

Telesonic Networks Limited

Ind AS Financial Statements

March 31, 2019

Telesonic Networks Limited
Ind AS Financial Statements - March 2019

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Telesonic Networks Limited
Balance Sheet
(All amounts are in millions of Indian Rupees)

	Notes	As of	
		March 31, 2019	March 31, 2018
Assets			
Non-current assets			
Property, plant and equipment	5	87	84
Capital work-in-progress	5	0	1
Intangible assets	6	1	0
Financial assets			
- Others	7	2	8
Income tax receivable (net)		271	255
Deferred tax assets (net)	8	202	158
Other non-current assets	9	14	13
		577	519
Current assets			
Inventories	10	981	612
Financial assets			
- Trade receivables	11	1,343	1,084
- Cash and cash equivalents	12	1	0
- Other bank balances	12	1	1
- Unbilled revenue	20	1,100	1,884
Other current assets	9	353	390
		3,779	3,971
Total assets		4,356	4,490
Equity and liabilities			
Equity			
Share capital	13	939	939
Other equity		(175)	(322)
		764	617
Non-current liabilities			
Provisions	14	342	251
		342	251
Current liabilities			
Financial liabilities			
- Borrowings	15	201	61
- Trade payables	16		
-total outstanding dues of micro enterprises and small enterprises		37	1
-total outstanding dues of creditors other than micro enterprises and small enterprises		2,315	2,679
- Others	17	310	217
Provisions	14	162	123
Current tax liabilities (net)		5	67
Other current liabilities	18	220	474
		3,250	3,622
Total liabilities		3,592	3,873
Total equity and liabilities		4,356	4,490

The accompanying notes form an integral part of these financial statements.

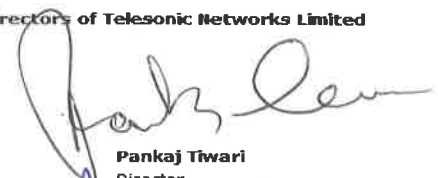
As per our report of even date
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W / W-100018)



Nilesh H. Lahoti
Partner
Membership No: 130054


For and on behalf of the Board of Directors of Telesonic Networks Limited


Badal Bagri
Director
DIN: 00367278


Vikram Singla
Chief Financial Officer


Pankaj Tiwari
Director
DIN: 08006533


Rakesh Kumar
Chief Executive Officer


Nikhil V Shah
Company Secretary

Place: **New Delhi**

Date: **July 5, 2019**



Telesonic Networks Limited
Statement of Profit and Loss

(All amounts are in millions of Indian Rupees; except per share data)

	Notes	For the year ended	
		March 31, 2019	March 31, 2018
Income			
Revenue from operations	20	8,839	7,161
Other income		5	8
		8,844	7,169
Expenses			
Network operating expenses	21	5,105	4,750
Employee benefits expenses	22	2,029	1,440
Other expenses	23	1,402	582
		8,536	6,772
Profit from operating activities before depreciation and amortisation			
		308	397
Depreciation and amortisation	24	46	51
Finance costs	25	13	2
Finance income	25	-	(13)
Profit before tax		249	357
Tax expense			
Current tax	8	147	139
Deferred tax	8	(44)	(16)
Profit for the year		146	234
Other comprehensive income			
Items not to be reclassified to profit or loss:			
Re-measurement profit / (losses) on defined benefit plans		1	(18)
Income tax (charge) / credit		(0)	6
Other comprehensive income / (loss) for the year		1	(12)
Total comprehensive income for the year		147	222
Earnings per share (Face value : Rs 10/- each)			
Basic and Diluted earnings per share	26	1.54	2.56

The accompanying notes form an integral part of these financial statements.

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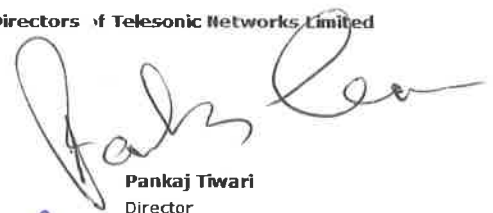
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 Director
 DIN: 00367278



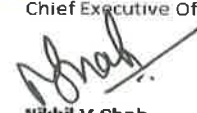
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Telesonic Networks Limited
Statement of Cash Flows
(All amounts are in millions of Indian Rupees; unless stated otherwise)

	Share capital		Other equity	Total equity
	No. of shares (In '000)	Amount	Retained earnings	
As of April 1, 2017	89,231	892	(544)	348
Issue of equity shares capital	4,696	47	-	47
Profit for the year	-	-	234	234
Other comprehensive loss	-	-	(12)	(12)
Total comprehensive income	-	-	222	222
As of March 31, 2018	93,927	939	(322)	617
Profit for the year	-	-	146	146
Other comprehensive gain	-	-	1	1
Total comprehensive income	-	-	147	147
As of March 31, 2019	93,927	939	(175)	764

The accompanying notes form an integral part of these financial statements.

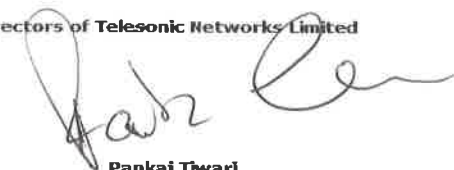
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Place: **New Delhi**

Date: **July 5, 2019**



Telesonic Networks Limited
Notes to financial statement
(All amounts are in millions of Indian Rupees; unless stated otherwise)


	For the year ended	
	March 31, 2019	March 31, 2018
Cash flows from operating activities		
Profit before tax	249	357
Adjustments for :		
Depreciation and amortisation	46	51
Finance costs	13	2
Finance income	-	(13)
Other non - cash items	42	9
Operating cash flow before changes in working capital	350	406
Changes in working capital		
Inventories	(402)	(288)
Trade receivables	(260)	(203)
Trade payables	(325)	125
Provisions	131	37
Other financial and non- financial assets	811	(520)
Other financial and non- financial liabilities	(160)	387
Net cash generated / (used) in operations before tax	145	(56)
Income tax paid -Net	(224)	(138)
Net cash used in operating activities (a)	(79)	(194)
Cash flow from investing activities		
Purchase of property, plant and equipment	(48)	(22)
Proceeds from sale of property, plant and equipment	1	0
Interest received	0	12
Net cash used in investing activities (b)	(47)	(10)
Cash flow from financing activities		
Proceeds from issue of equity shares	-	47
Interest paid	(13)	(2)
Net cash (used)/ generated in financing activities (c)	(13)	45
Net decrease in cash and cash equivalents during the year (a+b+c)	(139)	(159)
Cash and cash equivalents as at the beginning of the year	(61)	98
Cash and cash equivalents as at the end of the year (Refer note 12)	(200)	(61)

The accompanying notes form an integral part of these financial statements.




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Chief Executive Officer

Nikhil V Shah
Company Secretary

Place: New Delhi

Date: July 5, 2019



1. Corporate information

Telesonic Networks Limited ("the Company") is domiciled and incorporated in India as a limited liability company. The registered office of the Company is situated at Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase – II, New Delhi – 110070.

The Company is engaged in managing Bharti Airtel Limited's ("Holding company"/"Bharti") Pan-India wire line voice, broadband services and support its transition to next generation networks and innovative services. The Company designs, plans, deploys, optimizes and manages Bharti's broadband and fixed telephone network across India.

2. Summary of significant accounting policies

2.1 Basis of preparation

These financial statements ('financial statements') have been prepared to comply in all material respects with the Indian Accounting Standard ('Ind AS') as notified by the Ministry of Corporate Affairs ('MCA') under section 133 of the Companies Act, 2013 ('Act'), read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and other relevant provisions of the Act.

The financial statements are approved for issue by the Company's Board of Directors on

The financial statements are based on the classification provisions contained in Ind AS 1, 'Presentation of Financial Statements' and division II of schedule III of the Companies Act 2013. Further, for the purpose of clarity, various items are aggregated in the statement of profit and loss and balance sheet. Nonetheless, these items are dis-aggregated separately in the notes to the financial statements, where applicable or required.

All the amounts included in the financial statements are reported in millions of Indian Rupee ('Rupee' or 'Rs.') and are rounded to the nearest million, except per share data and unless stated otherwise. Further amounts less than a million are appearing as '0'.

The preparation of the said financial statements requires the use of certain critical accounting estimates and judgements. It also requires the management to exercise judgement in the process of applying the Company's accounting policies. The areas where estimates are significant to the financial statements, or areas involving a higher degree of judgement or complexity, are disclosed in note 3.

The accounting policies, as set out in the following paragraphs of this note, have been consistently applied, by the Company, to all the periods presented in the said financial statements except where a newly-issued accounting standard is adopted.



2.2 Basis of measurement

The financial statements have been prepared on the accrual and going concern basis, and the historical cost convention except where the Ind AS requires a different accounting treatment. The principal variations from the historical cost convention relate to financial instruments classified as fair value through profit or loss and liability - which are measured at fair value.

Fair value measurement

Fair value is the price at the measurement date, at which an asset can be sold or paid to transfer a liability, in an orderly transaction between market participants. The Company's accounting policies require, measurement of certain financial / non-financial assets and liabilities at fair values (either on a recurring or non-recurring basis). Also, the fair values of financial instruments measured at amortised cost are required to be disclosed in the said financial statements.

The Company is required to classify the fair valuation method of the financial / non-financial assets and liabilities, either measured or disclosed at fair value in the financial statements, using a three level fair-value-hierarchy (which reflects the significance of inputs used in the measurement). Accordingly, the Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The three levels of the fair-value-hierarchy are described below:

Level 1: Quoted (unadjusted) prices for identical assets or liabilities in active markets

Level 2: Significant inputs to the fair value measurement are directly or indirectly observable

Level 3: Significant inputs to the fair value measurement are unobservable

2.3 Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

Deferred tax assets and liabilities, and all assets and liabilities which are not current (as discussed in the below paragraphs) are classified as non-current assets and liabilities.

An asset is classified as current when it is expected to be realised or intended to be sold or consumed in normal operating cycle, held primarily for the purpose of trading, expected to be realised within twelve months after the reporting period, or cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified as current when it is expected to be settled in normal operating cycle, it is held primarily for the purpose of trading, it is due to be settled within twelve months after the reporting period, or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.



2.4 Property, plant and equipment ('PPE')

An item is recognised as an asset, if and only if, it is probable that the future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. PPE are initially recognised at cost. The initial cost of PPE comprises its purchase price (including non-refundable duties and taxes but excluding any trade discounts and rebates), and any directly attributable cost of bringing the asset to its working condition and location for its intended use.

Subsequent to initial recognition, PPE are stated at cost less accumulated depreciation and any impairment losses. When significant parts of property, plant and equipment are required to be replaced in regular intervals, the Company recognises such parts as separate component of assets. When an item of PPE is replaced, then its carrying amount is de-recognised from the balance sheet and cost of the new item of PPE is recognised. Further, in case the replaced part was not being depreciated separately, the cost of the replacement is used as an indication to determine the cost of the replaced part at the time it was acquired.

The expenditures that are incurred after the item of PPE has been put to use, such as repairs and maintenance, are normally charged to the statement of profit and loss in the period in which such costs are incurred. However, in situations where the said expenditure can be measured reliably, and is probable that future economic benefits associated with it will flow to the Company, it is included in the asset's carrying value or as a separate asset, as appropriate.

Depreciation on PPE is computed using the straight-line method over the estimated useful lives.

The details of the estimated range of useful lives of different categories of PPE as follows:

Particulars	Useful life
Computer	3 - 5
Furniture and fixtures	5
Office equipment	2-5
Plant and equipment	3 -10

The useful lives, residual values and depreciation method of PPE are reviewed, and adjusted appropriately, at-least as at financial year end so as to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from these assets. The effect of any change in the estimated useful lives, residual values and / or depreciation method are accounted prospectively, and accordingly the depreciation is calculated over the PPE's remaining revised useful life. The cost and the accumulated depreciation for PPE sold, scrapped, retired or otherwise disposed off are de-recognised from the balance sheet and the resulting gains / (losses) are included in the statement of profit and loss within other expenses / other income.

The Company basis its past experience and technical assessment has estimated the useful life, which is at variance with the life prescribed in Part C of Schedule II of the Companies Act, 2013 and has accordingly, depreciated the assets over such useful life.



The cost of capital work-in-progress ('CWIP') is presented separately in the balance sheet.

2.5 Intangible assets

Identifiable intangible assets are recognised when the Company controls the asset, it is probable that future economic benefits attributed to the asset will flow to the Company and the cost of the asset can be measured reliably.

The intangible assets are initially recognised at cost. These assets having finite useful life are carried at cost less accumulated amortisation and impairment losses. Amortisation is computed using the straight-line method over the expected useful life of intangible assets.

Software

Software are amortised over the period of license, generally not exceeding three years.

The useful lives and amortisation method are reviewed, and adjusted appropriately, at least at each financial year end so as to ensure that the method and period of amortisation are consistent with the expected pattern of economic benefits from these assets. The effect of any change in the estimated useful lives and / or amortisation method is accounted prospectively, and accordingly the amortisation is calculated over the remaining revised useful life.

2.6 Impairment of non-financial assets

Property, plant and equipment and intangible assets

PPE (including CWIP) and intangible assets with definite lives, are reviewed for impairment, whenever events or changes in circumstances indicate that their carrying values may not be recoverable. For the purpose of impairment testing, the recoverable amount (that is, higher of the fair value less costs to sell and the value-in-use) is determined on an individual asset basis, unless the asset does not generate cash flows that are largely independent of those from other assets, in which case the recoverable amount is determined at the cash-generating-unit ('CGU') level to which the said asset belongs. If such individual assets or CGU are considered to be impaired, the impairment to be recognised in the statement of profit and loss is measured by the amount by which the carrying value of the asset / CGU exceeds their estimated recoverable amount and allocated on pro rata basis.

Reversal of impairment losses

Impairment losses are reversed in statement of profit and loss and the carrying value is increased to its revised recoverable amount provided that this amount does not exceed the carrying value that would have been determined had no impairment loss been recognised for the said asset/ CGU in previous years.



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2.7 Leases

The determination of whether an arrangement is a lease is based on whether fulfillment of the arrangement is dependent on the use of a specific asset and the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

Leases where the lessor transfers substantially all the risks and rewards of ownership of the leased asset are classified as finance lease and other leases are classified as operating lease.

Operating lease receipts / payments are recognised as an income / expense on a straight-line basis over the lease term unless the lease payments increase in line with expected general inflation.

Company as a lessee

Assets acquired under finance leases are capitalised at the lease inception at lower of the fair value of the leased asset and the present value of the minimum lease payments. Lease payments are apportioned between finance charges (recognised in the statement of profit and loss) and reduction of the lease liability so as to achieve a constant periodic rate of interest on the remaining balance of the liability for each period.

2.8 Financial instruments

a. Recognition, classification and presentation

The financial instruments are recognised in the balance sheet when the Company becomes a party to the contractual provisions of the financial instrument.

The Company determines the classification of its financial instruments at initial recognition.

The Company classifies its financial assets in the following categories: a) those to be measured subsequently at fair value through profit or loss, and b) those to be measured at amortised cost. The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Financial assets and liabilities arising from different transactions are off-set against each other and the resultant net amount is presented in the balance sheet, if and only when, the Company currently has a legally enforceable right to set-off the related recognised amounts and intends either to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

b. Measurement – Non-derivative financial instruments

I. Initial measurement

At initial recognition, the Company measures the financial instruments at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Otherwise transaction costs are expensed in the statement of profit and loss.



II. Subsequent measurement - financial assets

The subsequent measurement of the financial assets depends on their classification as follows:

i. Financial assets measured at amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost using the effective-interest rate ('EIR') method (if the impact of discounting / any transaction costs is significant). Interest income from these financial assets is included in finance income.

ii. Financial assets at fair value through profit or loss ('FVTPL')

All financial assets that do not meet the criteria for amortised cost are measured at FVTPL. Interest (basis EIR method) income from FVTPL is recognised in the statement of profit and loss within finance income/ finance costs separately from the other gains/ losses arising from changes in the fair value.

Impairment

The company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk since initial recognition. If credit risk has not increased significantly, twelve month ECL is used to provide for impairment loss, otherwise lifetime ECL is used.

However, only in case of trade receivables, the company applies the simplified approach which requires expected lifetime losses to be recognised from initial recognition of the receivables.

III. Subsequent measurement - financial liabilities

Financial liabilities are subsequently measured at amortised cost using the EIR method (if the impact of discounting / any transaction costs is significant).

a. Derecognition

The financial liabilities are de-recognised from the balance sheet when the under-lying obligations are extinguished, discharged, lapsed, cancelled, expires or legally released. The financial assets are de-recognised from the balance sheet when the rights to receive cash flows from the financial assets have expired, or have been transferred and the Company has transferred substantially all risks and rewards of ownership. The difference in the carrying amount is recognised in the statement of profit and loss.

2.9 Taxes

The income tax expense comprises of current and deferred income tax. Income tax is recognised in the statement of profit and loss, except to the extent that it relates to items recognised in the other comprehensive income or directly in equity, in which case the related income tax is also recognised accordingly.



a. Current tax

The current tax is calculated on the basis of the tax rates, laws and regulations, which have been enacted or substantively enacted as at the reporting date. The payment made in excess / (shortfall) of the Company's income tax obligation for the period are recognised in the balance sheet under non-current assets as income tax assets / under current liabilities as current tax liabilities.

Any interest, related to accrued liabilities for potential tax assessments are not included in Income tax charge or (credit), but are rather recognised within finance costs.

b. Deferred tax

Deferred tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying values in the financial statements. However, deferred tax are not recognised if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

The unrecognised deferred tax assets / carrying amount of deferred tax assets are reviewed at each reporting date for recoverability and adjusted appropriately.

Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Income tax assets and liabilities are off-set against each other and the resultant net amount is presented in the balance sheet, if and only when, (a) the Company currently has a legally enforceable right to set-off the current income tax assets and liabilities, and (b) when it relates to income tax levied by the same taxation authority and where there is an intention to settle the current income tax balances on net basis.

2.10 Inventories

Inventories represent the service, consumables and other overheads incurred for the contracts in progress. Inventories (including service inventories) are stated at the lower of cost (determined using the first-in-first-out method) and net realisable value. The costs comprise its purchase price of consumables, manpower services consumed and any directly attributable cost of bringing to its present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated variable costs necessary to make the sale.



2.11 Cash and cash equivalents

Cash and cash equivalents include cash in hand, bank balances and any deposits with original maturities of three months or less (that are readily convertible to known amounts of Cash and cash equivalents and subject to an insignificant risk of changes in value). However, for the purpose of the Statement of cash flows, in addition to above items, any bank overdrafts / cash credits that are integral part of the Company's cash management, are also included as a component of cash and cash equivalents.

2.12 Share capital

Ordinary shares are classified as Equity when the Company has an un-conditional right to avoid delivery of cash or another financial asset, that is, when the dividend and repayment of capital are at the sole and absolute discretion of the Company and there is no contractual obligation whatsoever to that effect.

2.13 Employee benefits

The Company's employee benefits mainly include wages, salaries, bonuses, defined contribution plans, defined benefit plans, compensated absences, deferred compensation. The employee benefits are recognised in the year in which the associated services are rendered by the Company employees.

a. Defined contribution plans

The contributions to defined contribution plans are recognised in profit or loss as and when the services are rendered by employees. The Company has no further obligations under these plans beyond its periodic contributions.

b. Defined benefit plans

In accordance with the local laws and regulations, all the employees in India are entitled for the Gratuity plan. The said plan requires a lump-sum payment to eligible employees (meeting the required vesting service condition) at retirement or termination of employment, based on a pre-defined formula.

The Company provides for the liability towards the said plans on the basis of actuarial valuation carried as at the reporting date, by an independent qualified actuary using the projected-unit-credit method.

The obligation towards the said benefits is recognised in the balance sheet, at the present value of the defined benefit obligations less the fair value of plan assets (being the funded portion). The present value of the said obligation is determined by discounting the estimated future cash outflows, using interest rates of government bonds.

The interest income / (expense) are calculated by applying the above mentioned discount rate to the plan assets and defined benefit obligations liability. The net interest income / (expense) on the net defined benefit liability is recognised in the statement of profit and loss. However, the related re-measurements of the net defined benefit liability are recognised directly in the other comprehensive income in the period in which they arise. The said re-measurements comprise of actuarial gains and losses (arising from



experience adjustments and changes in actuarial assumptions), the return on plan assets (excluding interest). Re-measurements are not re-classified to the statement of profit and loss in any of the subsequent periods.

c. Other long-term employee benefits

The employees of the Company are entitled to compensated absences as well as other long-term benefits. Compensated absences benefit comprises of encashment and availment of leave balances that were earned by the employees over the period of past employment.

The Company provides for the liability towards the said benefit on the basis of actuarial valuation carried out quarterly as at the reporting date, by an independent qualified actuary using the projected-unit-credit method. The related re-measurements are recognised in the statement of profit and loss in the period in which they arise.

2.14 Provisions

a. General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources will be required to settle the said obligation, and the amounts of the said obligation can be reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the relevant obligation, using a pre-tax rate that reflects current market assessments of the time value of money (if the impact of discounting is significant) and the risks specific to the obligation. The increase in the provision due to un-winding of discount over passage of time is recognised within finance costs.

b. Contingencies

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

2.15 Revenue recognition

Effective April 1, 2018, the Company has adopted Ind AS 115, 'Revenue from Contracts with Customers' applying the cumulative effect method applied retrospectively to the contracts that are not completed as of April 1, 2018 (being the date of initial application). Accordingly, the comparative information has not been restated. The effect on adoption of the said standard is insignificant on these financial statements.

Revenue is recognized upon transfer of control of promised products or services to customer at the consideration which the Company has received or expects to receive in exchange of those products or services, net of any taxes / duties and discounts.



In order to determine if it is acting as a principal or as an agent, the Company assesses whether it is primarily responsible for fulfilling the performance obligation and whether it controls the promised service before transfer to customers.

Revenues in excess of invoicing are classified as unbilled revenue.

a. Operations and maintenance revenue

Revenue from operations and maintenance services are recognized upon satisfaction of performance obligation as per the terms of the contract with the customer.

b. Build service revenue

The company recognize revenue upon satisfaction of performance obligation by transferring promised goods or service to the customer.

c. Interest income

Interest income is recognized based on Effective interest rate (EIR) basis taking into account the amount outstanding and the applicable interest rate.

2.16 Earnings per share ('EPS')

The Company presents the Basic and Diluted EPS data.

Basic EPS is computed by dividing the profit for the period attributable to the shareholders of the Company by the weighted average number of shares outstanding during the period.

Diluted EPS is computed by adjusting, the profit for the year attributable to the shareholders and the weighted average number of shares considered for deriving Basic EPS, for the effects of all the shares that could have been issued upon conversion of all dilutive potential shares. The dilutive potential shares are adjusted for the proceeds receivable had the shares been actually issued at fair value. Further, the dilutive potential shares are deemed converted as at beginning of the period, unless issued at a later date during the period.

2.17 Borrowing costs

Borrowing costs consist of interest and other ancillary costs that the Company incurs in connection with the borrowing of funds. The borrowing costs directly attributable to the acquisition or construction of any asset that takes a substantial period of time to get ready for its intended use or sale are capitalised. All the other borrowing costs are recognised in the statement of profit and loss within finance costs of the period in which they are incurred.



2.18 Segmental reporting

Primary segment

The Company operates only in one business segment viz. managing Bharti's Pan-India wire line voice, broadband services and support its transition to next generation networks and innovative services, which is the only reportable segment.

Secondary segment

The Company is operating in single geographic segment, i.e. in India. Thus, no information concerning geographical areas is applicable to the Company.

3. Critical accounting estimates, assumptions and judgements

The estimates and judgements used in the preparation of the said financial statements are continuously evaluated by the Company, and are based on historical experience and various other assumptions and factors (including expectations of future events), that the Company believes to be reasonable under the existing circumstances. The said estimates and judgements are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

Although the Company regularly assesses these estimates, actual results could differ materially from these estimates - even if the assumptions under-lying such estimates were reasonable when made, if these results differ from historical experience or other assumptions do not turn out to be substantially accurate. The changes in estimates are recognised in the financial statements in the period in which they become known.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying values of assets and liabilities within the next financial year are discussed below:

a. Allowance for impairment trade receivables

The expected credit loss is mainly based on the ageing of the receivable balances and historical experience. The receivables are assessed on an individual basis or company into homogeneous company and assessed for impairment collectively, depending on their significance. Moreover, trade receivables are written off on a case-to-case basis if deemed not to be collectible on the assessment of the underlying facts and circumstances

b. Contingent liability

The Company is involved in various legal, tax and regulatory matters, the outcome of which may not be favourable to the Company. Management in consultation with the legal, tax and other advisers assess the likelihood that a pending claim will succeed. The Company has applied its judgement and has recognised liabilities based on whether additional amounts will be payable and has included contingent liabilities where economic outflows are considered possible but not probable.



c. Taxes

Deferred tax assets are recognised for the unused tax losses and minimum alternative tax credits for which there is probability of utilisation against the future taxable profit. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, future tax planning strategies and recent business performances and developments.

4. Standards issued but not effective as at balance sheet date

The new and applicable significant standards, amendments to Standards that are issued but not yet effective until the date of authorisation for issuance of the said financial statements are discussed below. The Company has not early adopted these amendments and intends to adopt when they become effective.

Ind AS 116, 'Leases'

In March 2019, MCA has notified the Ind AS 116, Leases. It will replace the existing leases Standard, Ind AS 17 'Leases', and related interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. It introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. A lease is required to recognise a right-of-use asset representing its right to use and the underlying leased assets and a lease liability representing its obligation to make lease payments.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The Company is in the process of evaluating its impact on the financial statements.

The following pronouncements, which are potentially relevant to the Company, have been issued and are effective for annual periods beginning on or after April 1, 2019. The Company does not expect that the adoption of the said amendments will have any significant impact on the financial statements.

- Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments: According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.
- Amendment to Ind AS 12 – Income taxes: The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity accordingly to where the entity originally recognised those past transactions or events.



5. Property plant and equipment

The following table presents the reconciliation of changes in the carrying value of PPE for the year ended March 31, 2019 and 2018:

	Computer	Plant and equipment	Office equipment	Furniture and fixtures	Total
Gross carrying value					
As at April 1, 2017	160	172	31	1	364
Additions / capitalisation	1	24	3	0	28
Disposals / adjustments	(2)	-	(1)	-	(3)
As at March 31, 2018	159	196	33	1	389
Additions / capitalisation	15	26	8	-	49
Disposals / adjustments	(20)	-	(1)	-	(21)
As at March 31, 2019	154	222	40	1	417
Accumulated depreciation					
As at April 1, 2017	119	117	23	1	260
Charge	22	21	5	0	48
Disposals / adjustments	(2)	-	(1)	-	(3)
As at March 31, 2018	139	138	27	1	305
Charge	17	24	5	0	46
Disposals / adjustments	(20)	-	(1)	-	(21)
As at March 31, 2019	136	162	31	1	330
Net carrying value					
As at March 31, 2018	20	58	6	0	84
As at March 31, 2019	18	60	9	0	87

The carrying value of capital work-in-progress as at March 31, 2019 and 2018 is Rs. 0 and Rs. 1, respectively, mainly pertains to plant and machinery.



6. Intangible assets

The following table presents the reconciliation of changes in the carrying value of intangible assets for the year ended March 31, 2019 and 2018:

	Software	Total
Gross carrying value		
As at April 1, 2017	159	159
Additions / capitalisation	-	-
As at March 31, 2018	159	159
Additions / capitalisation	-	-
As at March 31, 2019	159	159
Accumulated depreciation		
As at April 1, 2017	155	155
Amortisation	3	3
As at March 31, 2018	158	158
Amortisation	0	0
As at March 31, 2019	158	158
Net carrying value		
As at March 31, 2018	1	1
As at March 31, 2019	1	1

7. Other financial assets

	As of	
	March 31, 2019	March 31, 2018
Security deposits	2	9
Less: Allowance on security deposit	(0)	(1)
	2	8

8. Income tax expense

The major components of the income tax expense are:

	For the year ended	
	March 31, 2019	March 31, 2018
Current income tax		
- For the year	147	144
- Adjustments for prior periods	-	(5)
	147	139
Deferred tax		
- Origination and reversal of temporary differences	(44)	(20)
- Effect of change in tax rate	-	(1)
- Adjustments for prior periods	-	5
	(44)	(16)
Income tax expense	103	123



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The reconciliation between the amount computed by applying the statutory income tax rate to the profit before tax and income tax charge is summarized below:

	For the year ended	
	March 31, 2019	March 31, 2018
Profit before tax	249	355
Tax expense @ 34.944% / 34.608%	87	123
Effect of:		
Changes in tax rate	-	(1)
Adjustments in respect to current tax of previous years	-	(5)
Adjustment in respect to deferred tax of previous years	-	5
Expense not deductible (net)	16	1
Income tax expense	103	123

The analysis of deferred tax assets and liabilities is as follows:

	As of	
	March 31, 2019	March 31, 2018
Deferred tax asset / (liabilities)		
Provision for debtors / advances	12	11
Employee benefits	155	120
Lease rent equalization	-	(6)
Depreciation / amortisation on PPE / intangible assets	35	36
Others	-	(3)
Net deferred tax asset	202	158

	For the year ended	
	March 31, 2019	March 31, 2018
Deferred tax income		
Provision for debtors / advances	1	3
Employee benefits	35	12
Lease rent equalization	6	-
Depreciation / amortisation on PPE / intangible assets	(1)	9
Others	3	(8)
Net deferred tax income	44	16

The movement in deferred tax assets / (liabilities) during the year is as follows:

	As of	
	March 31, 2019	March 31, 2018
Opening balance	158	146
Tax expense recognised in profit or loss	44	16
Tax (credit) / expense recognised in OCI	(0)	6
MAT credit utilization	-	(10)
Closing balance	202	158



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9. Other non-financial assets

Non-current

	As of	
	March 31, 2019	March 31, 2018
Advances - paid under protest	3	4
Capital advances (net)	10	9
Others	1	0
	14	13

Current

	As of	
	March 31, 2019	March 31, 2018
Taxes recoverable	302	314
Advances to suppliers (net of provision)	0	32
Employee receivables	17	19
Others*	34	25
	353	390

* It includes security deposit and prepaid expenses.

10. Inventories

	As of	
	March 31, 2019	March 31, 2018
Inventories	1,022	620
Less : provision for diminution in value of inventory	(41)	(8)
	981	612

11. Trade receivables

	As of	
	March 31, 2019	March 31, 2018
Trade receivable – unsecured*	1,343	1,084
Less: Allowance for doubtful receivables	-	-
	1,343	1,084

*It includes amount due from related parties (refer note 27)

The movement in allowances for doubtful debts is as follows:

	For the year ended	
	March 31, 2019	March 31, 2018
Opening balance	-	5
Write off (net of recovery)	-	(5)
Closing balance	-	-

12. Cash & cash equivalents (C&CE)

	As of	
	March 31, 2019	March 31, 2018
Balances with banks		
On current accounts	1	0
	1	0
Other bank balances		
Margin Money	1	1
	1	1



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For the purpose of statement cash flows, C&CE comprise of following: -

	As of	
	March 31, 2019	March 31, 2018
C&CE as per balance sheet	1	0
Bank overdraft (Refer note 15)	(201)	(61)
	(200)	(61)

13. Share capital

	As of	
	March 31, 2019	March 31, 2018
Authorised shares		
95,000,000 (March 31, 2018- 95,000,000) equity shares of Rs.10/- each fully paid	950	950
Issued, subscribed and fully paid-up shares		
93,927,154 (March 31, 2018- 93,927,154) equity shares of Rs.10/- each fully paid	939	939
Total issued, subscribed and fully paid-up share capital	939	939

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

	As of March 31, 2019		As of March 31, 2018	
	No. of shares '000	Amount	No. of shares '000	Amount
At the beginning of the year	93,927	939	89,231	892
Add: Issue of share capital	-	-	4,696	47
Outstanding at the end of the year	93,927	939	93,927	939

b) Terms / rights attached to equity shares

The Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity share(s) is entitled to one vote per share.

c) Details of shareholders holding more than 5% shares in the Company (including shares held by the holding company and its subsidiary)

	As of March 31, 2019		As of March 31, 2018	
	No. of shares '000	% holding	No. of shares '000	% holding
Equity shares of Rs.10 each fully paid up				
Bharti Airtel Limited, the holding company and nominees	89,231	95%	89,231	95%
Bharti Airtel Services Limited, the fellow subsidiary	4,696	5%	4,696	5%

d) Reserves and surplus

Retained earnings: Retained earnings represent the amount of accumulated earnings of the Company, re-measurement differences on defined benefits plans, gains / (losses) on common control transactions and any transfer from general reserve.



14. Provisions

Non-current

	As of	
	March 31, 2019	March 31, 2018
Gratuity	277	201
Other employee benefits plans	65	50
	342	251

Current

	As of	
	March 31, 2019	March 31, 2018
Gratuity	43	28
Other employee benefits plans	119	95
	162	123

15. Borrowings

Current

	As of	
	March 31, 2019	March 31, 2018
Unsecured		
Bank overdraft	201	61
	201	61

16. Trade payable

	As of	
	March 31, 2019	March 31, 2018
Due to micro and small enterprises	37	1
Others*	2,315	2,679
	2,352	2,680

*Includes amount due to related parties (refer note 27)

Micro, small & medium enterprises development act, 2006 (MSMED') disclosure

The dues to micro and small enterprises as required under MSMED Act, 2006, based on the information available with the Company, is given below:

	As of	
	March 31, 2019	March 31, 2018
1 The principal amount and the interest due thereon [Rs Nil (March 31, 2018 – Rs Nil)] remaining unpaid to any supplier as at the end of each accounting year	37	1
2 The amount of interest paid by the buyer in terms of section 16 of the MSMED ACT 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	147	38
3 The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED ACT 2006.	-	-
4 The amount of interest accrued and remaining unpaid at the end of each accounting year;	-	0
5 The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED ACT 2006.	-	-



17. Other financial liabilities- current

	As of	
	March 31, 2019	March 31, 2018
Employee Payable	220	178
Others*	90	39
	310	217

* It includes retention money.

18. Other non-financial liabilities

Current

	As of	
	March 31, 2019	March 31, 2018
Taxes payable#	220	175
Advance from customers*	0	299
	220	474

Taxes payable mainly pertains to GST.

* Includes amount due to related parties (refer note 27)

19. Guarantees, Contingencies and commitments

(i) Guarantees outstanding as of March 31, 2019 and March 31, 2018 amounting to Rs. 1 Mn and Rs. 1 Mn respectively have been issued by banks and financial institutions on behalf of the Company.

(ii) Contingent liabilities

Claims against the Company not acknowledged as debt:

	As at	
	March 31, 2019	March 31, 2018
Taxes and duties		
-Service tax	98	98
-Sales tax and entry tax	4	4
	102	102

The category wise detail of the contingent liability has been given below: -

Service Tax

The Service Tax demand relates to non-monetary consideration received by company from BAL by way of free of cost space provided by BAL to employees of the company.

Sales Tax and entry tax

The claims for sales tax comprised of cases relating to the appropriateness of declarations made by the Company under relevant sales tax legislations, claims made for input tax credit and other procedural compliance .



(iii) Commitments

Capital commitments

	As at	
	March 31, 2019	March 31, 2018
Estimated value of contracts to be executed on capital account and not provided for (net of advances)	0	36
	0	36

Lease commitments

Operating lease

The Company has taken office premises, warehouses, residential premises and equipments under cancellable/ non-cancelable operating lease agreements that are renewable on a periodical basis at the option of both the lessor and the lessee. For the period ended March 31, 2019 aggregate rental expense is Rs. 113 (March 31, 2018 - Rs. 127).

As lessee

	As at	
	March 31, 2019	March 31, 2018
Future minimum lease payments under the leases are as follows:		
Not later than one year	8	29
Later than one year and not later than five years	-	25
	8	54

20. Revenue from operations

	For the year ended	
	March 31, 2019	March 31, 2018
Operations and maintenance revenue	4,004	3,336
Build services revenue	4,835	3,825
	8,839	7,161

Contract balances

The following table provides information about unbilled revenue and deferred revenue from contract with customers:

	As of	
	March 31, 2019	March 31, 2018
Unbilled Revenue	1,100	1,884

Significant changes in the unbilled revenue and deferred revenue balances during the year are as follows:

	For the year ended	
	March 31, 2019	
	Unbilled Revenue	Deferred Revenue
Transfers from unbilled revenue recognised at the beginning of the year to receivables	1,855	-



21. Network operating expenses

	For the year ended	
	March 31, 2019	March 31, 2018
Installation cost	397	466
Rollout cost	2,401	1,568
Maintenance cost	1,071	1,375
Manpower cost	1,236	1,341
	5,105	4,750

22. Employee benefits expense

	For the year ended	
	March 31, 2019	March 31, 2018
Salaries and bonus	1,725	1,248
Contribution to provident and other funds	175	78
Defined benefit plan / other long term benefits	56	52
Staff welfare expenses	73	60
Others	-	2
	2,029	1,440

Company is depositing provident fund directly into Government approved fund Telesonic Networks Limited Employees Gratuity Fund. As per Trust Deed, every employee who has completed specified number of years gets gratuity on termination of employment at 15 days salary (last drawn salary) for each completed year of service.

i. Defined benefits plans/ Long-term employee benefits

The details of defined benefit obligations / long-term employee benefits and plan assets are as follows:

	For the year ended March 31, 2019		For the year ended March 31, 2018	
	Gratuity	Compensated absence	Gratuity	Compensated absence
Obligation:				
Balance as at beginning of the year	245	95	241	99
Current service cost	34	16	27	13
Interest cost	18	8	18	7
Benefits paid	(79)	(16)	(63)	(13)
Transfers	107	41	18	(12)
Remeasurements	(1)	(25)	4	1
Present value of funded obligation	324	119	245	95
Assets:				
Balance as at beginning of year	16	-	46	-
Interest income	0	-	2	-
Benefits paid	(12)	-	(0)	-
Remeasurements	(0)	-	(32)	-
Fair value of plan assets	4	-	16	-
Liability recognised in the balance sheet	320	119	229	95
Current portion	43	119	28	95
Non-current portion	277	-	201	-

Further, the estimated amount of contributions expected to be paid in next year to the gratuity plan as at March 31, 2019 is Rs. 62/- (March 31, 2018 Rs. 46).



Amount recognised in other comprehensive income

	For the year ended	
	March 31, 2019	March 31, 2018
Experience losses	36	29
Gains from change in demographic assumptions	(2)	8
Losses from change in financial assumptions	(35)	(19)
Remeasurements on Liability	(1)	18

Due to its defined benefit plans, the Company is exposed to the following significant risks:

Changes in bond yields - A decrease in bond yields will increase plan liability.

Salary risk - The present value of the defined benefit plans liability is calculated by reference to the future salaries of the plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The financial (per annum rates) and demographic assumptions used to determine defined benefit obligations are as follows:

	As of	
	March 31, 2019	March 31, 2018
Discount rate	7.65%	7.85%
Rate of return on plan assets	7.65%	10.00%
Rate of salary increase	7.00%	9.00%
Rate of attrition	13% to 19%	12% to 15%
Retirement age	58	58

Sensitivity analysis

The Company regularly assesses these assumptions with the projected long-term plans and prevalent industry standards.

The impact of sensitivity due to changes in the significant actuarial assumptions on the defined benefit obligations is given in the table below:

	Change in assumption	As of			
		March 31, 2019		March 31, 2018	
		Gratuity	Compensated absence	Gratuity	Compensated absence
Discount Rate	+1%	(16)	(7)	(14)	(6)
	-1%	18	8	15	7
Salary Growth Rate	+1%	18	8	15	7
	-1%	(16)	(7)	(14)	(6)

The above sensitivity analysis is determined based on a method that extrapolates the impact on the net defined benefit obligations, as a result of reasonable possible changes in the significant actuarial assumptions. Further, the above sensitivity analysis is based on a reasonably possible change in a particular under-lying actuarial assumption, while assuming all other assumptions to be constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated.



The table below summarises the maturity profile and duration of the gratuity liability:

	As of	
	March 31, 2019	March 31, 2018
Within one year	48	28
Within one-three years	75	51
Within three-five years	55	41
above five years	146	125
	324	245
Weighted average duration (in years)	5.87	6.64

23. Other expenses

	For the year ended	
	March 31, 2019	March 31, 2018
Legal & professional charges*	11	8
Rates, fees and taxes	47	18
Consumption of material	738	167
Electricity & water	9	11
Telephone, telex and postage	38	50
Travelling and conveyance	84	69
Rent expenses	113	127
Repair & maintenance	216	48
Insurance expenses	60	41
Provision for other debts	47	9
Miscellaneous expenses	38	27
Charity and donation	1	7
	1,402	582

As per the requirements of section 135 of the Companies Act, 2013, the Company was required to spend an amount of Rs. 7 and Rs. 7 for the year ended March 31, 2019 and 2018 on Corporate Social Responsibility expenditure. During the year ended March 31, 2019 and 2018, the Company has spent Rs. Nil and Rs 5 towards Corporate Social Responsibility.

*Detail of Auditor's remuneration included in legal and professional fees:

	For the year ended	
	March 31, 2019	March 31, 2018
Audit fee^	1	1
Reimbursement of expenses	0	0
	1	1

^Excluding goods and services tax

24. Depreciation & amortisation

	For the year ended	
	March 31, 2019	March 31, 2018
Depreciation	46	48
Amortisation	0	3
	46	51



25. Finance costs and income

	For the year ended	
	March 31, 2019	March 31, 2018
Finance costs		
Bank charges, LCs & guarantees	13	2
	13	2

	For the year ended	
	March 31, 2019	March 31, 2018
Finance income		
Interest income on deposits	-	13
	-	13

26. Earnings per share

	For the year ended	
	March 31, 2019	March 31, 2018
Weighted average shares outstanding for basic and diluted EPS (' In 000)	93,927	91,508
Profit for the year	146	234

27. Related party disclosures

a. Parent company:

- Bharti Airtel Limited

b. Ultimate controlling entity (w.e.f November 3, 2017)

- Bharti Enterprises (Holding) Private Limited. It is held by private trusts of Bharti family, with Mr. Sunil Bharti Mittal's family trust effectively controlling the said company.

c. Other entities with whom transactions have taken place during the reporting periods

(i) Fellow subsidiaries

- Bharti Hexacom Limited
- Bharti Airtel Services Limited
- Bharti Telemedia Limited
- Airtel Payment Bank Limited (ceased to be subsidiary w.e.f October 25, 2018)

(ii) Other related parties*

- Bharti Realty Limited
- Bharti Realty Holdings Limited
- Bharti Axa General Insurance Company Limited
- Bharti Foundation

*Other related parties, though not 'Related Parties' as per the definition under Ind AS 24, have been included by way of a voluntary disclosure, following the best corporate governance practices.

(iii) Associates

- Airtel Payment Bank Limited (w.e.f October, 25, 2018)

d. Key management personnel ('KMP')

- Rakesh Kumar, CEO (Appointed w.e.f. from June 12, 2017)
- Sanjeev Bedekar, CEO (Retired w.e.f from April 19, 2017)



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The summary of transaction with and outstanding balances of the abovementioned parties are as follows:

	Parent company		Fellow subsidiaries		Other related parties		Associates		KMP	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Transactions during the period										
Rendering of services	10,371	8,204	194	130	-	-	-	-	-	-
Salary	-	-	-	-	-	-	-	-	7	12
Expenses incurred by related party on behalf of the Company	(165)	(44)	(1)	(0)	0	(1)	-	-	-	-
Employee settlement - out	204	7	(10)	-	-	-	(14)	-	-	-
Receiving of services others	(44)	(52)	(27)	(6)	(0)	(4)	-	-	-	-
Rental expenses	(83)	(98)	(1)	(2)	0	(8)	-	-	-	-
Donations to related party	-	-	(3)	-	-	(8)	-	-	-	-
Issue of share capital	-	-	-	47	-	-	-	-	-	-
Outstanding balances as at the end of the year										
Trade payables	(155)	(128)	(6)	(7)	-	(0)	-	-	-	-
Security deposit	-	-	-	-	-	12	-	-	-	-
Unbilled receivables	1,066	1,864	36	20	-	-	-	-	-	-
Trade receivables	1,327	1,059	16	25	-	-	-	-	-	-
Advances	(0)	(299)	-	-	-	-	-	-	-	-

Significant related party transactions are summarized below:

	For the year ended	
	March 31, 2019	March 31, 2018
Rendering of services		
Holding company		
Bharti Airtel Limited	10,371	8204
Fellow subsidiaries		
Bharti Hexacom Limited	191	128
Employee settlement		
Holding company		
Bharti Airtel Limited	107	-
Fellow subsidiaries		
Airtel Payment Bank Limited	(10)	-
Associates		
Airtel Payment Bank Limited	(14)	-
Receiving of services others		
Fellow subsidiaries		
Bharti Telemedia Ltd	(16)	(6)
Airtel Payment Bank Limited	(8)	-

Note: Transactions reported above are inclusive of taxes wherever applicable.

KMP are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director, whether executive or otherwise. Remuneration to key management personnel were as follows:

	For the year ended	
	March 31, 2019	March 31, 2018
Short term employee benefit	7	12
Performance linked incentive ('PLI')#	2	2
Post employment benefits	0	0
	9	14

As the liabilities for the gratuity and compensated absences are provided on an actuarial basis, and calculated for the Company as a whole rather than each of the individual employees, the said liabilities pertaining specifically to KMP are not known and hence, not included in the above table.



The ageing analysis of trade receivables as of the reporting date is as follows:

	Neither past due nor impaired	Past due but not impaired				Total
		Less Than 30 days	30 to 60 days	60 to 90 days	Above 90 days	
Trade receivables as of March 31, 2019	1,179	120	27	17	-	1,343
Trade receivables as of March 31, 2018	772	109	169	6	28	1,084

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. Accordingly, as a prudent liquidity risk management measure, the Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including bilateral loans, debt, and overdraft from both domestic and international banks at an optimised cost. It also enjoys strong access to domestic and international capital markets across debt and equity.

Moreover, the Company's senior management regularly monitors the rolling forecasts of the entities' liquidity reserve (comprising of the amount of available un-drawn credit facilities and Cash and cash equivalents) and the related requirements, to ensure they have sufficient cash on an on-going basis to meet operational needs while maintaining sufficient headroom at all times on its available un-drawn committed credit facilities, so that there is no breach of borrowing limits or relevant covenants on any of its borrowings. For details as to the Borrowings, refer note 15.

Based on past performance and current expectations, the Company believes that the Cash and cash equivalents, cash generated from operations and available un-drawn credit facilities, will satisfy its working capital needs, capital expenditure, investment requirements, commitments and other liquidity requirements associated with its existing operations, through at least the next twelve months.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

	As of March 31, 2019						Total
	Carrying amount	On demand	Less than 6 months	6 to 12 months	1 to 2 years	> 2 years	
Trade payables	2,352	-	2,352	-	-	-	2,352
Borrowings	201	201	-	-	-	-	201
Other financial liabilities	310	-	310	-	-	-	310
	2,863	201	2,662	-	-	-	2,863

	As of March 31, 2018						Total
	Carrying amount	On demand	Less than 6 months	6 to 12 months	1 to 2 years	> 2 years	
Trade payables	2,680	-	2,680	-	-	-	2,680
Borrowings	61	61	-	-	-	-	61
Other financial liabilities	217	-	217	-	-	-	217
	2,958	61	2,897	-	-	-	2,958



(c) Interest rate risk

Interest rate risk is the risk that the fair value or the future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates. Since Company has only bank overdraft, there is no exposure to fluctuation in interest rate.

(d) Capital Risk

The Company's objective while managing capital is to safeguard its ability to continue as a going concern support business stability and growth, ensure adherence to relevant laws and regulations, and maintain an optimal and efficient capital structure so as to reduce the cost of capital. However, the key objective of the Company's capital management is to, ensure that it maintains a stable capital structure with the focus on total Equity and ensure future development of its business activities. In order to maintain or adjust the capital structure, the Company may issue new shares, declare dividends, return capital to shareholders, etc.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions or its business requirements.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt is calculated as loans and borrowings less cash and cash equivalents.

	As of	
	March 31, 2019	March 31, 2018
Loans & Borrowings	201	61
Less: Cash and Cash Equivalents	1	0
Net Debt	200	61
Equity	764	617
Total Capital	764	617
Capital and Net Debt	964	678
Gearing Ratio	20.76%	9.01%

