A J H & CO
CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT
To the Members of Minda I Connect Private Limited
Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Minda I Connect Private Limited ("the Company"), which comprise the balance sheet as at 31st March, 2019 and the statement of Profit and Loss and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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, 2019 and profit/loss, and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibility of Management for Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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FRN No. 005302N
NEW DELHI

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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 Companies Act, 2013, we give in the **"Annexure-A"** a statement on the matters specified in paragraphs 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 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 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"**.

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. According to information and explanation given to us 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.

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iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For AJH & Co
Chartered Accountants
FRN: 05302N

AJH & CO.
FRN No. 005302N
NEW DELHI
CHARTERED ACCOUNTANTS

Ajay Jain
Partner
Membership No. 084096

Place: Gurgaon
Date: May 17, 2019

Annexure –A
To the Auditor's Report

(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 program of physical verification of its fixed assets by which fixed assets are verified in a phased manner. Fixed assets were not verified during the year. In accordance with this program, 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 no immovable property is held in the name of the company, hence clause (i) (c) of the order is not applicable.

(ii) 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 has physically verified the inventory and no material discrepancy was 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 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 prescribed maintenance of cost records under section 148(1) of the Companies Act, for the kind of business activities to be undertaken by the company. Since the turnover of the company is below the limit as mentioned in Rule 3 of Companies (Cost Record and Audit) Rules, 2014, hence the company has not maintained such records.

(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

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regular in depositing with appropriate authorities undisputed amount of provident fund, investor education protection fund, employees' state insurance, income tax, GST, customs duty and other statutory dues as applicable to it and no material undisputed amounts payable were outstanding as at 31st March, 2019 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 GST, income tax, custom duty, 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 not defaulted in repayment of loan or borrowings from financial institutions.

(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 and term loan) during the period.

(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 period under review. Accordingly clause 3(xiv) of the order is not

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(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

Place: Gurgaon
Date: May 17, 2019

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 31st March, 2019 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.

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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 un-authorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2019 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

Place: Gurgaon
Date: May 17, 2019

Minda i Connect Private Limited
Balance Sheet as on March 31st, 2019

(Amount in INR)

Particulars	Note No.	As on March 31st, 2019	As on March 31st, 2018
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	**4,86,60,910**	4,86,60,910
Reserve & Surplus	4	**(8,80,74,398)**	(3,67,85,052)
Share Application Money (Pending Allotment)		**4,15,50,118**	-
		21,36,630	1,18,75,858
Non Current Liabilities			
Long Term Provisions	5	**15,85,689**	12,45,651
Current Liabilities			
Short Term Borrowings	6	**10,09,51,252**	6,81,31,384
Trade Payables	7	**4,02,19,087**	72,09,473
Other Current Liabilities	8	**1,77,69,693**	3,03,79,562
Short Term Provisions	9	**1,51,288**	1,14,482
Total		**16,28,13,638**	11,89,56,409
ASSETS			
Non-Current Assets			
(a) Fixed Assets	10		
(i) Property, Plant & Equipment		**99,11,905**	40,97,047
(ii) Intangible Assets		**2,647**	7,186
(iii) Capital WIP		**17,89,750**	
(b) Long Term Loans and Advances	11	**27,35,755**	16,28,760
Current Assets			
(a) Inventories	12	**2,11,00,407**	5,42,132
(b) Trade Receivables	13	**5,05,36,647**	6,85,49,551
(c)Cash and cash equivalents	14	**4,61,21,910**	1,94,88,013
(d) Short Term Loans and Advances	15	**3,06,14,617**	2,46,43,720
Total		**16,28,13,638**	11,89,56,409

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

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

For and on Behalf of the Board of Directors

Kartikeya Joshi
Managing Director
DIN-08165591

Sanjay Jain
Director
DIN-03364405

Place : Gurgaon
Date : May 17, 2019

Minda i Connect Private Limited
Statement of Profit and Loss for the year ended on March 31st, 2019

(Amount in INR)

Particulars	Note No	For the year ended on March 31st, 2019	For the year ended on March 31st, 2018
INCOME			
Revenue From Operations	16	**123,836,585**	98,761,862
Other income	17	**385,047**	32,501,884
Total Revenue		**124,221,631**	131,263,746
EXPENDITURE			
Cost of Sales	18	**49,642,225**	34,874,399
Cost of Service	19	**27,248,398**	17,421,958
Employee Benefits expense	20	**59,609,644**	52,675,045
Finance Costs	21	**6,229,422**	3,518,204
Administrative and Other Expenses	22	**30,010,352**	19,727,777
Depreciation and Amortization expense	10	**2,770,936**	1,909,659
Total Expenses		**175,510,977**	130,127,042
Profit/(Loss) before prior period, exceptional and extraordinary items and tax		**(51,289,346)**	1,136,704
Prior Period Items	23	**-**	7,779
Profit/(Loss) before exceptional and extraordinary items and tax		**(51,289,346)**	1,128,925
Exceptional Items		**-**	-
Profit/(Loss) before extraordinary items and tax		**(51,289,346)**	1,128,925
Extraordinary Items		**-**	-
Profit/(Loss) before tax		**(51,289,346)**	1,128,925
Tax expense:			
(1) Current tax		**-**	-
(2) Deferred tax Asset/(Liability)		**-**	-
Profit(Loss) for the year ended from continuing operations		**(51,289,346)**	1,128,925
Profit/(Loss) from discontinuing operations		**-**	-
Tax expense of discounting operations		**-**	-
Profit/(Loss) from Discontinuing operations		**-**	-
Profit/(Loss) for the year ended		**(51,289,346)**	1,128,925
Basic and diluted Earning Per Share		**(10.55)**	0.23
Restated 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

AJH & CO. FRN No. 005302N NEW DELHI CHARTERED ACCOUNTANTS

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

For and on Behalf of the Board of Directors

Kartikeya Joshi
Managing Director
DIN-08165591

Sanjay Jain
Director
DIN-03364405

Place : Gurgaon
Date : May 17, 2019

Minda i Connect Private Limited
STATEMENT OF CASH FLOWS AS AT 31st March, 2019

(Amount in INR)

Particulars	For the Year ended 31-Mar-19	For the Year ended 31-Mar-18
A.CASH FLOW FROM OPERATING ACTIVITIES		
Net Income before tax	**(5,12,89,346)**	11,28,925
Adjusted for:		
Depreciation	**27,70,936**	19,09,659
Interest on Bank Deposit	**(3,06,114)**	(60,150)
Interest on Financial Costs	**62,29,422**	35,18,204
Asset written off	-	29,428
Operating Profit before Working Capital Changes	**(4,25,95,102)**	65,26,065
Adjusted for:		
Current Accounts Receivable	**1,80,12,904**	(6,46,91,734)
Change in Inventory	**(2,05,58,275)**	1,81,91,600
Short Term Loans & Advances	**(45,93,388)**	(1,37,55,154)
Non Current Loans and advances	**(11,06,995)**	(4,53,819)
Current Trade Payables	**3,30,09,614**	11,20,903
Other Current Liabilities	**(1,26,09,869)**	1,58,35,911
Changes in Provisions	**3,76,844**	(80,860)
Cash generated from operations	**(3,00,64,267)**	(3,73,07,087)
Income Tax Paid	**(18,50,556)**	(44,07,875)
Income Tax Refund	**4,73,047**	-
NET CASH FROM OPERATING ACTIVITIES	**(3,14,41,776)**	(4,17,14,962)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	**(1,03,71,005)**	(40,28,591)
Interest on Bank Deposit	**3,06,114**	60,150
NET CASH USED IN INVESTING ACTIVITIES	**(1,00,64,891)**	(39,68,441)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in Paid up capital	-	59,500
Increase in Share Application Money	**4,15,50,118**	-
Increase/(decrease) in Borrowings	**3,28,19,868**	5,81,19,056
Interest and other financial charges	**(62,29,422)**	(35,18,204)
NET CASH FROM/(USED IN) FINANCING ACTIVITIES	**6,81,40,565**	5,46,60,352
Net(Decrease) Increase in Cash & Cash Equivalents(A+B+C)	**2,66,33,896**	89,76,949
Cash and Cash Equivalents at the beginning of the year	**1,94,88,013**	1,05,11,064
Cash and Cash Equilavents at the end of the year	**4,61,21,910**	1,94,88,013

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 Registeration No. : 005302N

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

Place: Gurgaon
Date: May 17, 2019

For and on behalf of Board of Directors

Kartikeya Joshi
Managing Director
DIN-08165591

Sanjay Jain
Director
DIN-03364405

Minda i Connect Private Limited
Notes to the Financial Statements for the year ended on March 31st, 2019

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, 2019.

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.

A.J.H & CO. ★ CHARTERED ACCOUNTANTS FRN No. 005302N NEW DELHI

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 equipment 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.

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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, 2019 that reverse in one or more subsequent years are recognized if they result in

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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.

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Note : 3 (Amount in Rs)

	Particulars	As at 31/03/2019	As at 31/03/2018
	SHARE CAPITAL		
a)	**AUTHORISED**		
	5,000,000 Equity Shares of Rs. 10/ each	**50,000,000**	50,000,000
b)	**ISSUED,SUBSCRIBED & PAID-UP**		
	4,866,091 Equity Shares (4,860,141 in Pr year) of Rs. 10/ each	**48,660,910**	48,660,910
	Paid up Capital	**48,660,910**	48,660,910

Notes

i	Reconciliation of no. of shares and amounts	As at 31-03-2019		As at 31-03-2018	
		Number	**Amount**	Number	Amount
	Equity Shares				
	Outstanding at the beginning of the period	**4,860,141**	**48,660,910**	4,860,141	48,601,410
	Add: Number of shares issued	-	-	5,950	59,500
	Outstanding at the end of the period	**4,860,141**	**48,660,910**	4,860,141	48,660,910

ii	Name of the shareholder holding more than 5%	As at 31-03-2019		As at 31-03-2018	
		Number of shares	**% of shares**	Number of shares	% of shares
	Equity Shares				
	Ravi Jakhodia	**1,903,471**	**39.16**	1,903,471	39.16
	Minda Investments Ltd	**891,529**	**18.34**	891,529	18.34
	Minda Finance Limited	**1,195,000**	**24.59**	1,195,000	24.59
	Bar Investments and Finance Private Limited	**774,853**	**15.94**	774,853	15.94
		4,764,853	**98.04**	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, 2019;

(a) The Company has alloted 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 alloted 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.

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

Particulars	As on 31st March, 2019 No. of stock options	As on 31st March, 2019 Weighted average exercise price (Rs.)	As on 31st March, 2018 No. of stock options	As on 31st March, 2018 Weighted average exercise price (Rs.)
Employee stock option scheme 2014				
No. of shares under option				
Outstanding at the beginning of the period	18,811	10	42,269	10
Granted during the period	-	-	16,250	10
Number of Options Exercised	-	-	5,950	10
Options Forfeited/ Lapsed during the year	-	-	33,758	10
Outstanding at the end of year	18,811	10	18,811	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 31/03/2019	As at 31/03/2018
Reserve and Surplus		
Securities Premium Reserve		
Balance as per Last Balance Sheet	29,782,663	29,782,663
Add: During the year	-	-
Total	29,782,663	29,782,663
Surplus/(Deficit) as per statement of Profit and Loss		
Balance as per Last Balance Sheet	(66,567,716)	(67,696,640)
Profit / (Loss) for the year ended	(51,289,346)	1,128,925
Total	(117,857,062)	(66,567,716)
Grand Total	(88,074,398)	(36,785,052)

Note : 5

Particulars	As at 31/03/2019	As at 31/03/2018
Long Term Provisions		
Provision for Gratuity	776,488	646,421
Provision for Leave Encashment	809,201	599,230
Total	1,585,689	1,245,651

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

Note : 6

Particulars	As at 31/03/2019	As at 31/03/2018
Short Term Borrowings		
Secured Loan*		
Cash Credit Limit		
From Yes Bank Ltd	12,799,431	-
Unsecured Loan		
Loan From Non Banking Finance Company	88,151,821	68,131,384
Total	100,951,252	68,131,384

*** Against Lien on all stocks, shares, secuities, property and book debts including other liquid or illquid securities.**

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Note : 7

Particulars	As at 31/03/2019	As at 31/03/2018
Trade Payables		
Trade Payables due within the normal Operating cycle or within 12 months from the reporting date	**4,02,19,087**	72,09,473
Total	**4,02,19,087**	72,09,473

Note : 8

Particulars	As at 31/03/2019	As at 31/03/2018
Current Liabilities		
Expenses payable	**23,14,027**	24,69,285
Statutory Dues Payable	**37,92,733**	1,31,15,167
TDS Payable	**22,11,224**	24,58,489
Employee Benefit Expenses Payable	**1,29,752**	2,68,140
Advance Received from Customers	**93,21,957**	1,20,68,481
Total	**1,77,69,693**	3,03,79,562

Note : 9

Particulars	As at 31/03/2019	As at 31/03/2018
Short Term Provisions		
Provision for Gratuity	**1,630**	1,316
Provision for Leave Encashment	**1,49,658**	1,13,166
Total	**1,51,288**	1,14,482

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

Note : 10

Particulars	As at 31/03/2019	As at 31/03/2018
Fixed Assets		
Property, Plant & Equipment	**99,11,905**	40,97,047
Intangible	**2,647**	7,186
Capital WIP	**17,89,750**	-
Total	**1,17,04,302**	41,04,232

Note : 11

Particulars	As at 31/03/2019	As at 31/03/2018
Long Term Loans and Advances		
(Unsecured, Considered Good)		
Security Deposit	**27,35,755**	16,28,760
Total	**27,35,755**	16,28,760

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Annex to Note 10 - Fixed Assets

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	Balance as on 01/04/2018	Additions during the year	Deletions during the year	Balance as on 31/03/2019	Balance as on 01/04/2018	Depreciation during the period	Adjustment on sale/ deleletion of Assets	Balance as on 31/03/2019	As at As At 31/03/2019	As at As At 31/03/2018
A. Property, Plant & Equipment										
Office Equipments	1,198,258	2,784,223		3,982,481	777,123	245,946	-	1,023,069	2,959,412	421,135
Computers	3,963,939	1,308,608	-	5,272,547	2,915,961	824,569	-	3,740,530	1,532,017	1,047,978
Rental Devices	3,107,700	4,488,424	-	7,596,124	479,768	1,695,882	-	2,175,650	5,420,474	2,627,932
Total A	**8,269,897**	**8,581,255**	**-**	**16,851,152**	**4,172,852**	**2,766,397**	**-**	**6,939,249**	**9,911,905**	**4,097,045**
B.Intangible Assets										
Software	105,654	-	-	105,654	98,468	4,539		103,007	2,647	7,186
Total B	**105654**	-	-	**105,654**	**98,468**	**4,539**	**-**	**103,007**	**2,647**	**7,186**
C. Capital WIP										
Tools & Dies	-	1,789,750	-	**1,789,750**	-	-	-	-	**1,789,750**	-
Total C	-	**1,789,750**	-	**1,789,750**	-	-	-	-	**1,789,750**	-
Total (A+B+C)	**8,375,551**	**10,371,005**	**-**	**18,746,556**	**4,271,320**	**2,770,936**	**-**	**7,042,256**	**11,704,302**	**4,104,231**
Previous Year Figures	4,620,365	4,028,591	273,405	8,375,551	2,605,639	1,909,659	243,977	4,271,320	4,104,231	2,014,726

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Note :12

Particulars	As at 31/03/2019	As at 31/03/2018
Inventories		
Traded Goods	21,100,407	542,132
(As valued and certified by the management)		
Total	21,100,407	542,132

Note :13

Particulars	As at 31/03/2019	As at 31/03/2018
Trade Receivables		
Debtors Outstanding for more than six months		
Unsecured - Considered good	-	-
Debtors Outstanding for less than six months		
Unsecured - Considered Good	50,536,647	68,549,551
Unsecured - Considered Doubtful	43,472	43,472
less: Provision for Doubtful Debts	43,472	43,472
Total	50,536,647	68,549,551

Note : 14

Particulars	As at 31/03/2019	As at 31/03/2018
Cash & cash equivalent		
Cash in Hand	104,790	116,812
Cash at Bank	45,278,788	18,633,310
(In Current Account)		
Fixed Deposits with Bank	738,332	737,891
Total	46,121,910	19,488,013

Note : 15

Particulars	As at 31/03/2019	As at 31/03/2018
Short term Loans and Advances		
Security Deposits	3,768,977	2,501,435
Prepaid Rent	41,000	41,000
Prepaid Insurance	-	233,197
Prepaid Hosting Services	897,292	882,576
Prepaid Subscription Charges	10,149,940	12,817,555
Recoverables from Revenue & Government Authorities	9,492,304	3,232,444
Accrued Interest Income	6,673	44,128
Advance Subscirption Charges	-	10,463
Mat Credit Available	215,117	215,117
TDS Recoverable (Ass Year- 2017-18)	-	473,047
TDS Recoverable (Ass Year- 2018-19)	4,195,900	4,192,758
TDS Recoverable (Ass Year- 2019-20)	1,847,414	-
Total	30,614,617	24,643,720

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Minda i Connect Private Limited
Notes to the Financial Statements
For the year ended on March 31st , 2019

Note : 16

Particulars	For the year ended on March 31st, 2019	For the year ended on March 31st, 2018
Revenue From Operations		
Sales (less returns)	66,132,142	13,516,802
Service Income	57,704,442	85,245,059
Total	123,836,585	98,761,862

Note : 17

Particulars	For the year ended on March 31st, 2019	For the year ended on March 31st, 2018
Other Income		
Other Income	-	118,370
Interest on Fixed Deposit	306,114	60,150
Foreign Exchange Fluctuation	-	43,288
Interest on Income Tax Refund	78,933	-
Compensation on cancellation of contract	-	32,280,076
Total	385,047	32,501,884

Note :18

Particulars	For the year ended on March 31st, 2019	For the year ended on March 31st, 2018
Cost of Sales		
Opening Stock of Traded Goods	542,132	8,748,332
Add: Purchases	68,397,704	7,934,467
Add: Other Direct cost	1,802,796	18,733,732
Less: Closing Stock of Traded Goods	21,100,407	542,132
Total	49,642,225	34,874,399

Note :19

Particulars	For the year ended on March 31st, 2019	For the year ended on March 31st, 2018
Cost of Services		
Telecommunication Services	9,992,695	5,294,062
Subscription Charges	2,336,851	4,185,922
Hosting Services	9,415,857	5,698,722
Payment Gateway Charges	116,382	544,816
License Procurement Charges	5,386,613	1,698,436
Total	27,248,398	17,421,958

Note : 20

Particulars	For the year ended on March 31st, 2019	For the year ended on March 31st, 2018
Employee Benefits Expense		
Salaries and Allowances	57,458,850	50,392,668
Employer's contribution to Providend Fund	2,042,921	2,139,535
Staff Welfare	107,873	142,842
Total	59,609,644	52,675,045

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Minda i Connect Private Limited
Notes to the Financial Statements
For the year ended on March 31st , 2019

Note : 21

Particulars	For the year ended on March 31st, 2019	For the year ended on March 31st, 2018
Finance Costs		
Interest on Unsecured Loans	5,578,263	3,465,617
Interest on Cash Credit account	42,251	8,597
Bank Charges	557,782	36,999
Interest Others	51,125	6,991
Total	6,229,422	3,518,204

Note : 22

Particulars	For the year ended on March 31st, 2019	For the year ended on March 31st, 2018
Administrative and Other Expenses		
License Fee	622,870	484,323
Insurance Expenses	558,953	283,842
Electricity Expenses	187,512	102,701
Sales Commission	506,026	29,428
Travelling and conveyance	4,508,414	3,778,583
Legal & Professional Expenses	10,926,387	4,143,279
Office Maintenance	922,494	941,621
Repair and Maintenance	1,060,346	1,227,601
Communication exp	394,307	1,081,305
Printing and stationery	143,873	96,799
Branding Charges	5,200	276,000
Provision for Doubtful Debts	-	43,472
Rates and Taxes	68,049	184,753
Office Rent	3,317,496	2,694,213
Foreign Exchange Fluctuation	60,146	
General expense	578,875	175,653
Auditors' Remuneration		
Statutory Audit Fee	105,000	105,000
Total Administrative and Other Expenses	23,965,947	15,648,572
Selling and Distribution Expenses		
Marketing Expenses	4,514,177	2,916,979
Distribution Expenses	1,530,228	1,162,226
Total Selling and Distribution Expenses	6,044,405	4,079,205
Total	30,010,352	19,727,777

Note : 23

Particulars	For the year ended on March 31st, 2019	For the year ended on March 31st, 2018
Prior Period Items		
Admin charges	-	3,825
Other	-	3,954
Total	-	7,779

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Minda i Connect Private Limited
Notes to the financial statements

Note: 24
Earnings per Share

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Net profit /(loss) for the year as per statement of profit and loss	**(51,289,346)**	1,130,037
Total number of Equity shares	**4,866,091**	4,866,091
Weighted average no of Shares- Basic	**4,860,663**	4,860,663
Weighted average no of Shares- Diluted	**4,860,663**	4,860,663
Earnings Per share- Basic & Diluted	**(10.55)**	0.23
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 31st, 2019 (Amount In INR)	Year Ended March 31st, 2018 (Amount In INR)
1.	Ravi Jakhodia	Managing Director	1. Salary & Allowances	**11,049,167**	5,518,001
2.	Minda Industries Limited	Sh. Nirmal Kumar Minda (common Director)	1.Service 2.Reimbursement	**34,282,557** -	33,600,000 690,121
3.	Minda Distribution and Service Limited	Wholly Owned Subsidiary	1.Sales 2.Services	**1,571,600** -	3,936,018 10,108,750
4.	Minda Rika Private Limited	Sh. Nirmal Kumar Minda (common Director)	1.Sales	**5,723,936**	-

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

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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, 2019 is INR 3,317,496 /- (For Previous Year the lease rentals were INR 2,694,213/-

Note: 28

Foreign Currency Transactions (Outflow)

S. No.	Nature of Expenses	Amount in INR for the year ending on March 31st, 2019	Amount in INR for the year ending on March 31st, 2018
1.	Purchases of Devices	-	-
2.	License Procurement Charges	**5,386,613**	7,195,330
3.	Device Development Services	**880,973**	825,560
4.	MAP License	**970,093**	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

FRN No. 05302N NEW DELHI CHARTERED ACCOUNTANTS

Ajay Jain
Partner
Membership No. 84096

For and on Behalf of the Board of Directors

K. Joshi

Kartikeya Joshi
Managing Director

Sanjay Jain
Director

Place: Gurgaon
Date: May 17, 2019