Roam1 Telecom Limited
CIN: U64100DL2011PLC222155
Balance Sheet as at 31st March 2020

(All amounts in Indian Rupees unless otherwise stated)

	Particulars	Note	As at 31st March 2020	As at 31st March 2019
	ASSETS			
I	**Non-current assets**			
	(a) Property, plant and equipment	7	4,727,236	5,874,641
	(b) Intangible assets	8	683,969	811,394
	(c) Intangible assets under development	9	106,391,530	106,391,530
	(d) Right-of-use assets	10	2,113,108	
	(e) Financial assets			
	(i) Investments		-	-
	(ii) Loans	11	1,487,234	2,694,515
	(f) Deferred Tax Assets (Net)		-	-
	(g) Other non-current assets	12	22,462	-
			115,425,539	115,772,080
II	**Current assets**			
	(a) Inventories	13	2,480,076	2,612,632
	(b) Financial assets			
	(i) Trade receivables	14	6,027,087	7,863,880
	(ii) Cash and cash equivalents	15	344,654	58,908
	(iii) Other bank balances	16	-	-
	(iv) Loans	12	1,831,889	2,014,399
	(c) Other current assets	17	7,144,044	4,783,514
			17,827,750	17,333,333
	TOTAL ASSETS		**133,253,290**	**133,105,413**
	EQUITY AND LIABILITIES			
III	**Equity**			
	(a) Equity share capital	18	77,898,750	77,898,750
	(b) Other equity	19	(128,091,611)	(85,666,504)
	(c) Share Application Money		-	-
	Total equity		(50,192,861)	(7,767,754)
	LIABILITIES			
IV	**Non-current liabilities**			
	(a) Financial liabilities			
	(i) Borrowings	20	141,815,330	103,737,730
	(ii) Lease liabilities	10	881,609	-
	(b) Provisions	21	3,377,953	2,408,428
			146,074,892	106,146,158
V	**Current liabilities**			
	(a) Financial liabilities			
	(i) Borrowings	22	10,202,006	10,067,910
	(ii) Trade payables	23	3,969,956	2,942,448
	(iii) Lease Liabilities	10	1,343,610	-
	(iv) Other financial liabilities	24	407,297	495,886
	(b) Other current liabilities	25	21,249,934	21,077,097
	(c) Provisions	21	198,456	143,668
	(d) Current Tax Liabilities (Net)	26	-	-
			37,371,259	34,727,009
	Total liabilities		183,446,151	140,873,167
	TOTAL EQUITY AND LIABILITIES		**133,253,290**	**133,105,413**

Summary of significant Accounting policies 3
The accompanying notes are an integral part of the financial statements

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

CA. Krusshna Neeraj
Partner
Membership No.:506669

Place : New Delhi
Date : 30-JUN-2020

For and on behalf of the Board of Directors

Rajendra V Kulkarni
Director
DIN: 00988255

Gokul N Tandan
Director
DIN: 00441563

Roam1 Telecom Limited

CIN: U64100DL2011PLC222155

Statement of profit & loss for the year ended 31st March 2020

(All amounts in Indian Rupees unless otherwise stated)

	Particulars	Note	For the year ended 31st March 2020	For the year ended 31st March 2019
I	Revenue from operations	27	46,455,617	50,226,098
II	Other income	28	319,257	1,057,726
III	**Total income (I+II)**		**46,774,875**	**51,283,824**
IV	**Expenses**			
	(a) Cost of raw material consumed		-	-
	(b) Purchase of stock in trade	29	35,107,346	26,021,293
	(c) Changes in inventories of finished goods,stock in trade and work-in-progress	30	132,556	2,324,327
	(d) Excise duty on sale of goods		-	-
	(e) Employee benefit expense	31	30,196,637	29,306,959
	(f) Finance costs	32	1,545,470	2,859,840
	(g) Depreciation and amortization expense	33	2,988,718	2,829,032
	(h) Other expenses	34	18,869,111	21,319,803
	Total expense		**88,839,838**	**84,661,254**
V	**Profit before exceptional items and tax (III-IV)**		**(42,064,963)**	**(33,377,430)**
VI	Exceptional items	35	-	-
VII	**Profit before tax (V+VI)**		**(42,064,963)**	**(33,377,430)**
VIII	**Income tax expense**			
	(a) Current tax		-	-
	(b) Deferred tax		-	-
	Total tax expense		-	-
IX	**Profit for the year (VII-VIII)**		**(42,064,963)**	**(33,377,430)**
X	**Other comprehensive income**			
	Items that will not be reclassified to profit or loss in subsequent periods:			
	(i) Remeasurements of post-employment defined benefit obligations		(360,144)	(438,064)
	(ii) Change in fair value of FVOCI equity instruments			
	(iii) Income tax effect			
	Other comprehensive income for the year, net of tax		**(360,144)**	**(438,064)**
XI	**Total comprehensive income for the year (IX+X)**		**(42,425,107)**	**(33,815,494)**
XII	**Earnings per share in Rs.**	42		
	Basic earnings per equity share			
	- for Nominal Value of Share Rs.10/-		(22.20)	(17.61)
	- for Nominal Value of Share Rs.5/-		(11.10)	(8.81)
	Diluted earnings per equity share			
	- for Nominal Value of Share Rs.10/-		(22.02)	(17.48)
	- for Nominal Value of Share Rs.5/-		(11.01)	(8.74)

Summary of significant Accounting policies 3

The accompanying notes are an integral part of the financial statements

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

CA. Krusshna Neeraj
Partner
Membership No.:506669

Place : New Delhi
Date : 30-JUN-2020

For and on behalf of the Board of Directors

Rajendra V Kulkarni
Director
DIN: 00988255

Gokul N Tandan
Director
DIN: 00441563

Roam1 Telecom Limited
CIN: U64100DL2011PLC222155
Statement of changes in equity for the year ended 31st March 2020

(All amounts in Indian Rupees unless otherwise stated)

(A) Equity share capital	Note	Nos.	Rs.
As at 1st April 2018			22,898,750
Changes in equity share capital	18		-
As at 31st March 2019			22,898,750
Changes in equity share capital	17		-
As at 31st March 2020			22,898,750

(B) Other equity

Particulars	Preference Share Capital	Securities Premium	General Reserve	Capital Reserve	FVOCI-Equity instruments	Total other equity
Balance as at 1st April 2018	55,000,000	146,160,000	(198,011,010)	-	-	3,148,990
Profit for the year	-	-	(33,377,430)	-	-	(33,377,430)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the year	-	-	(33,377,430)	-	-	(33,377,430)
Addition	-	-	(438,064)	-	-	(438,064)
Income/Deferred Tax relating to earlier years	-	-	-	-	-	-
Balance as at 31st March 2019	55,000,000	146,160,000	(231,826,504)	-	-	(30,666,504)
Balance as at 1st April 2019	55,000,000	146,160,000	(231,826,504)	-	-	(30,666,504)
Profit for the year	-	-	(42,064,963)	-	-	(42,064,963)
Other comprehensive income	-	-	(360,144)	-	-	(360,144)
Total comprehensive income for the year	-	-	(42,425,107)	-	-	(42,425,107)
Addition	-	-	-	-	-	-
Income/Deferred Tax relating to earlier years	-	-	-	-	-	-
Balance as at 31st March 2020	55,000,000	146,160,000	(274,251,611)	-	-	(73,091,611)

The accompanying notes form an integral part of these financial statements

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

CA. Krushna Neeraj
Partner
Membership No.:506669

Place : New Delhi
Date : 30-JUN-2020

For and on behalf of the Board of Directors

Gokul N Tandan
Director
DIN: 00441563

Rajendra V Kulkarni
Director
DIN: 00988255

Roam1 Telecom Limited
CIN: U64100DL2011PLC222155
Cash Flow Statement for the Year ended 31 March 2020

(All amounts in Indian Rupees unless otherwise stated)

Particulars	31-Mar-20	31-Mar-19
Cash flow from operating activities		
Profit after tax	**(42,064,963)**	**(33,377,430)**
Adjustment to reconcile profit before tax to net cash flows :		
Depreciation/amortization	2,988,718	2,829,032
(Profit)/Loss on sale of property, plant and equipment	-	-
Other comprehensive income	(360,144)	(438,064)
Defered tax	-	-
Interest expense	1,545,470	2,859,840
Interest income	(319,257)	(1,057,726)
Operating profit before working capital changes	**(38,210,177)**	**(29,184,348)**
Movements in working capital:		
(Decrease)/increase in trade payables and other liabilities	1,111,756	(2,240,262)
(Decrease)/increase in short-term provisions	54,788	(897,838)
(Decrease)/increase liability for current tax	-	-
Decrease/(increase) in trade receivable	1,836,793	(708,766)
Decrease/(increase) in inventories	132,556	2,324,327
Decrease/(increase) in other bank balances	-	-
Decrease/(increase) in short term loans	182,511	472,566
Decrease/(increase) in other current assets	(2,360,530)	(3,308,197)
Cash generated from operations	(37,252,304)	(33,542,518)
Direct taxes paid	-	-
Net cash flow from/(used in) operating activities (A)	**(37,252,304)**	**(33,542,518)**
Cash flows from investing activities		
Purchase of property, plant and equipment, including intangible assets, capital work in progress	(3,826,996)	(3,977,773)
Proceeds from sale of property, plant and equipment	-	-
Decrease/(increase) in non-current investments	-	-
(Decrease)/increase in long-term provisions	969,525	1,305,747
Decrease/(increase) in other non-current assets	(22,462)	-
Increase/(decrease) in other non-current Finacial Liabilities	-	-
Decrease/(increase) in long term loans	1,207,281	(6,891)
Interest received	319,257	1,057,726
Net cash flow from investing activities (B)	**(1,353,395)**	**(1,621,191)**
Cash flow from financing activities		
Proceeds from issuance of equity share capital	-	-
Proceeds/(Repayment) of long-term borrowings & lease liabilities	38,959,209	35,519,785
Proceeds/(Repayment) of short-term borrowings & Lease Liabilities	1,477,707	2,041,606
Equity Dividend including taxes thereon	-	-
Interest paid	(1,545,470)	(2,859,840)
Net cash flow from / (used in) financing activities (C)	**38,891,446**	**34,701,551**
Net increase/(decrease) in cash and cash equivalents (A + B +C)	**285,746**	**(462,158)**
Cash and cash equivalents at the beginning of the year	58,908	521,066
Cash and cash equivalents at the end of the year	**344,654**	**58,908**
Components of cash and cash equivalents		
Cash in hand	1,286	460,080
Cheques/ drafts in hand		
With banks in current account	343,369	(401,172)
Unpaid dividend accounts	-	-
in deposit accounts	-	-
Total cash and cash equivalents [Refer Note No. 14]	**344,654**	**58,908**

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

Summary of significant Accounting policies
The accompanying notes are an integral part of the financial statements

As per our report of even date
For Krishna, Neeraj & Associates
Chartered Accountants
FRN: 023733N

CA. Krushna Neeraj
Partner
Membership No.:506669

For and on behalf of the Board of

Gokul N Tandan
Director
DIN: 00441563

Rajendra V Kulkarni
Director
DIN: 00988255

Place : New Delhi
Date : 30-JUN-2020

7. Property, plant and equipment					7
Particulars	Furniture & Fixtures	Office Equipement	Vehicle	Computer	Total
As at 1st April 2018	1,471,012	8,769,860	2,194,970	3,751,713	16,187,555
Addition	394,625	898,268	814,880	-	2,107,773
Disposal	-	-	-	-	-
As at 31st Mar 2019	1,865,637	9,668,128	3,009,850	3,751,713	18,295,328
Addition	78,909			426,546	505,455
Disposal	-	-	-	-	-
As at 31st Mar 2020	1,944,546	9,668,128	3,009,850	4,178,259	18,800,783
Depreciation*					
As at 1st April 2018	182,623	5,282,110	978,465	3,271,107	9,714,305
Charge for the year	139,364	1,672,032	414,380	480,606	2,706,382
As at 31st Mar 2019	321,987	6,954,142	1,392,845	3,751,713	12,420,687
Charge for the year	121,485	1,371,584	113,908	45,883	1,652,860
As at 31st Mar 2020	443,472	8,325,726	1,506,753	3,797,596	14,073,547
Net Block					
As at 31st Mar 2019	1,543,650	2,713,986	1,617,005	-	5,874,641
As at 31st Mar 2020	1,501,074	1,342,402	1,503,097	380,663	4,727,236

Note 8 Intangible Assets					8
Particulars	Mobile Application Software	Trade Mark	Website	Total	
As at 1st April 2018	297,810	32,350	1,200,000	1,530,160	
Addition	-	-	-	-	
Balance as at 31st Mar 2019	297,810	32,350	1,200,000	1,530,160	
Addition	-	-	-	-	
Deletion	-	-	-	-	
Balance as at 31st Mar 2020	297,810	32,350	1,200,000	1,530,160	
Depreciation*					
As at 1st April 2018	297,810	16,175	282,131	596,116	
Charge for the year	-	2,650	120,000	122,650	
Balance as at 31st Mar 2019	297,810	18,825	402,131	718,766	
Charge for the year	-	7,425	120,000	127,425	
Balance as at 31st Mar 2020	297,810	26,250	522,131	846,191	
Net Block					
As on 31st March 2019	-	13,525	797,869	811,394	
As on 31st March 2020	-	6,100	677,869	683,969	

Note No. 9 Intangible assets under development	As At 31st March 2020	As At 31st March 2019	9
CRM Software	106,391,530	106,391,530	
Website under development	-	-	
Total	106,391,530	106,391,530	

(A) Right-of-use assets	10
i. The changes in the carrying value of ROU assets for the year ended March 31, 2020 are as follows:	
Particulars	Category of ROU ---* Buildings
Balance as at 1st April 2019	3,321,541
Reclassified on account of adoption of Ind AS 116 (Refer to Note ----)	-
Additions	-
Disposals / adjustments	-
Depreciation	(1,208,433)
Balance as at 31st March 2020	2,113,108
The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the Statement of Profit and Loss.	

Lease liabilities

i. The movement in lease liabilities during the year ended March 31, 2020 is as follows:

Particulars	Year ended March 31, 2020
Balance at the beginning	3,321,541
Additions	-
Finance cost accrued during the period	353,678
Disposals / adjustments	-
Payment of lease liabilities	(1,450,000)
Balance at the end	2,225,219

ii. The break-up of current and non-current lease liabilities as at March 31, 2020 is as follows

Particulars	
Current lease liabilities	1,343,610
Non-Current lease liabilities	881,609
Total	2,225,219

Roam1 Telecom Limited

Notes to the financial statements for the year ended 31st March 2020

(All amounts in Indian Rupees unless otherwise stated)

11 Financial assets - Loans	As at 31st March 2020	As at 31st March 2019
(a) Non Current Loans (Unsecured, Considered Good)		
Security Deposits	1,487,234	2,694,515
Total Non Current Loans	**1,487,234**	**2,694,515**
(b) Current Loans (Unsecured, Considered Good)		
Advances to related parties (subsidiary)		-
Advances Recoverable		-
Interest free advance to employee	1,831,889	2,014,399
Security Deposits		-
Total Current Loans	**1,831,889**	**2,014,399**

12 Other Non-Current Assets	As at 31st March 2020	As at 31st March 2019
Capital advances (Unsecured, Considered good)		
Prepaid expenses*	22,462	-
Total	**22,462**	-

*Prepaid expenses due to fair valuation of security deposits and advance to employees.

13 Inventories	As at 31st March 2020	As at 31st March 2019
(valued at lower of cost and net realizable value)		
Finished Goods	2,480,076	2,612,632
Total	**2,480,076**	**2,612,632**

14 Financial assets - Trade receivables	As at 31st March 2020	As at 31st March 2019
Trade receivables	7,517,650	7,863,880
Other receivables	-	-
Break-up of security details		
Secured, considered good		
Unsecured, considered good	7,517,650	7,863,880
Doubtful		
Total	7,517,650	7,863,880
Less : Allowance for bad and doubtful debts	1,490,563	-
Total	**6,027,087**	**7,863,880**

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

15 Financial assets - Cash and cash equivalents	As at 31st March 2020	As at 31st March 2019
Balances with banks:		
-In current accounts	343,369	(401,172)
-in unpaid dividend accounts		
-Deposits with original maturity of 3 months or less (including interest accrued thereon)@		
Cash in hand	1,286	460,080
Total	**344,654**	**58,908**

@ Deposits are under bank lien for margin against non fund based working capital credit facilities.

16 Financial assets - Other Bank Balances	As at 31st March 2020	As at 31st March 2019
Deposits with original maturity for more than 3 months but not more than 12 months (including interest accrued thereon)#	-	-
Total	-	-

Deposits are under bank lien for margin against non fund based working capital credit facilities.

17 Other current assets	As at 31st March 2020	As at 31st March 2019
Balances with statutory / government authorities	6,536,526	4,141,001
Advance to Suppliers	534,779	615,783
Prepaid expenses	72,739	26,730
Advances to Employees		-
-Unsecured considered Doubtful	-	-
Less : Provision for doubtful advances	-	-
Total	**7,144,044**	**4,783,514**

KRISHNA NEERAJ & ASSOCIATES Chartered Accountants

Roam1 Telecom Limited
Notes to the financial statements for the year ended 31st March 2020

(All amounts in Indian Rupees unless otherwise stated)

18 Share capital	As at 31st March 2020	As at 31st March 2019
Authorised share capital		
20,40,000 Class A Equity Shares of Rupees 10 Each (31st March 2019: 20,40,000)	20,400,000	20,400,000
5,00,000 Class B Equity Shares of Rupees 5 Each (31st March 2019: 5,00,000)	2,500,000	2,500,000
5,50,000 8% Preference Share Capital of Rupees 100 Each (31st March 2019 : 5,50,000)	55,000,000	55,000,000
Total	77,900,000	77,900,000
Issued, Subscribed and fully paid up shares		
20,40,000 Class A Equity Shares of Rupees 10 Each (31st March 2019: 20,40,000)	20,400,000	20,400,000
4,99,750 Class B Equity Shares of Rupees 5 Each (31st March 2019: 4,99,750)	2,498,750	2,498,750
5,50,000 8% Preference Share Capital of Rupees 100 Each (31st March 2019 : 5,50,000)	55,000,000	55,000,000
Total	77,898,750	77,898,750

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

Particulars	As at 31st March 2020		As at 31st March 2019	
Equity Shares of Rs. 10 each	No.	Rs. in Lakhs	No.	Rs. in Lakhs
Equity Shares at the beginning of the year	2,040,000	20,400,000	2,040,000	20,400,000
Add : Shares issued on exercise of preferential allotment during the year	-	-	-	-
Equity Shares at the end of the year	2,040,000	20,400,000	2,040,000	20,400,000

Particulars	As at 31st March 2020		As at 31st March 2019	
Equity Shares of Rs. 5 each	No.	Rs. in Lakhs	No.	Rs. in Lakhs
Equity Shares at the beginning of the year	499,750	2,498,750	499,750	2,498,750
Add : Shares issued on exercise of preferential allotment during the year	-	-	-	-
Equity Shares at the end of the year	499,750	2,498,750	499,750	2,498,750

Terms/ rights attached to equity shares
The company has two class of equity shares having par value of Rs.10 per share and Rs.5 per share. Each holder of equity shares is entitled to one vote irrespective of the class of equity share. The company declares and pays dividends only in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

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

Particulars	As at 31st March 2020		As at 31st March 2019	
	No.	% Holding	No.	% Holding
Virtualsoft Systems Limited	1,595,000	62.80%	1,595,000	62.80%
Manpreet Singh	429,001	16.89%	429,001	16.89%
Gokul Tandon	407,000	16.03%	407,000	16.03%
Total	2,431,001	95.72%	2,431,001	95.72%

(c) Other details of Equity Shares for a period of five years immediately preceding 31st March 2019

Particulars	As at 31st March 2020	As at 31st March 2019
- Aggregate number of shares alloted as fully paid up pursuant to Contract without payment being received in cash	Nil	Nil
- Aggregate number of shares alloted as fully paid up by way of bonus shares	Nil	Nil
- Aggregate number of shares bought back	Nil	Nil

19 Other Equity	As at 31st March 2020	As at 31st March 2019
(i) Securities Premium	146,160,000	146,160,000
(ii) Retained earnings	(274,251,611)	(231,826,504)
Total	**(128,091,611)**	**(85,666,504)**

(i) Securities Premium		
Opening Balance	146,160,000	146,160,000
Add : Addition on Issue of equity shares	-	-
Closing Balance	**146,160,000**	**146,160,000**
(ii) Retained earnings		
Opening Balance	(231,826,504)	(198,011,010)
Add : Profit for the year	(42,064,963)	(33,377,430)
Add : Remeasurement of post employement benefit obligation, net of tax	(360,144)	(438,064)
Less: Income/Deferred Tax relating to earlier years		
Less: Equity Dividend including taxes thereon		
Closing Balance	**(274,251,611)**	**(231,826,504)**

20 Financial liabilities - Non-Current Borrowings	As at 31st March 2020	As at 31st March 2019
Secured Loans		
Term Loans from Banks	-	-
Term Loans from Others	-	-
Total (A)	-	-
Unsecured Loans		
Term Loans from Relatives parties	3,927,600	-
Loans from Directors	137,887,730	103,737,730
Total (B)	141,815,330	103,737,730
Total Borrowings [C=A+B]	141,815,330	103,737,730
Current Maturities (included in Note No. : 26)	-	-
Non-current	141,815,330	103,737,730

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

21 Provisions	As at 31st March 2020	As at 31st March 2019
Provision for Gratuity	2,829,746	2,009,305
Provision for Leave Encashment	746,663	542,791
Total	3,576,409	2,552,096
Current	198,456	143,668
Non-current	3,377,953	2,408,428

22 Current borrowings	As at 31st March 2020	As at 31st March 2019
Secured Loans		
Working capital facilities from Banks	9,902,006	10,067,910
Working capital facilities from Others	-	-
Unsecured Loans		
Bills discounted from Bank	-	-
Loan from Directors	300,000	-
Total	10,202,006	10,067,910

Note:

i) Working Capital facilities from Banks and Others are secured by way of first pari-passu charge on current assets of the company, both present and future, and first pari-passu charge on land & building and movable fixed assets of the company located at Faridabad (Haryana) and these facilities are further secured by collaterals given by directors and their friends and relatives with their personal guarantees.

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

23 Financial liabilities - Trade Payables	As at 31st March 2020	As at 31st March 2019
Current		
Creditors for supplies/services	3,632,097	2,797,651
Creditors for capital expenditure	-	-
Advance received from customers	337,859	144,797
Total	3,969,956	2,942,448

*Amounts due to Micro & Small enterprises under MSMED Act, 2006 is Rs. 175000 (31st March 2019: Rs. Nil). In the absence of information about registration of such enterprises under the said Act, the details of dues to Micro & Small Enterprises have been furnished to the extent such parties have been identified by the Company based on information made available by them.

24 Other financial liabilities	As at 31st March 2020	As at 31st March 2019
Current Maturities of Non-Current Borrowings	-	142,435
Securities Deposits	407,297	353,451
Interest accrued but not due on borrowings	-	-
Financial Guarantee Obligation	-	-
Other Payables	-	-
Total	407,297	495,886

25 Other current liabilities	As at 31st March 2020	As at 31st March 2019
Expense Payable	292,060	325,817
Accrued salaries and benefits	2,326,505	2,334,329
Revenue taxes Payable	3,231,414	2,788,733
Provision for Audit fees	157,500	202,500
Advance from holding Company	-	-
Other liabilities	15,242,455	15,425,718
Total	21,249,934	21,077,097

26 Current Tax Liabilities (Net)	As at 31st March 2020	As at 31st March 2019
Income Tax Payable (Net)#	-	-

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Notes to the financial statements for the year ended 31st March 2020

(All amounts in Indian Rupees unless otherwise stated)

27	Revenue from operations	For the year ended 31st March 2020	For the year ended 31st March 2019
	Sales of Products	46,455,617	50,226,098
	Total	46,455,617	50,226,098

28	Other Income	For the year ended 31st March 2020	For the year ended 31st March 2019
	Duty Drawback		
	Interest Received	254,422	114,462
	Interest Income from financial assets carried at amortised cost	40,876	-
	Freight & Cartage Outward Recovered (Net)		
	Rent received		
	Miscellaneous Receipts	23,960	943,264
	Total	319,257	1,057,726

29	Purchase of Stock in Trade	For the year ended 31st March 2020	For the year ended 31st March 2019
	Purchases	35,107,346	26,021,293
	Total Cost of Purchase of Stock in Trade [A]	35,107,346	26,021,293

30	Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	For the year ended 31st March 2020	For the year ended 31st March 2019
	Opening Stock of Finished Goods	2,612,632	4,936,959
	Less: Closing Stock of Finished Goods	2,480,076	2,612,632
	Total (A)	132,556	2,324,327
	Opening Stock of Work-in-Progress	-	-
	Less: Closing Stock of Work-in-Progress	-	-
	Total (B)	-	-
	Total Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade [A+B]	132,556	2,324,327

31	Employee Benefit Expenses	For the year ended 31st March 2020	For the year ended 31st March 2019
	Director's Remuneration	600,000	600,000
	Salaries, Wages, Bonus and Other Benefits	27,865,158	26,316,080
	Gratuity	619,081	492,994
	Leave Compensation	201,850	154,103
	Contribution to Provident and Other Funds	362,258	499,926
	Workmen and Staff Welfare Expenses	548,290	1,243,856
	Total	30,196,637	29,306,959

32	Finance Costs	For the year ended 31st March 2020	For the year ended 31st March 2019
	Interest Expenses	1,540,936	
	Other Financial Charges	4,534	2,859,840
	Total	1,545,470	2,859,840

33	Depreciation and amortization expenses	For the year ended 31st March 2020	For the year ended 31st March 2019
	Depreciation on Property Plant & Equipment (Read with Note No. 7)	1,652,860	2,706,382
	Depreciation onRight-of-use assets	1,208,433	-
	Amortisation of Intangible assets (Read with Note No. 9)	127,425	122,650
	Total	2,988,718	2,829,032

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34	Other Expenses	For the year ended 31st March 2020	For the year ended 31st March 2019
	Admin Charges	-	8,363
	Advertisement and Publicity	1,414,420	1,459,485
	Auditors' Remuneration & Refreshment	175,000	225,000
	Bank Charges	640,152	692,621
	Bad Debts written off	3,068,608	-
	Staff Recruitment expenses	745,560	-
	Communication Expense	1,419,978	1,380,415
	Conveyance & Travelling Expenses	3,605,257	4,924,177
	Custome Clearness Expense	30,844	72,110
	Director Sitting Fees	15,000	-
	Domain Charges	120,932	120,513
	Exchange Flactuation	30,485	92,018
	Festival Expenses	120,736	154,209
	Fine & Penalty	48,332	-
	Freight & Cartage	341,675	-
	Insurance Charges	334,102	378,360
	Interest on TDS	10,950	-
	Legal & Professional Fees	2,415,955	3,509,104
	Office Expenses	238,314	375,179
	Other Expense	43,965	889,633
	Power & Fuel Charges	381,773	882,910
	Printing & Stationery	215,150	182,733
	Rate fee and taxes Expense	413,363	1,246,545
	Lease Rent/ Hire Charges	1,425,776	2,443,881
	Repair and Maintenance Other Assets	581,228	729,629
	Selling Expense	889,839	1,452,240
	Telephone and Telecommunication Charges	141,717	100,678
	Total (B)	**18,869,111**	**21,319,803**

35	Exceptional Items	For the year ended 31st March 2020	For the year ended 31st March 2019
	Profit on Sale of Property, plant and equipment (Net)	-	-
	Total	-	-

Payment to auditor	For the year ended 31st March 2020	For the year ended 31st March 2019
i) Audit fees	175,000	-
ii) Fees for income tax matters	-	-
iii) Certification charges & others	-	-
Total	175,000	-

*Corporate Social Responsibility Expenses	For the year ended 31st March 2020	For the year ended 31st March 2019
Gross Amount required to be spent by the Company (as per Section 135 of Companies Act, 2013)	-	-
Amount spent during the year		
i) Construction/acquisition of any assets	-	-
ii) On purposes other than (i) above¤	-	-

(All amounts in Indian Rupees unless otherwise stated)

36 Employee benefit obligations

(A) Defined benefit plans

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

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

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

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

Particulars	Gratuity Funded	Leave Encashment
Defined benefit obligation at at 1 April 2018	**1,678,355**	**465,832**
Interest expense	130,073	36,102
Current service cost	362,921	118,001
Benefits paid	(524,528)	(152,724)
Actuarial (gain)/ loss	362,484	75,580
Defined benefit obligation at 31 March 2019	**2,009,305**	**542,791**
Interest expense	140,651	37,995
Current service cost	478,430	163,855
Benefits paid	(55,385)	(101,377)
Actuarial (gain)/ loss	256,745	103,399
Defined benefit obligation at 31 March 2020	**2,829,746**	**746,663**

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

Particulars	Gratuity Funded	Leave Encashment
Net (assets) / liability recognized in balance sheet as provision as at 1 April 2018	**1,678,355**	**465,832**
Present value of obligation	2,009,305	542,791
Fair value of plan assets	-	-
Net (assets) / liability recognized in balance sheet as provision as at 31 March 2019	**2,009,305**	**542,791**
Present value of obligation	2,829,746	746,663
Fair value of plan assets	-	-
Net (assets) / liability recognized in balance sheet as provision as at 31 March 2020	**2,829,746**	**746,663**

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

Particulars	Gratuity Funded	Leave Encashment
Interest Cost	130,073	36,102
Current service cost	362,921	118,001
Amount recognised in Statement of Profit and Loss for year ended 31 March 2019	**492,994**	**154,103**
Interest Cost	140,651	37,995
Current service cost	478,430	163,855
Amount recognised in Statement of Profit and Loss for year ended 31 March 2020	**619,081**	**201,850**

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(iv) **Amount recognised in Other Comprehensive Income:**

Particulars	Gratuity Funded	Leave Encashment
Actuarial (gain)/ loss on obligations Actuarial (gain)/ loss on plan assets	362,484	75,580
Amount recognised in Other Comprehensive Income for year ended 31 March 2019	**362,484**	**75,580**
Actuarial (gain)/ loss on obligations Actuarial (gain)/ loss on plan assets	256,745	103,399
Amount recognised in Other Comprehensive Income for year ended 31 March 2020	**256,745**	**103,399**

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

Particulars	Gratuity Funded	Leave Encashment
Fair value of plan assets at 1 April 2018	-	-
Expected return on plan assets	-	-
Actuarial gain/(loss)	-	-
Fair value of plan assets at 31 March 2019	-	-
Expected return on plan assets	-	-
Actuarial gain/(loss)	-	-
Fair value of plan assets at 31 March 2020	-	-

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

Particulars	31st March, 2020	31st March, 2019	
Investment Details	**Gratuity**	**Gratuity**	
Investment with Insurer	0%	0%	

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

Gratuity & Leave Encashment

Particulars	31st March, 2020	31st March, 2019
Average Past Service (Years)	5.10	4.80
Average remaining working life (Years)	25.70	26.60
Average Age (Years)	32.30	31.40
Weighted average duration (Years) - Gratuity	23.00	23.00
Weighted average duration (Years) - Leave Encashment	24.00	25.00
Discounting rate	7.00%	7.75% PA
Salary Growth Rate	5.00% PA	5.00% PA

(viii) ***Sensitivity Analysis***

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

Particulars	31st March, 2020		31st March, 2019	
	Gratuity Funded	Leave Encashment	Gratuity Funded	Leave Encashment
Liability with 1% increase in Discount Rate	2,533,870	667,482	1,808,185	487,193
Liability with 1% decrease in Discount Rate	3,182,856	841,556	2,248,394	609,277
Liability with 1% increase in Salary Growth Rate	3,186,451	842,523	2,252,677	610,482
Liability with 1% decrease in Salary Growth Rate	2,526,083	665,407	1,801,579	485,377

(B) Defined contribution plans	31st March, 2020	
Employer's Contribution to Provident Fund	185,476	
Employer's Contribution to ESI	176,782	
Employer's Contribution to NPS	-	
Total	362,258	

(All amounts in Indian Rupees unless otherwise stated)

37 Segment information

The Company's operations predominately relate to only one reportable segment as per Ind AS 108 "Operating Segments".

Geographical Information

Particulars	31st March, 2020	31st March, 2019
1. Revenue from external customers		
- Within India	46,455,617	50,226,098
- Outside India	-	-
Total revenue per statement of profit and loss	**46,455,617**	**50,226,098**
The revenue information above is based on the locations of the customers		
2. Non-current operating assets		
- Within India	113,915,843	111,802,735
- Outside India	-	-
Total	**113,915,843**	**111,802,735**

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

(All amounts in Indian Rupees Lakhs unless otherwise stated)

40 A. Related Party Disclosures:

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

(a) Holding Company :

M/s Virtualsoft Systems Limited

(b) Key Management Personnel (KMP):

Mr. Gokul Tandon	Director
Mr. Rajendra V. Kulkarni	Director
Ms Aashima Puri	Director
Mrs Ritu Tandon	Director

1	M/S.HEAL YOUR PAWS PET SERVICES LLP	Gokul Naresh Tandan is Designated Partner
2	M/s.PAWSOME PET SERVICES LLP	Gokul Naresh Tandan is Designated Partner
3	M/S GOTO CUSTOMER SERVICES PVT LTD	Gokul Naresh Tandan is Director
4	M/S Virtual Software & Training Pvt Ltd.	Gokul Naresh Tandan is Director
5	M/S V REACH SOLUTIONS PVT LTD	Gokul Naresh Tandan is Director
6	M/S ENHANCED COMMUNICATIONS & TECHNOLOGIES PVT LTD	Gokul Naresh Tandan is Director
7	M/S VEMANYA DESIGN WORKS PVT LTD	Gokul Naresh Tandan is Director
8	M/S VIRTUALSOFT SYSTEMS LIMITED	Gokul Naresh Tandan is Director
9	M/S FOUNDATION TECHNOLOGIES PVT LTD	Gokul Naresh Tandan is Director
10	M/s. CLOUDCONNECT COMMUNICATIONS PRIVATELIMITED	Gokul Naresh Tandan is Director

1	M/S. BLUE LILY FIST TRADING LLP	Rajendra V Kulkarni is Designated Partner
2	M/s M R CAPITAL PVT LTD	Rajendra V Kulkarni is Director
3	M/S VIJAY STAMPINGS PVT LTD	Rajendra V Kulkarni is Director
4	M/S PRIME VALVES INDIA LTD	Rajendra V Kulkarni is Director
5	M/S MARBLE ARCH ESTATE PRIVATE LIMITED	Rajendra V Kulkarni is Director
6	M/S VEERANA ESTATE PRIVATE LIMITED	Rajendra V Kulkarni is Director
7	M/S FOUNDATION TECHNOLOGIES PVT LTD	Rajendra V Kulkarni is Director
8	M/S Virtual Software & Training Pvt Ltd.	Rajendra V Kulkarni is Director
9	M/S OFFICE ZONE PRODUCTS PRIVATE LIMITED	Rajendra V Kulkarni is Director
10	M/S VIRTUALSOFT SYSTEMS LIMITED	Rajendra V Kulkarni is Director
11	M/S. MOUNTAIN VALLEY SPRINGS PRIVATE LIMITED	Rajendra V Kulkarni is Director
12	M/s. CLOUDCONNECT COMMUNICATIONS PRIVATELIMITED	Rajendra V Kulkarni is Director
13	M/s ABHINAM SERVICES PVT. LTD	Rajendra V Kulkarni is Director
14	M/S EMPYREAN BEVERAGES PRIVATE LIMITED	Rajendra V Kulkarni is Director

1	M/S FOUNDATION TECHNOLOGIES PVT LTD	Ritu Tandan is Director
2	M/S V REACH SOLUTIONS PVT LTD	Ritu Tandan is Director
3	M/S VEMANYA DESIGN WORX PVT LTD	Ritu Tandan is Director
4	M/S VIRTUALSOFT SYSTEMS LIMITED	Ritu Tandan is Director
5	M/s CLOUDCONNECT COMMUNICATIONS PRIVATE LIMITED	Ritu Tandan is Director

1	M/S VIRTUALSOFT SYSTEMS LIMITED	Aashima Puri is a Director

B. Related Party Transactions:

Particulars	Subsidiary		KMP		Other Related Parties		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
Short-term Employee Benefits	-	-	-	-	-	-	-	-
Interest Paid/Payable	-	-	-	-	-	-	-	-
Lease Rent Paid/Payable	-	-	-	-	1.80	-	1.80	-
Interest Received/Receivable	-	-	-	-	-	-	-	-
Director's Remuneration	-	-	6.00		-	-	6.00	
Reimbursement of Expenses	-	-	4.98	-	-	-	4.98	-
Professional Fees	-	-	-	-	15.00	-	-	-
Rent Received/Receivable	-	-	-	-	-	-	-	-
JobWork Charges Paid/Payable	-	-	-	-		-	-	-
Purchases	-	-	-	-	-	-	-	-
Sales	-	-	-	-	-	-	-	-
Sale of PPE	-	-	-	-	-	-	-	-
Purchase of PPE	-	-	-	-	-	-	-	-
FINANCE	-	-	-	-	-	-	-	-
Unsecured Loans Received	45.30	-	351.00	-		-	396.30	-
Unsecured Loans Paid back	6.02	-	9.50	-		-	15.52	-
Unsecured Loans Received Back	-	-	-	-	-	-	-	-
Short Term Loans Paid	-	-	-	-	-	-	-	-
Short Term Loans Received Back	-	-	-	-	-	-	-	-
Advances Paid	-	-	-	-	-	-	-	-
Advances Received Back	-	-	-	-	-	-	-	-
Corporate guarantee given	-	-	-	-	-	-	-	-

All transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured. For the

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

Particulars	31st March 2019	31st March 2018
(a) Loan given by the Company for general business purposes as at balance sheet date :	-	-
(b) Corporate guarantee given by the Company as at balance sheet date :	-	-

Roam1 Telecom Limited

Notes to the financial statements for the year ended 31st March 2020

(All amounts in Indian Rupees unless otherwise stated)

42 Earnings per share (EPS)

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

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

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

Particulars	31 March 2020	31 March 2019
Profit for the year	(42,064,963)	(33,377,430)
Weighted average number of equity shares in calculating basic EPS (absolute value in number)	18,948,750	18,948,750
Effect of dilution	150,685	150,685
Weighted average number of equity shares in calculating diluted EPS (absolute value in number)	19,099,435	19,099,435
Basic Earnings per share		
- Basic (on nominal value of Rs. 10 per share) Rs./ share	(22.20)	(17.61)
- Basic (on nominal value of Rs. 5 per share) Rs./ share	(11.10)	(8.81)
Diluted Earning per share		
- Diluted (on nominal value of Rs. 10 per share) Rs./ share	(22.02)	(17.48)
- Diluted (on nominal value of Rs. 5 per share) Rs./ share	(11.01)	(8.74)

(All amounts in Indian Rupees unless otherwise stated)

48 Financial Instruments measurements and disclosures

(a) Financial instruments by category :

Particulars	31 March 2020			31 March 2019		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
Financial Assets						
Non-current						
Investment	-	-	-	-	-	-
Loans	-	-	1,487,234	-	-	2,694,515
Current						
Trade receivables	-	-	6,027,087	-	-	7,863,880
Cash and cash equivalents	-	-	344,654	-	-	58,908
Other bank balances	-	-	-	-	-	-
Loans	-	-	1,831,889	-	-	2,014,399
Total	-	-	**9,690,865**	-	-	**12,631,702**
Financial liabilities						
Non-current						
Borrowings	-	-	141,815,330	-	-	103,737,730
Other Financial Liabilities	-	-	881,609			-
Current						
Borrowings	-	-	10,202,006	-	-	10,067,910
Trade payables	-	-	3,969,956	-	-	2,942,448
Other financial liabilities	-	-	1,343,610	-	-	-
Total	-	-	**158,212,511**	-	-	**116,748,088**

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

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

(c) Fair value hierarchy :

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

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

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

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The following table presents assets and liabilities measured at fair value at 31 March 2020 and 31 March 2019:

Particulars	31 March 2020			31 March 2019		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets for which fair values are disclosed						
Investment Property	-	106,391,530	-	-	108,943,000	-
Financial assets:						
Measured at fair value						
Financial investments at FVTOCI						
Listed Equity investments	-	-	-	-	-	-
Financial assets at amortised cost						
Advances to related parties	-	-	-	-	-	-
Loans to employees	-	-	1,487,234	-	-	2,694,515
Security Deposits	-	-	-	-	-	-
	-	-	1,487,234	-	-	2,694,515
Financial liabilities:						
Measured at fair value						
Financial liabilities at amortised cost						
Borrowings	-	113,805,640	-	-	152,537,100	-
Financial Guarantee Obligation	-	-	-	-	-	-
	-	113,805,640		-	152,537,100	-

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

(All amounts in Indian Rupees unless otherwise stated)

49 Financial risk management objectives and policies

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

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

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk. Financial instruments affected by market risk include loans and borrowings, deposits and investments.

(i) Interest rate risk

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

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

Interest rate sensitivity	Increase / Decrease in Basis points	Effect on profit before tax
31-Mar-19		
MCLR	+50	(709,076.65)
MCLR	-50	709,076.65
31-Mar-18		
MCLR	+50	(569,028.20)
MCLR	-50	569,028.20

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

(ii) Foreign currency risk

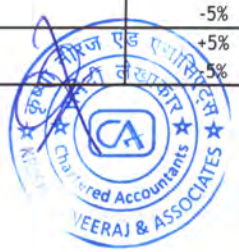
Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense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

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

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

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

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



50 Capital management

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

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

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

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

The following table summarizes the capital of the Company:

Particulars	31 March, 2020	31 March, 2019
Cash and cash equivalents	344,654	58,908
Other bank balances	-	-
Total (a)	**344,654**	**58,908**
Non-current borrowings	141,815,330	103,737,730
Current borrowings	10,202,006	10,067,910
Current maturities of non-current borrowings	-	142,435
Interest accrued but not due on borrowings	-	-
Total (b)	**152,017,336**	**113,948,075**
Net debt [c=b-a]	**151,672,682**	**113,889,167**
Total Capital (d)	(50,192,861)	(7,767,754)
Capital and net debt [e=c+d]	101,479,821	106,121,413
Gearing ratio [c/e]	149.46%	107.32%

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

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2020 and 31 March 2019.

(iii) Price risk

Commodity price risk

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

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

Equity price risk

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

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

(b) Credit risk

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

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

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

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

(c) Liquidity risk

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

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

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

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

As at 31-March-2018

Particulars	Carrying amount	Payable on demand	0-1 year	1-5 years	More than 5 years
Borrowings	113,948,075	10,067,910	142,435	103,737,730	-
Trade payables	2,942,448	-	2,942,448	-	-
Other Financial liabilities	(142,435)	-	(142,435)	-	-
Total	116,748,088	10,067,910	2,942,448	103,737,730	-

KRISHNA NEERAJ & ASSOCIATES Chartered Accountants