investments	-	-	-	-	-	-
Financial assets at amortised cost						
Advances to related parties	-	-	1,54,485	-	-	1,54,485
Loans to employees	-	-	-	-	-	-
Security Deposits	-	-	27,80,124	-	-	36,31,859
	-	-	29,34,609	-	-	37,86,344
Financial liabilities:						
Measured at fair value						
Financial liabilities at amortised cost						
Borrowings	-	23,84,42,401	-	-	29,57,85,252	-
Financial Guarantee Obligation	-	-	-	-	-	-
	-	23,84,42,401	-	-	29,57,85,252	-

There are no transfers among levels 1, 2 and 3 during the year.

46 Financial risk management objectives and policies

The Company's principal financial liabilities comprise loans and trade payables. The main purpose of these financial liabilities is to raise finance for the Company's operations. The Company has various financial assets such as trade receivables, bank balances and short-term deposits, which arise directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is responsible to ensure that Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured

and managed in accordance with the Company's policies and risk objectives. All activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

(a) 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: interest rate risk, foreign currency risk and other price risk. Financial instruments affected by market risk include loans and borrowings, deposits and investments.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interests rate primarily relates to the Company's long-term debt obligations with floating interest rates. The Company's policy is to manage its interest cost using a mix of fixed & floating rate borrowings.

"The following table demonstrates the sensitivity to a reasonably possible change in the interest rates on borrowings at variable/ floating interest rates. With all the other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Unhedged foreign currency sensitivity	Changes in US\$	Effect on profit before tax	Changes in EUR	Effect on profit before tax
31-Mar-18				
31-Mar-18	+5%	(13.95)	+5%	-
	-5%	13.95	-5%	-
31-Mar-17	+5%	(58.13)	+5%	-
	-5%	58.13	-5%	-
01-Apr-16	+5%	(113.03)	+5%	-
	-5%	113.03	-5%	-

(iii) Price risk

Commodity price risk

The Company is affected by the price volatility of certain commodities. Its operating activities require the ongoing purchase and manufacture of copper cables and therefore require a continuous supply of copper. To meet requirements the Company enters into contracts to purchase copper.

The Company's Board of Directors has developed and enacted a risk management strategy regarding commodity price risk and its mitigation.

Equity price risk

The Company's non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The Company's Board of Directors reviews and approves all equity investment decisions.

At the reporting date, the Company's exposure to unlisted equity securities (other than investments in subsidiaries) at fair value was Rs. Nil.

(b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer

contract, leading to a financial loss. The Company is exposed to credit risk for trade receivables, cash and cash equivalents, investments, other bank balances, loans, other financial assets and financial guarantees.

Customer credit risk is managed by the Company subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on credit rating and individual credit limits are defined in accordance with credit assessment. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit or other forms of credit assurance.

The Company has a detailed review mechanism of overdue customer receivables at various levels within organisation to ensure proper attention and focus for realisation and based on the assessment performed, the management does not expect any material loss on its receivables and hence no provision is deemed necessary on account of expected credit loss.

The Company assesses the recoverability of other financial assets, potentially subject to credit risk, on regular basis. Factors such as business and financial performance of counterparty, their ability to repay, regulatory changes and overall economic conditions are considered to assess future recoverability.

(c) Liquidity risk

Liquidity risk is the risk that the Company may encounter difficulty in meeting its present and future obligations associated with financial liabilities that are required to be settled by delivering cash or another financial asset.

The Company monitors its risk of shortage of funds using cash flow forecasting models. These models consider the maturity of their financial investments, committed funding and projected cash flows from operations.

The Company's objective is to provide financial resources to meet its business objectives in a timely, cost effective and reliable manner. A balance between continuity of funding and flexibility is maintained through the use of bank borrowings. The Company also monitors compliance with its debt covenants. The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:"

The tables below summarise the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

As at 31-March-2018

Particulars	Carrying amount	Payable on demand	0-1 year	1-5 years	More than 5 years
Borrowings	23,88,29,204.36	80,26,304.00	3,86,803.00	23,04,16,097.36	-
Trade payables	1,20,68,062.00	-	1,20,68,062.00	-	-
Other Financial liabilities	4,21,641.00	-	4,21,641.00	-	-
Total	25,13,18,907.36	80,26,304.00	1,28,76,506.00	23,04,16,097.36	-

As at 31-March-2017

Particulars	Carrying amount	Payable on demand	0-1 year	1-5 years	More than 5 years
Borrowings	29,57,85,252.36	92,81,345.00	-	28,65,03,907.36	-
Trade payables	73,04,174.00	-	73,04,174.00	-	-
Other Financial liabilities	5,67,165.00	-	5,67,165.00	-	-
Total	30,36,56,591.36	92,81,345.00	78,71,339.00	28,65,03,907.36	-

As at 1-April-2016

47 Capital management

The Company's objectives when managing capital is to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth.

The Company sets the amount of capital required on the basis of annual business and long-term operating plans which include capital and other strategic investments.

The funding requirements are met through a mixture of equity, internal fund generation and short-term and long-term borrowings.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio optimum. Net debt are non-current and current borrowings as reduced by cash and cash equivalents and other bank balances. Equity comprises all components including other comprehensive income.

The following table summarizes the capital of the Company:

Particulars	31 March, 2018	31 March, 2017	1 April, 2016
Cash and cash equivalents	18,87,776.20	29,09,836.03	17,85,393.00
Other bank balances	2,50,000.00	2,50,000.00	2,51,000.00
Total (a)	21,37,776.20	31,59,836.03	20,36,393.00
Non-current borrowings	23,04,16,097.36	28,65,03,907.36	21,46,75,584.00
Current borrowings	80,26,304.00	92,81,345.00	-
Current maturities of non-current borrowings	3,86,803.00	3,55,836.00	1,44,99,158.00
Interest accrued but not due on borrowings	-	-	-
Total (b)	23,88,29,204.36	29,61,41,088.36	22,91,74,742.00
Net debt [c=b-a]	23,66,91,428.16	29,29,81,252.33	22,71,38,349.00
Total Capital (d)	(9,80,00,627.40)	(12,28,97,915.37)	(7,81,35,693.00)
Capital and net debt [e=c+d]	13,86,90,800.76	17,00,83,336.96	14,90,02,656.00
Gearing ratio [c/e]	170.66%	172.26%	152.44%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2018 and 31 March 2017.

48 First time adoption of Ind AS

These financial statements, for the year ended 31 March 2018, are the first the Company has prepared in accordance with Ind AS. The preparation of these financial statements resulted in changes to the accounting policies as compared to most recent annual financial statements prepared under Previous GAAP. Accounting policies have been applied consistently to all periods presented in the financial statements. They have also been applied in preparing the Ind AS opening balance sheet as at 1 April 2016 for the purpose of transition to Ind AS and as required by Ind AS 101.

This note explains the principal adjustments made by the Company in restating its Previous GAAP financial statements, including the balance sheet as at 1 April 2016 and 31 March 2017 and statement of profit and loss for the year ended 31 March 2017.

(A) Ind AS optional exemptions applied:

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

(a) Deemed cost

The Company has elected to continue with the carrying value of all of its property, plant and equipment; investment property; and intangible assets as recognised in the financial statements as at the date of transition to Ind AS, measured as per previous GAAP and used it as its deemed cost at the date of transition.

(b) Investments in subsidiary

The company has elected to apply previous GAAP carrying amount of its equity investment in subsidiary as deemed cost as on the date of transition to Ind AS.

(c) Effect of changes in exchange rate

In respect of long term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period, the Company has elected to recognise exchange differences on translation of such long term foreign currency monetary items in line with its Previous GAAP accounting policy.

In respect of long term foreign currency monetary items recognised in the financial statements beginning with the first Ind AS financial reporting period, exchange differences are recognised in the statement of profit and loss.

(B) Ind AS mandatory exceptions

(a) Estimates

The estimates at 1 April 2016 and at 31 March 2017 are consistent with those made for the same dates in accordance with Indian GAAP apart from the following items where application of Indian GAAP did not require estimation:
- Impairment of financial assets based on expected credit loss model.

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at 1 April 2016, the date of transition to Ind AS and as of 31 March 2017.

(b) Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS. Accordingly, the classification and measurement of financial assets has been made on the basis of the facts and circumstances existed at the date of transition."

Impact of transition to Ind AS

The following is a summary of the effects of the differences between Ind AS and previous GAAP on the Company's total equity and profit for the year previously reported under previous GAAP following transition to Ind AS.

48.1 Reconciliation of equity as at 1 April 2016 (date of transition to Ind AS)

Particulars	Regrouped Indian GAAP	Adjustments	Ind AS
ASSETS			
Non-current assets			
Property, plant and equipment	10,31,93,829.00	(9,68,82,864.00)	63,10,965.00
Intangible Assets	6,86,51,335.00	-	6,86,51,335.00
Intangible Asset under development	-	9,68,82,864.00	9,68,82,864.00
Other Intangible assets	-	-	-
Financial assets			
(i) Investments	48.83	(48.83)	-
(i) Loans	9,695.81	34,28,351.19	34,38,047.00
Jan-00	196.61	(196.61)	-
Other non-current assets	75.29	(75.29)	-



Virtualsoft Systems Limited

	17,18,55,180.54	34,28,030.46	17,52,83,211.00
Current assets			
Inventories	39,05,232.00	-	39,05,232.00
Financial assets			
(i) Trade receivables	1,21,60,469.00	-	1,21,60,469.00
(ii) Cash and cash equivalents	17,85,393.00	-	17,85,393.00
(iii) Other bank balances	2,51,000.00	-	2,51,000.00
(iv) Loans	39,03,052.00	-	39,03,052.00
Other current assets	587.27	45,93,853.73	45,94,441.00
	2,20,05,733.27	45,93,853.73	2,65,99,587.00
TOTAL ASSETS	19,38,60,913.81	80,21,884.19	20,18,82,798.00
EQUITY AND LIABILITIES			
Equity			
Equity share capital	10,29,76,000.00	-	10,29,76,000.00
Other equity	6,483.98	(18,11,18,176.98)	(18,11,11,693.00)
Total equity	10,29,82,483.98	(18,11,18,176.98)	(7,81,35,693.00)
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	6,257.73	21,46,69,326.27	21,46,75,584.00
Provisions	24,85,894.00	-	24,85,894.00
	24,92,151.73	21,46,69,326.27	21,71,61,478.00
Current liabilities			
Financial liabilities			
(i) Borrowings	-	-	-
(ii) Trade payables	82,85,450.00	-	82,85,450.00
(iii) Other financial liabilities	550.29	1,53,27,275.71	1,53,27,826.00
Other current liabilities	1,99,40,721.00	-	1,99,40,721.00
Provisions	25.74	(25.74)	-
Current Tax Liabilities (Net)	-	-	-
	2,82,26,747.02	1,53,27,249.98	4,35,53,997.00
Total liabilities	3,07,18,898.75	22,99,96,576.25	26,07,15,475.00
Total equity and liabilities	13,37,01,382.74	4,88,78,399.26	18,25,79,782.00

48.2 Reconciliation of equity as at 31 March 2017

Particulars	Regrouped Indian GAAP	Adjustments	Ind AS
ASSETS			
Non-current assets			
Property, plant and equipment	10,62,19,954.14	(9,85,32,864.00)	76,87,090.14
Intangible Assets	6,84,68,538.00	-	6,84,68,538.00
Intangible Asset under development	-	9,85,32,864.00	9,85,32,864.00



Virtualsoft Systems Limited

Other Intangible assets	-	-	-
Financial assets			
(i) Investments	48.83	(48.83)	-
(i) Loans	4,903.24	37,81,440.76	37,86,344.00
	0.00	(26.80)	26.80
Other non-current assets	52.20	(52.20)	-
	17,46,93,469.62	37,81,366.52	17,84,74,836.14
Current assets			
Inventories	32,42,910.00		-
32,42,910.00			
Financial assets			
(i) Trade receivables	84,05,020.00	-	84,05,020.00
(ii) Cash and cash equivalents	29,09,836.03	-	29,09,836.03
(iii) Other bank balances	2,50,000.00	-	2,50,000.00
(iv) Loans	29,42,543.00	-	29,42,543.00
Other current assets	941.92	30,32,296.08	30,33,238.00
	1,77,51,250.95	30,32,296.08	2,07,83,547.03
TOTAL ASSETS	19,24,44,720.57	68,13,662.60	19,92,58,383.17
EQUITY AND LIABILITIES			
Equity			
Equity share capital	10,29,76,000.00	-	10,29,76,000.00
Other equity	8,338.18	(22,58,82,253.55)	(22,58,73,915.37)
Total equity	10,29,84,338.18	(22,58,82,253.55)	(12,28,97,915.37)
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	1,005.90	28,65,02,901.46	28,65,03,907.36
(ii) Other Financial Liabilities	-	-	-
Provisions	37,83,063.69	-	37,83,063.69
	37,84,069.59	28,65,02,901.46	29,02,86,971.05
Current liabilities			
Financial liabilities			
(i) Borrowings	92,81,345.00	-	92,81,345.00
(ii) Trade payables	73,04,174.00	-	73,04,174.00
(iii) Other financial liabilities	652.46	9,22,348.54	9,23,001.00
Other current liabilities	2,13,00,774.48	-	2,13,00,774.48
Provisions	-	-	-
Current Tax Liabilities (Net)	2,021.60	(2,021.60)	-
	3,78,88,967.54	9,20,326.94	3,88,09,294.48
Total liabilities	4,16,73,037.13	28,74,23,228.40	32,90,96,265.53
TOTAL EQUITY AND LIABILITIES	14,46,57,375.31	6,15,40,974.85	20,61,98,350.16

Footnotes to the reconciliation of equity as at 1 April 2016 and 31 March 2017

Note No.	Particulars	1st April, 2016	31st March, 2017
i	Property reclassified as Investment Property as per Ind AS 40	9,68,82,864.00	9,85,32,864.00
	Total	9,68,82,864.00	9,85,32,864.00
ii	Accounting for loan to subsidiary at below market rate as per Ind AS 109	990.87	791.45
	Fair Valuation of Investments through OCI as per Ind AS 109	0.04	0.07
	Accounting for financial guarantee contracts as per Ind AS 109	-	376.94
	Total	990.90	1,168.46
iii	Accounting for loan to subsidiary at below market rate as per Ind AS 109	(987.23)	(496.65)
	Fair Valuation of interest free security deposits as per Ind AS 109	(2.63)	(1.62)
	Total	(989.87)	(498.27)
iv	Deferred Tax on Fair Value Gain through OCI	4.16	-
	Deferred Tax on other Ind AS adjustments as per Ind AS 12	285.02	265.16
	Total	289.18	265.16
v	Fair Valuation of interest free security deposits as per Ind AS 109	1.50	(52.20)
	Total	1.50	(52.20)
vi	Fair Valuation of interest free security deposits as per Ind AS 109	1.06	30,32,296.08
	Total	1.06	30,32,296.08
vii	Fair value gain/(loss) on financial instruments as per Ind AS 109	55.01	314.93
	Actuarial gain/(loss) on long term defined benefit plans	(13.50)	(13.40)
	Deferred tax impact as per Ind AS 12	289.18	265.16
	Correction of prior period items as per Ind AS 8	(4.65)	(4.65)
	De-recognition of Proposed Dividend as per Ind AS 8	-	177.86
	Others	13.50	13.40
	Total	339.54	753.30
viii	Amortization of processing fees at EIR as per Ind AS 109	21,46,69,326.27	28,65,02,901.46
	Total	21,46,69,326.27	28,65,02,901.46
ix	Correction of prior period items as per Ind AS 8	1,53,27,275.71	-
	De-recognition of Proposed Dividend as per Ind AS 8	(147.77)	-
	Accounting for financial guarantee contracts as per Ind AS 109	-	32.34
	Total	1,53,27,275.71	(115.44)
x	Accounting for financial guarantee contracts as per Ind AS 109	-	-
	Total	-	-
xi	De-recognition of DDT on Proposed Dividend as per Ind AS 8	-	(2,021.60)
	Total	-	(2,021.60)

**48 Reserve Reconciliation
Reserves & Surplus**

	1st April, 2016	31st March, 2017
As per IGAAP	6,483.98	8,338.18
Fair value gain/(loss) on financial instruments as per Ind AS 109	55.01	314.93
Actuarial gain/(loss) on long term defined benefit plans	(13.50)	(13.40)
Deferred tax impact as per Ind AS 12	289.18	265.16
De-recognition of Proposed Dividend as per Ind AS 8	-	177.86
Correction of prior period items as per Ind AS 8	(4.65)	(4.65)
Others	13.50	13.40
As per Ind AS	6,823.53	9,091.48

50 Profit reconciliation March 31, 2017

	For the year ended March 31, 2017
Nature of Adjustment	
Profit as per IGAAP	2,008.34
Other Income - Fair value gain on financial instruments	306.75
Finance Cost - Accounting for financial assets and liabilities	(51.51)
Employee Benefits - Remeasurement of Defined Benefit Plans	(0.10)
Other Expenses - Correction of prior period items	4.65
Deferred tax on above adjustments	(23.98)
Profit as per Ind AS	2,244.14

51 The disclosure relating to Specified Bank Notes held and transacted by the Company during the period from 8th November, 2016 to 30th December, 2016 in accordance with the amendment to Schedule III vide G.S.R. 308(E) dated 30 March, 2017 as issued by the Ministry of Corporate Affairs is not applicable to the Company for the year ended March 31, 2018.

In terms of our report of even date attached.

for **Krishna Neeraj & Associates**
Chartered Accountants
FRN: 023233N

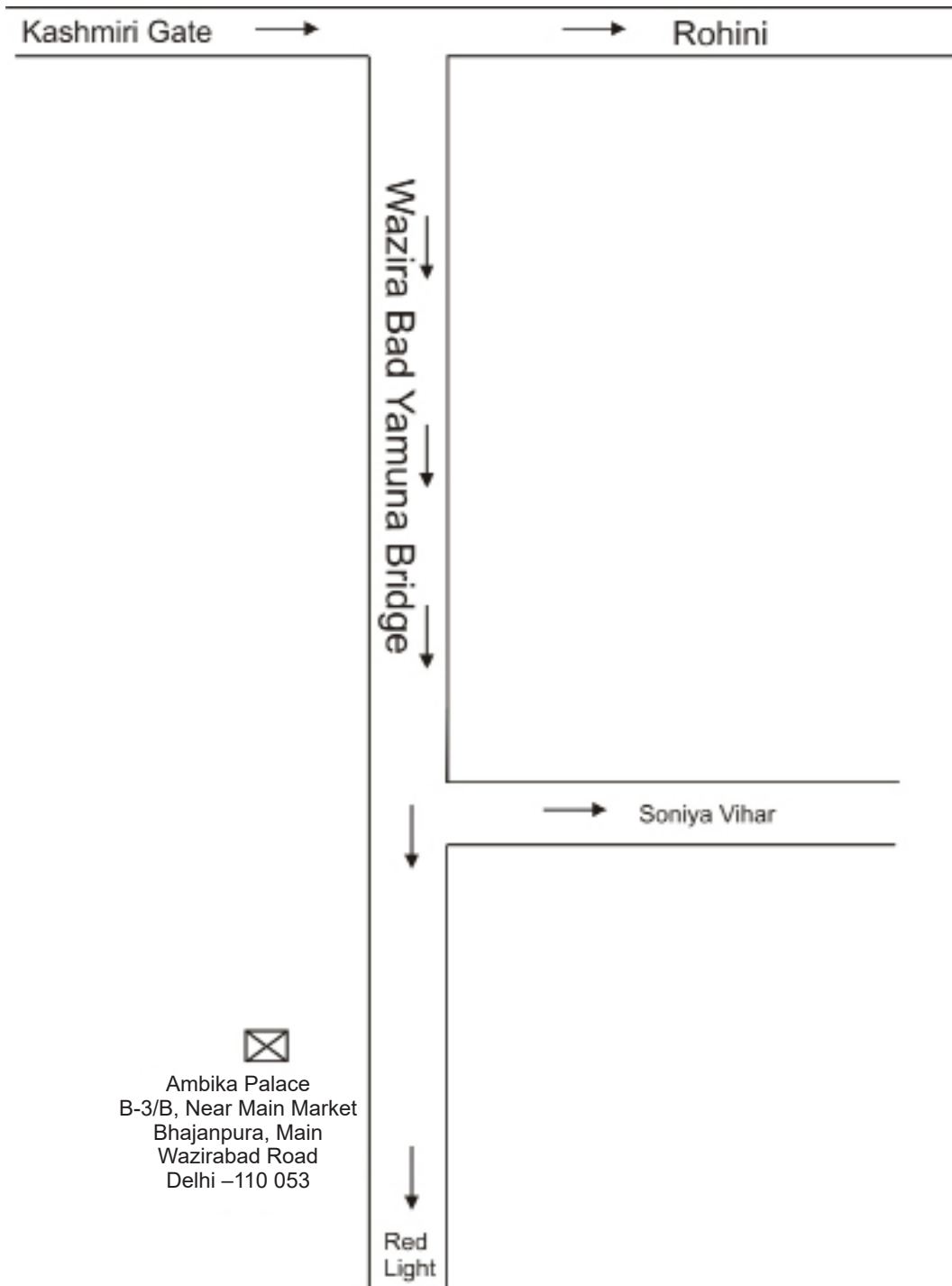
For and on behalf of the Board of Directors of VSL Chartered Accountants

CA. Krishna K. Neeraj
Partner
Membership No.:506669
New Delhi
30th May, 2018

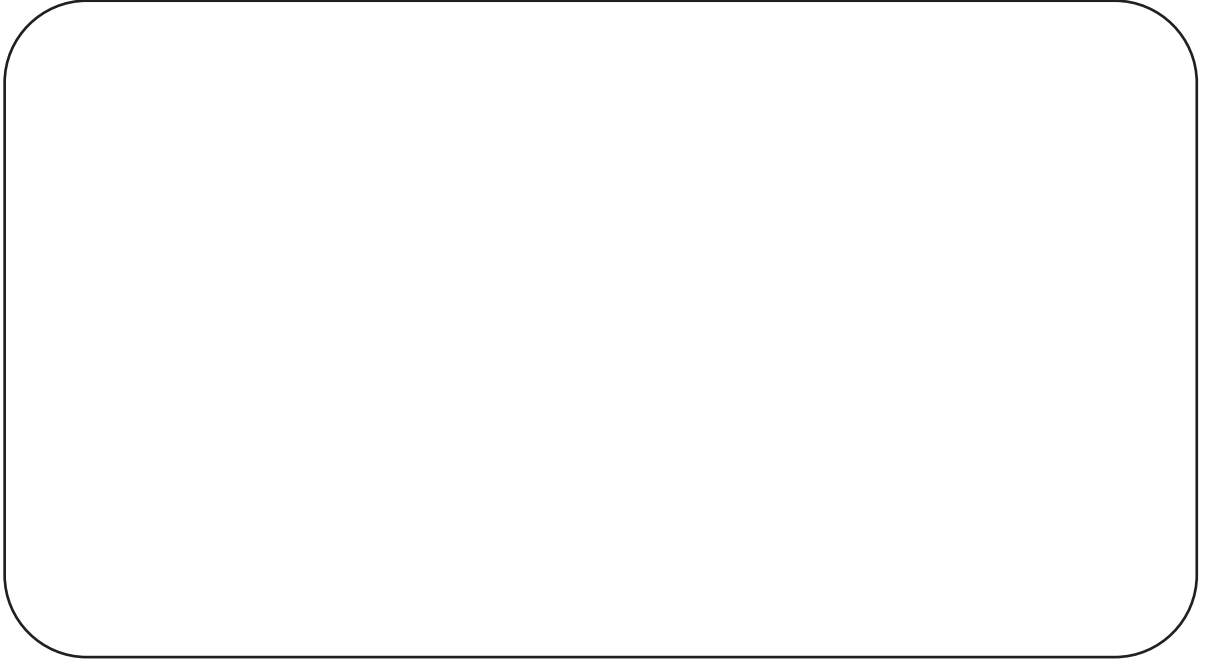
Rajendra V. Kulkarni
Director
DIN:-00988255

Gokul Tandan
Managing Director
DIN:-00441563
Athar Ahmad
Chief Financial Officer

Ritika Ahuja
Company Secretary



To,



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