

Particulars	Note Number	Figures at the end of Current Reporting Period	Figures at the end of Previous Reporting Period
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	1	449,98,750	149,98,750
(b) Reserves and surplus	2	(329,05,180)	110,69,554
		120,93,570	260,68,304
2 Non-current liabilities			
(a) Long-term borrowings	3	771,38,732	588,69,366
(b) Other long-term liabilities	4	7,57,428	15,56,306
		778,96,160	604,25,673
3 Current liabilities			
(a) Short-term borrowings	3	144,99,158	145,14,609
(b) Trade payables	5	95,05,172	104,24,680
(c) Other current liabilities	6	164,40,331	136,39,747
(d) Short-term provisions	7	9,77,527	5,96,479
		414,22,188	391,75,515
TOTAL		1314,11,918	1256,69,492
B ASSETS			
4 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	8	52,52,742	59,33,715
(ii) Intangible assets	9	12,99,638	2,04,566
(iii) Intangible assets under development	10	1013,71,530	910,21,530
(b) Long-term loans and advances	11	29,31,062	27,32,688
		1108,54,972	998,92,499
5 Current assets			
(a) Inventories	12	39,05,232	43,13,195
(b) Trade receivables	13	113,70,677	168,91,795
(c) Cash and cash equivalents	14	9,79,554	11,31,269
(d) Short-term loans and advances	15	43,01,483	34,40,734
		205,56,946	257,76,993
TOTAL		1314,11,918	1256,69,492

Other Explanatory notes forming part of the financial statement


24 - 38

In terms of our report of even date attached.

For Nath Ahuja & Company

Chartered Accountants

ICAI Firm Registration Number : 001083N


 N N Ahuja
 Proprietor
 Membership No. : 080178

New Delhi
 25th May, 2016

For and on behalf of the Board of Directors of Roam1 Telecom Limited


 Gokul Tandon
 Director
 DIN: 00441563


 Rajendra Virupaksha Kulkarni
 Director
 DIN: 00988255

Statement of Profit and Loss for the year ended 31 March, 2016

Particulars	Note Number	In Indian Rupees	
		Figures at the end of Current Reporting Period	Figures at the end of Previous Reporting Period
A CONTINUING OPERATIONS			
Income			
Revenue from operations (net)	16	589,08,189	621,53,284
Other income	17	2,36,518	1,055
Total Revenue		591,44,707	621,54,339
Expenses			
Purchases of stock-in-trade	18	359,76,115	421,65,956
Changes in inventories of stock-in-trade	19	4,07,963	(23,34,496)
Employee benefit expense	20	290,86,797	307,54,710
Other operating expenses	21	269,50,813	273,58,305
Finance cost	22	85,66,798	49,64,069
Depreciation and amortisation expenses	23	21,30,955	18,16,051
Total Expenses		1031,19,441	1047,24,595
Profit / (Loss) before exceptional items and tax		(439,74,734)	(425,70,256)
Add: Exceptional items		-	-
Profit / (Loss) before tax		(439,74,734)	(425,70,256)
Tax expense:	33		
Less: Current tax		-	-
Less: Deferred tax		-	-
Total tax expense		-	-
Profit/(Loss) after tax	I	(439,74,734)	(425,70,256)
Loss for the year from total operations		(439,74,734)	(425,70,256)
Earnings per equity share			
29			
Basic EPS			
~for Nominal Value of Share Rs. 10/-		(29.32)	(28.38)
~for Nominal Value of Share Rs. 5/-		(14.66)	(14.19)
Diluted EPS			
~for Nominal Value of Share Rs. 10/-		(29.16)	-
~for Nominal Value of Share Rs. 5/-		(14.58)	-

Other Explanatory notes forming part of the financial statement

24 - 38

In terms of our report of even date attached.

for Nath Ahuja & Company

Chartered Accountants

ICAI Firm Registration Number : 001083N

N N Ahuja

Proprietor

Membership No. : 080178

New Delhi

25th May, 2016

For and on behalf of the Board of Directors of Roam1 Telecom Limited

Gokul Tandon

Director

DIN : 00441563

Rajendra Virupaksha Kulkarni

Director

DIN : 00988255

Cash Flow Statement for the year ended 31 March, 2016

Particulars	Note Number	In Indian Rupees	
		Figures at the end of Current Reporting Period	Figures at the end of Previous Reporting Period
A Cash flow from operating activities			
Profit / (Loss) before tax from operations		(439,74,734)	(425,70,256)
Adjustments for:			
Depreciation and amortisation on continuing operations		21,30,955	18,16,051
Interest received		(28,693)	-
Preliminary expenses to the extent not written off		5,806	-
Finance costs		85,66,798	49,64,069
Profit / (Loss) before working capital changes		(332,99,868)	(357,90,136)
Movement in working capital :			
(Increase)/ decrease in inventories		4,07,963	(23,34,496)
(Increase)/ decrease in trade receivables		55,21,118	10,66,893
(Increase)/ decrease in other receivables, loans and advances		(8,60,749)	(2,00,043)
(Decrease)/ increase in trade payables		(9,19,508)	(9,39,707)
(Decrease)/ increase other current term liabilities		28,00,584	-
(Decrease)/ increase short term borrowings		(15,451)	-
(Decrease)/ increase in provisions		3,81,048	5,96,479
Cash generated from operations		(259,84,863)	(376,01,009)
Taxes paid, net		-	4,92,751
Net cash flow (used in) / from operating activities (A)		(259,84,863)	(380,93,760)
B Cash flow from investing activities			
Capital expenditure on fixed assets and Intangible Assets under Development		(128,95,053)	(130,27,801)
Long Term Loans and Advances		(2,04,180)	-
Interest received		28,693	-
Net cash flow (used in) / from investing activities (B)		(130,70,541)	(130,27,801)
C Cash flow from financing activities			
Receipt from borrowings		189,42,935	564,48,976
Repayment of Bank Loan		(6,73,569)	-
Repayment of Security Deposits		(7,98,878)	-
Issue of equity shares		300,00,000	-
Finance Cost		(85,66,798)	(49,64,069)
Net cash flow (used in) / from financing activities (C)		389,03,689	514,84,907
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		(1,51,715)	3,63,345
Add: Balance of Cash and cash equivalents as at the beginning of the year		11,31,269	7,67,924
Cash and cash equivalents as at the end of the year [Refer note (a) below]		9,79,554	11,31,269
a) Components of cash and cash equivalents			
Balances with bank in current accounts		1,43,399	21,348
Cash on hand		8,36,155	11,09,920
		9,79,554	11,31,269


Notes:


- Figures in bracket indicate cash outflow
- The above cash flow statement has been prepared under the indirect method set out in AS-3 'Cash Flow Statement' notified under the Companies (Accounting Standard) Rules, 2006 (as amended).
- Previous year figures have been regrouped and recast wherever necessary to conform to the current year classification.

In terms of our report of even date attached.
for Nath Ahuja & Company
Chartered Accountants
ICAI Firm Registration Number: 001083N


N.N. Ahuja
Proprietor
Membership No. A 080178

For and on behalf of the Board of Directors of Roam1 Telecom Limited


Gokul Tandon
Director
DIN : 00441563


Rajendra Virupaksha Kulkarni
Director
DIN : 00988255

New Delhi
25th May, 2016

Notes to the financial statements for the year ended 31 March, 2016

1. Share capital

Authorized:

12,50,000	Class - A Equity Shares of Rupees 10 each
5,00,000	Class - B Equity Shares of Rupees 5 each
300,000	8% Preference Share Capital of Rupees 100 each

Issued:

12,50,000	Class - A Equity Shares of Rupees 10 each
4,99,750	Class - B Equity Shares of Rupees 5 each
3,00,000	8% Preference Share Capital of Rupees 100 each

Subscribed and paid-up:

12,50,000	Class - A Equity Shares of Rupees 10 each
4,99,750	Class - B Equity Shares of Rupees 5 each
3,00,000	8% Preference Share Capital of Rupees 100 each

As at 31 March, 2016	As at 31 March, 2015
125,00,000	125,00,000
25,00,000	25,00,000
300,00,000	-
450,00,000	150,00,000
125,00,000	125,00,000
24,98,750	24,98,750
300,00,000	-
449,98,750	149,98,750
125,00,000	125,00,000
24,98,750	24,98,750
300,00,000	-
449,98,750	149,98,750

Additional information:

(a) The movement in subscribed and paid-up share capital is set out below:

Class - A Equity Shares of Rupee 10/- each

As of April 1, 2014
Additions

As of March 31, 2015
Additions ^(a)

As of March 31, 2016

Class - B Equity Shares of Rupee 5/- each

As of April 1, 2014
Additions

As of March 31, 2015
Additions ^(b)

As of March 31, 2016

Class - C 8% Preference Share Capital

As of April 1, 2014
Additions

As of March 31, 2015
Additions ^(b)

As of March 31, 2016

Number of Shares	Amount
12,50,000	125,00,000
-	-
12,50,000	125,00,000
-	-
12,50,000	125,00,000
4,99,750	24,98,750
-	-
4,99,750	24,98,750
-	-
4,99,750	24,98,750
-	-
-	-
3,00,000	300,00,000
3,00,000	300,00,000

(a) 12,00,000 Class - A Equity Shares of face value of Rupees 10 per share were allotted to Virtualsoft Systems Limited, as a sale consideration for buying Virtual's International SIM Card division as a going concern on Slump Sale basis in FY 2013-2014

(b) 4,99,500 Class - B Equity Shares of face value of Rupees 5 per share were allotted to Promoter group on preferential basis.

(c) 3,00,000 8% Convertible Cumulative Preference Shares of face value of Rs. 100 each were allotted on Right basis in FY 2015-16 will be converted into 30,00,000 Equity Shares of face value of Rs. 10/- each at the option of Shareholder after 3 years upto maximum of 5 years.

(b) Shareholder holding more than 5% shares in the company:

Name of the shareholders	As of 31 March, 2016		As of 31 March, 2015	
	No. of Shares	%	No. of Shares	%
(a) Virtualsoft Systems Limited	12,00,000	58.54	12,00,000	68.58
(b) Manpreet Singh	4,29,001	20.93	4,29,001	24.52
(c) Gokul Tandon	300,000	14.63	-	-

(c) Terms/Rights attached to equity shares:

The Company has only two class of equity shares and one class of Preference Shares

- Equity Shares having par value of Rupee 10/- per share;
- Equity Shares having par value of Rupee 5/- per share.; and
- Preference Shares having par value of Rs. 100/- per share.

Each holder of equity shares and Preference Shares is entitled to one vote per share irrespective of the class of equity share. The company declares and pays dividend in Indian rupees. The dividend (if proposed) by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual general Meeting.



Notes to the financial statements for the year ended 31 March, 2016

2. Reserves and surplus

	As at 31 March, 2016	As at 31 March, 2015
(a) Securities Premium Reserve		
Balance as per last balance sheet	672,00,000	672,00,000
Premium on issue of Equity shares	-	-
	<u>672,00,000</u>	<u>672,00,000</u>
(b) Deficit in the Statement of Profit and loss		
Balance as per last balance sheet	(561,30,446)	(135,60,190)
Add: Loss for the year	(439,74,734)	(425,70,256)
Net deficit in Statement of Profit and loss	<u>(1001,05,180)</u>	<u>(561,30,446)</u>
	<u>(329,05,180)</u>	<u>110,69,554</u>

3. Borrowings

	As at 31 March, 2016			As at 31 March, 2015		
	Long-term	Short-term	Total	Long-term	Short-term	Total
UnSecured Borrowings						
(a) Loans from related parties						
(i) From directors	770,46,730	-	770,46,730	581,03,795	-	581,03,795
(ii) From other related parties		-	-		-	-
Secured Borrowings						
(a) Loans from non-related parties						
(i) From Bank	92,002	144,99,158	145,91,160	7,65,571	145,14,609	152,80,181
	<u>771,38,732</u>	<u>144,99,158</u>	<u>916,37,890</u>	<u>588,69,366</u>	<u>145,14,609</u>	<u>733,83,976</u>

Additional information:

- (a) UnSecured loan from directors carry interest @ 8%, also the maturity is dependent on the funds available with the company.
 (b) Short term loan from bank consists of Bank Overdraft with interest rate of 12.75%.
 (c) Short term unsecured borrowings include bank overdraft amounting to Rs. 1,41,39,906/-

4. Other long-term liabilities

	As at 31 March, 2016	As at 31 March, 2015
Security deposit received [^]	<u>7,57,428</u>	<u>15,56,306</u>
	<u>7,57,428</u>	<u>15,56,306</u>

[^] Security deposit received represent refundable security deposits received from subscribers on activation of connections granted thereto and are repayable on disconnection, net of outstanding, if any and security deposits received from channel partners.



Notes to the financial statements for the year ended 31 March, 2016

5. Trade payables

	As at 31 March, 2016	As at 31 March, 2015
(a) Creditors for supplies/services	65,77,517	83,44,504
(b) Creditors for Capital Expenditure	21,18,695	13,84,590
(b) Advance received from customers	8,08,960	6,95,586
	<u>95,05,172</u>	<u>104,24,680</u>

(1) Creditors for Capital Expenditure is payable to Virtual Soft System Limited (Holding Company)

6. Other current liabilities

	As at 31 March, 2016	As at 31 March, 2015
(a) Expenses payable	1,44,858	1,42,661
(b) Accrued salaries and benefits	25,97,358	42,26,838
(c) Revenue taxes payable	38,19,934	27,95,757
(d) Advance from Holding Company	20,64,029	41,11,611
(d) Other liabilities	78,14,152	23,62,880
	<u>164,40,331</u>	<u>136,39,747</u>

Additional Information

(1) Other liabilities represent interest payable on Directors Loan

7. Short-term provisions

	As at 31 March, 2016	As at 31 March, 2015
(a) Provision for Gratuity	3,39,900	1,22,885
(b) Provision for Expenses	-	2,871
(c) Provision for Leave Encashment	4,95,877	3,28,973
(d) Provision for Audit fees	1,41,750	1,41,750
	<u>9,77,527</u>	<u>5,96,479</u>

Additional information: (Refer Note No. 28)

- (1) Provision for gratuity has been valued and certified by the management.
(2) Provision for leave encashment has been valued and certified by the management.



Notes to the financial statements for the year ended 31 March, 2016

8. Tangible assets

	Furniture and Fixtures	Office Equipments	Computers	Total
Gross Block				
As of April 1, 2014	1,30,132	36,07,616	18,77,652	56,15,400
Additions	76,380	16,69,479	7,81,942	25,27,801
Disposals	-	-	-	-
As of March 31, 2015	2,06,512	52,77,095	26,59,594	81,43,201
Additions	1,25,000	9,84,753	2,35,300	13,45,053
Disposals/Sale	-	-	-	-
As of March 31, 2016	3,31,512	62,61,848	28,94,894	94,88,254
Accumulated Depreciation				
As of April 1, 2014	5,505	2,71,579	1,79,148	4,56,232
Charge for the year	16,540	9,19,002	8,17,712	17,53,254
Elimination on account of disposals	-	-	-	-
As of March 31, 2015	22,045	11,90,581	9,96,860	22,09,486
Charge for the year	30,293	11,06,830	8,88,903	20,26,027
Elimination on account of disposals	-	-	-	-
As of March 31, 2016	52,338	22,97,411	18,85,763	42,35,512
Net Block				
As of April 1, 2014	1,24,627	33,36,037	16,98,504	51,59,168
As of March 31, 2015	1,84,467	40,86,514	16,62,734	59,33,715
As of March 31, 2016	2,79,174	39,64,437	10,09,131	52,52,742



Notes to the financial statements for the year ended 31 March, 2016

9. Intangible assets

	Mobile application software	CRM (Software)	Trade Mark	Website	Total
Gross Block					
As of April 1, 2014	2,97,810	-	32,350	-	3,30,160
Additions	-	-	-	-	-
Addition on account of slump sale	-	-	-	-	-
Disposals	-	-	-	-	-
As of March 31, 2015	2,97,810	-	32,350	-	3,30,160
Additions	-	-	-	12,00,000	12,00,000
Disposals/Sale	-	-	-	-	-
As of March 31, 2016	2,97,810	-	32,350	12,00,000	15,30,160
Accumulated Depreciation					
As of April 1, 2014	59,562	-	3,235	-	62,797
Charge for the year	59,562	-	3,235	-	62,797
Elimination on account of disposals	-	-	-	-	-
As of March 31, 2015	1,19,124	-	6,470	-	1,25,594
Charge for the year	59,562	-	3,235	42,131	1,04,928
Elimination on account of disposals	-	-	-	-	-
As of March 31, 2016	1,78,686	-	9,705	42,131	2,30,522
Net Block					
As of April 1, 2014	2,38,248	-	29,115	-	2,67,363
As of March 31, 2015	1,78,686	-	25,880	-	2,04,566
As of March 31, 2016	1,19,124	-	22,645	11,57,869	12,99,638

10. Intangible assets under development

CRM Software
Website under development

As at 31 March, 2016
1013,41,530
30,000
<u>1013,71,530</u>

As at 31 March, 2015
909,91,530
30,000
<u>910,21,530</u>



Notes to the financial statements for the year ended 31 March, 2016

11. Long-term Loans and Advances

	As at 31 March, 2016	As at 31 March, 2015
Unsecured, Considered good		
Electricity, telephone and other deposits	5,18,920	2,20,920
Deposits with creditors	12,37,942	13,31,762
Rental deposits	11,74,200	11,74,200
Preliminary expenses to the extent not written off	-	5,806
	<u>29,31,062</u>	<u>27,32,688</u>

12. Inventories

	As at 31 March, 2016	As at 31 March, 2015
Stock-in-trade [refer note (a) and (b) below]	39,05,232	43,13,195
	<u>39,05,232</u>	<u>43,13,195</u>

Additional information:

- (a) The Stock in trade represents the value of ERCV amount and the International Roaming Cards lying idle with the company.
(b) The Management has taken and valued the Closing Stock-in-trade at the lower of cost and net realizable value as per AS-2, and certified that it has been physically verified at reasonable interval.



Notes to the financial statements for the year ended 31 March, 2016

13. Trade Receivables

Unsecured, unless otherwise stated

Outstanding for a period exceeding six months

Considered good

Considered doubtful

Less: provision for doubtful receivables

Other receivables

Considered good

	As at 31 March, 2016	As at 31 March, 2015
	14,36,314	30,67,619
	-	-
	-	-
	14,36,314	30,67,619
	99,34,363	138,24,176
	99,34,363	138,24,176
	113,70,677	168,91,795

14. Cash and Bank balances

Cash and Cash equivalents

(a) Balances with Banks

In current accounts

(b) Cheques on hand

(c) Cash on hand

	As at 31 March, 2016	As at 31 March, 2015
	1,43,399	21,348
	-	-
	8,36,155	11,09,920
	9,79,554	11,31,269
	9,79,554	11,31,269



Notes to the financial statements for the year ended 31 March, 2016

15. Short-term Loans and Advances

	As at 31 March, 2016	As at 31 March, 2015
Unsecured, considered good		
Interest free advances to employees [refer note (a) below]	28,99,982	28,42,752
Balances with government authorities:		
as tax deducted at source	12,64,637	5,29,617
as Input service tax credit	-	-
Prepaid Expense	1,36,864	68,365
	<u>43,01,483</u>	<u>34,40,734</u>

Additional information:

(a) Interest free advances to employees includes Rupees. 14,99,326/- due from ex-director Mr. Manpreet Singh

16. Revenue from Operations

	For the year ended 31 March, 2016	For the year ended 31 March, 2015
Sale of Services		
Voice Revenue [refer note (a) below]	584,00,701	621,53,284
Others [refer note (b) below]	5,07,488	-
	<u>589,08,189</u>	<u>621,53,284</u>

Additional information:

(a) Voice Revenue is from International Roaming Cards and includes unbilled revenue of Rupees. 11,50,000/-
(b) Others include revenue share from the vendors under long-term partnership contract.

17 Other Income

	For the year ended 31 March, 2016	For the year ended 31 March, 2015
Interest Received	28,693	1,055
Balance Written Back	2,07,825	-
	<u>2,36,518</u>	<u>1,055</u>

18 Purchases of stock-in-trade

	For the year ended 31 March, 2016	For the year ended 31 March, 2015
Purchases made during the year:		
Domestic:	67,94,663	-
Foreign:	291,81,452	421,65,956
	<u>359,76,115</u>	<u>421,65,956</u>

19 Changes in inventories of stock-in-trade

	For the year ended 31 March, 2016	For the year ended 31 March, 2015
ERCV and SIM Cards		
Opening Stock-in-trade	43,13,195	19,78,699
Closing Stock-in-trade	39,05,232	43,13,195
	<u>4,07,963</u>	<u>-23,34,496</u>



Notes to the financial statements for the year ended 31 March, 2016

20. Employees benefit expenses

	For the year ended 31 March, 2016	For the year ended 31 March, 2015
Salaries and wages	265,60,376	267,56,980
Directors remuneration	6,00,000	18,00,000
Contribution to provident and other funds	7,12,084	7,93,518
Staff welfare expenses	5,92,164	8,16,854
Gratuity	2,17,015	1,22,885
Leave encashments	1,70,615	3,28,973
Bonus	45,500	-
Incentive	1,89,043	1,35,500
	<u>290,86,797</u>	<u>307,54,710</u>

Additional information:

(a) Provision for gratuity, leave encashment and bonus has been valued and certified by the management.

21. Other operating expenses

	For the year ended 31 March, 2016	For the year ended 31 March, 2015
Custom duty and freight	7,53,450	8,19,411
Preliminary expenses written off	-	-
Power, fuel and electricity	10,44,037	9,44,451
Communication expenses	24,67,112	23,47,204
Rent including lease rent	33,85,080	33,20,543
Repairs and office maintenance	11,84,416	9,49,207
Rate, fees and subscription	4,43,263	16,72,782
Loss on account of foreign exchange	1,54,895	3,06,102
Sales commission, discounts and rebates	17,58,507	32,07,914
Advertising, publicity and business promotion	4,78,271	7,51,861
Meetings, conference and events	5,91,947	4,29,249
Legal, professional and consultancy	70,80,697	64,67,012
Travelling and conveyance	37,74,028	39,67,731
Office supplies, printing and stationery	4,82,115	7,22,446
Payment to auditors	1,57,500	1,57,500
Bank charges	5,78,205	4,98,175
Cenvat Credit Reversed	15,48,304	-
Other administrative expenses	10,68,986	7,96,716
	<u>269,50,813</u>	<u>273,58,305</u>

22. Finance cost

	For the year ended 31 March, 2016	For the year ended 31 March, 2015
Interest expenses		
-On directors loans	64,51,413	23,65,700
-On bank loan	18,51,356	15,99,567
-On others	2,64,029	9,98,802
	<u>85,66,798</u>	<u>49,64,069</u>

Additional information:

- (a) Interest expenses on others represent interest paid on delayed tax payments of service tax and TDS.
(b) Interest on Mr. Gokul Tandon's loan is Rs. 64,51,413/-

23. Depreciation and amortization

	For the year ended 31 March, 2016	For the year ended 31 March, 2015
Depreciation on tangible assets	20,26,027	17,53,254
Amortization of intangible assets	1,04,928	62,797
	<u>21,30,955</u>	<u>18,16,051</u>



24 Corporate information

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

The Registered Office of the company is:- S-101, Panchsheel Park, New Delhi-110017 and Corporate Office is currently located at C-123, Okhla Phase -I, New Delhi- 110020

25 Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the generally accepted accounting principles under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values .GAAP comprises mandatory accounting standards as prescribed under section 133 of the Companies Act 2013 ('Act') read with rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India(SEBI). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or revision to an existing accounting standard requires a change in the accounting policy hitherto in use.in India (Indian GAAP). The financial statements have been prepared on accrual basis under the historical cost convention.

26 Summary of significant accounting policies

26.1 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known / materialize.

26.2 Inventories

Inventories are valued at the lower of cost (on weighted average basis) and the net realizable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges.

26.3 Cash and cash equivalents (for purposes of Cash Flow Statement)

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

26.4 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

26.5 Depreciation and amortization

Depreciation has been provided on the straight-line method over the useful lives of assets estimated by the Management. Depreciation for asset purchased / sold during a period is proportionately charged except in respect of the following :

- a) Intangible assets being Trade Mark which are amortized over the estimated useful life of 10 years (remaining life: 7 years)
- b) Intangible assets being Roam1 Phone Development Software which is amortized over the estimated useful life of 5 years (remaining life: 2 years)
- c) No depreciation has been charged by the management on the CRM Software.

The estimated useful life of the intangible assets and the amortization period are reviewed at the end of each financial year and the amortization method is revised to reflect the changed pattern.

26.6 Revenue recognition

Sale of goods

Sales are recognized, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales exclude sales tax and value added tax.

Sale of services

Revenues from contracts priced on a time and material basis are recognized when services are rendered and related costs are incurred.

Other Income

Interest income is accounted on accrual basis.



Other Explanatory Notes to the financial statements for the year ended 31 March, 2016

26.7 Unbilled Revenue

Unbilled revenue represent revenue recognized in respect of services provided from the last bill cycle date to the end of the reporting period. These are billed in subsequent periods as per the terms of the billing plans/contractual arrangements.

26.8 Tangible fixed assets

Fixed assets are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date. Exchange differences arising on restatement/ settlement of long-term foreign currency borrowings relating to acquisition of depreciable fixed assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets. Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalized and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure relating to fixed assets is capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

26.9 Intangible assets

Intangible assets are carried at cost less accumulated amortization and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset after its purchase/ completion is recognized as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

26.10 Foreign currency transactions and translations

Initial recognition

Transactions in foreign currencies entered into by the Company at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Measurement of foreign currency monetary items at the Balance Sheet date

Foreign currency monetary items (other than derivative contracts) of the Company outstanding at the Balance Sheet date are restated at the year-end rates.

Treatment of exchange differences

Exchange differences arising on settlement of short-term foreign currency monetary assets and liabilities are recognized as income or expense in the Statement of Profit and Loss.

26.11 Employee benefits

Types of employee benefits

Employee benefits include Provident Fund, Gratuity fund, Compensated absences.

Defined contribution plans

The Company's contribution to provident fund are considered as defined contribution plans and are charged as an expense as they fall due based on the amount of contribution required to be made.



Other Explanatory Notes to the financial statements for the year ended 31 March, 2016

26.12 Segment reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organization and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/(loss) amounts are evaluated regularly by the Executive Management in deciding how to allocate resources and in assessing performance.

The Company operates in single business Segment namely "International Roaming Card Services & Solutions". Therefore disclosure under accounting standard 17 is not applicable.

26.13 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year.

26.14 Taxes on income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

No provision for taxes has been made in the Current year on account of brought forward losses.

26.15 Provisions and contingencies

A provision is recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date, if any. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes.

26.16 Leases

Assets leased by the Company in its capacity as lessee where substantially all the risks and rewards of ownership vest in the Company are classified as finance leases. Such leases are capitalised at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

26.17 Service tax input credit

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is no uncertainty in availing / utilizing the credits.



Other Explanatory Notes to the financial statements for the year ended 31 March, 2016

27. Disclosures under Accounting Standard 11 on "Effects on Change in Foreign Exchange Rates"

(a) Foreign currency exposure not hedged by any derivative instrument or otherwise

Particulars	Currency code	As of 31 March, 2016		As of 31 March, 2015	
		In Foreign Currency	In Indian Rupees	In Foreign Currency	In Indian Rupees
Receivables	USD	-	-	8,124	5,08,508
	SGD	-	-	9,000	4,13,820
	LKR	-	-	25,000	11,465
Payables	USD	26,279	17,43,188	20,953	13,11,439
	SGD	1,691	82,640	18,250	8,39,111
	LKR	-	-	-	-

(b) Outstanding forward contracts entered by the company for the purpose of hedging its foreign currency exposure

The company do not hedge its foreign currency exposure, accordingly it does not have any outstanding forward contracts

28. Disclosures under Accounting Standard 15 on "Employees benefits"

Roam 1 Telecom Ltd makes Provident Fund,ESI and EDLI contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs. 4,56,917/- (Year ended 31 March 2015, Rs. 3,57,564/-) for Provident Fund contributions in the Statement of Profit and Loss. Rs 2,01,349/- towards ESIC (Year ended 31st March 2014, Rs. 4,21,393/-) and Rs 21,445/- (Year ended 31 March 2014 , Rs. 14,561/-) towards EDLI. Provision for leave encashment and gratuity made during the year is Rs. 1,70,615/- and Rs. 2,17,015/- respectively. The Company makes provision for leave encashment and Gratuity as per Management policy.

29. Disclosures under Accounting Standard 17 on "Segment Reporting"

The company is engaged in the business of providing International Roaming Cards Services and Solutions which is a single segment as per Accounting Standard (AS) 17 notified under the Companies (Accounting Standard) Rules, 2006 (as amended) by the Central Government.

Company does not operate in other geographical areas other than India, hence there are no geographical segments required to be reported by the company.

30. Disclosures under Accounting Standard 19 on "Leases"

(a) Total of minimum future lease payments under non-cancelable operating leases for various periods are as follows:

Particulars	As of 31 March, 2016	As of 31 March, 2015
Amount payable not later than one year	30,24,580	31,77,456
Amount payable later than one year but not later than five years	66,25,860	76,98,804
Amount payable later than five years	-	-

(b) The company has entered into operating lease agreements that are renewable on a periodic basis and cancelable at company's option.

(c) The company has not entered into sublease agreements in respect of these leases.



Other Explanatory Notes to the financial statements for the year ended 31 March, 2016

31. Disclosures under Accounting Standard 18 on "Related Party Transactions"

(a) List of related parties

- (i) Holding Company
Virtual Soft Systems Limited
- (ii) Key Managerial Personnel (KMP)
Mr. Gokul Tandan
Mr. Rajendra V Kulkarni
- (iii) Enterprises over which KMP / Relatives of KMP can exercise significant influence
Marble Arch Estate Private Limited
M.R. Capital Private Limited

(b) Details of transactions carried out with related parties in the ordinary course of business during the period:

Related Parties	Nature of Transaction	Op/ Liab Tifs (Cr. (+ve)/ Dr. (-ve))		Payment	Loan Received / Expenses Incurred	TDS	Closing Balance Cr. (+ve)/ Dr. (-ve)
		Cr. (+ve)	Dr. (-ve)				
(i) Holding Company Virtualsoft Systems Limited	Running Account	41,11,611	-	86,95,748	66,48,167	-	20,64,030
	CRM Development Charges	13,84,590	-	86,48,395	102,82,500	9,00,000	21,18,695
(ii) Key Managerial Personnel (KMP) Mr. Gokul Tandan	Unsecured Loan	581,03,795	-	300,00,000	489,42,935	-	770,46,730
	Interest on Unsecured Loan	23,62,880	-	3,55,000	64,51,413	6,45,141	78,14,152
	Director Remuneration	3,80,064	-	4,40,811	6,00,000	13,987	5,05,266
	Imprest	21,077	-	2,13,342	2,12,632	-	20,367
Mr. Reet M S Ahluwalia	Unsecured Loan	-	-	-	-	-	-
Mr. Rajendra V Kulkarni	Unsecured Loan	-	-	4,00,000	4,00,000	-	-
	Imprest	-	-	2,71,415	2,71,415	-	-
(iii) Enterprises over which KMP / Relatives of KMP can exercise significant influence M.R. Capital (P) Ltd. Marble Arch Estate (P) Ltd.	CRM Development Charges	1,87,597	-	15,39,700	15,40,944	1,35,000	53,841
	Contractor Services	-	-	97,020	99,000	1,980	-



Other Explanatory Notes to the financial statements for the year ended 31 March, 2016

32. Disclosures under Accounting Standard 20 on "Earning per share"

For Basic/ Diluted EPS

(a) Calculation of Weighted average number of equity shares

For Nominal Value of Rupees 10/- each

	As of 31 March, 2016	As of 31 March, 2015
Number of shares at the beginning of the year	12,50,000	12,50,000
Equity Shares issued during the year	-	-
Total number of equity shares outstanding at the end of the year	12,50,000	12,50,000
Weighted average number of equity shares outstanding during the year	12,50,000	12,50,000

For Nominal Value of Rupees 5/- each

Number of shares at the beginning of the year	4,99,750	4,99,750
Equity Shares issued during the year	-	-
Total number of equity shares outstanding at the end of the year	4,99,750	4,99,750
Weighted average number of equity shares outstanding during the year	4,99,750	4,99,750

Calculation of Incremental Equity Shares

(Convertible 8% Cumulative Preference Shares of Rs. 100 each; 1 preference share convertible into 10 equity share of Rs. 10 each)

Number of convertible preference shares in beginning of the year	-	-
Convertible preference shares of Rs. 100 each issued during the year	3,00,000	-
Total number of convertible preference shares at the end of year	3,00,000	-
Number of incremental equity shares outstanding for 1 day	8,219	-
Net profit after tax available for equity shareholders	(439,74,734)	(425,70,256)

b) Calculation of weighted average value of equity shares for Basic EPS

Basic Earning per Share

Nominal Value of Rs. 10/-	(29.32)	(28.38)
Nominal Value of Rs. 5/-	(14.66)	(14.19)

c) Calculation of Weighted average number of equity shares for Diluted EPS

Diluted Earning per Share

Nominal Value of Rs. 10/-	(29.16)	-
Nominal Value of Rs. 5/-	(14.58)	-



33. Other disclosures as per Revised Schedule VI of the Companies Act, 1956

- (a) Expenditure in Foreign Currency (on accrual basis)
Services purchase
- (b) Earnings in Foreign Exchange (on accrual basis)
Income from foreign transactions

	For the year ended 31 March, 2016	For the year ended 31 March, 2015
	291,81,452	409,43,706
	5,07,488	30,99,670

34. Previous year's figures

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

35. Reconciliation and confirmations

some of the Balances of Debtors and Creditors and Loans and Advances to/from parties, Security Deposits are subject to reconciliations and confirmations.

36. Provision for tax

In view of losses, no provision for current tax have been made during the year. There is no virtual certainty that in future years there exist the profits against which deferred tax assets can be realized, hence no deferred tax assets has been created on the losses

37. Service Tax

Reverse Charge Mechanism: Section 66A of the Finance Act, 1994 , provides that service tax is to be charged on the basis of Reverse Charge Mechanism in respect of International Roaming Card Services & Solutions from territory outside India. However based on the opinion obtained by the company, the Service is exempted under clause No. 29(f) of Mega Notification No. 25/2012 ST dated 20/06/2012 read with Section 66A which states that Services provided by selling agents or a distributor of SIM Cards and Recharge Coupon Vouchers are exempted from Service Tax.

Service Tax Liability on Prepaid Sales: The management, on the basis of opinion received from its legal consultant, has not charged and booked any service tax liability on Prepaid Sales of International Roaming Card Services & Solutions. However based on the opinion obtained by the company, "Service tax is not applicable on the company as per point 29(f) of Mega Exemption Notification No. 25/2012- ST dated 20/06/2012 which exempts the services rendered by a selling agent or distributor of SIM Cards or recharge coupon vouchers from purview of service tax.

38. Intangible assets under development

The company is getting a software developed called CRM for providing telecom services. The expenses of Rs. 90,00,000/- incurred during the year on development has been capitalized. The management is of the opinion that since the process is still going on & hence no amortization is required during this year

