



# **S. P. BHANDARE & ASSOCIATES**

**CHARTERED ACCOUNTANTS**

3/UG-4, MODELS RESIDENCY, ST. INEZ,  
PANAJI-GOA. 403 001.

TEL.: (0832) 2221464 TELEFAX: (0832) 2431051 E-MAIL: sandip.bhandare@gmail.com

## **INDEPENDENT AUDITOR'S REPORT**

The Members of M/s Telesmart SCS Limited

### **Report on the Financial Statements**

We have audited the accompanying financial statements of M/s Telesmart SCS Limited (the Company) which comprise the Balance Sheet as at 31<sup>st</sup> March 2018, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

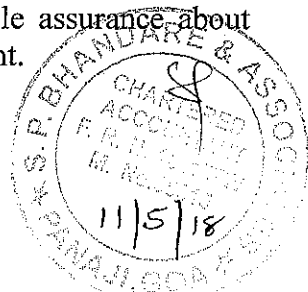
The Company's Board of Directors is responsible for the matters stated in section 134 (5) of The Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, as applicable. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 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 there under.

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.





# S. P. BHANDARE & ASSOCIATES

## CHARTERED ACCOUNTANTS

3/UG-4, MODELS RESIDENCY, ST. INEZ,  
PANAJI-GOA. 403 001.

TEL.: (0832) 2221464 TELEFAX : (0832) 2431051 E-MAIL : sandip.bhandare@gmail.com

An audit involves performing procedures to obtain audit evidence about the amounts and 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 controls 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 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.

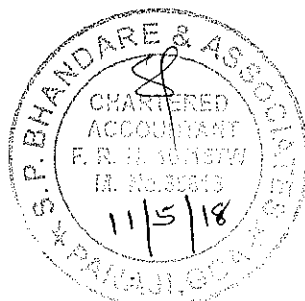
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March 2018, its Loss and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 (the Order), as 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 said Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - (i) we have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (ii) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (iii) the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;





# S. P. BHANDARE & ASSOCIATES

CHARTERED ACCOUNTANTS

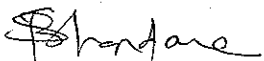
3/UG-4, MODELS RESIDENCY, ST. INEZ,

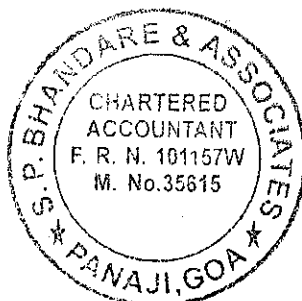
PANAJI-GOA. 403 001.

TEL.: (0832) 2221464 TELEFAX : (0832) 2431051 E-MAIL : sandip.bhandare@gmail.com

- (iv) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, as applicable;
- (v) on the basis of written representations received from the directors as on 31<sup>st</sup> March 2018 and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2018 from being appointed as a director in terms of section 164 (2) of the Act;
- (vi) With respect to the existence of internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure 'B'. Our report expresses an unmodified opinion on the existence and operating effectiveness of the Company's internal financial controls with reference to financial statements.; and
- (vii) 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 did not have any long term contracts including derivatives contracts for which there were any material foreseeable losses.
  - c) there have been no amounts required to be transferred, to the Investor Education and Protection Fund by the Company.
  - d) the disclosures regarding details of specified bank notes held and transacted during 8<sup>th</sup> November 2016 to 30<sup>th</sup> December 2016 has not been made since the requirement does not pertain to the financial year ended 31<sup>st</sup> March 2018.

For S.P. BHANDARE & ASSOCIATES  
CHARTERED ACCOUNTANTS  
FIRM REGN. NO. 101157W

  
S.P. BHANDARE  
PROPRIETOR  
M.NO. 35615  
PLACE : PANAJI - GOA  
DATE : 11<sup>th</sup> MAY 2018





# S. P. BHANDARE & ASSOCIATES

CHARTERED ACCOUNTANTS

3/UG-4, MODELS RESIDENCY, ST. INEZ,  
PANAJI-GOA. 403 001.

TEL.: (0832) 2221464 TELEFAX : (0832) 2431051 E-MAIL : sandip.bhandare@gmail.com

## Annexure 'A' to the Auditor's Report for the year ended 31<sup>st</sup> March 2018

Re: M/s Telesmart SCS Limited

The Annexure referred to in our Independent Auditor's Report to the members of the Company on the financial statements for the year ended 31<sup>st</sup> March 2018.

We report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us, the Company does not have any immovable properties. Hence, Para 3(i)(c) of the Order is not applicable.
- (ii) The physical verification of inventory has been conducted at reasonable intervals by the management. According to the information and explanations provided to us, the discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered under the register maintained under section 189 of the Act. Consequently, Para 3(iii) of the Order is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not made any investments, provided any guarantees, or securities to which provisions of section 185 and 186 of the Act apply. Consequently, Para 3(iv) of the Order is not applicable.





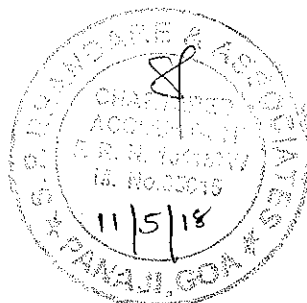
# S. P. BHANDARE & ASSOCIATES

CHARTERED ACCOUNTANTS

3/UG-4, MODELS RESIDENCY, ST. INEZ,  
PANAJI-GOA. 403 001.

TEL.: (0832) 2221464 TELEFAX : (0832) 2431051 E-MAIL : sandip.bhandare@gmail.com

- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public.
- (vi) The maintenance of cost records as specified by the Central Government under section 148(1) of the Companies Act, 2013, is not applicable to the Company during the current year.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of accounts in respect of undisputed statutory dues including Provident Fund, ESI, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities.
- According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, ESI, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues were in arrears as at 31<sup>st</sup> March 2018, for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no material dues of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) The Company does not have any loans or borrowings from any financial institutions, Banks, Government or debenture holders during the year.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, Paragraph 3(ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.





# S. P. BHANDARE & ASSOCIATES

CHARTERED ACCOUNTANTS

3/UG-4, MODELS RESIDENCY, ST. INEZ,  
PANAJI-GOA. 403 001.

TEL.: (0832) 2221464 TELEFAX : (0832) 2431051 E-MAIL : sandip.bhandare@gmail.com

- (xi) In our opinion and according to the information and explanations given to us, the Company has not paid / provided any managerial remuneration during the year. Accordingly; Paragraph 3(xi) of the Order is not applicable.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, the 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 the transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the 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 given to us and based on our examination of the records of the Company, the Company has made private placement of shares during the year.  
In respect to the above issue, we further report that:
- a) The requirement of Section 42 of the Companies Act, 2013, as applicable, has been complied with; and
  - b) the amount raised has been applied by the Company for the purposes for which the funds were raised.
- During the year, the Company has not made any preferential allotment or made private placement of fully or partly convertible debentures.
- (xv) The Company has during the year, entered into a non-cash transaction with a person connected with one of the directors. According to the information and explanations given to us and based on our examination of the records of the Company, we further report that the provisions of Section 192 of the Companies Act, 2013 have been complied with in respect to the aforesaid non-cash transaction.





# S. P. BHANDARE & ASSOCIATES

CHARTERED ACCOUNTANTS

3/UG-4, MODELS RESIDENCY, ST. INEZ,  
PANAJI-GOA. 403 001.

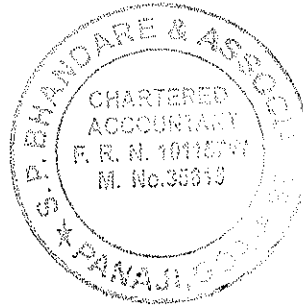
TEL.: (0832) 2221464 TELEFAX : (0832) 2431051 E-MAIL : sandip.bhandare@gmail.com

- (xvi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly; Paragraph 3(xvi) of the Order is not applicable.

For S.P. BHANDARE & ASSOCIATES  
CHARTERED ACCOUNTANTS  
FIRM REGN. NO. 101157W

S.P. BHANDARE  
PROPRIETOR  
M.NO. 35615

PLACE: PANAJI - GOA  
DATE : 11<sup>th</sup> MAY 2018





# **S. P. BHANDARE & ASSOCIATES**

**CHARTERED ACCOUNTANTS**

3/UG-4, MODELS RESIDENCY, ST. INEZ,

PANAJI-GOA. 403 001.

TEL.: (0832) 2221464 TELEFAX: (0832) 2431051 E-MAIL: sandip.bhandare@gmail.com

## **ANNEXURE 'B' TO THE AUDITOR'S REPORT**

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

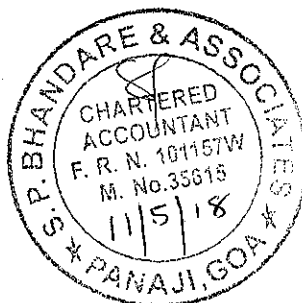
We have audited the internal financial controls with reference to financial statements of M/s Telesmart SCS Limited ("the Company") as of 31<sup>st</sup> March 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements 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 with reference to financial statements 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 of Auditing issued by the 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. 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 internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.







# S. P. BHANDARE & ASSOCIATES

CHARTERED ACCOUNTANTS

3/UG-4, MODELS RESIDENCY, ST. INEZ,  
PANAJI-GOIA. 403 001.

TEL.: (0832) 2221464 TELEFAX : (0832) 2431051 E-MAIL : sandip.bhandare@gmail.com

Our audit involves performing procedures to obtain audit evidence about the existence of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls 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.

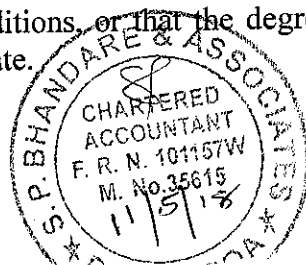
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

## Meaning of Internal Financial Controls With reference to financial statements

A company's internal financial control with reference to financial statements 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 with reference to financial statements 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 the 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 With reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.





# S. P. BHANDARE & ASSOCIATES

CHARTERED ACCOUNTANTS

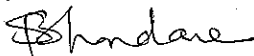
3/UG-4, MODELS RESIDENCY, ST. INEZ,  
PANAJI-GOA. 403 001.

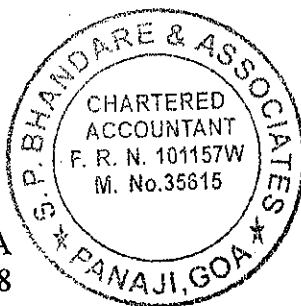
TEL.: (0832) 2221464 TELEFAX : (0832) 2431051 E-MAIL : sandip.bhandare@gmail.com

## Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, in existence, internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31<sup>st</sup> March, 2018 based on the internal control with reference to financial statements 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 S.P. BHANDARE & ASSOCIATES  
CHARTERED ACCOUNTANTS  
FIRM REGN. NO. 101157W

  
S.P. BHANDARE  
PROPRIETOR  
M.NO. 35615



PLACE: PANAJI - GOA  
DATE : 11<sup>th</sup> MAY 2018

# Telesmart SCS Limited

CIN: U31900GA2016PLC013046

## Balance sheet as at 31st March, 2018

Particulars	Note No.	As at 31st March, 2018 Rupees	As at 31st March, 2017 Rupees
<b>I EQUITY AND LIABILITIES</b>			
(1) Shareholders' funds			
(a) Share capital	3	36,000,000	5,000,000
(b) Reserves and surplus	4	(10,653,904)	(2,556,094)
		25,346,096	2,443,906
(2) Non-current liabilities			
(a) Long-term provisions	5	76,554	-
		76,554	-
(3) Current liabilities			
(a) Trade payables	6		
Total outstanding dues of micro enterprises and small enterprises		3,363	84,544
Total outstanding dues of creditors other than micro enterprises and small enterprises		6,573,339	1,791,984
		6,576,702	1,876,528
(b) Other current liabilities	7	234,135	233,588
(c) Short-term provisions	8	96	-
		6,810,933	2,110,116
<b>Total</b>		<b>32,233,583</b>	<b>4,554,022</b>
<b>II ASSETS</b>			
(1) Non-current assets			
(a) Fixed assets			
(i) Property, plant and equipment	9 a	5,621,463	2,691,419
(ii) Intangible assets	9 b	3,438,845	35,669
		9,060,308	2,727,088
(b) Long-term loans and advances	10	1,317,003	11,276
		10,377,311	2,738,364
(2) Current assets			
(a) Current investments	11	1,638,328	100,000
(b) Inventories	12	9,779,860	98,261
(c) Trade receivables	13	7,456,165	255,873
(d) Cash and cash equivalents	14	294,957	1,014,141
(e) Short-term loans and advances	15	2,686,962	347,383
		21,856,272	1,815,658
<b>Total</b>		<b>32,233,583</b>	<b>4,554,022</b>

See accompanying notes forming part of the  
Financial Statements

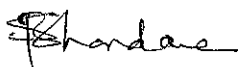
1-30

In terms of our report attached

For S.P. Bhandare & Associates

Chartered Accountants

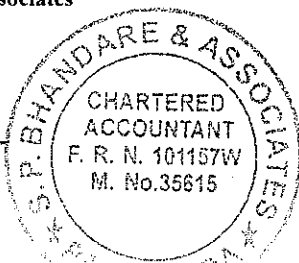
Firm Reg. No.: 101157W



S. P. Bhandare

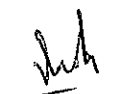
Proprietor

Mem. No.: 35615



Panaji, Goa, dated : 11th May, 2018

For and on behalf of the Board



K. R. Naik

Director

DIN: 00002013



K. M. Gaonkar

Director

DIN: 00002425

Mumbai, dated : 11th May, 2018

# Telesmart SCS Limited

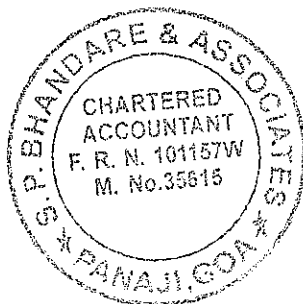
CIN: U31900GA2016PLC013046

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

Particulars	Note No.	For the year ended 31st March, 2018	For the period from 17th November, 2016 to 31st March, 2017
		Rupees	Rupees
I Revenue from operations (gross)	16	43,911,418	563,768
Less : Excise duty		248,874	-
Revenue from operations (net)		43,662,544	563,768
II Other income	17	338,328	-
III Total Revenue (I+II)		44,000,872	563,768
IV Expenses :			
Cost of raw materials consumed	22	35,391,836	-
(Increase) in inventories of finished goods and work-in-progress	18	(166,650)	-
Employee benefits expense	19	8,295,430	1,044,214
Depreciation and amortisation expense	9	955,692	29,891
Finance Cost	20	9,187	1,266
Other expenses	21	7,613,187	2,044,491
Total Expenses		52,098,682	3,119,862
V (Loss) before tax ( III - IV )		(8,097,810)	(2,556,094)
VI Tax Expenses			
- Current tax		-	-
- Deferred tax		-	-
VII (Loss) for the period ( V-VI )		(8,097,810)	(2,556,094)
VIII Earnings per equity share (Face value of Rs. 10/- per share)			
Basic and Diluted	25	(3.23)	(8.25)
See accompanying notes forming part of the Financial Statements	1-30		

In terms of our report attached  
For S.P. Bhandare & Associates  
Chartered Accountants  
Firm Reg. No.: 101157W

S. P. Bhandare  
Proprietor  
Mem. No.: 35615



Panaji, Goa, dated : 11th May, 2018

For and on behalf of the Board

K. R. Naik  
Director  
DIN: 00002013

K. M. Gaonkar  
Director  
DIN: 00002425

Mumbai, dated : 11th May, 2018

# Telesmart SCS Limited

CIN: U31900GA2016PLC013046

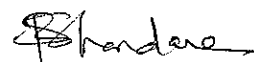
## Cash flow statement for the year ended 31st March, 2018

	For the year ended 31st March, 2018	For the period from 17th November, 2016 to 31st March, 2017
	Rupees	Rupees
<b>A. Cash flows from operating activities</b>		
(Loss) before tax	(8,097,810)	(2,556,094)
Adjustments for:		
Depreciation and amortisation expense	955,692	29,891
Interest on Trade Payables	7,339	1,266
Provision for Compensated Absences	50,176	-
Unrealised exchange differences	45,896	-
Provision for Gratuity	26,378	-
Gain on sale of current investment (net)	(338,328)	-
Operating (loss) before working capital changes	(7,350,657)	(2,524,937)
(Increase) in trade receivables	(7,200,292)	(255,873)
(Increase) in inventories	(9,681,599)	(98,261)
(Increase) in loans and advances	(2,339,579)	(347,383)
Increase in trade and other payables	4,470,073	2,108,850
Cash (used in) operations	(22,102,054)	(1,117,604)
Direct taxes (paid)	(14,177)	(11,276)
Net cash (used in) operating activities	(22,116,231)	(1,128,880)
<b>B. Cash flows from investing activities</b>		
Purchase of fixed assets (Refer note 2)	(4,802,953)	(2,756,979)
Purchase of current investments	(48,305,225)	(100,000)
Sale of current investments	47,105,225	-
Net cash (used in) investing activities	(6,002,953)	(2,856,979)
<b>C. Cash flows from financing activities</b>		
Proceeds received on account issue of share capital	27,400,000	5,000,000
Net cash from financing activities	27,400,000	5,000,000
Net (Decrease) / Increase in cash and cash equivalents	(719,184)	1,014,141
Cash and cash equivalents at the beginning of the year	1,014,141	-
Cash and cash equivalents at the end of the year	294,957	1,014,141

### Notes :

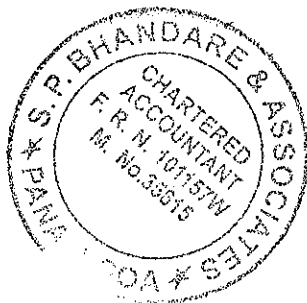
1. Cash flows are reported using the indirect method.
2. Purchase of fixed assets are stated inclusive of movements of capital work in progress and capital creditors between the commencement and end of the year and are considered as part of investing activity.

In terms of our report attached  
For S.P. Bhandare & Associates  
Chartered Accountants  
Firm Reg. No.: 101157W



S. P. Bhandare  
Proprietor  
Mem. No.: 35615

Panaji, Goa, dated : 11th May, 2018



For and on behalf of the Board



K. R. Naik  
Director  
DIN: 00002013



K. M. Gaonkar  
Director  
DIN: 00002425

Mumbai, dated : 11th May, 2018

# Telesmart SCS Limited

Notes forming part of the financial statements

## NOTE 1 : BACKGROUND OF THE COMPANY

Telesmart SCS Limited ("Company") is incorporated on 17th November, 2016. The Company is in the business of manufacture of various categories of electronic and IT products.

## NOTE 2 : SIGNIFICANT ACCOUNTING POLICIES

### (a) 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 in India (Indian GAAP) to comply with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared on accrual basis under the historical cost convention.

The accounting policies adopted in preparation of the financial statements are consistent with those followed in the previous period.

### (b) Use of estimates

The preparation of financial statements, in conformity with the generally accepted accounting principles, requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of financial statements and the reported amounts of revenues and expenses during the reported period. Differences between the actual results and estimates are recognised in the year in which the results are known/materialised.

### (c) Inventories

Items of inventory are valued at lower of cost and net realisable value, on the following basis:

- (i) Raw materials, components, stores and spares - on weighted average basis.
- (ii) Work-in-progress and finished goods - on the basis of absorption costing comprising of direct costs and overheads other than financial charges.

### (d) Depreciation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on property, plant and equipment has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, anticipated technological changes, manufacturers warranties and maintenance support, etc.:

Plant and Machinery	- 8 years
Furniture and Fixture	- 8 years.

Intangible assets are amortised over their estimated useful life on straight line method as follows:

Computer Software	- 4 years
Technical Know-how	-5 years

### (e) Revenue recognition

Revenue (income) is recognized when no significant uncertainty as to determination/ realisation exists.

Revenue from services is recognised when the services are rendered. Interest income is accounted on accrual basis.

Revenue from sale of products is recognised 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. Sales include excise duty but exclude sales tax, value added tax and central & state goods and service tax.

Dividend income is accounted for when the right to receive the same is established.

### (f) Fixed assets

#### i) Property, Plant and Equipment

Property, Plant and Equipment are carried at cost of acquisition or construction less accumulated depreciation and impairment loss, if any.

#### ii) Intangible assets

Intangible assets are stated at cost less accumulated amortisation.

### (g) Foreign currency transactions

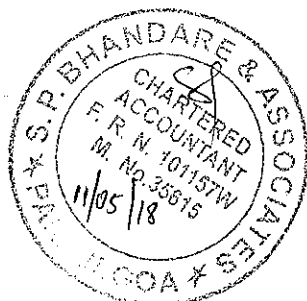
Transactions in foreign currencies are recorded at the original rates of exchange in force at the time the transactions are effected.

In case of forward exchange contracts or other financial instruments that is in substance a forward exchange contract, other than for trading or speculation purposes, the premium or discount arising at the inception of the contract is amortised as expense or income over the life of contract. Gains / losses on settlement of transactions arising on cancellation / renewal of forward exchange contracts are recognised as income or expense. At the year-end, monetary items denominated in foreign currency and the relevant foreign exchange contracts are reported using the closing rate of exchange.

Exchange difference arising thereon and on realization / payments of foreign exchange are accounted as income or expenses in the relevant year.

### (h) Investments

Long-term (non-current) investments are carried at cost. However, when there is a decline, other than temporary, the carrying amount is reduced to recognize the decline. Current investments are carried at lower of cost and fair value.



## **Telesmart SCS Limited**

Notes forming part of the financial statements

**(i) Employee Benefits**

- i. Provident fund liability is determined on the basis of contribution as required under the statute / rules and when services are rendered by the employees.
- ii. Provision for Gratuity is made on actuarial valuation done at the period end.

**(j) Taxes on income**

Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

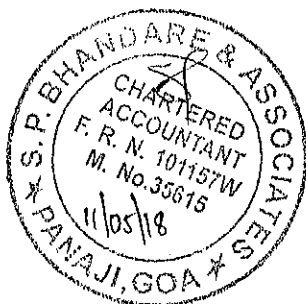
Deferred income-tax reflect the current period timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier years/period. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future income will be available except that deferred tax assets in case there are unabsorbed depreciation and losses are recognised if there is virtual certainty that supported by convincing evidence sufficient future taxable income will be available to realise the same

**(k) Impairment of assets**

At the end of each accounting period, the Company determines whether a provision should be made for impairment loss on fixed assets by considering the indications that an impairment loss may have occurred in accordance with Accounting Standard 28 on "Impairment of Assets". An impairment loss is charged to the Statement of Profit and Loss in the period in which, an asset is identified as impaired, when the carrying value of the asset exceeds its recoverable value. The impairment loss recognised in the prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

**(l) Provisions and contingencies**

Provision is recognised in the accounts when there is a present obligation as a result of past event/s and it is probable that an outflow of resources will be required to settle the obligation. Contingent liabilities, if any are disclosed in the notes to the financial statements.



*[Handwritten signature]*

# Telesmart SCS Limited

Notes forming part of the financial statements

## NOTE 3 : SHARE CAPITAL

### Authorised

36,00,000 Equity Shares (Previous year: 500,000) of Rs.10/- each, fully paid-up

### Issued, subscribed and fully paid-up

36,00,000 Equity Shares (Previous year: 500,000) of Rs.10/- each, fully paid-up

(Out of the above, 3,60,000 Equity shares have been issued as fully paid, for consideration other than cash)

Total

As at 31st March, 2018	As at 31st March, 2017
Rupees	Rupees
36,00,000	5,00,000
36,00,000	5,00,000
36,00,000	5,00,000

### a) Reconciliation on Number of Shares outstanding

Shares outstanding at the beginning of the year

Add: Shares allotted on 07.01.2017

Add: Shares allotted on 08.05.2017

Add: Shares allotted on 20.09.2017

Shares outstanding at the end of the year

No. of Shares	No. of Shares
500,000	-
-	500,000
1,000,000	-
2,100,000	-
3,600,000	500,000

### b) Terms / rights attached to equity shares

The Company has only one class of Equity shares having a par value of Rs. 10/- per share. Each holder of Equity shares is entitled to one vote per share and each Equity share carries an equal right to dividend.

In the event of liquidation, the shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholdings.

### c) Details of shares held by Holding Company

	As at 31st March, 2018		As at 31st March, 2017	
	No. of Shares	% holding in the class	No. of Shares	% holding in the class
Equity shares of Rs.10/- each fully paid-up, Smartlink Holdings Limited	2,880,000	80.00%	500,000	100.00%

### d) Details of shareholders holding more than 5% shares in the company.

	As at 31st March, 2018		As at 31st March, 2017	
	No. of Shares	% holding in the class	No. of Shares	% holding in the class
Equity shares of Rs.10/- each fully paid-up, Smartlink Holdings Limited	2,880,000	80.00%	500,000	100.00%
Ray Chang	360,000	10.00%	-	0.00%
Telebox Industries Corp	360,000	10.00%	-	0.00%

### e) Aggregate number and class of shares allotted as fully paid-up, pursuant to contract without payment being received in cash

Equity shares of Rs.10/- each fully paid-up.

Particulars	No. of Shares	Rupees
As at 31st March, 2018	360,000	3,600,000

## NOTE 4 : RESERVES AND SURPLUS

### Surplus in Statement of Profit and Loss

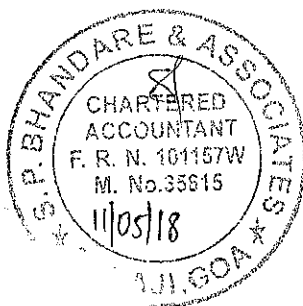
As per last Balance sheet

Add : Profit / (Loss) for the year

Closing balance

Total

	As at 31st March, 2018	As at 31st March, 2017
Rupees	Rupees	Rupees
(2,556,094)	(10,653,904)	(2,556,094)
(8,097,810)	(10,653,904)	(2,556,094)





# Telesmart SCS Limited

Notes forming part of the financial statements

## NOTE 5 : LONG-TERM PROVISIONS

### Provision for employee benefits

For Gratuity (Refer Note 23)  
For Compensated Absences

As at 31st March, 2018 Rupees	As at 31st March, 2017 Rupees
26,378	-
50,176	-
<b>76,554</b>	<b>-</b>

## NOTE 6 : TRADE PAYABLES

Total outstanding dues of micro enterprises and small enterprises  
(Refer Note 6.1 below)

Total outstanding dues of creditors other than micro enterprises and small enterprises

**Total**

3,363	84,544
6,573,339	1,791,984
<b>6,576,702</b>	<b>1,876,528</b>

Footnote:

(i) Payable to related parties.

Digisol Systems Limited  
Smartlink Holdings Limited  
Telebox Industries Corp

425,066	14,727
230,693	1,065,431
169,468	-

## NOTE 6.1 : THE DISCLOSURES UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

The disclosures under the Micro, Small and Medium Enterprises Development Act, 2006 have been made on the basis of confirmations received from suppliers regarding their status under the said Act;

Particulars

Outstanding principal amount and interest as on 31st March 2018

- Principal Amount  
- Interest due thereon

3,363	84,544
-	1,266

Amount of interest paid along with the amounts of payment made beyond the appointed day

1,266	-
-------	---

Amount of interest due and payable (where the principal has already been paid but interest has not been paid)

7,339	-
-------	---

The amount of interest accrued and remaining unpaid at the end of each accounting year

7,339	1,266
-------	-------

The amount of further interest remaining due and payable even in succeeding years, until such date when the interest dues as above are actually paid for the purpose of disallowance as a deductible expenditure under section 23 of the said Act

-	-
---	---

## NOTE 7 : OTHER CURRENT LIABILITIES

Creditors for Capital Expenditure

Other payables :

Interest accrued on trade payables  
Statutory dues

177,509	119,157
7,339	1,266
49,287	113,165

**Total**

<b>234,135</b>	<b>233,588</b>
----------------	----------------

## NOTE 8 : SHORT-TERM PROVISIONS

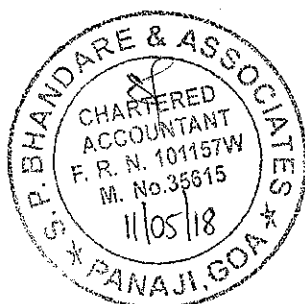
### Provision for employee benefits

For Gratuity (Refer note 23)

96

**Total**

**96**



*[Handwritten signature]*

# Telesmart SCS Limited

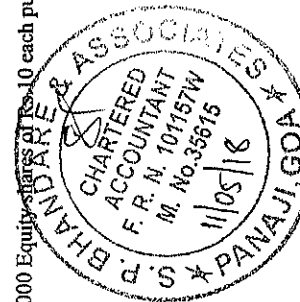
Notes forming part of the financial statements

## NOTE 9 : FIXED ASSETS

Nature of assets	Gross block				Depreciation			Rupees	
	As at 1st April, 2017	Additions	Deductions	As at 31st March, 2018	Upto 1st April, 2017	For the period	Deductions	As at 31st March, 2018	Net block As at 31st March, 2018
a) <u>Property, Plant and Equipment:</u>									
Plant and Equipment	2,308,264	3,419,036 (2,308,264)	-	5,727,300 (2,308,264)	21,479	452,453 (21,479)	-	473,932 (21,479)	5,253,368 (2,286,785)
Furniture and fixture	267,320	- (267,320)	-	267,320 (267,320)	3,293	33,386 (3,293)	-	36,679 (3,293)	230,641 (264,027)
Office equipment	41,400	20,593 (41,400)	-	61,993 (41,400)	816	10,594 (816)	-	11,410 (816)	50,583 (40,584)
Others									
Computers	103,425	29,283 (103,425)	-	132,708 (103,425)	3,402	42,435 (3,402)	-	45,837 (3,402)	86,871 (100,023)
<b>Property, Plant and Equipment totals</b>	<b>2,720,409</b>	<b>3,468,912 (2,720,409)</b>	<b>-</b>	<b>6,189,321 (2,720,409)</b>	<b>28,990</b>	<b>538,868 (28,990)</b>	<b>-</b>	<b>567,858 (28,990)</b>	<b>5,621,463 (2,691,419)</b>
b) <u>Intangible assets:</u>									
Computer software - acquired	36,570	45,000 (36,570)	-	81,570 (36,570)	901	17,823 (901)	-	18,724 (901)	62,846 (35,669)
Technical Know-how	-	3,775,000	-	3,775,000	-	399,001	-	399,001	3,375,999
<b>Intangible assets totals</b>	<b>36,570</b>	<b>3,820,000 (36,570)</b>	<b>-</b>	<b>3,856,570 (36,570)</b>	<b>901</b>	<b>416,824 (901)</b>	<b>-</b>	<b>417,725 (901)</b>	<b>3,438,845 (35,669)</b>
<b>Total</b>	<b>2,756,979</b>	<b>7,288,912 (2,756,979)</b>	<b>-</b>	<b>10,045,891 (2,756,979)</b>	<b>29,891</b>	<b>955,692 (29,891)</b>	<b>-</b>	<b>985,583 (29,891)</b>	<b>9,060,308 (2,777,088)</b>

### Footnotes

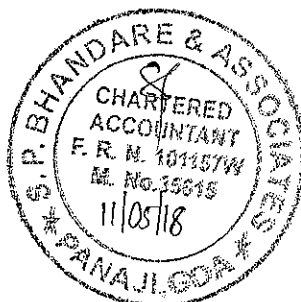
1. Technical know-how of Rs. 3,600,000/- has been purchased in lieu of 3,60,000 Equity shares of Rs.10 each pursuant to the Technology transfer agreement entered into with Telebox Industries Corp.
2. Figures in brackets are those of the previous year.



# Telesmart SCS Limited

Notes forming part of the financial statements

	As at 31st March, 2018 Rupees	As at 31st March, 2017 Rupees
<b>NOTE 10 : LONG-TERM LOANS AND ADVANCES</b>		
<u>Unsecured, considered good (unless stated otherwise):</u>		
Capital Advances	1,291,550	-
Balance with Government Authorities :		
Advance payment of taxes	25,453	11,276
<b>Total</b>	<b>1,317,003</b>	<b>11,276</b>
<b>NOTE 11 : CURRENT INVESTMENTS</b>		
<b>Investments in Mutual Funds (unquoted)</b>		
<b>(At lower of cost and fair value)</b>		
633.7770 (Previous year, 41.4880) Units in Reliance Mutual Fund		
- Liquidity Fund - Growth Plan - Growth Option		
	1,638,328	100,000
<b>Total</b>	<b>1,638,328</b>	<b>100,000</b>
<b>Aggregate value of investments (net of adjustment)</b>		
Unquoted - cost	1,638,328	100,000
<b>NOTE 12 : INVENTORIES</b>		
<b>(At lower of cost and net realisable value)</b>		
Raw materials and components	9,038,474	65,625
(includes material in transit of Rs.931,973/- ( Previous Year-NIL))		
Finished Goods	166,650	-
Stores, spares and packing materials	574,736	32,636
<b>Total</b>	<b>9,779,860</b>	<b>98,261</b>
<b>NOTE 13 : TRADE RECEIVABLES</b>		
<u>Unsecured</u>		
a) Outstanding for a period exceeding six month from the date they were due for payment	-	-
b) Others		
Considered good	7,456,165	255,873
<b>Total</b>	<b>7,456,165</b>	<b>255,873</b>
<b>Footnote:</b>		
(i) Receivable from related parties.		
Digisol Systems Limited	7,431,149	255,873
<b>NOTE 14 : CASH AND CASH EQUIVALENTS</b>		
a) Cash on hand	1,971	3,877
b) Balances with bank		
In Current accounts	292,986	1,010,264
<b>Total</b>	<b>294,957</b>	<b>1,014,141</b>
<b>NOTE 15 : SHORT-TERM LOANS AND ADVANCES</b>		
<u>Unsecured, considered good (unless otherwise stated):</u>		
Prepaid expenses	17,631	-
Others :		
CENVAT / Service tax credit receivable	-	347,383
GST Receivable	2,511,710	-
Customs duty receivable	46,115	-
Advances to suppliers	111,506	-
<b>Total</b>	<b>2,686,962</b>	<b>347,383</b>



Handwritten signature/initials.

# Telesmart SCS Limited

Notes forming part of the financial statements

## NOTE 16 : REVENUE FROM OPERATIONS

Sale of Manufactured products  
Job Work Charges

Total

For the year ended 31st March, 2018  
For the period from 17th November, 2016 to 31st March, 2017  
Rupees Rupees

43,202,679	-
708,739	563,768
43,911,418	563,768

## NOTE 17 : OTHER INCOME

Gain on sale of current investments (net)

Total

338,328	-
338,328	-

## NOTE 18 : (INCREASE) IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

Stock as at 1st April, 2017

Finished goods  
Work-in-progress

Less : Stock as at 31st March, 2018

Finished goods  
Work-in-progress

(Increase)

-	-
-	-
-	-
166,650	-
-	-
166,650	-
(166,650)	-

## NOTE 19 : EMPLOYEE BENEFITS EXPENSE

Salaries and wages  
Contribution to provident and other funds  
Staff welfare expenses  
Gratuity  
Leave encashment

Total

7,558,575	945,473
92,208	12,190
567,997	86,551
26,474	-
50,176	-
8,295,430	1,044,214

## NOTE 20 : FINANCE COSTS

Interest Expenses on :

Trade payables (Refer Note 6.1)  
Others

- Interest on delayed payment of income tax  
- Interest on Statutory Payments

Total

7,339	1,266
209	-
1,639	-
9,187	1,266

## NOTE 21 : OTHER EXPENSES

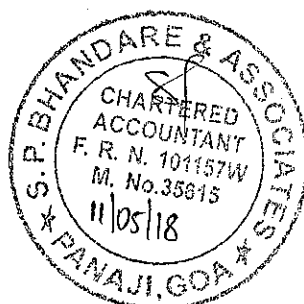
Stores, spares and packing material consumed  
Power and fuel  
Rent  
Rates and taxes  
Legal and Professional fees  
Repairs and maintenance  
Machinery  
Others

104,160  
93,514

Office expenses  
Printing and stationery expenses  
Exchange loss (net)  
Insurance  
Travelling and conveyance expenses  
Filing Fees  
Bank Charges  
AMC Expenses  
Audit Fees  
Preliminary Expenses  
Directors Sitting Fees  
Miscellaneous expenses

Total

890,978	84,489
621,365	71,688
2,791,334	559,314
73,425	-
1,156,349	471,500
197,674	230,843
155,104	223,635
19,861	13,376
141,844	74,367
1,132	20,702
215,848	21,584
336,338	148,302
87,534	9,541
93,685	7,480
75,000	30,000
-	76,434
529,335	-
226,381	1,236
7,613,187	2,044,491



**NOTE 21.1 : FOREIGN CURRENCY**

a) The period end foreign currency exposures that have not been specifically hedged by a derivative instrument or otherwise are given below:

Amount receivable in foreign currency on account of the following:

	As at 31st March, 2018	
	In foreign Currency	In Rupees
Loans and advances	USD 500	32,625

As at 31st March, 2017

In foreign Currency	In Rupees
-	-

Amount payable in foreign currency on account of the following:

	As at 31st March, 2018	
	In foreign Currency	In Rupees
Trade payable	USD 59,075	3,850,482

As at 31st March, 2017

In foreign Currency	In Rupees
-	-

b) Amount of exchange differences included in the Statement of Profit and Loss

Exchange gain

Exchange loss

Exchange loss (Net)

For the year ended 31st March, 2018	For the period from 17th November, 2016 to 31st March, 2017
Rupees	Rupees

(79,170)	-
221,014	74,367
141,844	74,367

**NOTE 21.2 : PAYMENT TO AUDITORS (NET OF GST & SERVICE TAX)**

As Auditors

75,000	30,000
75,000	30,000

**NOTE 22: CONSUMPTION OF RAW MATERIALS**

Raw Material consumed comprises

Connectors

Cords

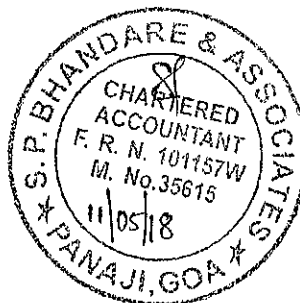
PCB

Splice Tray

Others

Total

2,543,363	-
10,961,320	-
4,129,547	-
10,535,074	-
7,222,532	-
35,391,836	-



# Telesmart SCS Limited

Notes forming part of the financial statements

For the year ended  
31st March, 2018

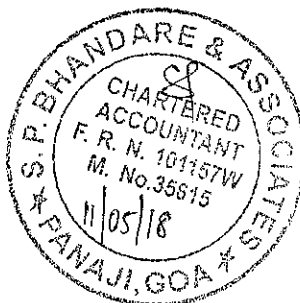
## NOTE 23 : EMPLOYEE BENEFITS

A The disclosure as required under AS-15 regarding the Company's defined benefit plans is as follows:

	Rupees
	Gratuity (Un-Funded)
<b>I. Reconciliation of opening and closing balances of Defined Benefit obligation</b>	
Defined Benefit obligation at beginning of the period	-
Current Service Cost	26,474
Interest Cost	-
Past service cost - (vested benefit)	-
Actuarial (gain) / loss	-
Benefits paid	-
Settlement cost	-
Defined Benefit obligation at period-end	26,474
<b>II. Reconciliation of opening and closing balances of fair value of plan assets</b>	
Fair value of plan assets at beginning of the period	-
Adjustment to opening balance	-
Expected return on plan assets	-
Actuarial gain/(loss)	-
Employer contribution	-
Benefits paid	-
Settlement cost	-
Fair value of plan assets at period end	-
<b>III. Reconciliation of fair value of assets and obligations</b>	
Present value of obligation as at 31st March, 2018	26,474
Fair value of plan assets as at 31st March, 2018	-
Net Asset/(Liability) recognized in Balance Sheet	(26,474)
<b>IV. Expense recognized during the period (Under the head "Employees benefits expense" - Refer to note 19)</b>	
Current Service Cost	26,474
Interest Cost	-
Past service cost - (vested benefit)	-
Expected return on plan assets	-
Actuarial (gain) / loss	-
Net Cost	26,474
<b>V. Actuarial assumptions</b>	
Discount rate (per annum)	7.72%
Rate of escalation in salary (per annum)	5.00%
Mortality Table used	Indian Assured Lives Mortality 2006-08 ultimate table
<b>VI. The assumptions of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment.</b>	
<b>VII. The amounts of the present value of the obligation, fair value of the plan assets, surplus or deficit in the plan, experience adjustments arising on plan liabilities and plan assets are furnished below.</b>	
Experience Adjustment	31-Mar-18
On plan liabilities	-
On plan assets	-
Present value of benefit obligation	26,474
Fair value of plan assets	-
Excess of (obligation over plan assets) / plan assets over obligation	(26,474)

B The disclosure as required under AS-15 regarding the Company's defined contribution plans is as follows :

i) Contribution to provident fund Rs.83,269/-



*[Handwritten signature]*

# Telesmart SCS Limited

Notes forming part of the financial statements

## NOTE 24 : SEGMENT INFORMATION

As the Company's business activity falls within a single primary business segment of manufacturing various electronic and IT Products, and is a single geographical segment, the disclosure requirements of Accounting Standard (AS-17) "Segment Reporting" are not applicable.

## NOTE 25 : EARNINGS PER SHARE

Earnings per share is calculated by dividing the Profit / (Loss) attributable to the Equity Shareholders by the weighted average number of equity shares outstanding during the period, as under:

	For the year ended 31st March, 2018	For the period from 17th November, 2016 to 31st March, 2017
	Rupees	Rupees
Net (Loss) for the period attributable to Equity Shareholders (Rupees)	(8,097,810)	(2,556,094)
Weighted average number of equity shares	2,509,041	309,701
Par value per share (Rupees)	10.00	10.00
Basic and Diluted earnings per share net of tax (Rupees)	(3.23)	(8.25)

	As at 31st March, 2018	As at 31st March, 2017
	Rupees	Rupees

## NOTE 26 : CONTINGENT LIABILITIES AND COMMITMENTS

### A. Capital Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for	1,534,550	-
--	-----------	---

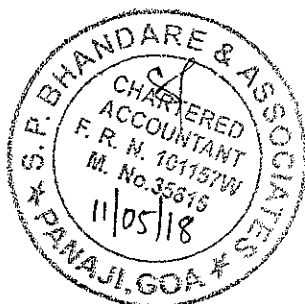
## NOTE 27 : DEFERRED TAX (NET)

The tax effect of significant timing differences that has resulted in deferred tax assets and liabilities are given below:

	As at 31st March, 2018	As at 31st March, 2017
	Rupees	Rupees
<b>a. Deferred Tax Liability</b>		
Fiscal allowances of fixed assets	(362,255)	(115,363)
<b>Total</b>	<b>(362,255)</b>	<b>(115,363)</b>
<b>b. Deferred Tax Asset</b>		
Carry-forward Depreciation Losses	637,158	146,766
Carry-forward Business Losses	2,247,882	688,511
Others	31,710	18,338
<b>Total</b>	<b>2,916,750</b>	<b>853,615</b>
<b>Deferred Tax Asset (net)</b>	<b>NIL*</b>	<b>NIL*</b>

Notes :

- \* The unabsorbed Business Loss and depreciation relating to current year as well as other items has given rise to Deferred Tax Asset (Net) amounting to Rs. 2,554,495/- As at 31st March, 2018. However, in the absence of virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax asset can be realised, the company has not accounted for the same.



*[Handwritten signature]*

# Telesmart SCS Limited

Notes forming part of the financial statements

## NOTE 28 : RELATED PARTY DISCLOSURES

a) Name of related parties where control exists

Name of the related parties

Smartlink Holdings Limited

Nature of relationship

Holding Company

b) List of related parties with whom transactions have taken place during the period and nature of relationship

Name of the related parties

Smartlink Holdings Limited

Digisol Systems Limited

Synegra EMS Limited

Telebox Industries Corp

Nature of relationship

Holding Company

Fellow Subsidiary

Fellow Subsidiary

Enterprises over which director is able to exercise significant control

(with effect from 20th September, 2017)

c) Details of related party transactions during the period

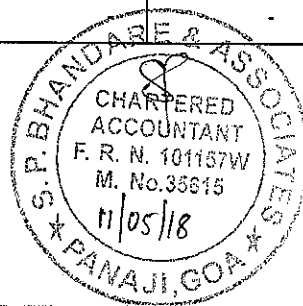
Rupees

Nature of transactions	Holding Company	Fellow Subsidiary	Enterprises over which director is able to exercise significant control	Total
Sale of Services				
Digisol Systems Limited	-	708,739	-	708,739
	-	(563,768)	-	(563,768)
Sale of Products				
Digisol Systems Limited	-	42,844,173	-	42,844,173
	-	-	-	-
Purchase of Material				
Digisol Systems Limited	-	5,368,490	-	5,368,490
	-	-	-	-
Telebox Industries Corp	-	-	3,143,187	3,143,187
	-	-	-	-
Purchase of Fixed Asset				
Digisol Systems Limited	-	2,355,612	-	2,355,612
	-	-	-	-
Telebox Industries Corp	-	-	3,746,097	3,746,097
	-	-	-	-
Rent Expense				
Smartlink Holdings Limited *	2,740,705	-	-	2,740,705
	(486,360)	-	-	(486,360)
Electricity - Factory				
Synegra EMS Limited	-	649,850	-	649,850
	-	-	-	-
Management Support Fees				
Smartlink Holdings Limited *	600,000	-	-	600,000
	(350,000)	-	-	(350,000)
Repairs & Maintenance Expenses				
Digisol Systems Limited	-	-	-	-
	-	(14,727)	-	(14,727)
<b>As at the year-end</b>				
<b>Amount due from</b>				
Digisol Systems Limited	-	7,431,149	-	7,431,149
	-	(255,873)	-	(255,873)
<b>Amount due to</b>				
Smartlink Holdings Limited	230,693	-	-	230,693
	(1,065,431)	-	-	(1,065,431)
Digisol Systems Limited	-	425,066	-	425,066
	-	(14,727)	-	(14,727)
Telebox Industries Corp	-	-	169,468	169,468
	-	-	-	-

\* The amounts are exclusive of Service Tax.

### Note

1) Figures in brackets are those of the previous period.





# Telesmart SCS Limited

Notes forming part of the financial statements

## NOTE 29 : OPERATING LEASE RENTALS

Lease rentals charged to the statement of profit and loss in respect of premises taken on cancellable operating lease are Rs.2,791,334/-  
(Previous year Rs.559,314/-)

## NOTE 30 : OTHER DISCLOSURES

	For the year ended 31st March, 2018		For the period from 17th November, 2016 to 31st March, 2017	
	Rupees	% age to total consumption	Rupees	% age to total consumption
a) Raw materials consumed				
imported	19,514,161	55.07	-	-
indigenous	15,877,675	44.93	-	-
	<b>35,391,836</b>	<b>100.00</b>	<b>-</b>	<b>-</b>
b) Stores, spares and packing materials consumed				
Imported	457,008	51.29	78,770	93.23
Indigenous	433,970	48.71	5,719	6.77
<b>Total</b>	<b>890,978</b>	<b>100.00</b>	<b>84,489</b>	<b>100.00</b>
c) C.I.F. value of goods imported				
Raw materials and components			20,392,347	-
Stores, spares and packing materials			975,186	71,502
Capital goods			864,774	1,727,079
d) Expenditure in Foreign Currency				
Director Sitting Fees			100,000	-

e) Previous period's figures have been regrouped, wherever necessary, to correspond with those of the current year.

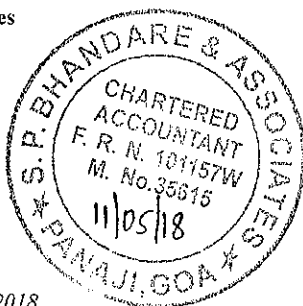
However previous period's figures are for the period from 17th November, 2016 to 31st March, 2017. Hence are not comparable with current year.

Signature to notes 1 to 30

In terms of our report attached  
For S.P. Bhandare & Associates  
Chartered Accountants  
Firm Reg. No.: 101157W

*S.P. Bhandare*

S. P. Bhandare  
Proprietor  
Mem. No.: 35615



For and on behalf of the Board

*K.R. Naik*

K. R. Naik  
Director  
DIN: 00002013

*K.M. Gaonkar*

K. M. Gaonkar  
Director  
DIN: 00002425

Mumbai, dated : 11th May, 2018

Panaji, Goa, dated : 11th May, 2018