

INDEPENDENT AUDITOR'S REPORT

**TO THE MEMBERS,
QUADRANT TELENET SERVICES PRIVATE LIMITED**

1. Report on the Financial Statements

We have audited the accompanying financial statements of **QUADRANT TELENET SERVICES PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

2. Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation 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, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. 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 misstatements.

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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the 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.

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, its loss and its cash flows for the year ended on that date.

5. 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 Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
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, 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 Companies Act 2013, 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, 2016 taken on record by the Board of Directors, none of the directors is

disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act; and

(f) With respect to the adequate internal financial controls over financial reporting of the company and 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 does not have any pending litigation which would impact its financial position.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S.Z. Deshmukh & Co.

Chartered Accountants

Firm Registration No. 102380W



D.U. KADAM

Partner

Membership No. 125886

Firm Registration No. 102380W



Place: Mohali

Date: 25th May'2016

ANNEXURE "A" TO THE AUDITORS' REPORT

Annexure referred to in paragraph 5(1) of the Independent Auditor's Report of even date to the Members of **QUADRANT TELENET SERVICES PRIVATE LIMITED** on the financial statements for the year ended 31st March, 2016.

- I. The Company does not own any Fixed Assets; accordingly, paragraph 3(i) of the order is not applicable.
- II. The Company is not having any Inventories; accordingly, paragraph 3(ii) of the order is not applicable.
- III. According to information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms and other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, paragraph 3(iii) (a) and (b) of the Order are not applicable.
- IV. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 186 of the Act, in respect of loans, investments, guarantees and security.

The Company has not entered into any transaction that attracts provisions of Section 185 of the Act.
- V. In our opinion and according to the information and explanation given to us, the Company has not accepted any deposits as per the provision of the Act.
- VI. In our opinion and according to the information and explanation given to us, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act for the any of the products of the Company.
- VII.
 - (a) According to the information and explanations given to us and the records examined by us, the Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues with appropriate authorities wherever applicable. According to the information and explanations given to us, no undisputed arrears of statutory dues were outstanding as on 31st March 2016 for a period of more than six months from the date they became payable.
 - (b) According to the information and explanation given to us and on the basis of our examination of the records of the Company, there are no dues of income tax, sales tax, service tax, custom duty, excise duty, value added tax, cess which have not been deposited on account of any dispute.
- VIII. According to the information and explanation given to us and on the basis of our examination of the records of the Company, we observed that, the Company has not taken any loans from financial institutions or banks or government or issued debentures to debenture holders..

- IX. According to the information and explanations given to us, the Company has not raised money by way of initial public offer or further public offer (including debt instruments) or term loans during the year. According to the information and explanations given to us, no material fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the year. .
- X. The Company has not paid or provided the managerial remuneration to any of its Director.
- XI. In our opinion, the Company is not a Nidhi Company. Therefore, the Clause (xii) of paragraph 3 of the Order is not applicable to the Company.
- XII. According to the information and explanation given to us and on the basis of our examination of the records of the Company, we observed that, the Company has not entered into any transactions with the related parties during year.
- XIII. According to the information and explanation given to us and on the basis of our examination of the records of the Company, we observed that, the Company has not made any preferential allotment of shares or fully or partly convertible debentures during the year.
- XIV. According to the information and explanation given to us and on the basis of our examination of the records of the Company, we observed that, the Company has not entered into any non-cash transactions with Directors or persons connected with him.
- XV. In our opinion, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Therefore, the Clause (xv) of paragraph 3 of the Order is not applicable to the Company.

For S.Z. Deshmukh & Co.

Chartered Accountants

Firm Registration No. 102380W



D.U. KADAM

Partner

Membership No. 125886

Firm Registration No. 102380W

Place: Mohali

Date: 25th May'2016

ANNEXURE "B" TO THE AUDITOR'S REPORT

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

TO THE MEMBERS OF QUADRANT TELENET SERVICES PRIVATE LIMITED

We have audited the internal financial controls over financial reporting of **QUADRANT TELENET SERVICES PRIVATE LIMITED** ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control 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 control over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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.

Auditor's 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 as specified 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 Institute of Chartered Accountants of India. Those standards and the guidance note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate Internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial control 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 risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the 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 standalone 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, 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 the 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; (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 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S.Z. Deshmukh & Co.

Chartered Accountants

Firm Registration No. 102380W

D.U. KADAM

Partner

Membership No. 125886

Firm Registration No. 102380W



Place: Mohali

Date: 25th May'2016

QUADRANT TELETNET SERVICES PRIVATE LIMITED

6. BACKGROUND AND SIGNIFICANT ACCOUNTING POLICIES

1. Background

The company was incorporated on March 30, 2015 and the Company is engaged in the business of establishing, acquiring, providing and to provide and to operate fixed line, cellular, wireless loop limited mobility and such other telecommunication services, internet services, broadband services, ISDN services, leased line services VSAT services, to design, develop, install, maintain, operate long distance and international telecommunication including international leased telecommunications telecommunication services, electronic mail services, globally managed data networks, data telecom networks, video conferencing, international gateway network, international bandwidth access and to provide data transmission, telecom and information-technology enabled and related services, including but not limited to Call Centres, Business Process Outsourcing Services, Customer Care Centres, Customer relationship Management, Back Office Processing, Data entry medical Transcription, etc.

2. Basis of preparation of Financial Statements

The financial statements are prepared under the historical cost convention using the accrual system of accounting in accordance with the accounting principles generally accepted in India (Indian GAAP) including the 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 the provisions of the Act (to the extent notified).

Use of Estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the year. Example of such estimates include provisions for doubtful debts, employee retirement benefits plans, provision for income tax, provision for warranty cost and the useful lives of fixed assets. The difference between the actual results and estimates are recognised in the period in which the results are known and materialised.

A. Revenue Recognition

Income is recognized when no significant uncertainty as to measurability or collectability exists and when the owner's right to receive payment is established.

B. Taxation

Income tax comprises of current tax and deferred tax. Provision for current income tax is made on the assessable income/benefits at the rate applicable to relevant assessment year. Deferred tax assets and liabilities are recognised for the future tax consequences of timing differences, subject to the consideration of prudence. Deferred tax assets and liabilities are measured using the tax rates enacted or substantively enacted by the Balance Sheet date. The carrying amount of deferred tax asset/liability are reviewed at each Balance Sheet date and recognised and carried forward only to the extent that there is a reasonable certainty that the asset will be realised in future.

Minimum Alternate Tax (MAT) paid on the book profits, which give rise to future economic benefits in the form of tax credit against future income-tax liability, is recognised as an asset

in the Balance Sheet if there is convincing evidence that the Company will pay normal tax within the period specified for utilisation of such credit.

C. Earning Per Share

Basic earning per share is calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For calculating diluted earning per share, the number of shares comprises the weighted average shares considered for deriving basic earning per share, and also the weighted average number of shares, if any which would have been used in the conversion of all dilutive potential equity shares. The number of shares and potentially dilutive equity shares are adjusted for the bonus shares and the sub-division of shares, if any.

D. Provision, Contingent Liabilities and Contingent Assets

Provisions are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources in respect of which reliable estimate can be made.

Contingent Liabilities are disclosed by way of Notes to Accounts. Disputed demands in respect of Central Excise, Customs, Income-tax and Sales Tax are disclosed as contingent liabilities. Payment in respect of such demands, if any, is shown as an advance, till the final outcome of the matter.

Contingent assets are not recognised in the financial statements.

E. Other Accounting Policies

These are consistent with the generally accepted accounting principles.

QUADRANT TELENET SERVICES PRIVATE LIMITED
Balance Sheet As At March 31 2016

Particulars	Note No.	As at 31st March 2016 (Rupees)
I. EQUITY AND LIABILITIES		
(1) Shareholders' funds		
Share capital	1	100,000
		100,000
(2) Current liabilities		
Other current liabilities	2	6,430
		6,430
TOTAL		106,430
II. ASSETS		
(1) Non-current assets		
(a) Pre-Operative Expenses	3	13,430
(2) Current assets		
(a) Cash and Bank balance	4	50,875
(b) Miscellaneous Expenses	5	42,125
		106,430
TOTAL		106,430
See other accompanying notes to the financial statements	1-16	

As per our report of even date

For S.Z. Deshmukh & Co.
Chartered Accountants
Firm registration number: 102380W

D.U. Kadam
Partner
Membership No. 125886

Place : Mohali
Date : 25th May'2016



For and on behalf of the Board of Directors

Mitu Mehrotra
Mitu Mehrotra Goel
Director
(DIN No. 05188846)

Vinay Kumar Monga
Vinay Kumar Monga
Director
(DIN No. 03029345)

QUADRANT TELENET SERVICES PRIVATE LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED ON 31ST MARCH, 2016

Particulars	Year Ended 31st March 2016
A. Cash Flow from Operating Activities :	
Profit/(Loss) before Tax	-
Operating Profit before working capital changes	-
Adjustments for :	
Current Assets	(55,555)
Current Liabilities	6,430
Cash generated from/(used in) Operations	(49,125)
Less: Taxes Paid/(Refund)-net	-
Net Cash from/(used in) Operating Activities (A)	(49,125)
B. Cash flow from investing activities :	
Net Cash from/(used in) Investing Activities (B)	-
C. Cash flow from Financing Activities :	
Increase in Equity Share Capital	100,000
Net Cash (used in)/from Financing Activities (C)	100,000
Net Change in Cash and Cash Equivalents (A+B+C)	50,875
Cash and Cash Equivalents at beginning of the year	-
Cash and Cash Equivalents at end of the year	50,875

NOTES:

- The cash flow statement has been prepared under the indirect method and reporting of the investing and financing activities has been done on the net basis as per para 22 as set out in Accounting Standard 3 on 'Cash Flow Statement' issued by the Institute of Chartered Accountants of India.
- Figures in brackets indicate cash outflow.
- Advance Recoverable in cash or kind and current liabilities are related with pre-operative expenses to be capitalised.
- Cash & Cash Equivalents include:

Particulars	As at 31st March 2016
Balance with scheduled banks	
In Current Account	50,875
TOTAL	50,875

As per our report of even date

For S.Z. Deshmukh & Co.
Chartered Accountants
Firm registration number: 102380W

For and on behalf of the Board of Directors

D.U. Kadam
 Partner
 Membership No. 125886



Mitu Mehrotra Goel
 Director
 (DIN No. 05188846)

Vinay Kumar Monga
 Director
 (DIN No. 03029345)

Place : Mohali
 Date : 25th May'2016

QUADRANT TELENET SERVICES PRIVATE LIMITED

NOTES FORMING PARTS OF THE ACCOUNTS

NOTE 1 - SHARE CAPITAL	As at 31st March 2016 (Rupees)
Authorised: 10,000 equity shares of Rs 10/- each.	100,000
	100,000
Issued, Subscribed and Paid up : 10,000 equity shares of Rs 10/- each fully paid.	100,000
	100,000

i) The reconciliation of the number of Equity Shares outstanding as at March 31, 2016 is set out below:

Particulars	As at 31.03.2016	
	Number	(Rupees)
Number of shares at the beginning	-	-
Add: Shares issued during the year	10,000	100,000
Number of shares at the end	10,000	100,000

ii) Rights, preference and restrictions attached to each class of shares

- a) The Company has only one class of equity shares having equal right as to voting and dividend.
b) 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, in proportion to their shareholding.

iii) Shares held by its Holding Company

Out of equity shares issued by the Company, shares held by its Holding Company are as below :

Name of Share Holder	As at 31st March, 2016	
	Number	Percentage
Equity Share		
Quadrant Televentures Limited *	10,000	100.00%

* (including shares held by Nominee)

iv) The details of Shareholders holding more than 5 percent shares as at March 31, 2016 are as under

Name of Share Holder	As at 31.03.2016	
	Number	Percentage
Equity Share		
Quadrant Televentures Limited *	10,000	100.00%

* (including shares held by Nominee)

NOTE 2 - CURRENT LIABILITIES	As at 31st March 2016 (Rupees)
Other Liabilities	6,430
Total	6,430

QUADRANT TELENET SERVICES PRIVATE LIMITED

NOTE 3 - PRE-OPERATIVE EXPENSES	As at 31st March 2016 (Rupees)
Audit Fee	6,000
Printing & Stationary	3,130
Professional Expenses	4,300
Total	13,430

NOTE 4 - CASH AND BANK BALANCE	As at 31st March 2016 (Rupees)
Cash & Cash Equivalents In Current Accounts	50,875
Total	50,875

NOTE 5 - MISCELLANEOUS EXPENSES	As at 31st March 2016 (Rupees)
Preliminary Expenses	42,125
Total	42,125

QUADRANT TELENET SERVICES PRIVATE LIMITED

NOTES FORMING PART OF THE FINANCIALS DOCUMENTS

7. As at March 31, 2016 the Company did not have any contingent liability and any outstanding long term derivative contracts.
8. On the basis of information to the extent available with company, there is no liability towards amount and interest payable to Micro, Small and Medium enterprises as at March 31, 2016. Hence, other disclosures pursuant to the provisions of Micro, Small and Medium Enterprises Development Act 2006 are not applicable to the Company.
9. In the opinion of the Board and to the best of their knowledge and belief, the value of realization in respect of the Current assets, loans and advances in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet and the provision for all known and determined liabilities is adequate and not in excess of amount reasonably required.

10. Basic / Diluted Earnings (Loss) Per Share:

Particulars	For the year ended March 31, 2016
Profit/(Loss) attributable to Equity shareholders	Nil
Weighted Average no of ordinary Shares	10,000
Nominal Value of Share	10
Basic and Diluted Earnings (Loss) Per Share	Nil

11. Pre-operative Expenses

Particulars	For the year ended March 31, 2016
Audit Fee	6,000
Printing & Stationery	3,130
Professional Expenses	4,300
Total	13,430

12. Miscellaneous Expenses

Particulars	For the year ended March 31, 2016
Preliminary Expenses	42,125
Total	42,125

13. The Company is primarily engaged in telecom services and there is no other reportable segment as defined in Accounting Standard 17 on "Segment Reporting".
14. Balances of some of the trade receivables and trade payables are subject to confirmations from the respective parties and consequential reconciliations/adjustments arising there from, if any. The management however doesn't expect any material variances.
15. **Related Party Disclosures**
As required under Accounting Standard 18 on "Related Party Disclosures", the disclosure of transactions with related parties are given below:

