



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 31st March 2017, the Statement of Profit and Loss and the Cash Flow Statement for the period then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

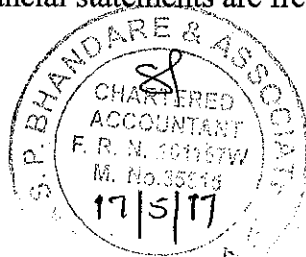
The Company's Board of Directors is responsible for the matters stated in section 134 (5) of The Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows 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.





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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.

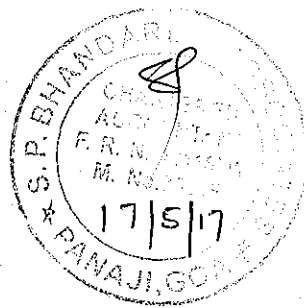
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

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 31st March 2017, its Loss and its cash flows for the period 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;





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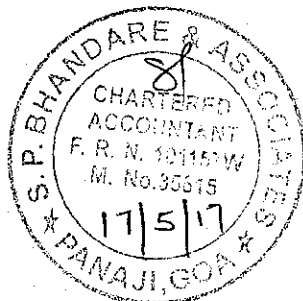
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- (iii) the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- (iv) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, as applicable;
- (v) on the basis of written representations received from the directors as on 31st March 2017 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2017 from being appointed as a director in terms of section 164 (2) of the Act;
- (vi) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure 'B'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.; 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.





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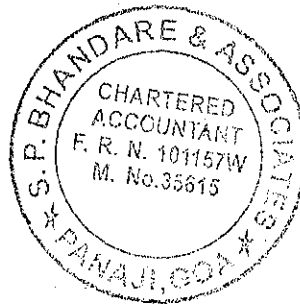
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- d) the Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these disclosures are in accordance with the books of accounts maintained by the Company. Refer Note 22 to the Financial Statements.

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

S.P. BHANDARE
PROPRIETOR
M.NO. 35615



PLACE : PANAJI - GOA
DATE : 17th MAY 2017



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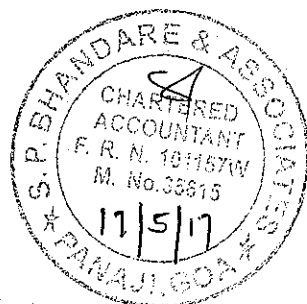
Annexure 'A' to the Auditor's Report for the period ended 31st March 2017

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 period ended 31st March 2017.

We report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All the assets have not been physically verified by the management during the period, but there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us, there are no immovable properties held in the name of the Company. 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.





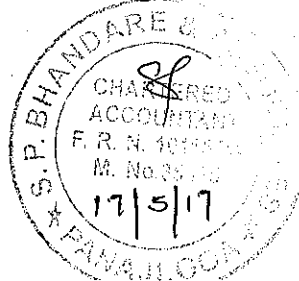
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- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under sub-section (1) of Section 148 of the Companies Act, 2013 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.
- (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 period 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 31st March 2017, 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 period.
- (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 period. 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 period.





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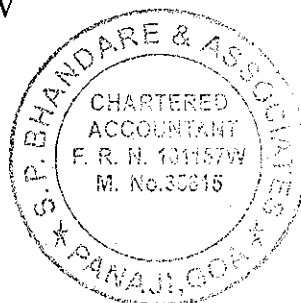
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- (xi) In our opinion and according to the information and explanations given to us, the Company has not paid / provided any managerial remuneration during the period. Accordingly; Paragraph 3(xi) of the Order is not applicable.
- (xii) In our opinion, 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 not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the period. Accordingly, Paragraph 3(xiv) of the Order is not applicable.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with the directors. Accordingly; Paragraph 3(xv) of the Order is not applicable.
- (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 : 17th MAY 2017



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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")

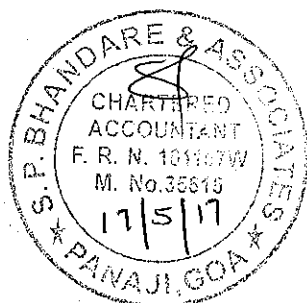
We have audited the internal financial controls over financial reporting of M/s Telesmart SCS Limited ("the Company") as of 31st March 2017 in conjunction with our audit of the financial statements of the Company for the period ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the 'Guidance Note') and the Standards 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 adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.





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

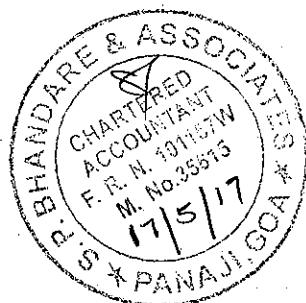
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of 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 Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.





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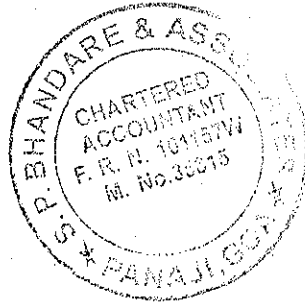
Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

S.P. BHANDARE
PROPRIETOR
M.NO. 35615

PLACE: PANAJI - GOA
DATE : 17th MAY 2017



Telesmart SCS Limited

CIN: U31900GA2016PLC013046

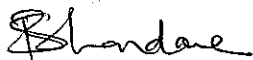
Balance Sheet as at 31st March, 2017

Particulars	Note No.	As at 31st March, 2017 Rupees
I EQUITY AND LIABILITIES		
(1) Shareholders' funds		
(a) Share capital	3	50,00,000
(b) Reserves and surplus	4	(25,56,094)
		<u>24,43,906</u>
(2) Current liabilities		
(a) Trade payables		
Total outstanding dues of micro enterprises and small enterprises	5	84,544
Total outstanding dues of creditors other than micro enterprises and small enterprises		<u>17,91,984</u>
		<u>18,76,528</u>
(b) Other current liabilities		
	6	<u>2,33,588</u>
		<u>21,10,116</u>
	Total	<u><u>45,54,022</u></u>
II ASSETS		
(1) Non-current assets		
(a) Property, Plant and Equipment		
(i) Tangible assets	7 a	26,91,419
(ii) Intangible assets	7 b	35,669
		<u>27,27,088</u>
(b) Long-term loans and advances		
	8	<u>11,276</u>
		<u>27,38,364</u>
(2) Current assets		
(a) Current investments	9	1,00,000
(b) Inventories	10	98,261
(c) Trade receivables	11	2,55,873
(d) Cash and cash equivalents	12	10,14,141
(e) Short-term loans and advances	13	3,47,383
		<u>18,15,658</u>
	Total	<u><u>45,54,022</u></u>

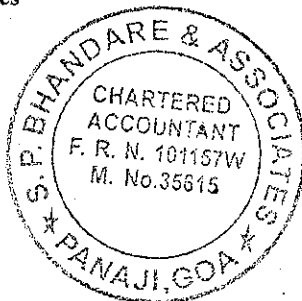
See accompanying notes forming part of the
Financial Statements

1-23

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: 17th May, 2017

For and on behalf of the Board



K. R. Naik
Director
DIN: 00002013



Bhanubhai Patel
Director
DIN: 00223115

Mumbai, dated: 17th May, 2017

Telesmart SCS Limited

CIN: U31900GA2016PLC013046

Statement of Profit and Loss for the period from 17th November, 2016 to 31st March, 2017

Particulars	Note No.	For the period from 17th November, 2016 to 31st March, 2017 Rupees
I Revenue from Operations	14	5,63,768
II Total Revenue (I)		<u>5,63,768</u>
III Expenses :		
Employee benefits expense	15	10,44,214
Depreciation and amortisation expense	7	29,891
Finance Cost	16	1,266
Other expenses	17	20,44,491
Total Expenses		<u>31,19,862</u>
IV Loss before tax (II - III)		(25,56,094)
V Tax Expenses		
- Current tax		-
- Deferred tax		-
VI Loss for the period (IV-V)		<u>(25,56,094)</u>
VII Earnings per equity share (Face value of Rs. 10/- per share) Basic and Diluted	19	(8.25)
See accompanying notes forming part of the Financial Statements	1-23	

In terms of our report attached

For S.P. Bhandare & Associates

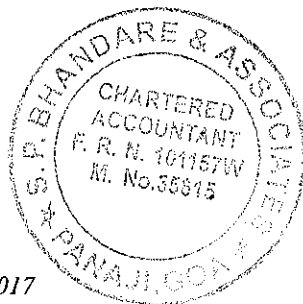
Chartered Accountants

Firm Reg. No.: 101157W



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

Panaji, Goa, dated : 17th May, 2017



For and on behalf of the Board



K. R. Naik
Director
DIN: 00002013

Mumbai, dated : 17th May, 2017



Bhanubhai Patel
Director
DIN: 00223115

Telesmart SCS Limited

CIN: U31900GA2016PLC013046

Cash flow statement for the period from 17th November, 2016 to 31st March, 2017

	17th November, 2016 to 31st March, 2017 Rupees
A. Cash flows from operating activities	
Profit before tax	(2,556,094)
Adjustments for:	
Depreciation and amortisation expense	29,891
Operating (loss) before working capital changes	(2,526,203)
(Increase) in trade receivables	(255,873)
(Increase) in inventories	(98,261)
(Increase) in loans and advances	(347,383)
Increase in trade and other payables	2,110,116
Cash (used in) operations	(1,117,604)
Direct taxes (paid)	(11,276)
Net cash (used in) operating activities	(1,128,880)
B. Cash flows from investing activities	
Purchase of Property, Plant and Equipment (Refer note 2)	(2,756,979)
Purchase of current investments	(100,000)
Net cash (used in) investing activities	(2,856,979)
C. Cash flows from financing activities	
Proceeds received on account issue of share capital	5,000,000
Net cash from financing activities	5,000,000
Net Increase / (Decrease) in cash and cash equivalents	1,014,141
Cash and cash equivalents at the beginning of the year	-
Cash and cash equivalents at the end of the year	1,014,141

Notes :

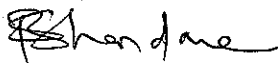
1. Cash flows are reported using the indirect method.
2. Purchase of Property, Plant and Equipment are stated inclusive of movements of capital work in progress and capital cre between the commencement and end of the year and are considered as part of investing activity.

In terms of our report attached

For S.P. Bhandare & Associates

Chartered Accountants

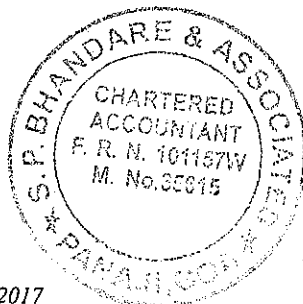
Firm Reg. No.: 101157W



S. P. Bhandare

Proprietor

Mem. No.: 35615



Panaji, Goa, dated : 17th May, 2017

For and on behalf of the Board



K. R. Naik

Director

DIN: 00002013



Bhanubhai Patel

Director

DIN: 00223115

Mumbai, dated : 17th May, 2017

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.

(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 tangible assets 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 equipment	- 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
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(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.

(f) Property, Plant and Equipment

i) Tangible assets

Tangible assets 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

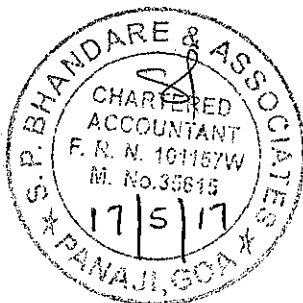
Transactions in foreign currencies are recorded at the original rates of exchange in force at the time the transactions are effected.

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.

(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.

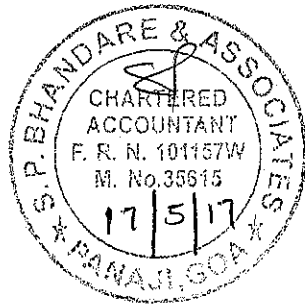
Deferred income-tax reflect the current period timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier years/period. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future income 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 (Refer note 20 below)

(k) Impairment of assets

At the end of each accounting period, the Company determines whether a provision should be made for impairment loss on Property, Plant and Equipment 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.



Telesmart SCS Limited

Notes forming part of the financial statements

As at 31st March, 2017
Rupees

NOTE 3 : SHARE CAPITAL

Authorised

500,000 Equity Shares of Rs.10/- each, fully paid-up

50,00,000

Issued, subscribed and fully paid-up

500,000 Equity Shares of Rs.10/- each, fully paid-up

50,00,000

Total

50,00,000

a) Reconciliation on Number of Shares outstanding

No. of Shares

Shares outstanding at the time of Incorporation

Add: Shares allotted on 7th January, 2017

Shares outstanding at the end of the year

5,00,000

5,00,000

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

Equity shares of Rs.10/- each fully paid-up.
Smartlink Network Systems Limited

No. of Shares

% holding in the class

5,00,000

100.00

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

Equity shares of Rs.10/- each fully paid-up.
Smartlink Network Systems Limited

No. of Shares

% holding in the class

5,00,000

100.00

NOTE 4 : RESERVES AND SURPLUS

Surplus in Statement of Profit and Loss

As per last Balance sheet

Add : Profit/(Loss) for the year

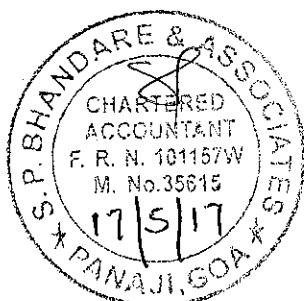
Closing balance

(25,56,094)

Total

(25,56,094)

(25,56,094)



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Telesmart SCS Limited

Notes forming part of the financial statements

As at 31st March, 2017

Rupees

NOTE 5 : TRADE PAYABLES

Total outstanding dues of micro enterprises and small enterprises (Refer Note 5.1 below)	84,544
Total outstanding dues of creditors other than micro enterprises and small enterprises	17,91,984
Total	18,76,528

NOTE 5.1 : THE DISCLOSURES UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

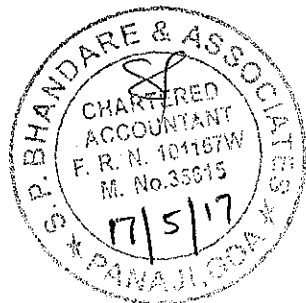
The disclosures under the Micro, Small and Medium Enterprises Development Act, 2006 have been made on the basis of confirmations received from suppliers regarding their status under the said Act;

Particulars

Outstanding principal amount and interest as on 31st March 2017	
- Principal Amount	84,544
- Interest due thereon	1,266
Amount of interest paid along with the amounts of payment made beyond the appointed day	-
Amount of interest due and payable (where the principal has already been paid but interest has not been paid)	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	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 6 : OTHER CURRENT LIABILITIES

Creditors for Capital Expenditure	1,19,157
Other payables :	
Statutory dues	1,14,431
Total	2,33,588



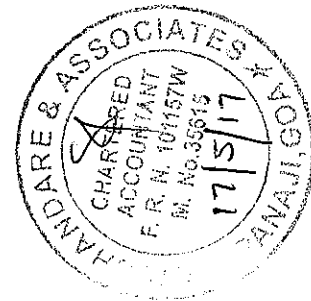
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Telesmart SCS Limited

Notes forming part of the financial statements

NOTE 7 : PROPERTY, PLANT AND EQUIPMENT

Nature of assets	Gross block				Depreciation			Net block	
	As at 17th November, 2016	Additions	Deductions	As at 31st March, 2017	Upto 17th November, 2016	For the period	Deductions	As at 31st March, 2017	As at 31st March, 2017
a) <u>Tangible Assets</u>									
Plant and equipment	-	23,08,264	-	23,08,264	-	21,479	-	21,479	22,86,785
Furniture and fixture	-	2,67,320	-	2,67,320	-	3,293	-	3,293	2,64,027
Office equipment	-	41,400	-	41,400	-	816	-	816	40,584
<u>Others</u>									
Computers	-	1,03,425	-	1,03,425	-	3,402	-	3,402	1,00,023
Tangible assets totals	-	27,20,409	-	27,20,409	-	28,990	-	28,990	26,91,419
b) <u>Intangible assets :</u>									
Computer software - acquired	-	36,570	-	36,570	-	901	-	901	35,669
Intangible assets totals	-	36,570	-	36,570	-	901	-	901	35,669
Total	-	27,56,979	-	27,56,979	-	29,891	-	29,891	27,27,088



Telesmart SCS Limited

Notes forming part of the financial statements

As at 31st March, 2017

Rupees

NOTE 8 : LONG-TERM LOANS AND ADVANCES

Unsecured, considered good (unless stated otherwise) :

Balance with Government Authorities :

Advance payment of taxes

11,276

Total

11,276

NOTE 9 : CURRENT INVESTMENTS

Investments in Mutual Funds (unquoted)

(At lower of cost and fair value)

41,488 Units in Reliance Mutual Fund - Liquidity Fund - Growth Plan - Growth Option

1,00,000

Total

1,00,000

Aggregate value of investments (net of adjustment)

Unquoted - cost

1,00,000

NOTE 10 : INVENTORIES

(At lower of cost and net realisable value)

Raw materials and components

65,625

Stores, spares and packing materials

32,636

Total

98,261

NOTE 11 : TRADE RECEIVABLES

Unsecured

a) Outstanding for a period exceeding six month from the date they were due for payment

-

b) Others

Considered good

2,55,873

Total

2,55,873

NOTE 12 : CASH AND CASH EQUIVALENTS

a) Cash on hand

3,877

b) Balances with bank

In Current accounts

10,10,264

Total

10,14,141

NOTE 13 : SHORT-TERM LOANS AND ADVANCES

Unsecured, considered good (unless otherwise stated) :

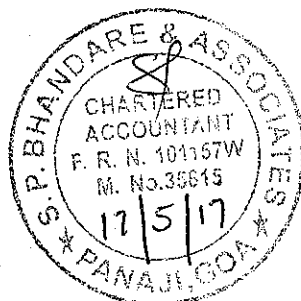
Others :

CENVAT / Service tax credit receivable

3,47,383

Total

3,47,383



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Telesmart SCS Limited

Notes forming part of the financial statements

For the period from
17th November, 2016
to 31st March, 2017

Rupees

NOTE 14 : REVENUE FROM OPERATIONS

Job Work Charges

Total

5,63,768

5,63,768

NOTE 15 : EMPLOYEE BENEFITS EXPENSE

Salaries and wages

9,45,473

Contribution to provident and other funds

12,190

Staff welfare expenses

86,551

Total

10,44,214

NOTE 16 : FINANCE COSTS

Interest Expenses on :

Trade payables (Refer Note 5.1)

Total

1,266

1,266

NOTE 17 : OTHER EXPENSES

Consumption of stores & spare parts

84,489

Power and fuel

71,688

Rent

5,59,314

Legal and Professional fees

4,71,500

Repairs and maintenance others

2,30,843

Office expenses

2,23,635

Printing and stationery expenses

13,376

Exchange loss (net)

74,367

Insurance

20,702

Travelling and conveyance expenses

21,584

Filing Fees

1,48,302

Bank Charges

9,541

AMC Expenses

7,480

Audit Fees

30,000

Preliminary Expenses

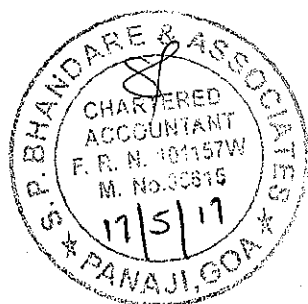
76,434

Miscellaneous expenses

1,236

Total

20,44,491



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Telesmart SCS Limited

Notes forming part of the financial statements

For the period from
17th November, 2016
to 31st March, 2017

NOTE 17.1 : FOREIGN CURRENCY

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

Exchange gain

Exchange loss

Exchange loss (Net)

Rupees

-

74,367

74,367

NOTE 17.2 : PAYMENT TO AUDITORS (NET OF SERVICE TAX)

As Auditors

Total

30,000

30,000

NOTE 18 : 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 19 : 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 period from
17th November, 2016
to 31st March, 2017

Rupees

Net Loss for the period attributable to Equity Shareholders

(25,56,094)

Weighted average number of equity shares

3,09,701

Par value per share

10.00

Basic and Diluted earnings per share net of tax

(8.25)

NOTE 20 : 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, 2017

Rupees

a. Deferred Tax Liability

Fiscal allowances of Property, Plant and Equipment

(1,15,363)

Total

(1,15,363)

b. Deferred Tax Asset

Carry-forward Depreciation Losses

1,46,766

Carry-forward Business Losses

6,88,511

Others

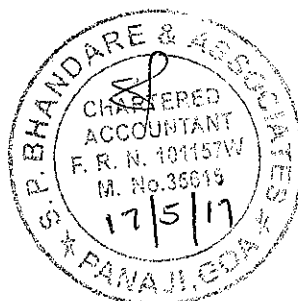
18,338

Total

8,53,615

Deferred Tax Asset (net)

NIL*



Notes :

- * The unabsorbed Business Loss and depreciation relating to current year as well as other items has given rise to Deferred Tax amounting to Rs. 738,252/- As at 31st March, 2017. 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 signatures)

Telesmart SCS Limited

Notes forming part of the financial statements

NOTE 21 : RELATED PARTY DISCLOSURES

- a) Name of related parties where control exists

Name of the related parties

Smartlink Network Systems 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 Network Systems Limited

Digisol Systems Limited

Nature of relationship

Holding Company

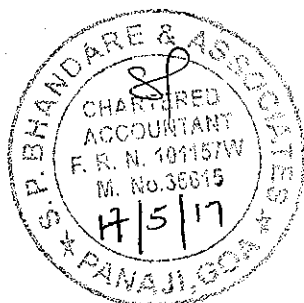
Fellow Subsidiary

- c) Details of related party transactions during the period

Rupees

Nature of transactions	Holding Company	Fellow Subsidiary	Total
Sale of Services Digisol Systems Limited	-	5,63,768	5,63,768
Rent Expense Smartlink Network Systems Limited *	4,86,360	-	4,86,360
Management Support Fees Smartlink Network Systems Limited *	3,50,000	-	3,50,000
Repairs & Maintenance Expenses Digisol Systems Limited	-	14,727	14,727
As at the year-end			
Amount due from Digisol Systems Limited	-	2,55,873	2,55,873
Amount due to Smartlink Network Systems Limited	10,65,431	-	10,65,431
Digisol Systems Limited	-	14,727	14,727

* The amounts are exclusive of Service Tax.



Telesmart SCS Limited

Notes forming part of the financial statements

NOTE 22: Details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016

	SBNs	Other denomination	Total
Closing cash in hand as on 08.11.2016	-	-	-
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	-	-
(-) Amount deposited in Banks	-	-	-
Closing cash in hand as on 30.12.2016	-	-	-

NOTE 23 : OTHER DISCLOSURES

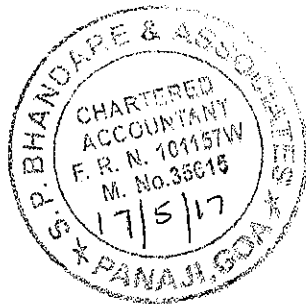
	Rupees	% age to total consumption
a) Stores, spares and packing materials consumed		
Imported	78,770	93.23
Indigenous	5,719	6.77
Total	84,489	100.00
b) C.I.F. value of goods imported		
Stores, spares and packing materials	71,502	
Capital goods	17,27,079	
c) This being the first period of operations, comparable previous year's figures not available.		

Signature to notes 1 to 23

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



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



For and on behalf of the Board



K. R. Naik
Director
DIN: 00002013



Bhanubhai Patel
Director
DIN: 00223115