

Market Simplified India Limited**Consolidated Balance Sheet as at 31st March 2017**

(All amounts in Indian Rupees, except share data and unless stated otherwise)

	Notes	As at March 31, 2017	As at March 31, 2016
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	1	1501,73,640	1501,73,640
Reserves and surplus	2	(598,05,959)	(617,92,410)
		903,67,681	883,81,230
Non-current liabilities			
Long-term provisions	3	89,60,431	81,20,976
Current liabilities			
Short-term borrowings	4	444,96,970	423,44,755
Trade payables	5	70,20,267	163,24,262
Other current liabilities	6	385,43,222	270,82,492
Short-term provisions	3	11,55,815	4,66,656
		912,16,274	862,18,165
TOTAL		1905,44,386	1827,20,371
<u>ASSETS</u>			
Non-current assets			
Fixed assets			
Tangible assets	7	68,49,489	108,36,476
Intangible assets	8	940,70,994	98,93,922
Capital work-in-progress		132,74,573	750,62,108
Long-term loans and advances	9	119,13,200	119,13,200
		1261,08,256	1077,05,706
Current assets			
Trade receivables	10	310,78,340	409,75,137
Cash and Cash equivalents	11	9,43,357	59,353
Short-term loans and advances	12	177,81,439	146,67,381
Other current assets	13	146,32,994	193,12,794
		644,36,130	750,14,665
TOTAL		1905,44,386	1827,20,371
Significant accounting policies	19		

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

for **R.G.N Price & Co.,**
Chartered Accountants
ICAI Firm Registration No. 002785S

for and on behalf of the Board of Directors of
Market Simplified India Limited

K Venkatakrishnan
Partner
Membership No. 208591

G.Venkat Rangan
Director

P.Sudhir Rao
Director

Place : Chennai
Date :

Place : Chennai
Date :

Market Simplified India Limited**Consolidated Statement of profit and loss for the year ended March 31, 2017**

(All amounts in Indian Rupees, except share data and unless stated otherwise)

	Notes	Year ended 31-Mar-17	Year ended 31-Mar-16
Revenue from operations	14	2147,04,975	1852,70,688
Other income	15	17,180	28,500
Total revenue		2147,22,155	1852,99,188
Expenses			
Employee benefits expense	16	1205,49,750	1248,23,632
Finance costs	17	61,87,279	22,71,671
Depreciation and amortisation expense	7 & 8	257,26,410	164,06,511
Other expenses	18	604,33,160	407,99,428
Total expenses		2128,96,599	1843,01,242
Profit before tax		18,25,557	9,97,946
Tax expense			
- Current tax		-	-
- Deferred tax		-	-
Profit after tax for the year		18,25,557	9,97,946
Earnings per share			
[Nominal value of share Rs. 10/- (Previous year: Rs. 10/-)]			
Basic		0.12	0.25
Diluted		0.12	0.25

Significant accounting policies 19

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

*for R.G.N Price & Co.,**Chartered Accountants*

ICAI Firm Registration No. 002785S

for and on behalf of the Board of Directors of
Market Simplified India Limited**K Venkatakrishnan***Partner*

Membership No. 208591

G.Venkat Rangan*Director***P.Sudhir Rao***Director*

Place : Chennai

Date :

Place : Chennai

Date :

Market Simplified India Limited**Consolidated Cash Flow Statement for the year ended March 31, 2017**

(All amounts are in Indian Rupees, except share data and as stated)

	Year ended March 31, 2017	Year ended March 31, 2016
A. Cash flows from operating activities		
Profit before tax	18,25,557	37,88,805
Adjustments		
Depreciation/amortisation	257,26,410	136,15,652
(Profit)/ Loss on sale of fixed assets	1,761	(28,500)
Interest expenses	61,87,279	22,71,671
Interest income	-	-
Operating cash flows before working capital changes	337,41,007	196,47,628
<i>Adjustments for :</i>		
(Increase) /decrease in trade receivables	147,37,493	(209,57,654)
(Increase) /decrease in loans and advances	(31,14,058)	(98,79,561)
Increase /(decrease) in current liabilities	21,56,735	361,23,496
Increase /(decrease) in provisions	15,28,614	22,32,926
Cash generated from operating activities	490,49,790	271,66,834
Income taxes refunded/ (paid)	-	-
Net cash generated from / (used from) operating activities - A	490,49,790	271,66,834
B. Cash flows from investing activities		
Purchase of fixed assets	(1059,28,877)	(38,36,958)
Capital Work in progress	617,87,535	(325,57,063)
Proceeds from sale of fixed assets	10,620	28,500
Interest received	-	-
Net cash generated from investing activities - B	(441,30,722)	(363,65,521)
C. Cash flows from financing activities		
Availment / (repayment) of working capital facilities	(92,196)	31,12,094
Availment / (repayment) of borrowings	22,44,411	67,00,000
Interest paid	(61,87,279)	(22,71,671)
Net cash provided from / (used by) financing activities - C	(40,35,064)	75,40,423
Net (decrease) / increase in cash and cash equivalents (A+B+C)	8,84,004	(16,58,264)
Cash and cash equivalents at the beginning of the year	59,353	17,17,617
Cash and cash equivalents at the end of the year	9,43,357	59,353

This is the cash flow statement referred to in our report of even date.

for **R.G.N Price & Co.,**
Chartered Accountants
ICAI Firm Registration No. 002785S

K Venkatakrishnan
Partner
Membership No. 208591

Place: Chennai
Date :

for and on behalf of the Board of Directors of
Market Simplified India Limited

G.Venkat Rangan
Director

Place:
Date :

P.Sudhir Rao
Director

Place:
Date :

Market Simplified India Limited**Notes to the financial statements for the year ended March 31, 2017**

(All amounts in Indian Rupees, except share data and unless stated otherwise)

	As at March 31, 2017	As at March 31, 2016
1 Share Capital		
Authorised		
20,000,000 (Previous year: 20,000,000) equity shares of Rs 10 each	2000,00,000	2000,00,000
	2000,00,000	2000,00,000
Issued, subscribed and Paid up		
15,017,364 (Previous year: 15,017,364) equity shares of Rs 10 each fully paid up	1501,73,640	1501,73,640
	1501,73,640	1501,73,640

a) Reconciliation of shares outstanding at the beginning and at the end of the reporting year

	As at March 31, 2017		As at March 31, 2016	
	No of shares	Amount	No of shares	Amount
At the beginning of the year	150,17,364	1501,73,640	150,17,364	1501,73,640
Add: Shares issued during the year	-	-	-	-
Outstanding at the end of the year	150,17,364	1501,73,640	150,17,364	1501,73,640

b) Rights, preferences and restrictions attached to equity shares

The Company has one class of equity shares having the par value of Rs.10 per share. Each equity shareholder is entitled to one vote per share held. 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.

c) Details of shareholders holding more than 5% of equity shares of Rs. 10/- each fully paid in the company

	As at March 31, 2017		As at March 31, 2016	
	No of shares	% held	No of shares	% held
Equity shares of Rs. 10/- each				
NSE Strategic Investment Corporation Limited	45,05,175	30.0%	45,05,175	30.0%
Indus Age Management Services Ltd	23,24,450	15.5%	23,24,450	15.5%
G Venkat Rangan	22,14,377	14.7%	22,14,377	14.7%
Krishna Kumar Nittala	10,23,438	6.8%	10,23,438	6.8%
K Krishnam Raju	7,25,000	4.8%	7,25,000	4.8%
Agnus Capital LLP	7,00,000	4.7%	7,00,000	4.7%

	As at March 31, 2017	As at March 31, 2016
2 Reserves and surplus		
Securities premium account	1354,38,666	1354,38,666
	1354,38,666	1354,38,666
Surplus in the statement of profit and loss		
Balance as at the beginning of the year	(1970,68,692)	(2008,57,497)
Add: Profit for the year	18,25,557	37,88,805
Balance as at the end of the year	(1952,43,136)	(1970,68,692)
Foreign currency translation reserve	(1,489)	(1,62,384)
	(598,05,959)	(617,92,410)

3 Provisions

	Long-term		Short-term	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
Provision for employee benefits				
Compensated absences	18,40,846	17,48,270	2,13,475	89,043
Gratuity	71,19,585	63,72,706	9,42,340	3,77,613
	89,60,431	81,20,976	11,55,815	4,66,656

4 Short-term borrowings

Secured

Cash credit facilities from bank (Refer Note below)	99,07,804	100,00,000
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Unsecured

Loan from Whole-time director, a related party (Interest free)	345,89,166	323,44,755
	444,96,970	423,44,755

Note

Cash credit facilities from bank are repayable on demand. These are secured by hypothecation of trade receivables and fixed assets.

5 Trade payables

Trade payables - others	70,20,267	163,24,262
	70,20,267	163,24,262

The Company has not received any memorandum (as required to be filed by the Suppliers with the notified authority under Micro, Small and Medium Enterprises Development Act, 2006) claiming their status as micro or small enterprises and consequently the amount paid/payable to these parties has been considered as Nil.

6 Other current liabilities

Salaries and Benefits	91,01,415	90,81,562
Statutory liabilities	294,41,807	180,00,930
	385,43,222	270,82,492

Market Simplified India Limited**Notes to the financial statements for the year ended March 31, 2017**

(All amounts in Indian Rupees, except share data and unless stated otherwise)

Note 7 - Tangible assets

Particulars	Gross Block at Cost				Depreciation				Net Block	
	As at 1 April 2016	Additions	Deletions / Adjustments	As at 31 March 2017	As at 1 April 2016	For the Year	On Deletions / Adjustments	Upto 31 March 2017	As at 31 March 2017	As at 31 March 2016
Improvements to Lease hold Premises	133,14,691	-	-	133,14,691	133,14,691	-	-	133,14,691	-	-
IT Equipment	169,82,848	5,50,072	-	175,32,920	124,64,185	26,27,407	-	150,91,592	24,41,329	45,18,664
Furniture and Fixtures	75,35,220	26,290	12,780	75,48,730	26,61,604	8,33,192	399	34,94,397	40,54,333	48,73,616
Office Equipments	143,16,253	5,14,697	-	148,30,950	128,72,057	16,05,066	-	144,77,123	3,53,827	14,44,196
Total	521,49,012	10,91,059	12,780	532,27,291	413,12,537	50,65,665	399	463,77,803	68,49,489	108,36,476
Previous Year 2015-2016	492,64,904	38,36,958	9,52,850	521,49,012	348,44,194	74,21,193	9,52,850	413,12,537	108,36,476	144,20,711

Note 8 - Intangible Assets

Particulars	Gross Block at Cost				Depreciation/Amortisation				Net Block	
	As at 1 April 2016	Additions	Deletions / Adjustments	As at 31 March 2017	As at 1 April 2016	For the Year	On Deletions / Adjustments	Upto 31 March 2017	As at 31 March 2017	As at 31 March 2016
Internally developed Mobility Applications	1192,60,931	-	-	1192,60,931	1093,67,011	54,15,053	-	1147,82,064	44,78,867	98,93,922
Intangible assets - Refer note 26	-	1048,37,818	-	1048,37,818	-	152,45,691	-	152,45,691	895,92,127	-
Total	1192,60,931	1048,37,818	-	2240,98,749	1093,67,011	206,60,744	-	1300,27,755	940,70,994	98,93,922
Previous Year 2015-2016	1192,60,931	-	-	1192,60,931	1031,72,551	61,94,460	-	1093,67,011	98,93,922	160,88,382
<u>Capital Work in Progress - Refer note 27</u>	750,62,108	132,74,573	750,62,108	132,74,573	-	-	-	-	132,74,573	750,62,108
Total	750,62,108	132,74,573	750,62,108	132,74,573	-	-	-	-	132,74,573	750,62,108
Previous Year 2015-2016	425,05,045	325,57,063	-	750,62,108	-	-	-	-	750,62,108	425,05,045
Grand Total	2464,72,051	1192,03,450	750,74,888	2906,00,613	1506,79,548	257,26,410	399	1764,05,558	1141,95,056	957,92,506
Grand Total - PY 2015-2016	2110,30,880	363,94,021	9,52,850	2464,72,051	1380,16,745	136,15,652	9,52,850	1506,79,547	957,92,504	730,14,135

Market Simplified India Limited**Notes to the financial statements for the year ended March 31, 2017**

(All amounts in Indian Rupees, except share data and unless stated otherwise)

As at	As at
March 31, 2017	March 31, 2016

9 Long- term loans and advances

	Non Current portion		Current portion	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
To parties other than related parties				
Rental deposits	119,13,200	119,13,200	-	-
<i>(Unsecured and considered good)</i>				
	119,13,200	119,13,200	-	-

10 Trade receivables

Receivables outstanding for a period exceeding six months from the date they became due for payment

Unsecured, considered good	2,11,214	37,48,347
Unsecured, considered doubtful	4,31,702	-
Less: Provision for doubtful receivables	(4,31,702)	-
	2,11,214	37,48,347
Other receivables		
Unsecured, considered good	308,67,126	372,26,790
	308,67,126	372,26,790
	310,78,340	409,75,137

11 Cash and cash equivalents

Cash and cash equivalents		
- Cash on hand	7,978	3,033
Balance with banks		
- On current accounts	9,35,379	56,320
	9,43,357	59,353

12 Short-term loans and advances*(Unsecured, considered good)***Current portion of long-term loans and advances** (refer note 9)

To parties other than related parties		
Advances to/dues from employees	-	-
Other loans and advances		
Prepaid expenses	25,44,003	20,22,594
Balance with Government Authorities	-	1,00,682
Advance Income-Tax	152,37,436	125,44,105
	177,81,439	146,67,381

13 Other current assets

Unbilled revenue	146,32,994	193,12,794
	146,32,994	193,12,794

Market Simplified India Limited**Notes to the financial statements for the year ended March 31, 2017**

(All amounts in Indian Rupees, except share data and unless stated otherwise)

	Year ended March 31, 2017	Year ended March 31, 2016
14 Revenue from operations		
Sale of services		
IT Services - Domestic	576,84,193	757,41,151
IT Services - Export	1570,20,782	1095,29,537
	2147,04,975	1852,70,688
15 Other income		
Other non-operating income	17,180	-
Profit on fixed assets sold	-	28,500
	17,180	28,500
	2147,22,155	1852,99,188
16 Employee benefit expenses		
Salaries and wages	1392,94,693	1294,98,938
Contributions to provident and other funds	63,36,861	41,81,944
Staff welfare expenses	47,28,634	48,37,152
Transfer to Intangible Assets	(298,10,438)	(136,94,402)
	1205,49,750	1248,23,632
17 Finance costs		
Interest expense	20,87,279	22,71,671
Professional charges	41,00,000	-
	61,87,279	22,71,671
18 Other expenses		
Data Charges	14,76,557	15,01,621
Sever Subscription Charges	36,38,359	64,72,934
Sales and Marketing expenses	13,57,472	11,09,857
Bank Charges	5,61,639	10,04,451
Electricity Charges	22,93,269	23,76,543
Rent	178,96,130	177,24,612
Insurance	28,01,221	26,11,708
Rates and taxes	31,44,251	1,82,296
Communication	42,47,020	41,97,679
Travelling and conveyance	147,55,442	97,03,134
Printing and stationery	2,17,324	2,43,532
Sitting Fee	50,000	2,35,000
Legal and professional	109,89,855	85,04,477
Payment to auditors (Refer Note below)	5,50,000	4,55,000
Exchange fluctuation loss (net)	12,63,171	1,81,424
Provision for Bad & Doubtful Debts	50,97,787	-
Loss on fixed assets sold/scrapped/written off	1761	-
Miscellaneous expenses	33,31,747	31,57,821
Transfer to Intangible Assets	(132,39,845)	(188,62,661)
	604,33,160	407,99,428
Note		
Payment to auditors (excluding service tax)		
Particulars		
Statutory audit	4,50,000	4,00,000
Tax audit	1,00,000	55,000
	5,50,000	4,55,000

Market Simplified India Limited

Notes to the financial statements for the year ended March 31, 2017

(All amounts in Indian Rupees, except share data and unless stated otherwise)

1 Basis of Accounting

The financial statements have been prepared on the basis of going concern. Both revenue and expense are accounted on accrual basis, in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules 2014 and the relevant provisions of the Companies Act, 2013 as applicable.

2 Use of Estimates

The preparation of the financial statements in conformity with the generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent assets and liabilities. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results may differ from the estimates and assumptions used in preparing the accompanying financial statements. Any differences of actual results to such estimates are recognized in the period in which the results are known/materialized.

3 Revenue Recognition

Revenue from IT services is recognized after the related obligations are met as per the terms of the contract. Revenue from sale of software license is recognized upon delivery. Revenue from fixed price contract is recognized as per the proportionate completion method. Earnings in excess of billings are classified as Unbilled Revenues. Annual Technical Services revenue and revenue from fixed-price maintenance contracts are recognized proportionately over the period in which services are rendered. Interest income is recognized on time proportion basis taking into account the amount outstanding and the rate applicable.

4 Fixed Assets

a. Fixed Assets are accounted at Cost less depreciation. Cost includes related taxes, duties, freight, and installation, insurance, allocated incidental expenditures during construction.

b. Depreciation is charged on straight-line basis at the rate as per the schedule II of the Companies Act 2013 other than intangible assets and mobile phones (included in Office Equipments).

c. The expenditure incurred on development of Platform and Front End Applications, which would result in measurable future economic benefits over a period of time, is considered as Intangible Asset.

d. Those Intangible Assets are being amortized over their estimated useful life but not exceeding 5 years, from the time it is available for commercial use. Intangible assets (SmartD) is being amortized over their estimated useful life but not exceeding 6 years, from the time it is available for commercial use.

e. Mobile phones (included in Office Equipments) are depreciated at the rate of 50% being its estimated useful life.

f. Improvements to leased premises are depreciated over the primary lease period.

5 Leased Assets

Leases where the lessor effectively retains all the risks and benefits of ownership of the leased assets are classified as operating lease. Operating lease payments are recognized as an expense in the Statement of Profit and Loss as per the lease term.

6 Foreign Currency Transactions

a. Foreign Currency Transactions are recorded in the books at the exchange rates prevailing on the date of transactions.

b. In the case of Monetary Assets and Liabilities, the difference (gain or loss) between the actual payment and the amount recognized in the books is accounted as Exchange Rate Fluctuation Gain or Loss. Where the transaction is not settled within the year, profit/loss on the restatement at the year-end rates is recognized as exchange rate fluctuation gain or loss in the Statement of Profit and Loss.

7 Impairment of Assets

An asset is impaired when the carrying amount of the asset exceeds its recoverable amount. An impairment loss is charged to the Statement of Profit and Loss in the period/year in which the said asset is identified as impaired. An impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of the recoverable amount.

8 Retirement Benefits

Employee benefits comprise both Defined Contribution plan and Defined Benefit plans. All short term employee benefits are accounted on undiscounted basis during the accounting period based on services rendered by employees.

Defined Contribution plan

The Company's Provident Fund scheme is the defined contribution plan and Company's contribution paid/payable is recognized as expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

Defined Benefit Plan

Gratuity

The liability in respect of the Gratuity plan for employees which is a defined benefit obligation is determined on the basis of an actuarial valuation using Projected Unit Credit Method as on the Balance Sheet date.

Leave Encashment

Liability in respect of leave encashment benefits on retirements to employees is provided on the basis of actuarial valuation using projected unit credit method.

9 Taxes on Income

a. Taxes on income for the current period are determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961 and based on the expected outcome of the assessment.

b. Deferred tax is recognized for all the timing differences between accounting income & taxable income and is quantified using enacted/substantively enacted tax rates as at Balance Sheet date. Deferred tax assets are recognized subject to the managements' judgement that the realization is virtually/reasonably certain.

Market Simplified India Limited**Notes to the financial statements for the year ended March 31, 2017**

(All amounts in Indian Rupees, except share data and unless stated otherwise)

20 Earnings per share (EPS)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Earnings		
Net profit after tax as per statement of profit and loss	18,25,557	37,88,805
Number of Shares		
Weighted average number of equity shares outstanding during the year - basic	150,17,364	150,17,364
Weighted average number of equity shares outstanding during the year - diluted	150,17,364	150,17,364
Earnings per share		
of par value Rs. 10 – Basic (Rs.)	0.12	0.25
of par value Rs. 10 – Diluted (Rs.)	0.12	0.25

21 Employee benefits: Post employment benefit plans**Defined benefit plans**

The following table sets out the status of the gratuity and leave encashment plan as required under Accounting Standard 15 (Revised):

a) Asset/(Liability) recognised in balance sheet	Gratuity		Compensated absences	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
Fair value of plan assets	-	-	-	-
Present value of obligations	80,61,925	67,50,319	20,54,615	18,37,316
Asset/ (Liability) recognised in balance sheet	(80,61,925)	(67,50,319)	(20,54,615)	(18,37,316)

b) Classification into current / non-current

The asset/(liability) in respect of gratuity and leave encashment plans comprises of the following non-current and current portions:

	Non-current		Current	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
Gratuity	71,19,585	63,72,706	9,42,340	3,77,613
Leave encashment	18,40,846	17,48,270	2,13,475	89,043
	89,60,431	81,20,976	11,55,815	4,66,656

Market Simplified India Limited**Notes to the financial statements for the year ended March 31, 2017**

(All amounts in Indian Rupees, except share data and unless stated otherwise)

c) Movement in present values of defined benefit obligations	Gratuity		Compensated absences	
	As at	As at	As at	As at
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Defined benefit obligation as at 1 April	67,50,319	51,39,023	18,37,316	12,15,683
Current service cost	16,74,569	16,30,911	4,54,651	4,43,354
Interest cost	4,94,504	3,77,797	1,36,442	94,400
Actuarial (gains) / losses	(1,18,225)	4,35,719	(2,20,257)	1,55,249
Benefits paid by the plan	(7,39,242)	(8,33,131)	(1,53,537)	(71,370)
Defined benefit obligation at 31 March	80,61,925	67,50,319	20,54,615	18,37,316

d) Expense recognised in statement of profit and loss	Gratuity		Compensated absences	
	As at	As at	As at	As at
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Current service cost	16,74,569	16,30,911	4,54,651	4,43,354
Interest on obligation	4,94,504	3,77,797	1,36,442	94,400
Net actuarial (gain)/ loss recognised	(1,18,225)	4,35,719	(2,20,257)	1,55,249
Total included in 'employee benefits'	20,50,848	24,44,427	3,70,836	6,93,003

Principal actuarial assumptions

The following are the principal actuarial assumptions at the reporting date (expressed as weighted averages):

	Gratuity		Compensated absences	
	As at	As at	As at	As at
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Discount rate as at 31 March	7.25%	7.75%	7.25%	7.75%
Future salary increases	10%	10%	10%	10%
Attrition rate	16%	8.00%	16%	8.00%

Note:

The estimates of future salary increases, considered in actuarial valuation, taking into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

Assumptions regarding future mortality are based on published statistics and mortality tables. The calculation of the defined benefit obligation is sensitive to the mortality assumptions. The above information is certified by the actuary.

Market Simplified India Limited**Notes to the financial statements for the year ended March 31, 2017**

(All amounts in Indian Rupees, except share data and unless stated otherwise)

22 Related party disclosures

(i) Names of the related parties with whom transactions have taken place during the year:

Description of relationship	Name of the related parties
Key Management Personnel ('KMP')	Mr. Venkat Rangan, Whole-time director(WTD)
Wholly Owned Subsidiary in USA	Market Simplified Inc
	Dotex International Ltd
Associates	National Stock Exchange of India ltd

(ii) Transactions with related parties

Nature of transactions	Name of the related party	Year ended March 31, 2017	Year ended March 31, 2016
	Dotex International Ltd	68,95,000	68,36,100
Rendering of services	National Stock Exchange of India Ltd	190,89,357	188,44,286
Loan received	Mr. Venkat Rangan, WTD	155,74,099	68,00,000
Loan repaid	Mr. Venkat Rangan, WTD	133,29,688	1,00,000
Reimbursement of expenses from	National Stock Exchange of India Ltd	2,11,214	-
Remuneration	Mr. Venkat Rangan, WTD	42,00,000	42,00,000

(iii) Balances as at the year end:

Nature of transactions	Name of the related party	Year ended March 31, 2017	Year ended March 31, 2016
Trade receivables	Dotex International Ltd	5,75,000	-
Reimbursement of expenses from	National Stock Exchange of India Ltd	2,11,214	-
Remuneration payable	Mr. Venkat Rangan, WTD	2,03,690	2,00,132
Loans payable	Mr. Venkat Rangan, WTD	345,89,166	323,44,755

23 Segment reporting

Since the Company falls under SMC category, Segment Reporting as per AS 17 is not applicable.

24 Expenditure/Earnings in foreign currency (on accrual basis)

	Year ended March 31, 2017	Year ended March 31, 2016
Expense	172,67,279	123,71,309
Earnings	1480,80,636	1025,76,511

Market Simplified India Limited**Notes to the financial statements for the year ended March 31, 2017**

(All amounts in Indian Rupees, except share data and unless stated otherwise)

25 Capitalisation - Intangible Assets

SmartD is a 'mobile first' platform that is being created by Market Simplified to enable people take smarter financial decisions across spend, save, invest and borrow cycle.

SmartD(Smart Decisions) as a lifestyle management program begins with addressing the most basic necessity 'food' since majority of working individuals, bachelors' and students' earnings are spent on eating. The use of SmartD as a platform is applied to the various unorganized eating joints of the country thus creating a market place for the food suppliers and the demand for such kind of food by the users.

SmartD acts as a catalyst between suppliers and consumers and is designed to cater to both sides and facilitates their interaction and transaction. It allows users to discover merchants and their services and facilitates payment transactions to initiate the fulfillments whereas the suppliers can promote their current servings and accept payment transactions and complete the fulfillments

During the year, the product went live and accordingly an amount to the tune of INR 75,062,108 was transferred from capital work-in-progress to Intangible assets. Further, developments such as m rupee wallet, T&C digital acceptance, bill desk SDK integration and few other product enhancing features were made to the product. The cost to make such development amounts to INR 29,775,710. These enhancements will lead to future economic benefits and accordingly the amount spent to enhance the features has been capitalised. The economic useful life of the product is estimated to be six years and the product has been amortised accordingly during the year.

26 Capitalisation - Intangible Assets

Digi360 is an intelligent conversational Artificial Intelligence (AI) platform that intends to help banks and financial institutions to engage with consumers at highest levels through personalized and proactive services over natural voice based and text based conversations.

Digi360 acts as a digital brain that can derive knowledge from internal systems/documents and offer the intended services across channels.

Digi360 endeavors to transform any legacy APIs to facilitate the building blocks for AI/NLP powered conversations, enable real time updates on user flow and content without app store updates, provide end-to-end encryption (E2EE) for secured transactions, switch to human support when BOT can't handle user queries etc.,

27 Deferred tax assets and liability**Deferred tax assets**

Excess of depreciation/amortization on fixed assets provided in accounts over the depreciation/ amortization under income-tax law

Provision for employee benefits

Carry forward tax loss including unabsorbed depreciation

**Year ended
March 31, 2017**

**Year ended
March 31, 2016**

130,76,496

358,20,046

101,16,246

85,87,632

2455,74,489

2455,74,489

2687,67,231

2899,82,167

Net Deferred Tax Asset

2687,67,231

2899,82,167

No Deferred Tax Asset (Net) is recognised in the absence of virtual certainty as stipulated by AS 22- Accounting for Taxes on Income.

Market Simplified India Limited**Notes to the financial statements for the year ended March 31, 2017**

(All amounts in Indian Rupees, except share data and unless stated otherwise)

28 SBN Disclosure

Particulars	SBN's	Other denomination notes and currencies	Total
Closing cash in hand as on 08-11-2016	-	5,945	5,945
Permitted Receipts	-	1,45,680	1,45,680
Permitted Payments	-	1,28,214	1,28,214
Amount Deposited in Banks	-	-	-
Closing Balance as on 30-12-2016	-	23,411	23,411

29 Previous year figures have been regrouped/ reclassified to conform to current year's presentation.

for **R.G.N Price & Co.,**

Chartered Accountants

ICAI Firm Registration No. 002785S

for and on behalf of the Board of Directors of

Market Simplified India Limited

K Venkatakrishnan

Partner

Membership No. 208591

G.Venkat Rangan

Director

P.Sudhir Rao

Director

Place : Chennai

Date :

Place : Chennai

Date :