

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	449,98,750
(b) Reserves and surplus	2	(961,55,562)	(329,05,180)
		<u>(511,56,812)</u>	<u>120,93,570</u>
2 Non-current liabilities			
(a) Long-term borrowings	3	1432,55,755	771,38,732
(b) Other long-term liabilities	4	4,95,925	7,57,428
		<u>1437,51,680</u>	<u>778,96,160</u>
3 Current liabilities			
(a) Short-term borrowings	3	95,02,197	144,99,158
(b) Trade payables	5	68,10,925	95,05,172
(c) Other current liabilities	6	183,28,862	164,40,331
(d) Short-term provisions	7	23,12,207	9,77,527
		<u>369,54,191</u>	<u>414,22,188</u>
TOTAL		<u><u>1295,49,059</u></u>	<u><u>1314,11,918</u></u>
B ASSETS			
4 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	8	69,97,176	52,52,742
(ii) Intangible assets	9	11,16,841	12,99,638
(iii) Intangible assets under development	10	1030,21,530	1013,71,530
(b) Long-term loans and advances	11	32,79,359	29,31,062
		<u>1144,14,906</u>	<u>1108,54,972</u>
5 Current assets			
(a) Inventories	12	32,42,910	39,05,232
(b) Trade receivables	13	78,86,869	113,70,677
(c) Cash and cash equivalents	14	10,39,237	9,79,554
(d) Short-term loans and advances	15	29,65,137	43,01,483
		<u>151,34,153</u>	<u>205,56,946</u>
TOTAL		<u><u>1295,49,059</u></u>	<u><u>1314,11,918</u></u>

Other Explanatory notes forming part of the financial statement

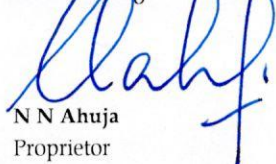
24 - 40

In terms of our report of even date attached.

For Nath Ahuja & Company

Chartered Accountants

ICAI Firm Registration Number : 001083N

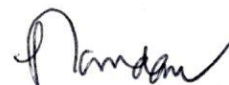


N N Ahuja

Proprietor

Membership No. : 080178

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

30th May, 2017

Statement of Profit and Loss for the year ended 31 March, 2017

In Indian Rupees

Particulars	Note Number	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	763,51,920	589,08,189
Other income	17	59,498	2,36,518
Total Revenue		764,11,418	591,44,707
Expenses			
Purchases of stock-in-trade	18	451,66,832	359,76,115
Changes in inventories of stock-in-trade	19	6,62,322	4,07,963
Employee benefit expense	20	407,35,035	290,86,797
Other operating expenses	21	423,49,096	269,50,813
Finance cost	22	78,03,031	85,66,798
Depreciation and amortisation expenses	23	29,45,484	21,30,955
Total Expenses		1396,61,800	1031,19,441
Profit / (Loss) before exceptional items and tax		(632,50,382)	(439,74,734)
Add: Exceptional items		-	-
Profit / (Loss) before tax		(632,50,382)	(439,74,734)
Tax expense:			
Less: Current tax		-	-
Less: Deferred tax		-	-
Total tax expense		-	-
Profit/(Loss) after tax	I	(632,50,382)	(439,74,734)
Loss for the year from total operations		(632,50,382)	(439,74,734)
Earnings per equity share	33		
Basic EPS			
~for Nominal Value of Share Rs. 10/-		(42.17)	(29.32)
~for Nominal Value of Share Rs. 5/-		(21.09)	(14.66)
Diluted EPS			
~for Nominal Value of Share Rs. 10/-		(41.94)	(29.16)
~for Nominal Value of Share Rs. 5/-		(20.97)	(14.58)

Other Explanatory notes forming part of the financial statement

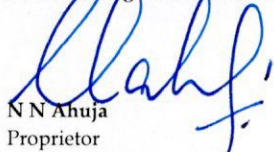
24 - 40

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

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
30th May, 2017

Cash Flow Statement for the year ended 31 March, 2017

In Indian Rupees

Particulars	Note Number	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		(632,50,382)	(439,74,734)
Adjustments for:			
Depreciation and amortisation on continuing operations		29,45,484	21,30,955
Preliminary expenses written off		-	5,806
Interest received		(59,498)	(28,693)
Finance costs		78,03,031	85,66,798
Profit / (Loss) before working capital changes		(525,61,365)	(332,99,868)
Movement in working capital :			
(Increase) / decrease in inventories		6,62,322	4,07,963
(Increase) / decrease in trade receivables		34,83,808	55,21,118
(Increase) / decrease in other receivables, loans and advances		13,36,346	(8,60,749)
(Decrease) / increase in trade payables		(26,94,247)	(9,19,508)
(Decrease) / increase in other current and long term liabilities		16,27,028	28,00,584
(Decrease) / increase short term borrowings		(49,96,961)	(15,451)
(Decrease) / increase in provisions		13,34,680	3,81,048
Cash generated from operations		(518,08,389)	(259,84,863)
Taxes paid, net		-	-
Net cash flow (used in) / from operating activities (A)		(518,08,389)	(259,84,863)
B Cash flow from investing activities			
Capital expenditure on fixed assets and Intangible Assets under Development		(61,57,121)	(128,95,053)
Long Term Loans and Advances		(3,48,297)	(2,04,180)
Interest received		59,498	28,693
Dividend received from subsidiary companies		-	-
Net cash flow (used in) / from investing activities (B)		(64,45,920)	(130,70,541)
C Cash flow from financing activities			
Receipt from borrowings		661,17,023	189,42,935
Repayment of Bank Loan		-	(6,73,569)
Repayment of Security Deposits		-	(7,98,878)
Issue of equity shares		-	300,00,000
Finance Cost		(78,03,031)	(85,66,798)
Net cash flow (used in) / from financing activities (C)		583,13,992	389,03,689
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		59,683	(1,51,715)
Add: Balance of Cash and cash equivalents as at the beginning of the year		9,79,554	11,31,269
Cash and cash equivalents as at the end of the year [Refer note (a) below]		10,39,237	9,79,554
a) Components of cash and cash equivalents			
Balances with bank in current accounts		5,75,740	1,43,399
Cash on hand		4,63,497	8,36,155
		10,39,237	9,79,554

Notes:

- Figures in bracket indicate cash outflow
- The above cash flow statement has been prepared under the indirect method setout 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. : 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
30th May, 2017

Notes to the financial statements for the year ended 31 March, 2017

1. Share capital

		As at 31 March, 2017	As at 31 March, 2016
Authorized:			
12,50,000	Class - A Equity Shares of Rupees 10 each	125,00,000	125,00,000
5,00,000	Class - B Equity Shares of Rupees 5 each	25,00,000	25,00,000
300,000	8% Preference Share Capital of Rupees 100 each (31 March 2016: 12,50,000 Class A Equity Shares of Rupees 10 each) (31 March 2016: 5,00,000 Class B Equity Shares of Rupees 5 each)	300,00,000	300,00,000
		450,00,000	450,00,000
Issued:			
12,50,000	Class - A Equity Shares of Rupees 10 each	125,00,000	125,00,000
4,99,750	Class - B Equity Shares of Rupees 5 each	24,98,750	24,98,750
3,00,000	8% Preference Share Capital of Rupees 100 each (31 March 2016: 12,50,000 Class A Equity Shares of Rupees 10 each) (31 March 2016: 4,99,750 Class A Equity Shares of Rupees 10 each)	300,00,000	300,00,000
		449,98,750	449,98,750
Subscribed and paid-up:			
12,50,000	Class - A Equity Shares of Rupees 10 each	125,00,000	125,00,000
4,99,750	Class - B Equity Shares of Rupees 5 each	24,98,750	24,98,750
3,00,000	8% Preference Share Capital of Rupees 100 each (31 March 2016: 12,50,000 Class A Equity Shares of Rupees 10 each) (31 March 2016: 4,99,750 Class A Equity Shares of Rupees 10 each)	300,00,000	300,00,000
		449,98,750	449,98,750

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, 2015

Additions

As of March 31, 2016

Additions

As of March 31, 2017

Class - B Equity Shares of Rupee 5/- each

As of April 1, 2015

Additions

As of March 31, 2016

Additions

As of March 31, 2017

Class - C 8% Preference Share Capital

As of April 1, 2015

Additions

As of March 31, 2016

Additions

As of March 31, 2017

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, 2017		As of 31 March, 2016	
	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	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

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

Notes to the financial statements for the year ended 31 March, 2017

2. Reserves and surplus

	As at 31 March, 2017	As at 31 March, 2016
(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	(1001,05,180)	(561,30,446)
Add: Loss for the year	(632,50,382)	(439,74,734)
Net deficit in Statement of Profit and loss	<u>(1633,55,562)</u>	<u>(1001,05,180)</u>
	<u>(961,55,562)</u>	<u>(329,05,180)</u>

3. Borrowings

	As at 31 March, 2017			As at 31 March, 2016		
	Long-term	Short-term	Total	Long-term	Short-term	Total
UnSecured Borrowings						
(a) Loans from related parties						
(i) From directors	1419,01,730	-	1419,01,730	770,46,730	-	770,46,730
(ii) From other related parties		-	-		-	-
Secured Borrowings						
(a) Loans from non-related parties						
(i) From Bank	13,54,025	95,02,197	108,56,222	92,002	144,99,158	145,91,160
	<u>1432,55,755</u>	<u>95,02,197</u>	<u>1527,57,952</u>	<u>771,38,732</u>	<u>144,99,158</u>	<u>916,37,890</u>

Additional information:

- (a) UnSecured loan from directors carry interest @ 4%, 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 secured borrowings include bank overdraft amounting to Rs. 92,81,345/-

4. Other long-term liabilities

	As at 31 March, 2017	As at 31 March, 2016
Security deposit received [^]	4,95,925	7,57,428
	<u>4,95,925</u>	<u>7,57,428</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, 2017

5. Trade payables

- (a) Creditors for supplies/services
- (b) Creditors for Capital Expenditure
- (b) Advance received from customers

As at 31 March, 2017	As at 31 March, 2016
63,22,516	65,77,517
-	21,18,695
4,88,409	8,08,960
<u>68,10,925</u>	<u>95,05,172</u>

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

6. Other current liabilities

- (a) Expenses payable
- (b) Accrued salaries and benefits
- (c) Revenue taxes payable
- (d) Advance from Holding Company
- (d) Other liabilities

As at 31 March, 2017	As at 31 March, 2016
3,08,447	1,44,858
30,20,555	25,97,358
29,80,960	38,19,934
-	20,64,029
120,18,900	78,14,152
<u>183,28,862</u>	<u>164,40,331</u>

Additional Information

- (1) Other liabilities represent interest payable on Directors Loan

7. Short-term provisions

- (a) Provision for Gratuity
- (b) Provision for Expenses
- (c) Provision for Leave Encashment
- (d) Provision for Audit fees

As at 31 March, 2017	As at 31 March, 2016
16,62,492	3,39,900
28,827	-
4,58,888	4,95,877
1,62,000	1,41,750
<u>23,12,207</u>	<u>9,77,527</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, 2017

8. Tangible assets

	Furniture and Fixtures	Office Equipments	Vehicles	Computers	Total
Gross Block					
As of April 1, 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	-	-	-	-	-
As of March 31, 2016	3,31,512	62,61,848	-	28,94,894	94,88,254
Additions	-	15,78,332	21,94,970	7,33,819	45,07,121
Disposals/Sale	-	-	-	-	-
As of March 31, 2017	3,31,512	78,40,180	21,94,970	36,28,713	139,95,375
Accumulated Depreciation					
As of April 1, 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
Charge for the year	31,494	13,55,027	2,92,976	10,83,190	27,62,687
Elimination on account of disposals	-	-	-	-	-
As of March 31, 2017	83,831	36,52,438	2,92,976	29,68,954	69,98,199
Net Block					
As of April 1, 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
As of March 31, 2017	2,47,681	41,87,742	19,01,994	6,59,759	69,97,176

Notes to the financial statements for the year ended 31 March, 2017

9. Intangible assets

	Mobile application software	CRM (Software)	Trade Mark	Website	Total
Gross Block					
As of April 1, 2015	2,97,810	-	32,350	-	3,30,160
Additions	-	-	-	12,00,000	12,00,000
Addition on account of slump sale	-	-	-	-	-
Disposals	-	-	-	-	-
As of March 31, 2016	2,97,810	-	32,350	12,00,000	15,30,160
Additions	-	-	-	-	-
Disposals/Sale	-	-	-	-	-
As of March 31, 2017	2,97,810	-	32,350	12,00,000	15,30,160
Accumulated Depreciation					
As of April 1, 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
Charge for the year	59,562	-	3,235	1,20,000	1,82,797
Elimination on account of disposals	-	-	-	-	-
As of March 31, 2017	2,38,248	-	12,940	1,62,131	4,13,319
Net Block					
As of April 1, 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
As of March 31, 2017	59,562	-	19,410	10,37,869	11,16,841

10. Intangible assets under development

	As at 31 March, 2017	As at 31 March, 2016
CRM Software	1029,91,530	1013,41,530
Website under development	30,000	30,000
	<u>1030,21,530</u>	<u>1013,71,530</u>

Notes to the financial statements for the year ended 31 March, 2017

11. Long-term Loans and Advances

	As at 31 March, 2017	As at 31 March, 2016
Unsecured, Considered good		
Electricity, telephone and other deposits	5,18,920	5,18,920
Deposits with creditors	15,31,239	12,37,942
Rental deposits	12,29,200	11,74,200
	-	-
	<u>32,79,359</u>	<u>29,31,062</u>

12. Inventories

	As at 31 March, 2017	As at 31 March, 2016
Stock-in-trade [refer note (a) and (b) below]	32,42,910	39,05,232
	<u>32,42,910</u>	<u>39,05,232</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, 2017

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, 2017	As at 31 March, 2016
	10,23,081	14,36,314
	-	-
	-	-
	<u>10,23,081</u>	<u>14,36,314</u>
	68,63,788	99,34,363
	<u>68,63,788</u>	<u>99,34,363</u>
	<u><u>78,86,869</u></u>	<u><u>113,70,677</u></u>

14. Cash and Bank balances

Cash and Cash equivalents
 (a) Balances with Banks
 In current accounts
 Fixed Deposit as Margin Money

(b) Cash on hand

	As at 31 March, 2017	As at 31 March, 2016
	4,15,740	1,43,399
	1,60,000	-
	<u>4,63,497</u>	<u>8,36,155</u>
	<u>10,39,237</u>	<u>9,79,554</u>
	<u><u>10,39,237</u></u>	<u><u>9,79,554</u></u>

Notes to the financial statements for the year ended 31 March, 2017

15. Short-term Loans and Advances

	As at 31 March, 2017	As at 31 March, 2016
Unsecured, considered good		
Interest free advances to employees [refer note (a) below]	20,38,709	28,99,982
Balances with government authorities:		
as tax deducted at source	8,61,746	12,64,637
as Input service tax credit	28,697	-
Prepaid Expense	35,985	1,36,864
	<u>29,65,137</u>	<u>43,01,483</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, 2017	For the year ended 31 March, 2016
Sale of Services		
Voice Revenue [refer note (a) below]	762,94,453	584,00,701
Others [refer note (b) below]	57,467	5,07,488
	<u>763,51,920</u>	<u>589,08,189</u>

Additional information:

- (a) Voice Revenue is from International Roaming Cards and includes unbilled revenue of Rupees. 17,79,308/-
(b) Others include revenue share from the vendors under long-term partnership contract.

17 Other Income

	For the year ended 31 March, 2017	For the year ended 31 March, 2016
Interest Received	59,498	28,693
Balance Written Back	-	2,07,825
	<u>59,498</u>	<u>2,36,518</u>

18 Purchases of stock-in-trade

	For the year ended 31 March, 2017	For the year ended 31 March, 2016
Purchases made during the year:		
Domestic:	175,30,307	67,94,663
Foreign:	276,36,525	291,81,452
	<u>451,66,832</u>	<u>359,76,115</u>

19 Changes in inventories of stock-in-trade

	For the year ended 31 March, 2017	For the year ended 31 March, 2016
ERCV and SIM Cards		
Opening Stock-in-trade	39,05,232	43,13,195
Closing Stock-in-trade	32,42,910	39,05,232

Notes to the financial statements for the year ended 31 March, 2017

20. Employees benefit expenses

	For the year ended 31 March, 2017	For the year ended 31 March, 2016
Salaries and wages	371,36,433	265,60,376
Directors remuneration	6,00,000	6,00,000
Contribution to provident and other funds	4,60,020	7,12,084
Staff welfare expenses	7,90,709	5,92,164
Provision for gratuity	15,48,273	2,17,015
Provision for Leave encashments	25,800	1,70,615
Bonus	-	45,500
Incentive	1,73,800	1,89,043
	<u>407,35,035</u>	<u>290,86,797</u>

Additional information:

(a) Provision for bonus has been valued and certified by the management.

21. Other operating expenses

	For the year ended 31 March, 2017	For the year ended 31 March, 2016
Custom duty and freight	5,77,563	7,53,450
Power, fuel and electricity	9,08,428	10,44,037
Communication expenses	21,32,765	24,67,112
Rent including lease rent	36,69,978	33,85,080
Repairs and office maintenance	14,37,189	11,84,416
Rate, fees and subscription	13,71,112	4,43,263
Loss on account of foreign exchange	1,19,365	1,54,895
Sales commission, discounts and rebates	8,67,561	17,58,507
Advertising, publicity and business promotion	36,04,364	4,78,271
Meetings, conference and events	2,30,065	5,91,947
Legal, professional and consultancy	136,99,166	70,80,697
Travelling and conveyance	47,56,547	37,74,028
Office supplies, printing and stationery	4,05,353	4,82,115
Payment to auditors	1,80,000	1,57,500
Bank charges	7,31,897	5,78,205
Centvat Credit Reversed	27,28,077	15,48,304
Other administrative expenses	49,29,666	10,68,986
	<u>423,49,096</u>	<u>269,50,813</u>

22. Finance cost

	For the year ended 31 March, 2017	For the year ended 31 March, 2016
Interest expenses		
-On directors loans	52,84,996	64,51,413
-On bank loan	17,86,732	18,51,356
-On Others	7,31,303	2,64,029
	<u>78,03,031</u>	<u>85,66,798</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. 52,84,996/-

23. Depreciation and amortization

	For the year ended 31 March, 2017	For the year ended 31 March, 2016
Depreciation on tangible assets	27,62,687	20,26,027
Amortization of intangible assets	1,82,797	1,04,928
	<u>29,45,484</u>	<u>21,30,955</u>

Other Explanatory Notes to the financial statements for the year ended 31 March, 2017

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.
- b) Intangible assets being Roam1 Phone Development Software which is amortized over the estimated useful life of 5 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, 2017

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, 2017

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.

Deffered tax is not recognised as virtual certainty does not exist.

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.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis.

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, 2017

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, 2017		As of 31 March, 2016	
		In Foreign Currency	In Indian Rupees	In Foreign Currency	In Indian Rupees
Receivables	USD	4,500	2,91,774	2,500	1,56,477
	SGD	1,691	79,410	1,691	82,633
	LKR	25,000	11,465	25,000	11,465
Payables	USD	17,404	11,28,447	26,279	17,43,188
	SGD	-	-	42,988	19,775
	LKR	18,468	8,495	-	-

(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. 2,66,415/- (Year ended 31 March 2016, Rs. 4,56,917/-) for Provident Fund contributions in the Statement of Profit and Loss. Rs 1,80,841/- towards ESIC (Year ended 31st March 2016, Rs. 2,01,349/-) and Rs 12,764/- (Year ended 31 March 2016, Rs. 21,445/-) towards EDLI. Provision for leave encashment and gratuity made during the year is Rs. 25,800/- and Rs. 15,48,273/- 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, 2017	As of 31 March, 2016
Amount payable not later than one year	28,00,057	30,24,580
Amount payable later than one year but not later than five years	32,64,000	66,25,860
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.

31. Details of Specified Bank Notes (SBN) Held and Transacted during the period from 8th Non 2016 to 30th December 2016

	SBNs	Other Denominations Notes	Total
Closing Cash in hand as on 08-11-2016	66,000	37,445	1,03,445
(+) Permitted Receipts	6,22,500	6,29,213	12,51,713
(-) Permitted Payments	-	2,41,091	2,41,091
(-) Amount Deposited in Banks	6,88,500	1,40,159	8,28,659
Closing Cash in hand as on 30-12-2016	-	2,85,408	2,85,408

Other Explanatory Notes to the financial statements for the year ended 31 March, 2017

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

(a) List of related parties

(i) Holding Company
Virtualsoft Systems Limited

(ii) Key Managerial Personnel (KMP)
Mr. Gokul Tandun
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	Ob/ Liab Tfrs [Cr. (+ve)/ De. (-ve)]	Payment	Loan Received / Expenses Incurred	TDS	Closing Balance Cr. (+ve)/ De. (-ve)
(i) Holding Company						
Virtualsoft Systems Limited	Running Account	41,82,724	66,79,481	24,96,757	-	-
(ii) Key Managerial Personnel (KMP)						
Mr. Gokul Tandun	Unsecured Loan	770,46,730	4,50,000	653,05,000	-	1419,01,730
	Interest on Unsecured Loan	78,14,152	5,51,748	52,84,996	5,28,500	120,18,900
	Imprest	30,367	3,89,625	3,66,302	-	7,044
Mr. Reet MS Ahluwalia	Unsecured Loan	-	-	-	-	-
Mr. Rajendra V Kulkarni	Unsecured Loan	-	6,00,000	6,00,000	-	-
	Imprest	-	3,76,582	3,76,582	-	-
(iii) Enterprises over which KMP / Relatives of KMP can exercise significant influence						
M.R. Capital (P) Ltd.	CRM Development Charges	53,841	11,64,960	19,01,306	1,65,000	6,25,187
	Contractor Services	-	98,000	98,000	-	-

ROAMI TELECOM LIMITED
CIN: U64100DL2011PLC222155

Other Explanatory Notes to the financial statements for the year ended 31 March, 2017

33. 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, 2017	As of 31 March, 2016
Number of shares at the begning 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 begning 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	3,00,000
Total number of convertible preference shares at the end of year	3,00,000	3,00,000
Number of incremental equity shares outstanding for 1 day	8,219	8,219
Net profit after tax available for equity shareholders	(632,50,382)	(439,74,734)

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

Basic Earning per Share

Nominal Value of Rs. 10/-	(42.17)	(29.32)
Nominal Value of Rs. 5/-	(21.09)	(14.66)

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

Diluted Earning per Share

Nominal Value of Rs. 10/-	(41.94)	(29.16)
Nominal Value of Rs. 5/-	(20.97)	(14.58)

	As of 31 March, 2017	As of 31 March, 2016
Weighted average number of equity shares outstanding during the year	150,80,942	150,80,942

34. Other disclosures as per Revised Schedule III of the Companies Act, 2013

	For the year ended 31 March, 2017	For the year ended 31 March, 2016
(a) Expenditure in Foreign Currency (on accrual basis)		
Capital expenses	-	-
Services purchase	283,46,427	291,81,452
(b) Earnings in Foreign Exchange (on accrual basis)		
Income from foreign transactions	-	5,07,488

35. Previous year's figures

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

36. 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.

37. 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

38. 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 telecommunication services from territory outside India. However, the management on the basis of opinion of its own legal consultant contends that no service tax is applicable in respect of such purchases. Considering the above, the Service Tax liability amounts to Rs. 29,66,658/- approx. However, the company has not made any such provision.

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 telecommunication services.

39. Intangible assets under development

The company is getting a software developed called CRM for providing telecom services. The expenses of Rs. 16,50,000/- 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

40 Going Concern Basis

The Company has accumulated losses of Rs. 9,61,55,562/- as at 31st March, 2017 and its net worth as at that date is minus Rs. 5,11,56,812/-. Although these events or conditions may cast significant doubt on the Company's ability to continue as going concern, it has detailed plans for renewal of its operations.

Accordingly the financial statements have been prepared on the basis that the company is a going concern and that no adjustment are required to the carrying value of assets and liabilities.



Nath Ahuja & Co.

Chartered Accountants

INDEPENDENT AUDITORS' REPORT

To the Members of Roam1 Telecom Limited

Report on the Financial Statements

We have audited the accompanying standalone financial statements of **Roam1 Telecom Limited** ('the Company') which comprise the Balance Sheet as at 31st March 2017, the statement of Profit and Loss and the cash flow statement for the year ended 31st March 2017, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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 in accordance with the Standards on Auditing 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the 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 the 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 aforesaid 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 statement of affairs of the Company as at 31st March, 2017 and its profit and Loss and its cash flows for the year ended on that date.

Emphasis of Matter

Attention is invited to **Note no. 28** under Explanatory Notes to Financial Statements regarding compliance with 'AS 15- Accounting for Employee Benefits', the management is providing for provisions of gratuity and leave encashment as per management's policy whereas as per AS-15, subsidiary of every listed company is required to get the valuation done by an Actuary.

Attention is invited to **Note no. 38** under Explanatory Notes to Financial Statements, relating to the applicability of Service Tax on Reverse Charge Mechanism of Section 66A of the Finance Act, 1994 and Service Tax Liability on Prepaid Sales as per the Finance Act, 1994, the Management provided the Opinion obtained last year from the legal advisors of the company, copy of which was given to us last year.

Considering this Opinion we did not incumbent upon our self to emphasize on the treatment of these transactions.

As a result, we refrain ourselves from commenting on same.

Attention is invited to **Note no. 39** under Explanatory Notes to Financial Statements regarding amortization of intangible asset. The company has not provided for depreciation/amortization on CRM Software.

Attention is invited to **Note no. 40** 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, 2017 minus Rs. 5,11,56,812/-). These events cast significant doubt on the ability of the Company to continue as a going concern.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

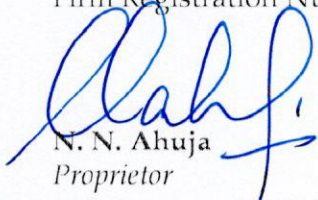
1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 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 purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. except for the matter described in the Emphasis of Matter paragraph, in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e. on the basis of written representations received from the directors as on 31st March 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2017, 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"; and
 - 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:
 - a. The Company does not have any pending litigations which would impact its financial position.
 - b. The Company does not have any long term, contracts including derivate contracts for which provision would be required to be made under the applicable law or accounting standards, for material foreseeable losses.

- c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- d. The Company had provided requisite disclosures in its financial statements as to holding as well as dealing in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the Company - Refer Note 31 to the Financial Statements.

For Nath Ahuja & Co.

Chartered Accountants

Firm Registration Number: 001083N



N. N. Ahuja

Proprietor

Membership No. 80178

Place:- New Delhi

Date:- 30th May, 2017

Annexure - A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31st March 2017, we report that:

i) In respect of its fixed assets:

- (a) The Company has maintained its Fixed Assets Register.
- (b) As explained to us, the physical verification of fixed assets was conducted by the management at reasonable intervals but we were not provided with any records for the same so we are unable to comment on the frequency of physical verification having regard to the size of the Company and the nature of assets.
- (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, inventories were physically verified during the year by the management at reasonable intervals.
- (b) Due to Non availability of any records, we are unable to comment on the procedures of physical verification of inventories followed by the Management having regard to the size of the company and nature of its business.

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 under register maintained under section 189 of the Companies Act, 2013.
- (b) Accordingly, para 3(iii)(b) and 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 the provisions of section 185 and 186 of the Act, with respect to the 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 or any other relevant provisions of the Companies Act 2013 and the rules framed there under are not applicable to the Company.

vi) We have been informed by the management that no cost records have been prescribed under section 148 (1) of The Companies Act, 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 our examination of the books of accounts, the company is not regular in depositing undisputed statutory dues including 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, Duty of Customs, Value Added Tax or any other material statutory dues were outstanding, as at 31st March, 2017 for a period of more than six months from the date they became payable.

According to the information and explanations given to us, there are no dues of Service Tax, Income Tax, Sales Tax and Excise Duty which have not been deposited on account of any dispute as at March 31, 2017.

- viii) According to the information and explanations given to us, the company has not default in repayment of dues to financial institutions or banks or bond holders
- ix) The Company did not raise any money by way of Initial Public offer (including Debt instrument). However the Company has raise money by way of Loan from Directors, which were applied for the purpose for which those were raised.
- x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers has been noticed or reported during the course of our audit.
- xi) According to the information and explanations give to us and based on our examination of the records of the Company, Managerial remuneration paid/provided in accordance with the provisions of Companies Act 2013.
- xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any private placement of shares or fully or partly convertible debentures or preference shares.
- xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

Annexure- B 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")

We have audited the internal financial controls over financial reporting of **Roam1 Telecom Limited** ("the Company") as of 31st March, 2017 in conjunction with our audit of the standalone 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 ('ICAI'). 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the 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.

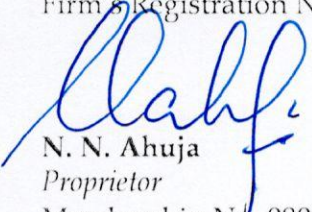
Inherent Limitations of Internal Financial Controls over Financial Reporting

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 31st March, 2017, 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 Nath Ahuja & Co.
Chartered Accountants
Firm's Registration No: 001083N


N. N. Ahuja
Proprietor
Membership No. 080178

Place:- New Delhi
Date:- 30th May, 2017