BHARTI AIRTEL (JAPAN) PRIVATE LIMITED

Special Purpose Financial Statements

March 31, 2023

BHARTI AIRTEL (JAPAN) PRIVATE LIMITED
Special Purpose Financial Statements - March 31, 2023

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Independent Auditor's Report

Deloitte Haskins & Sells LLP

Chartered Accountants
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Bharti Airtel (Japan) Private Limited
Report on the Audit of the Special Purpose Financial Statements

Opinion

We have audited the accompanying Special Purpose Financial Statements of **Bharti Airtel (Japan) Private Limited** (the "Company"), which comprise the Special Purpose Balance Sheet as at March 31, 2023, the Special Purpose Statement of Profit and Loss (including Other Comprehensive Income), the Special Purpose Statement of Changes in Equity and the Special Purpose Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Special Purpose Financial Statements"). These Special Purpose Financial Statements are prepared solely for inclusion in the annual report of Bharti Airtel Limited for the year ended March 31, 2023 under the requirements of section 129(3) of the Companies Act, 2013.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give a true and fair view in conformity with the basis of preparation referred to in Note 2.1 of the Special Purpose Financial Statements, of the state of affairs of the Company as at March 31, 2023, the loss and total comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Special Purpose Financial Statements in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (ICAI). Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence and ethical requirements that are relevant to our audit of the special purpose financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Special Purpose Financial Statements.

Responsibilities of Management and Those Charged with Governance for the Special Purpose Financial Statements

The Company's Board of Directors is responsible for the preparation and presentation of these Special Purpose Financial Statements that give a true and fair view of the financial position, financial performance (including other comprehensive income/(loss), changes in equity and cash flows of the Company) in accordance with the basis described in Note 2.1 of the Special Purpose Financial Statements.

This responsibility also includes maintenance of adequate accounting records for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and

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maintenance of adequate internal financial controls with reference to Financial Statements, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Special Purpose Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements

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

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

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

- Obtain an understanding of internal financial control with reference to Financial Statement relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

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

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

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Chartered Accountants

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

Materiality is the magnitude of misstatements in the Special Purpose Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Special Purpose Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the special purpose financial statements.

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

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

Basis of Preparation

We draw attention to Note 2.1 to the Special Purpose Financial Statements, which describes the basis of preparation. As a result, the Special Purpose Financial Statements may not be suitable for another purpose.

Restriction on Use and Distribution

This report is issued to the Board of Directors of the Company solely for inclusion in the annual report of the Bharti Airtel Limited under the requirements of Section 129(3) of the Companies Act, 2013 and may not be suitable for any other purpose. Our report is intended solely for the Company and Bharti Airtel Limited and should not be distributed to or used by parties other than the Company and Bharti Airtel Limited.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Deloitte Haskins & Sells LLP
Chartered Accountants

Nilesh H. Lahoti
(Partner)
(Membership No. 130054)
UDIN: 23130054BGYYYH3554

Place: Frankfurt, Germany
Date: June 19, 2023

Special Purpose Financial Statements

BHARTI AIRTEL (JAPAN) PRIVATE LIMITED
Special Purpose Balance Sheet
(All amounts are in thousands of JPY; unless stated otherwise)

	Notes	As of March 31, 2023 (In Rs. '000) (Unaudited)	As of March 31, 2023 (Audited)	As of March 31, 2022 (Audited)
Assets				
Non-current assets				
- Other financial assets	4	36	58	53
		36	**58**	**53**
Current assets				
Financial assets				
- Trade receivables	5	5,561	8,966	23,530
- Cash and cash equivalents	6	7,310	11,787	8,613
- Others financial assets	4	5,024	8,101	3,513
Other current assets	7	6,347	10,234	7,783
		24,242	**39,088**	**43,439**
Total assets		**24,278**	**39,146**	**43,492**
Equity and liabilities				
Equity				
Equity share capital	8	31	50	50
Other equity		6,426	10,362	15,912
		6,457	**10,412**	**15,962**
Current liabilities				
Financial liabilities				
- Borrowings	10	6,409	10,335	10,335
- Trade payables				
-total outstanding dues of creditors other than micro enterprises and small enterprises	11	6,894	11,115	9,905
- Other financial liabilities	12	3,177	5,123	4,365
Income tax liabilities (net)		1,038	1,673	2,496
Other current liabilities	13	303	488	429
Total liabilities		**17,821**	**28,734**	**27,530**
Total Equity and liabilities		**24,278**	**39,146**	**43,492**

The accompanying notes 1 to 24 form an integral part of these special purpose 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

Place: Frankfurt, Germany
Date: June 19, 2023

Deloitte Haskins & Sells LLP Chartered Accountants

For and on behalf of the Board of Directors of Bharti Airtel (Japan) Private Limited

Ajay Chitkara
Director
Place: Gurugram, India
Date: June 19, 2023

Yasuhiko Niiro
Director
Place: Japan
Date: June 19, 2023

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BHARTI AIRTEL (JAPAN) PRIVATE LIMITED
Special Purpose Statement of Profit and loss
(All amounts are in thousands of JPY; unless stated otherwise)

	Notes	March 31, 2023 (In Rs. '000) (Unaudited)	March 31, 2023 (Audited)	March 31, 2022 (Audited)
		For the year ended		
Income				
Revenue from operations	15	26,696	43,046	38,145
Other income		9	14	-
		26,705	**43,060**	**38,145**
Expenses				
Network operating expenses	16	25,183	40,607	29,185
Employee benefits expense	17	2,131	3,437	1,944
Other expenses	18	1,686	2,719	1,896
		29,000	**46,763**	**33,025**
(Loss) / profit before depreciation, finance costs and tax		**(2,295)**	**(3,703)**	**5,120**
Depreciation expense	3	-	-	114
Finance costs	19	2,069	3,335	1,984
(Loss) / profit before tax		**(4,364)**	**(7,038)**	**3,022**
Tax expense				
Current tax	20	43	70	635
		43	**70**	**635**
(Loss) / profit for the year		**(4,407)**	**(7,108)**	**2,387**
Other comprehensive income				
Items will be reclassified subsequently to profit or loss :				
Currency translation		966	1,558	43
Total comprehensive (loss) / income for the year		**(3,441)**	**(5,550)**	**2,430**
Earnings per share (In Rs. / JPY)				
Basic and Diluted (loss) / earnings per share	22	(4,406,947)	(7,108,406)	2,386,551

The accompanying notes 1 to 24 form an integral part of these special purpose 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

Place: Frankfurt, Germany
Date: June 19, 2023

Deloitte Haskins & Sells LLP Chartered Accountants

For and on behalf of the Board of Directors of Bharti Airtel (Japan) Private Limited

Ajay Chitkara
Director
Place: Gurugram, India
Date: June 19, 2023

Yasuhiko Niiro
Director
Place: Japan
Date: June 19, 2023

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BHARTI AIRTEL (JAPAN) PRIVATE LIMITED
Special Purpose Statement of Changes in Equity
(All amounts are in thousands of JPY; unless stated otherwise)

	Equity share capital		Other equity			
	No. of shares	Amount	Retained earnings	Foreign currency translation reserve 'FCTR'	Total	Total equity
As of April 1, 2021	1	50	15,593	(2,111)	13,482	13,532
Profit for the year	-	-	2,387	-	2,387	2,387
Other comprehensive income	-	-	-	43	43	43
Total comprehensive income	-	-	2,387	43	2,430	2,430
As of March 31, 2022	1	50	17,980	(2,068)	15,912	15,962
Loss for the year	-	-	(7,108)	-	(7,108)	(7,108)
Other comprehensive income	-	-		1,558	1,558	1,558
Total comprehensive income	-	-	(7,108)	1,558	(5,550)	(5,550)
As of March 31, 2023	1	50	10,872	(510)	10,362	10,412

The accompanying notes 1 to 24 form an integral part of these special purpose financial statements.

As per our report of even date
For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No: 117366W / W-100018)

For and on behalf of the Board of Directors of Bharti Airtel (Japan) Private Limited

Nilesh H. Lahoti
Partner
Membership No: 130054

Place: Frankfurt, Germany
Date: June 19, 2023

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Director
Place: Gurugram, India
Date: June 19, 2023

Yasuhiko Niiro
Director
Place: Japan
Date: June 19, 2023

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BHARTI AIRTEL (JAPAN) PRIVATE LIMITED
Notes to Special Purpose Statement of Cash Flows
(All amounts are in thousands of JPY; unless stated otherwise)

	For the year ended	
	March 31, 2023	March 31, 2022
Cash flow from operating activities		
(Loss) / profit before tax	(7,038)	3,022
Adjustments for :		
Depreciation expense	-	114
Finance costs	3,335	1,984
Operating cash flow before changes in assets and liabilities	(3,703)	5,120
Changes in assets and liabilities		
Trade receivables	16,314	1,170
Trade payables	1,355	2,509
Other financial and non financial assets	(7,889)	(13,090)
Other financial and non financial liabilities	65	(44)
Net Cash generated from / (used in) operations before tax	6,142	(4,335)
Income tax (paid) / refund (net)	(1,152)	235
Net cash generated from / (used in) operating activities (a)	4,990	(4,100)
Cash flow from financing activities		
Interest and other finance charges paid	(2,577)	(1,227)
Net cash used in financing activities (b)	(2,577)	(1,227)
Net increase / (decrease) in cash and cash equivalents (a+b)	2,413	(5,327)
Effect of exchange rate changes on cash and cash equivalents	761	1,334
Cash and cash equivalents as at the beginning of the year	8,613	12,606
Cash and cash equivalents as at the end of the year (refer Note 6)	11,787	8,613

The accompanying notes 1 to 24 form an integral part of these special purpose financial statements.

The above Statement of Cash Flows has been prepared under the indirect method as set out in Ind AS 7 "Statement of Cash Flows".

As per our report of even date
For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No: 117366W / W-100018)

For and on behalf of the Board of Directors of Bharti Airtel (Japan) Private Limited

Nilesh H. Lahoti
Partner
Membership No: 130054

Place: Frankfurt, Germany
Date: June 19, 2023

Deloitte Haskins & Sells LLP
Chartered Accountants

Ajay Chitkara
Director
Place: Gurugram, India
Date: June 19, 2023

Yasuhiko Niiro
Director
Place: Japan
Date: June 19, 2023

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1. Corporate information

Bharti Airtel (Japan) Private Limited ('the Company') incorporated on April 5, 2010, is registered in Japan having its registered office at 7-1, Nishi Shinjuku 3-chome, Shinjuku-ku, Tokyo.

The Company is a wholly owned subsidiary of Bharti International (Singapore) Pte. Ltd., a company incorporated in Singapore.

The Company has point of presence ('POP') in Japan to provide telecommunication services so as to interconnect international and domestic capacities terminating and originating into that country.

2. Summary of significant accounting policies

2.1 Basis of preparation

The Special Purpose Financial Statements ('financial statements') have been prepared by the Company solely to assist Bharti Airtel Limited ('Ultimate parent company') for its consolidation purpose and to comply with the requirements under Companies Act 2013 ('Act'). These 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 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, except for certain disclosures as required by the Ind AS and Division II of Schedule III of the which are not relevant for true and fair presentation.

The financial statements are approved for issue by the Company's Board of Directors on June 19, 2023.

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 Act. Further, for the purpose of clarity, various items are aggregated in 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.

The functional currency of the Company is United States Dollars ('USD'). However, the presentation currency of the Company is Japanese Yen ('JPY') and therefore all the amounts included in the financial statements are reported in JPY, except per share data and unless stated otherwise. The translation of JPY to Rupee amounts is unaudited and is included solely for readers in India and has been calculated using the rate of JPY 1 = Rs 0.6202 as on March 31, 2023. Such translations should not be construed as representations that the Rupee amounts represent, or have been or could be converted into, JPY at that or any other rate.

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.

All the amounts included in the financial statements are reported in thousands of JPY and are rounded to the nearest thousands, except per share data and unless stated otherwise. Further, due to rounding off, certain amounts are appearing as '0'.

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 in case of adoption of any new standards and amendments during the year.

New amendments adopted during the year

a) Amendment to Ind AS

MCA vide notification no. G.S.R. 255(E) dated March 23, 2022 has issued the Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends following Ind AS (as applicable to the Company):

- Ind AS 109, Financial Instruments
- Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets
- Ind AS 16, Property, Plant and Equipment

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The amendments are applicable for annual periods beginning on or after the April 1, 2022, however, these do not have material impact on the financial statements of the Company.

b) Amendments to Ind AS issued but not yet effective

MCA vide notification no. G.S.R. 242(E) dated March 31, 2023 has issued the Companies (Indian Accounting Standards) Amendment Rules, 2023 which amends following Ind AS (as applicable to the Company):

- Ind AS 102, Share-based Payments
- Ind AS 103, Business Combinations
- Ind AS 107, Financial Instruments: Disclosures
- Ind AS 109, Financial Instruments
- Ind AS 115, Revenue from Contracts with Customers
- Ind AS 1, Presentation of Financial Statements
- Ind AS 12, Income Taxes
- Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors
- Ind AS 34, Interim Financial Reporting

The amendments are applicable for annual periods beginning on or after April 1, 2023. The company has evaluated the amendments and the impact is not expected to be material.

2.2 Basis of measurement

The financial statements have been prepared on an 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 at fair value through profit or loss.

Fair value measurement

Fair value is the price at the measurement date, at which an asset can be sold or a liability can be transferred, in an orderly transaction between market participants. The Company's accounting policies require, measurement of certain financial instruments 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 Foreign currency transactions

Transactions in foreign currencies are measured and recorded in US dollars on initial recognition at exchange rates approximating those ruling at the transaction dates.

Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the end of reporting period. Non-monetary items that are measured in terms of historical cost in foreign currencies are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in foreign currencies are translated using the exchange rates at the dates when their fair values were determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of reporting period are recognised in profit or loss.

For the purpose of presentation, the financial statements are prepared in JPY by translating the assets and liabilities at the rate of exchange at the date of that balance sheet and income and expenses are translated at monthly average exchange rates for the period. Exchange differences arising on account of above are recognized in other comprehensive income.

2.4 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.

2.5 Property, plant and equipment ('PPE')

An item of PPE 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. In case of multiple element contracts whereby the vendor supplies PPE as well as other components, PPE is recorded on the basis of relative fair values.

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 available for 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 management 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 Act and has accordingly, depreciated the assets over such useful life. Freehold land is not depreciated as it has an unlimited useful life. The Company has established the estimated range of useful lives of different categories of PPE as follows:

Categories	Years
Plant and machinery	3 – 10

The useful lives, residual values and depreciation method of PPE are reviewed, and adjusted appropriately, at-least as at each reporting date so as to ensure that the method and period of depreciation are consistent with the

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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.

2.6 Impairment of non-financial assets

PPE

PPE is 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. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets.

2.7 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 other 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.

The Company has classified all the non-derivative financial liabilities as measured at amortised cost.

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

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. However, trade receivables that do not contain a significant financing component are measured at transaction price. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. Other transaction costs are expensed as incurred in the statement of Profit and Loss.

The transaction price is generally the best evidence of the financial instrument's initial fair value. However, it is possible for an entity to determine that the instrument's fair value is not the transaction price. The difference between the transaction amount and the fair value (if any) is accounted for as follows:

- The difference is recognised as a gain or loss in the statement of Profit and Loss only if fair value is evidenced by a quoted price in an active market for an identical asset or liability (that is, a Level 1 input) or based on a valuation technique that uses only data from observable markets.

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- In all other cases, an entity recognises the instrument at fair value and defers the difference between the fair value at initial recognition and the transaction price in the statement of financial position.

II. Subsequent measurement - financial assets

The subsequent measurement of the non-derivative 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 other 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 fair value through profit or loss. Interest (basis EIR method) income is recognised in the Statement of Profit and Loss within other income 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 and debt instrument carried at FVTOCI. 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 Expected Credit Loss ('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).

c. Derecognition

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 statement of Profit and Loss. The financial liabilities are de-recognised from the balance sheet when the underlying obligations are extinguished, discharged, lapsed, cancelled, expires or legally released.

2.8 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 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.

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The Company periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation. The Company considers whether it is probable that a taxation authority will accept an uncertain tax treatment. If the Company concludes it is probable that the taxation authority will accept an uncertain tax treatment, it determines the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates consistently with the tax treatment used or planned to be used in its income tax filings. If the Company concludes it is not probable that the taxation authority will accept an uncertain tax treatment, the entity reflects the effect of uncertainty in determining the related taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

b. Deferred tax

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying values in the financial statements.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.
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 Company considers the projected future taxable income and tax planning strategies in making this assessment.

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 asset is realised or the 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 relate 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.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority.

2.9 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).

2.10 Equity 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.

2.11 Employee benefits

The Company's employee benefits mainly include salaries and bonuses. The employee benefits are recognised in the period in which the associated services are rendered by the Company employees. Short-term employee benefits are recognised in statement of profit and loss at undiscounted amounts during the period in which the related services are rendered.

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2.12 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 (if the impact of discounting is significant), using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to un-winding of interest over passage of time is recognised within finance costs.

2.13 Revenue recognition

Revenue is recognised 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, discounts and process waivers.

Co-location Income: Revenue on Co-location is recognised on an accrual basis.

Point of presence (POP) services: Revenue from these services are recognised based on the capacities interconnected at each such POP and varies from time to time.

These services are recognised upon transfer of control of services over time.

2.14 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 other borrowing costs are recognised in the Statement of Profit and Loss within finance costs in the period in which they are incurred.

2.15 Earnings per share ('EPS')

The Company presents the Basic and Diluted EPS.

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

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.

2.16 Segment Reporting

Based on the way the Company manages its operating business, and the manner in which resource allocation decisions are made, the Company has only one reportable segment for financial reporting purposes, being the telecom services. Accordingly, no further operating segment financial information is disclosed.

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3 Property Plant and equipment ('PPE')

The following table presents the reconciliation of changes in the carrying value of PPE for the year ended March 31, 2023 and March 31, 2022:

Particulars	Plant and machinery
Gross carrying value	
As at April 1, 2021	**1,624**
Currency translation	172
As at March 31, 2022	**1,796**
As of April 1, 2022	**1,796**
Currency translation	159
As at March 31, 2023	**1,955**
Accumulated depreciation	
As at April 1, 2021	**1,511**
Charge for the year	114
Currency translation	171
As at March 31, 2022	**1,796**
As of April 1, 2022	**1,796**
Currency translation	159
As at March 31, 2023	**1,955**
Net carrying value	
At March 31, 2022	-
At March 31, 2023	-

4 Other financial assets

Non-current

	As of March 31, 2023	As of March 31, 2022
Security deposits	58	53
	58	**53**

Current

	As of March 31, 2023	As of March 31, 2022
Unbilled revenue	8,101	3,513
	8,101	**3,513**

5 Trade receivables

	As of March 31, 2023	As of March 31, 2022
Trade receivables -considered good unsecured*	8,966	23,530
	8,966	**23,530**

* This represents amount due from related parties (refer note 21).

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(All amounts are in thousands of JPY; unless stated otherwise)

Trade Receivables ageing as on March 31, 2023:

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months-1year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables — considered good	8,966	-	-	-	-	-	8,966
	8,966	-	-	-	-	-	8,966

Trade Receivables ageing as on March 31, 2022:

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months-1year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables — considered good	23,530	-	-	-	-	-	23,530
							23,530

6 Cash and cash equivalents

	As of	
	March 31, 2023	March 31, 2022
Balance with banks		
- On current accounts	11,787	8,613
	11,787	8,613

7 Other current assets

	As of	
	March 31, 2023	March 31, 2022
Taxes receivable	10,234	7,783
	10,234	7,783

8 Equity Share Capital

Authorised Share

The Company has authorised share of 100 with no par value.

	As of	
	March 31, 2023	March 31, 2022
Issued, subscribed and fully paid-up shares		
1 (March 31, 2022- 1) equity share of JPY 50,000 each, fully paid-up	50	50
	50	50

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

	As of March 31, 2023		As of March 31, 2022	
Particulars	No. of shares	JPY	No. of shares	JPY
At the beginning of the year	1	50	1	50
Outstanding at the end of the year	1	50	1	50

b) Terms/rights attached to equity shares

The Company has one class of equity shares having no par value. Each shareholder of equity share is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion to the number of equity shares held by the shareholders.

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c) Shares held by holding company

Name of the shareholder	As of March 31, 2023		As of March 31, 2022	
	No. of shares	% holding	No. of shares	% holding
Equity shares of JPY 50,000 each fully paid				
Bharti International (Singapore) Pte Ltd	1	100%	1	100%

9 Other equity

(i) **Retained earnings:** Retained earnings represent the amount of accumulated earnings of the Company.

(ii) **Foreign currency translation reserve:** Foreign currency translation reserve represent amount due to change in exchange rate on translation from functional to presentation currency.

10 Borrowings

Current

	As of	
	March 31, 2023	March 31, 2022
Unsecured		
Loan from holding company (refer note 21)	10,335	10,335
	10,335	**10,335**

Maturity of borrowings

	As of	
	March 31, 2023	March 31, 2022
On demand	10,335	10,335
	10,335	**10,335**

The JPY fixed rate borrowings bear an interest rate of 7.33% (March 31, 2022 – 7.33%) per annum and is repayable on demand.

11 Trade payables

	As of	
	March 31, 2023	March 31, 2022
Trade payables	11,115	9,905
	11,115	**9,905**

Trade Payables ageing as on March 31, 2023:

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues	10,271	549	-	76	24	195	**11,115**
	10,271	**549**	**-**	**76**	**24**	**195**	**11,115**

Trade Payables ageing as on March 31, 2022:

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues	6,535	3,075	76	24	-	195	**9,905**
	6,535	**3,075**	**76**	**24**	**-**	**195**	**9,905**

(All amounts are in thousands of JPY; unless stated otherwise)

12 Other financial liabilities

Current

	As of	
	March 31, 2023	**March 31, 2022**
Interest accrued (refer note 21)	5,123	4,365
	5,123	**4,365**

13 Other liabilities

Current

	As of	
	March 31, 2023	**March 31, 2022**
Taxes payable	97	70
Advance from cutomers (refer note 21)	391	359
	488	**429**

14 Contingencies and Commitments

There are no contingent liabilities and capital commitments in current year as well as previous year.

15 Revenue from operation

	For the year ended	
	March 31, 2023	**March 31, 2022**
Service revenue*	43,046	38,145
	43,046	**38,145**

*It includes revenue from related parties (refer note 21)

Disaggregation of Revenue

Revenue is disaggregated by timing of revenue recognition.

Timing of Revenue Recognition

	For the year ended	
	March 31, 2023	**March 31, 2022**
Services rendered over time	43,046	38,145
	43,046	**38,145**

Contract Balances

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

	As of	
	March 31, 2023	**March 31, 2022**
Unbilled revenue	8,101	3,513

16 Network operating expenses

	For the year ended	
	March 31, 2023	**March 31, 2022**
Internet Access & Bandwidth charges	40,607	29,185
	40,607	**29,185**

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(All amounts are in thousands of JPY; unless stated otherwise)

17 Employee benefits expense

	For the year ended	
	March 31, 2023	March 31, 2022
Salaries and bonus	3,437	1,944
	3,437	**1,944**

18 Other expenses

	For the year ended	
	March 31, 2023	March 31, 2022
Legal and professional charges*	2,346	1,661
Rates, fees and taxes	-	13
Rent expenses	443	195
Provision for doubtful debt - others	(102)	-
Miscellaneous expenses	32	27
	2,719	**1,896**

*Details of auditor's remuneration (excluding GST) included in legal and professional fees:

	For the year ended	
	March 31, 2023	March 31, 2022
Audit fees	977	942
Reimbursement of expenses	73	71
	1,050	**1,013**

19 Finance costs

	For the year ended	
	March 31, 2023	March 31, 2022
Net exchange loss	2,059	850
Interest expense (refer note 21)	758	758
Other finance charges	518	376
	3,335	**1,984**

20 Income Tax

The major component of income tax expense is:

	For the year ended	
	March 31, 2023	March 31, 2022
Current income tax		
- For the year	70	693
- Adjustments for prior periods	-	(58)
Tax expense attributable to current year's profit	**70**	**635**
Deferred tax		
- Origination and reversal of temporary differences	-	-
	70	**635**

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The reconciliation between the actual income tax charge and the accounting profit is as follows:

	For the year ended	
	March 31, 2023	March 31, 2022
(Loss) / profit before tax	(7,038)	3,022
Tax expense @ 32.01%	**(2,253)**	**967**
Effect of:		
Tax impact on expenses not deductible for tax purpose	(46)	243
Minimum tax paid for which no credit is available	70	70
Current year losses for which no deferred tax has been recognised	2,299	-
Adjustment in respect to current income tax of previous years	-	(58)
Adjustment in respect of brought forward losses	-	(623)
Temporary differences on which no deferred tax has been recognised	-	36
	70	**635**

In line with the accounting policy of the company, deferred tax assets are recognised to the extent it is probable that taxable profit will be available against which the deductible temporary differences and carry forward tax losses can be utilised. Accordingly, the company has not recognised deferred tax assets in respect of carry forward business losses of JPY 14,051 and JPY 11,741 as of March 31, 2023 and March 31, 2022 respectively.

The expiry schedule of the above unrecognised losses is as follows:

	As of	
	March 31, 2023	March 31, 2022
Expiry date		
Within one - three years	5,742	11,529
Within three - five years	211	211
Above five years	8,098	-
	14,051	**11,740**

21 Related party disclosure

Name of related party and related party relationship:

Related Party	Relationship
Bharti International (Singapore) Pte. Ltd.	Parent company
Bharti Airtel Limited	Intermediate parent entity
Bharti Enterprises (Holding) Private Limited*	Ultimate controlling entity
Bharti Airtel (USA) Limited	Fellow subsidiary
Bharti Airtel (Hong Kong) Limited	Fellow subsidiary

*It is held by private trusts of Bharti family, with Mr. Sunil Bharti Mittal's family trust effectively controlling the company.

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(All amounts are in thousands of JPY; unless stated otherwise)

The summary of transactions and outstanding balances with the above mentioned parties are as follows:

Related party transactions for 2022-23

Nature of Transactions	Bharti Airtel Limited	Bharti International (Singapore) Pte Ltd	Bharti Airtel (USA) Limited	Bharti Airtel (Hong Kong) Limited	Total
Purchase of services	244	-	-	-	244
Interest expense	-	(758)	-	-	(758)
Rendering of services	9,481	29,272	4,293	-	43,046
Closing Balance					
Interest accrued	-	(5,123)	-	-	(5,123)
Borrowings	-	(10,335)	-	-	(10,335)
Trade receivables	4,838	3,356	772	-	8,966
Advance from related parties	-	-	-	(391)	(391)
Total	**4,838**	**(12,102)**	**772**	**(391)**	**(6,883)**

Related party transactions for 2021-22

Nature of Transactions	Bharti Airtel Limited	Bharti International (Singapore) Pte Ltd	Bharti Airtel (USA) Limited	Bharti Airtel (Hong Kong) Limited	Total
Purchase of services	135	-	-	-	135
Interest expense	-	(758)	-	-	(758)
Rendering of services	8,314	25,813	4,018	-	38,145
Closing Balance					
Interest accrued	-	(4,365)	-	-	(4,365)
Borrowings	-	(10,335)	-	-	(10,335)
Trade receivables / Payables	2,800	19,333	1,397	-	23,530
Advance from related parties	-	-	-	(359)	(359)
Total	**2,800**	**4,633**	**1,397**	**(359)**	**8,471**

22 Earnings per share

	For the year ended	
	March 31, 2023	**March 31, 2022**
(Loss) / profit attributable to equity shareholders as per statement of profit and loss (A)	(7,108)	2,387
Weighted average number of equity shares for calculating basic earning per share (B)	1	1
Nominal value of equity shares (in JPY)	50,000	50,000
(Loss) /Earnings per share (Basic and Diluted) (A / B)	(7,108,406)	2,386,551

23 Financial risk and capital risk

1. Financial risk

The business activities of the Company expose it to a variety of financial risks, namely market risks (that is, foreign exchange risk and interest rate risk), credit risk and liquidity risk. The overall risk management seeks to minimize potential adverse effects of these risks on the financial performance of the Company. The Company has established risk management policies, guidelines and control procedures to manage its exposure to financial risks.

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(a) Credit risk

Credit risk refers to the risk of default on its obligation by the counter-party, the risk of deterioration of credit-worthiness of the counter-party as well as concentration risks of financial assets, and thereby exposing the Company to potential financial losses.

The Company is exposed to credit risk mainly with respect to trade receivables. The trade receivables of the Company are typically non-interest bearing un-secured and derived from sales made to group entities. Revenue earned from the related parties is disclosed in note 21. The credit period provided by the Company to its customers generally ranges between 0-60 days.

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

	0-60 days	Total
March 31, 2023	In JPY	In JPY
Trade Receivables	8,966	8,966
	8,966	**8,966**

	0-60 days	Total
March 31, 2022	In JPY	In JPY
Trade Receivables	23,530	23,530
	23,530	**23,530**

Cash and cash equivalents are placed with reputed financial banks / institutions.

(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. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

To manage liquidity risk, the Company monitors its net operating cash flow and maintains an adequate level of cash and cash equivalents to finance the Company's operations and mitigate the effects of fluctuations in cash flows.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Company's financial liabilities at the end of the reporting period based on contractual undiscounted repayment obligation.

	As of March 31, 2023						
	Carrying amount	On demand	Less than 6 months	6 to 12 months	1 to 2 years	> 2 years	Total
Interest bearing borrowings	10,335	10,335	-	-	-	-	10,335
Trade payables	11,115	-	11,115	-	-	-	11,115
Other financial liabilities	5,123	5,123	-	-	-	-	5,123
	26,573	**15,458**	**11,115**	**-**	**-**	**-**	**26,573**

	As of March 31, 2022						
	Carrying amount	On demand	Less than 6 months	6 to 12 months	1 to 2 years	> 2 years	Total
Interest bearing borrowings	10,335	10,335	-	-	-	-	10,335
Trade payables	9,905	-	9,905	-	-	-	9,905
Other financial liabilities	4,365	4,365	-	-	-	-	4,365
	24,605	**14,700**	**9,905**	**-**	**-**	**-**	**24,605**

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(All amounts are in thousands of JPY; unless stated otherwise)

(c) Foreign currency risk

The Company has foreign currency trade payables, receivables and borrowings. However, foreign exchange exposure mainly arises from trade payables and accrued expenses denominated in foreign currencies. Consequently, the Company is mainly exposed to foreign exchange risks related to foreign currencies vis-à-vis the functional currencies.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Company's profit / (loss) before tax to a reasonably possible change in the exchange rates against the functional currency of the Company:

	Change in currency exchange rate	Effect on Profit / Loss before Tax	
		March 31, 2023	March 31, 2022
JPY	+5%	(62)	(31)
JPY	-5%	62	31
INR	+5%	(57)	(52)
INR	-5%	57	52

The above sensitivity analysis is based on a reasonably possible change in the underlying foreign currency against the respective functional currency while assuming all other variables to be constant.

2. Capital management

Company's objective while managing capital is to safeguard its ability to continue as a going concern (so that it is enabled to provide returns and create value for its shareholders, and benefits for other stakeholders), support business stability and growth, ensure adherence to the relevant laws and regulations, and maintain an optimal and efficient capital structure so as to reduce the cost of capital. 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 a total capital plus net debt. Net debt is calculated as loans and borrowings less cash and cash equivalents.

	As of	
	March 31, 2023 *	March 31, 2022
Loans and Borrowings	10,335	10,335
Less: Cash and Cash Equivalents	10,335	8,613
Net Debt	-	1,722
Equity	10,412	15,962
Total Capital	10,412	15,962
Capital and Net Debt	10,412	17,685
Gearing Ratio	0.00%	9.74%

*As of March 31, 2023, cash and cash equivalents has been considered to the extent of outstanding loans and borrowings for the purpose of computation of net debt.

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(All amounts are in thousands of JPY; unless stated otherwise)

24. Fair value of financial instruments

The category wise details as to the carrying value and fair value of the Company's financial instruments are as follows:

	March 31, 2023		March 31, 2022	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Assets at amortised costs				
Trade receivables	8,966	8,966	23,530	23,530
Cash and cash equivalents	11,787	11,787	8,613	8,613
Other financial assets	8,159	8,159	3,566	3,566
	28,912	**28,912**	**35,709**	**35,709**
Liabilities at amortised costs				
Borrowing	10,335	10,335	10,335	10,335
Trade payables	11,115	11,115	9,905	9,905
Other financial liabilities	5,123	5,123	4,365	4,365
	26,573	**26,573**	**24,605**	**24,605**

The following methods / assumptions were used to estimate the fair values:

The carrying value of the trade receivables, trade payable, borrowings and other financial assets and liabilities approximates their fair value mainly due to short term maturity of these instruments.

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