

Independent Auditor's Report

To the Members of

Minda I Connect Private Limited

We have audited the accompanying financial statements of Minda I Connect Limited Private Limited ("the Company"), which comprise the Balance Sheet as at March 31st, 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 Statement

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 and financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance of 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.



An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of 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 March 2018, its profit and its cash flow statement 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") 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 the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) 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;
 - (c) 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;
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;



- (e) On the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in **Annexure-B**; and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has no pending litigations.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts
 - iii. Requirement for transferring amounts to the Investor Education and Protection Fund by the Company is not applicable here.

For AJH & CO
Chartered Accountants
FRN: 05302N
FRN No. 005302N
NEW DELHI
Ajay Jain
Partner
Membership No. 84096



Date: May 24th, 2018
Place: Gurgaon

Annexure –A to the Auditor's Report

The Annexure referred to in Independent Auditor's Report to the members of the Company on the financial statements for the year ended 31st 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 regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner. In accordance with this programme, fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the company and the nature of its assets.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the company there is no immovable property held by the Company, hence clause (i)(c) of the order is not applicable.
- (ii) The company has a regular programme of physical verification of its inventory by which inventories are verified in a phased manner. In accordance with this programme, inventories were verified during the year and no material discrepancies were noticed on such verification.
- (iii) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly clause (iii)(a), (iii)(b) and (iii)(c) of paragraph 3 of the order are not applicable to the company.
- (iv) According to the records, information and explanations provided to us, the Company has not given loans/made investments/given guarantee/provided security in connection with loan during the year.
- (v) According to the records, information and explanations provided to us, the Company has not accepted any deposits from the public.
- (vi) The Central government has not prescribed maintenance of cost records under section 148(1) of the Companies Act, for the kind of business activities undertaken by the company.
- (vii) (a) According to the records, information and explanations provided to us, and on the basis of our examination of the records of the company, the Company is generally regular in depositing with appropriate authorities undisputed amount of provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, service tax, GST, customs duty, excise duty, cess and other materials, statutory dues as applicable to it and no material undisputed amounts payable were outstanding as at 31st March, 2018 for a period of more than six months from the date they became payable.



- (b) According to the information and explanation given to us, there are no dues on account of any dispute of sales tax, GST, income tax, custom duty, wealth tax, service tax, excise duty, and any other statutory dues, that has not been deposited with appropriate authorities on account of any dispute.
- (viii) Based on our audit procedures and according to the information and explanations given to us, the company has availed loans from Financial Institutions during the year and has duly complied with the repayment schedule.
- (ix) According to the information and explanations given to us the company did not raise moneys by way of public issue/follow on offer (including debt instruments) or term loans during the year.
- (x) Based on the audit procedures performed and information and explanations given to us by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us and based on our examination of the records of the company, the company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) The company is not a nidhi company. Accordingly, clause 3 (xii) of the order is not applicable to the company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the company, transaction with its related parties are in compliance with sections 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) The company has not made preferential allotment and private placement of shares during the year under review. Accordingly clause 3(xiv) of the order is not applicable to the company.
- (xv) According to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, clause 3(xv) of the order is not applicable to the company.
- (xvi) According to the information and explanations given to us, the company is not carrying out any business activity that require registration under section 45-IA of the Reserve Bank of India Act, 1934 as a Non-Banking Finance company.

For AJH & CO
Chartered Accountants
FRN:005302N


Ajay Jain
Partner
Membership No. 84096

Date : May 24th, 2018
Place : Gurgaon

ANNEXURE – B

TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF MINDA I CONNECT PRIVATE LIMITED

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 Minda I Connect Private Limited ("the Company") as of March 31st, 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 adequate and effective 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ("the Guidance Note") and the Standards on Auditing, issued by the Institute of Chartered Accountants of India (ICAI) and prescribed under Section 143(10) of the Companies Act 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and Guidance Note we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error.



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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31st, 2018, 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 AJH & Co
Chartered Accountants
FRN: 005302N


Ajay Jain
Partner
Membership No. 84096

Date: May 24th, 2018
Place: Gurgaon

Minda i Connect Private Limited
Balance Sheet as on March 31st, 2018

(Amount in INR)

Particulars	Note No.	As on March 31st, 2018	As on March 31st, 2017
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	48,660,910	48,601,410
Reserve & Surplus	4	(36,785,053)	(37,913,977)
		11,875,857	10,687,433
Non Current Liabilities			
Long Term Provisions	5	1,245,651	1,315,237
Current Liabilities			
Short Term Borrowings	6	68,131,384	10,012,328
Trade Payables	7	7,209,473	6,088,570
Other Current Liabilities	8	30,379,562	14,543,650
Short Term Provisions	9	114,482	125,756
Total		118,956,409	42,772,973
ASSETS			
Non-Current Assets			
(a) Fixed Assets	10		
(i) Tangible Assets		4,097,047	1,956,449
(ii) Intangible Assets		7,186	58,277
(b) Long Term Loans and Advances	11	1,628,760	1,174,941
Current Assets			
(a) Inventories	12	542,132	18,733,732
(b) Trade Receivables	13	68,549,551	3,857,819
(c) Cash and cash equivalents	14	19,488,013	10,511,063
(d) Short Term Loans and Advances	15	24,643,720	6,480,692
Total		118,956,409	42,772,973

Significant Accounting policies
Notes to the Financial Statement
As per our report of even date

1-2
3-30

For AJH & CO
Chartered Accountants
FRN: 005302N

Ajay Jain, F.C.A.
Partner
Membership No. 84096

For and on Behalf of the Board of Directors


Ravi Jakhodia
Managing Director
DIN-06996508


H.C. Dhamija
Director
DIN-00054842

Date: May 24th, 2018
Place : Gurgaon

Minda i Connect Private Limited
Statement of Profit and Loss for the year ended on March 31st, 2018

(Amount in INR)

Particulars	Note No	For the year ended on March 31st, 2018	For the year ended on March 31st, 2017
INCOME			
Revenue From Operations	16	98,761,862	83,104,209
Other income	17	32,501,884	556,313
Total Revenue		131,263,746	83,660,522
EXPENDITURE			
Cost of Sales	18	34,874,399	56,042,709
Cost of Service	19	17,421,958	13,338,540
Employee Benefits expense	20	52,675,045	38,531,943
Finance Costs	21	3,518,204	3,395,072
Administrative and Other Expenses	22	19,727,777	17,978,221
Depreciation and Amortization expense	10	1,909,659	1,345,537
Total Expenses		130,127,042	130,632,022
Profit/(Loss) before prior period, exceptional and extraordinary items and tax		1,136,704	(46,971,500)
Prior Period Items	23	7,779	1,605,199
Profit/(Loss) before exceptional and extraordinary items and tax		1,128,925	(48,576,699)
Exceptional Items		-	-
Profit/(Loss) before extraordinary items and tax		1,128,925	(48,576,699)
Extraordinary Items		-	-
Profit/(Loss) before tax		1,128,925	(48,576,699)
Tax expense:			
(1) Current tax		-	-
(2) Deferred tax Asset/(Liability)		-	-
Profit(Loss) for the year ended from continuing operations		1,128,925	(48,576,699)
Profit/(Loss) from discontinuing operations		-	-
Tax expense of discounting operations		-	-
Profit/(Loss) from Discontinuing operations		-	-
Profit/(Loss) for the year ended		1,128,925	(48,576,699)
Basic and diluted Earning Per Share		0.23	(11.89)
Resated Earning Per Share		-	-
Significant Accounting policies	1-2		
Notes to the Financial Statement	3-30		
As per our report of even date			

For AJH & CO
Chartered Accountants
FRN: 005302N
FRN No. 005302N
Ajay Jain, F.C.A.
Partner
Membership No. 84096

For and on Behalf of the Board of Directors .

Ravi Jakhodia
Managing Director
DIN-06996508

H.C.Dhamija
Director
DIN-00054842

Date: May 24th, 2018
Place : Gurgaon

Minda i Connect Private Limited
STATEMENT OF CASH FLOWS AS AT 31st March 2018

(Amount in INR)

PARTICULARS	For the Year ended 31-Mar-18	For the Year ended 31-Mar-17
	Amount in INR	Amount in INR
A.CASH FLOW FROM OPERATING ACTIVITIES		
Net Income before tax	1,128,925	(48,576,699)
Adjusted for:		
Depreciation	1,909,659	1,345,537
Interest on Bank Deposit	(60,150)	(545,622)
Interest on Financial Costs	3,518,204	3,395,072
Asset written off	29,428	98,348
Employee Stock Purchase Plan	-	3,682,113
Operating Profit before Working Capital Changes	6,526,065	(40,601,251)
Adjusted for:		
Current Accounts Receivable	(64,691,734)	(1,910,382)
Change in Inventory	18,191,600	27,231,594
Short Term Loans & Advances	(13,755,154)	1,941,125
Non Current Loans and advances	(453,819)	(269,701)
Current Trade Payables	1,120,903	(18,349,314)
Other Current Liabilities	15,835,911	2,562,384
Changes in Provisions	(80,860)	1,440,993
Cash generated from operations	(37,307,087)	(27,954,552)
Income Tax Paid	(4,407,875)	(473,047)
Income Tax Refund	-	237,679
NET CASH FROM OPERATING ACTIVITIES	(41,714,962)	(28,189,920)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(4,028,591)	(2,060,598)
Interest on Bank Deposit	60,150	545,622
NET CASH USED IN INVESTING ACTIVITIES	(3,968,441)	(1,514,976)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in Paid up capital	59,500	7,768,070
Increase in Securities Premium	-	26,933,890
Increase/(decrease) in Borrowings	58,119,056	(39,448,757)
Interest and other financial charges	(3,518,204)	(3,395,072)
NET CASH FROM/(USED IN) FINANCING ACTIVITIES	54,660,352	(8,141,869)
Net(Decrease) Increase in Cash & Cash Equivalents(A+B+C)	8,976,949	(37,846,765)
Cash and Cash Equivalents at the beginning of the year	10,511,064	48,357,828
Cash and Cash Equivalents at the end of the year	19,488,013	10,511,063

Significant Accounting policies 1-2
Notes to the Financial Statement 3-30
As per our Report of even date

For AJH & CO
Chartered Accountants
Firm Registration No. : 005302N

Ajay Jain
Partner
Membership No. 84096

For and on behalf of Board of Directors


Ravi Jakhodia
Director
DIN-06996508


H.C. Dhamija
Director
DIN-00054842

Place: Gurgaon
Date: May 24th, 2018

Minda i Connect Private Limited

Notes to the Financial Statements for the year ended on March 31st, 2018

1. COMPANY OVERVIEW

The Company was incorporated as Minda i Connect Private Limited on 30th September, 2014, to carry on the business of development of software, hardware and designing, programming in automotive mobility and information technology segment, automation providing products and solutions.

The accompanying financial statements reflect the results of the activities undertaken by the Company during the financial year ended on March 31st, 2018.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to the period presented in these financial statements.

I. Basis of preparation of financial statements

The financial statement has been prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. GAAP comprise of mandatory accounting standards as prescribed under section 133 of the Companies Act, 2013 ("Act") read with rule 7 of the Companies (Accounts) Rules, 2014 and other accounting pronouncement of the Institute of Chartered Accountant of India.

II. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses for the years presented. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis.

III. Current – non-current classification

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

- a) It is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;
- b) It is held primarily for the purpose of being traded;
- c) It is expected to be realized within 12 months after the reporting date; or
- d) It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.



Liability

A liability is classified as current when it satisfies any of the following criteria:

- a) It is expected to be settled in the Company's normal operating cycle;
- b) It is held primarily for the purpose of being traded;
- c) It is due to be settled within 12 months after the reporting date; or
- d) The Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents. The operating cycle of the Company has been calculated as 12 months for the purpose of current – non-current classification of assets and liabilities.

IV. Fixed Assets

Fixed Assets are stated at cost (Gross Block) less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its immediate use. Borrowing costs relating to acquisition of fixed assets which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use. Other borrowing costs are recognized as expenses in the period in which they are incurred.

Exchange differences arising in respect of translation/settlement of long term foreign currency attributable to the acquisition of a depreciable asset are also included in the cost of an asset.

V. Depreciation

Depreciation on computers, office equipments and software is provided on the written down value method and for other tangible assets such as rental devices is provided on straight line method over the useful life of the assets.

Pursuant to Companies Act, 2013 ('the Act') being effective from 1 April 2014, the Company has used the depreciation rates based on the useful lives as specified in Part 'C' of Schedule II to the Act.

Depreciation on additions to Fixed Assets is provided on pro-rata basis from the date assets is ready to use. Depreciation on sale/deduction from fixed assets is provided for up to the date of sale, deduction, as the case may be.

All assets costing INR 5,000/- or below are depreciated in full by way of one time depreciation charge.

Depreciation for the year is recognized in the Statement of Profit and Loss

Intangible assets are amortized over their respective individual estimated useful lives on a written down value basis, commencing from the date the asset is available to the Company for its use.



An intangible asset is derecognized on disposal or when no future economic benefits are expected from its use and disposals.

VI. Leases

Operating Lease

Assets acquired under leases other than finance leases are classified as operating leases. The total lease rental in respect of an asset taken on operating lease is charged to Statement of profit and loss on a straight-line basis over the lease term unless another systematic basis is more representative of the time pattern of the benefits

VII. Revenue Recognition

Revenue from the sale of goods is recognized as goods are dispatched to the customers from the factory/ office premises. Revenue from sale of goods to overseas customers is recognized on the goods being shipped on board. The sales are recorded at invoice value, net of sales tax, and sales returns but including excise duty.

Revenue of service income is recognized considering the time basis.

Interest income is recognized on a time proportionate basis taking into account the amount outstanding and the interest rate applicable.

VIII. Foreign Currency Transactions

Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on date of the transaction.

Monetary items denominated in foreign currencies at the year-end are restated at the exchange rates prevailing on the date of Balance Sheet. Non-monetary items denominated in foreign currencies are carried at cost.

Any income or expense on account of exchange differences either on settlement or on translation of transactions other than those relating to fixed assets is recognized in the Profit & Loss Account. Gains or loss on transaction of long-term liabilities incurred to acquire fixed assets is treated as an adjustment to the carrying cost of related fixed assets.

Increase or decrease in non-current liabilities on account of exchange rate fluctuations has been adjusted in the cost of tangible fixed assets

IX. Employee Benefits

The cost of providing employee benefits i.e. gratuity and leave encashment is determined using the projected unit credit method as per AS-15, with actuarial valuations carried out annually as at balance sheet date. Actuarial gain or loss is recognized immediately in the statement of profit and loss.

X. Income Taxes

Income taxes consist of current taxes and changes in deferred tax liabilities and assets.

Income taxes are accounted for on the basis of estimated taxes payable and adjusted for timing differences between the taxable income and accounting income as reported in the financial statements. Timing differences between the taxable income and the accounting income as at March 31, 2018 that reverse in one or more subsequent years are recognized if they result in



taxable amounts. Deferred tax assets or liabilities are established at the enacted tax rates. Changes in the enacted rates are recognized in the period of enactment.

Deferred tax assets are recognized only if there is a reasonable certainty that they will be realized and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

XI. Earnings per Share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

XII. Borrowing Cost

Borrowing Costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that takes necessarily substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

XIII. Miscellaneous Expenditure

All the Preliminary expenses incurred on formation of the Company have been charged to revenue.

XIV. Provisions and Contingencies

A provision is recognized if, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognized at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. The provisions are measured on an undiscounted basis.

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

XV. Material Events

Material events occurring after the Balance Sheet date are taken into cognizance.



Note : 3

(Amount in Rs)

Particulars	As at 31/03/2018	As at 31/03/2017
SHARE CAPITAL		
a) <u>AUTHORISED</u> 5,000,000 Equity Shares of Rs. 10/- each	50,000,000	50,000,000
b) <u>ISSUED, SUBSCRIBED & PAID-UP</u> 4,866,091 Equity Shares (4,860,141 in Pr year) of Rs. 10/- each	48,660,910	48,601,410
Paid up Capital	48,660,910	48,601,410

Notes

	As at 31-03-2018		As at 31-03-2017	
	Number	Amount	Number	Amount
i Reconciliation of no. of shares and amounts				
Equity Shares				
Outstanding at the beginning of the period	4,860,141	48,601,410	4,000,000	40,000,000
Add: Number of shares issued	5,950	59,500	860,141	8,601,410
Outstanding at the end of the period	4,866,091	48,660,910	4,860,141	48,601,410

	As at 31-03-2018		As at 31-03-2017	
	Number of shares	% of shares	Number of shares	% of shares
ii Name of the shareholder holding more than 5% Equity Shares				
Ravi Jakhodia	1,903,471	39.12	1,600,000	32.92
Minda Investments Ltd	891,529	18.32	1,195,000	24.59
Minda Finance Limited	1,195,000	24.56	1,195,000	24.59
Bar Investments and Finance Private Limited	774,853	15.92	774,853	15.94
	4,764,853	97.92	4,764,853	98.04

iii 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.

iv In the period of Five years immediately preceeding March 31st, 2018;

- (a) The Company has allotted 41,667 fully paid-up Equity Shares of Face Value Rs. 10/- during the Quarter ended June 30th 2017, pursuant to Sweat Equity Shares issue approved by the Shareholders through Special Resolution on March 26th, 2017.
- (b) The Company has allotted 41,667 fully paid-up Equity Shares of Face Value Rs. 10/- during the Quarter ended December 31st 2017, pursuant to Sweat Equity Shares issue approved by the Shareholders through Special Resolution on November 30th, 2017.

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

v Employees stock option scheme

Pursuant to shareholder resolution dated 29th December 2014, the Company introduced "Employees Stock Option Plan 2014" which provides for the issue of 3,33,300 equity shares to employees of the company. Till 31.03.2018, 90584 stock options have been granted and 63869 stock options have lapsed due to resignation by Employees.

All the above options are planned to be settled in equity at the time of exercise and have maximum period of 48 months from the date of respective grants.



The information concerning stock options granted, exercised, forfeited and outstanding at the year end is as follows:

Particulars	As on 31st March 2018		As on 31st March 2017	
	No. of stock options	Weighted average exercise price (Rs.)	No. of stock options	Weighted average exercise price (Rs.)
Employee stock option scheme 2014				
<u>No. of shares under option</u>				
Outstanding at the beginning of the period	42,269	10	43,727	10
Granted during the period	16,250	10	17,000	10
Number of Options Exercised	5,950	10	1,954	10
Options Forfeited/ Lapsed during the year	33,758	10	16,504	10
Outstanding at the end of year	18,811	10	42,269	10
Weighted average grant date fair value per option for options granted during the year at less than market value	NA	NA	NA	NA
Payment received against share allotted during the year	NA	NA	NA	NA

Note : 4

Particulars	As at 31/03/2018	As at 31/03/2017
Reserve and Surplus		
Securities Premium Reserve		
Balance as per Last Balance Sheet	29,782,663	-
Add: During the year	-	29,782,663
Total	29,782,663	29,782,663
Surplus/(Deficit) as per statement of Profit and Loss		
Balance as per Last Balance Sheet	(67,696,640)	(19,119,941)
Profit / (Loss) for the year ended	1,128,925	(48,576,699)
Total	(66,567,716)	(67,696,640)
Grand Total	(36,785,053)	(37,913,977)

Note : 5

Particulars	As at 31/03/2018	As at 31/03/2017
Long Term Provisions		
Provision for Gratuity	646,421	617,998
Provision for Leave Encashment	599,230	697,239
Total	1,245,651	1,315,237

Non Current values for the Employee Benefits as per AS 15 (Projected Unit Credit Method) have been accounted for on Valuation basis.

Note : 6

Particulars	As at 31/03/2018	As at 31/03/2017
Short Term Borrowings		
Unsecured Loan		
Loan From Non Banking Finance Company	68,131,384	10,012,328
Total	68,131,384	10,012,328



Note : 7

Particulars	As at 31/03/2018	As at 31/03/2017
Trade Payables		
Trade Payables due within the normal Operating cycle or within 12 months from the reporting date	7,209,473	6,088,570
Total	7,209,473	6,088,570

Note : 8

Particulars	As at 31/03/2018	As at 31/03/2017
Current Liabilities		
Expenses payable	2,469,285	1,639,491
Statutory Dues Payable	13,115,167	387,746
TDS Payable	2,458,489	1,250,906
Employee Benefit Expenses Payable	268,140	1,253,892
Advance Received from Customers	12,068,481	10,011,616
Total	30,379,562	14,543,650

Note : 9

Particulars	As at 31/03/2018	As at 31/03/2017
Short Term Provisions		
Provision for Gratuity	1,316	1,206
Provision for Leave Encashment	113,166	124,550
Total	114,482	125,756

Note: Current values for the Employee Benefits as per AS 15 (Projected Unit Credit Method) have been accounted for on Valuation basis.

Note : 10

Particulars	As at 31/03/2018	As at 31/03/2017
Fixed Assets		
Tangible	4,097,047	1,956,449
Intangible	7,186	58,277
Total	4,104,232	2,014,726



Annex to Note 10 - Fixed Assets

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	Balance as on 01/04/2017	Additions during the year	Deletions during the year	Balance as on 31/03/2018	Balance as on 01/04/2017	Depreciation during the period	Adjustment on sale/deletion of Assets	Balance as on 31/03/2018	As at As At 31/03/2018	As at As At 31/03/2017
A. Tangible Assets										
Office Equipments	1,056,518	141,740		1,198,258	475,954	301,169	-	777,123	421,135	580,564
Computers	3,223,687	779,151	38,899	3,963,939	1,847,802	1,091,914	23,755	2,915,961	1,047,978	1,375,885
Rental Devices	-	3,107,700	-	3,107,700	-	479,768	-	479,768	2,627,932	-
Total A	4,280,205	4,028,591	38,899	8,269,897	2,323,756	1,872,851	23,755	4,172,852	4,097,047	1,956,449
B. Intangible Assets										
Software	340,160	-	234,506	105,654	281,883	36,807	220,222	98,468	7,186	58,277
Total B	340,160	-	234,506	105,654	281,883	36,807	220,222	98,468	7,186	58,277
Total (A+B)	4,620,365	4,028,591	273,405	8,375,551	2,605,639	1,909,659	243,977	4,271,321	4,104,232	2,014,726
Previous Year Figures	2,658,115	2,060,598	98,348	4,620,365	1,260,102	1,345,537	-	2,605,639	2,014,726	1,398,013



Minda i Connect Private Limited
Notes to the Financial Statements
For the year ended on March 31st, 2018

Note : 11

Particulars	As at 31/03/2018	As at 31/03/2017
Long Term Loans and Advances (Unsecured, Considered Good) Security Deposit		
	1,628,760	1,174,941
Total	1,628,760	1,174,941

Note :12

Particulars	As at 31/03/2018	As at 31/03/2017
Inventories Traded Goods (As valued and certified by the management)		
	542,132	18,733,732
Total	542,132	18,733,732

Note :13

Particulars	As at 31/03/2018	As at 31/03/2017
Trade Receivables Debtors Outstanding for more than six months Unsecured - Considered good	-	-
Debtors Outstanding for less than six months Unsecured - Considered Good	68,549,551	3,857,819
Unsecured - Considered Doubtful	43,472	-
less: Provision for Doubtful Debts	43,472	-
Total	68,549,551	3,857,819



Minda i Connect Private Limited
Notes to the Financial Statements
For the year ended on March 31st, 2018

Note : 14

Particulars	As at 31/03/2018	As at 31/03/2017
Cash & cash equivalent		
Cash in Hand	116,812	9,189
Cash at Bank (In Current Account)	18,633,310	9,901,874
Fixed Deposits with Bank	737,891	600,000
Total	19,488,013	10,511,063

Note : 15

Particulars	As at 31/03/2018	As at 31/03/2017
Short term Loans and Advances		
Security Deposits	2,501,435	-
Prepaid Rent	41,000	65,052
Prepaid Insurance	233,197	7,118
Prepaid Hosting Services	882,576	1,707,002
Prepaid Subscription Charges	12,817,555	1,736,842
Recoverables from Revenue & Government Authorities	3,232,444	2,242,885
Accrued Interest Income	44,128	27,851
Advances recoverable in cash or kind	10,463	220,894
TDS Recoverable (Ass Year- 2017-18)	473,047	473,047
TDS Recoverable (Ass Year- 2018-19)	4,407,875	-
Total	24,643,720	6,480,692



Note : 16

Particulars	For the year ended on March 31st, 2018	For the year ended on March 31st, 2017
Revenue From Operations		
Sales (less returns)	13,516,802	63,665,286
Service Income	85,245,059	19,438,924
Total	98,761,862	83,104,209

Note : 17

Particulars	For the year ended on March 31st, 2018	For the year ended on March 31st, 2017
Other Income		
Other Income	118,370	-
Interest on Fixed Deposit	60,150	545,622
Foreign Exchange Fluctuation	43,288	(138,051)
Interest on Income Tax Refund	-	10,691
Compensation on cancellation of contract	32,280,076	-
Total	32,501,884	418,262

* Other income includes income received from cancellation of contracts

Note :18

Particulars	For the year ended on March 31st, 2018	For the year ended on March 31st, 2017
Cost of Sales		
Purchase of Traded Goods	8,748,332	28,811,116
Other Direct cost	7,934,467	-
Add: Opening Stock of Traded Goods	18,733,732	45,965,326
Less: Closing Stock of Traded Goods	542,132	18,733,732
Total	34,874,399	56,042,709

Note :19

Particulars	For the year ended on March 31st, 2018	For the year ended on March 31st, 2017
Cost of Services		
Telecommunication Services	5,294,062	4,187,164
Subscription Charges	4,185,922	2,825,399
Hosting Services	5,698,722	4,911,883
Payment Gateway Charges	544,816	476,860
Map Charges	1,698,436	937,233
Total	17,421,958	13,338,540

Note : 20

Particulars	For the year ended on March 31st, 2018	For the year ended on March 31st, 2017
Employee Benefits Expense		
Salaries and Allowances	50,392,668	33,142,610
Employer's contribution to Provident Fund	2,139,535	1,557,955
Employee Stock Purchase Plans (Sweat Equity)	-	3,682,113
Staff Welfare	142,842	149,265
Total	52,675,045	38,531,943



Note : 21

Particulars	For the year ended on March 31st, 2018	For the year ended on March 31st, 2017
Finance Costs		
Interest on Unsecured Loans	3,465,617	2,846,222
Interest on Cash Credit account	8,597	398,057
Bank Charges	36,999	85,762
Interest Others	6,991	65,031
Total	3,518,204	3,395,072

Note : 22

Particulars	For the year ended on March 31st, 2018	For the year ended on March 31st, 2017
Administrative and Other Expenses		
License Fee	484,323	104,385
Insurance Expenses	283,842	285,623
Electricity Expenses	102,701	113,969
Fixed Asset Written off	29,428	98,348
Travelling and conveyance	3,778,583	1,562,949
Legal & Professional Expenses	4,143,279	7,350,669
Office Maintenance	941,621	637,187
Repair and Maintenance	1,227,601	433,197
Communication exp	1,081,305	640,755
Printing and stationery	96,799	107,353
Bad debts	276,000	-
Provision for Doubtful Debts	43,472	-
Rates and Taxes	184,753	86,523
Office Rent	2,694,213	1,508,528
General expense	175,653	102,133
Auditors' Remuneration		
Statutory Audit Fee	105,000	100,000
Total Administrative and Other Expenses	15,648,572	13,131,619
Selling and Distribution Expenses		
Marketing Expenses	2,916,979	2,757,626
Distribution Expenses	1,162,226	1,950,926
Total Selling and Distribution Expenses	4,079,205	4,708,552
Total	19,727,777	17,840,171

Note : 23

Particulars	For the year ended on March 31st, 2018	For the year ended on March 31st, 2017
Prior Period Items		
Telecommunication Services	-	893,757
Consultancy Expenses	-	711,442
Admin charges	3,825	-
Other	3,954	-
Total	7,779	1,605,199



Minda i Connect Private Limited
Notes to the financial statements

Note: 24
Earnings per Share

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Net profit /(loss) for the year as per statement of profit and loss	1,130,037	(48,576,699)
Total number of Equity shares	4,866,091	4,860,141
Weighted average no of Shares- Basic	4,860,663	4,086,865
Weighted average no of Shares- Diluted	4,860,663	4,086,865
Earnings Per share- Basic & Diluted	0.23	(11.89)
Weighted average no of Shares- Diluted	-	-
Restated Earnings Per share	-	-

Note: 25
Related Party Transactions

During the course of the business the Company has entered into business transactions with Related Party(s) as mentioned below.

S no.	Name of Related Party	Relation	Transactions	Year Ended March 31 st , 2018 (Amount In INR)	Year Ended March 31 st , 2017 (Amount In INR)
1.	Ravi Jakhodia	Managing Director	1. Salary & Allowances	5,518,001	5,488,471
2.	Minda Industries Limited	Sh. Nirmal Kumar Minda (common Director)	1.Service 2.Reimbursement	33,600,000 690,121	Nil
3.	Minda Distribution and Service Limited	Wholly Owned Subsidiary	1.Sales 2.Services	3,936,018 10,108,750	Nil

Note: 26
Commitments and contingencies (not provided for)
 Nil



Note: 27**Leases**

The Company has taken offices on cancellable operating leases. The lease rentals recognized in the statement of profit and loss for the year March 31, 2018 is INR 2,694,213 /- (For Previous Year the lease rentals were INR 1,508,528/-).

Note: 28**Foreign Currency Transactions (Outflow)**

S. No.	Nature of Expenses	Amount in INR for the year ending on March 31 st , 2018	Amount in INR for the year ending on March 31 st , 2017
1.	Purchases of Devices	-	18,184,965
2.	License Procurement Charges	7,195,330	836,517
3.	Device Development Services	825,560	956,700
4.	MAP License	479,685	-
5.	Consultancy expenses	486,742	-
6.	Purchase of Components	368,045	-

Note:29**Going Concern**

The Company has accumulated losses at the end of the current financial year. The company has incurred cash losses in immediately preceding year but has not incurred losses during the current financial year.

Considering the fact that the Company is in the process of establishing its business facility, management is of the opinion that the status of going concern of the Company is not affected.


Note: 30**Previous Year's figures**


Previous year's figures have been re-grouped/re-classified wherever necessary.

For AJH & CO
Chartered Accountants
FRN: 05302N


Ajay Jain
Partner
Membership No. 84096

For and on Behalf of the Board of Directors


Ravi Jakhodia
Managing Director


H.C. Dhamija
Director

Date: May 24th, 2018
Place: Gurgaon