

Indo Teleports Limited
Ind AS Financial Statements
March 31, 2023

Indo Teleports Limited

Ind AS Financial Statements – March 31, 2023

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Independent Auditor's Report

INDEPENDENT AUDITOR'S REPORT

To The Members of Indo Teleports Limited Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Indo Teleports Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its loss, total comprehensive loss, its changes in equity and the changes in cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, 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 financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's report, but does not include the financial statements and our auditor's report thereon.
- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Company to express an opinion on the financial statements.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the 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 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.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account.

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- d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,
In our opinion and to the best of our information and according to the explanations given to us, the company has not paid any managerial remuneration during the year except directors sitting fees (Refer Note 28 to the financial statements), hence the provisions of section 197 read with Schedule V of the Act are not applicable to the Company.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. (a) The Management has represented that, to the best of it's knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The Management has represented, that, to the best of it's knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
 - v. The company has not declared or paid any dividend during the year and has not proposed final dividend for the year.
 - vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.
2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



Nilesh H. Lahoti
(Partner)
(Membership No. 130054)
(UDIN: 23130054BGYYXT9979)

Place: Gurugram
Date: May 16, 2023

**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

Report on the Internal Financial Controls with reference to standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Indo Teleports Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls with reference to financial statements based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

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Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No.117366W/W-100018)



Nilesh H. Lahoti
(Partner)
(Membership No. 130054)
(UDIN: 23130054BGYYXT9979)

Place: Gurugram
Date: May 16, 2023

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Indo Teleports Limited

- i. In respect of Company's Property, Plant and Equipment and Intangible Assets: -
 - (a) A. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment, capital work-in-progress and relevant details of right of use assets.
 - B. As the Company does not hold any intangible assets, reporting under clause (i)(a)(B) of the Order is not applicable.
 - (b) The Company has a program of verification of property, plant and equipment, capital work-in-progress and right-of-use assets so to cover all the items once every 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, no such assets were due for physical verification during the year. Since no physical verification of property, plant and equipment, capital work-in-progress and right-of-use assets was due during the year the question of reporting on material discrepancies noted on verification does not arise.
 - (c) The Company does not have any immovable properties and hence reporting under clause (i)(c) of the Order is not applicable.
 - (d) The Company has not revalued any of its property, plant and equipment (including Right of use assets) during the year. The Company does not have any intangible assets.
 - (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii.
 - (a) The Company does not have any inventory and hence reporting under clause (ii)(a) of the Order is not applicable.
 - (b) According to the information and explanations given to us, at any point of time of the year, the Company has not been sanctioned any working capital facility from banks or financial institutions and hence reporting under clause (ii)(b) of the Order is not applicable.
- iii. The Company has not made any investments in, provided any guarantee or security, and granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, and hence reporting under clause (iii) of the Order is not applicable.
- iv. The Company has not granted any loans, made investments or provided guarantees or securities and hence reporting under clause (iv) is not applicable.

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- v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.
- vi. The maintenance of cost records has not been specified for the activities of the Company by the Central Government under section 148(1) of the Companies Act, 2013.
- vii. In respect of statutory dues:

(a) Undisputed statutory dues, including Goods and Service tax, Income-tax, duty of Custom, cess and other material statutory dues applicable to the Company have been regularly deposited by it with the appropriate authorities in all cases during the year.

There were no undisputed amounts payable in respect of Goods and Service Tax, Income-tax, duty of Custom, cess and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.

(b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2023 on account of disputes are given below;

Name of the Statute	Nature of the Dues	Amount (Rs. In thousands)	Period to which the Amount Relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	60,729	2013-14	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	56,428	2017-18	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	57,439	2018-19	Commissioner of Income Tax (Appeals)

- viii. There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- ix. In respect of its Borrowings,
 - (a) During the year, the Company has converted the loan outstanding from the parent company into equity. Having regard to the terms of such conversion, in our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or other borrowings, or in the payment of interest thereon to any lender during the year.
 - (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

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- (c) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause (ix)(e) and (f) of the Order is not applicable.
- x. In respect of its issued securities:
 - (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.
 - (b) The Company has made private placement of shares during the year. For such allotment of shares, the Company has complied with the requirements of section 42 and 62 of the Companies Act, 2013, and the funds raised have been, prima facie, applied by the Company during the year for the purposes for which the funds were raised. The Company has not made any preferential allotment or private placement of (fully or partly or optionally) convertible debentures during the year.
- xi.
 - (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
 - (b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
 - (c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.
- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- xiv.
 - (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
 - (b) We have considered, the internal audit reports issued to the Company during the year and covering the period upto March 2023.
- xv. In our opinion during the year the Company has not entered into any non-cash transactions with any of its directors or directors of it's holding company or persons connected with such directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

- xvi. (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.
- (d) The Group does not have more than one CIC as part of the group.
- xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report which is not mitigated indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. The Company was not having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year and hence, provisions of Section 135 of the Act are not applicable to the Company during the year. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



Nilesh H. Lahoti
(Partner)
(Membership No. 130054)
(UDIN: 23130054BGYYXT9979)

Place: Gurugram
Date: May 16, 2023

Ind AS Financial Statements

Indo Teleports Limited**Balance Sheet**

(All amounts are in thousands of Indian Rupee)

	Notes	As of	
		March 31, 2023	March 31, 2022
Assets			
Non-current assets			
Property, plant and equipment	6	23,346	32,229
Capital work-in-progress	6	-	1,469
Right-of-use assets	29	168,411	79,924
Income tax assets (net)		20,601	17,502
Other non-current assets	7	996	996
		213,354	132,120
Current assets			
Financial assets			
- Investments	8	132,047	-
- Trade receivables	9	39,144	44,500
- Cash and cash equivalents	10	24,977	8,115
- Other financial assets	11	101	44
Other current assets	7	60,459	79,568
		256,728	132,227
Total assets		470,082	264,347
Equity and liabilities			
Equity			
Equity share capital	12	825,714	230,000
Other equity		(718,362)	(914,810)
		107,352	(684,810)
Non-Current liabilities			
Financial liabilities			
- Lease liabilities		44,384	-
		44,384	-
Current liabilities			
Financial liabilities			
- Borrowings	14	-	666,286
- Lease liabilities		242,057	94,237
- Trade payables		-	-
- total outstanding dues of micro enterprises and small enterprises	15	-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises		72,815	182,458
- Other financial liabilities	16	311	794
Other current liabilities	17	3,163	5,382
		318,346	949,157
Total liabilities		362,730	949,157
Total equity and liabilities		470,082	264,347

The accompanying notes 1 to 32 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
Place: Gurugram



For and on behalf of the Board of Directors of Indo Teleports Limited

Rahul Vatts
Managing Director
DIN: 08877577
Place: New Delhi

Vinayak Malpani
Chief Financial Officer
Place: New Delhi

Vidyut Gulati
Director
DIN: 08205324
Place: New Delhi

Udit Jain
Company secretary
Place: New Delhi

Date: May 16, 2023



Indo Teleports Limited
Statement of Profit and Loss

(All amounts are in thousands of Indian Rupee; except per share data)

	Notes	For the year ended	
		March 31, 2023	March 31, 2022
Income			
Revenue from operations	19	213,608	201,884
Other income	20	13,766	37,654
		227,374	239,538
Expenses			
Network operating expenses	21	5,327	2,206
License fee		10,355	3,331
Employee benefits expense	22	11,894	10,895
Other expenses	23	14,692	14,665
		42,268	31,097
Profit before depreciation, finance costs and tax		185,106	208,441
Depreciation expense	24	157,029	182,820
Finance costs	25	60,869	14,901
(Loss) / profit before tax		(32,792)	10,720
(Loss) / profit for the year		(32,792)	10,720
Other comprehensive income for the year		-	-
Total comprehensive (loss) / income for the year		(32,792)	10,720
Earning per share (Face value: Rs. 10 each)			
Basic and Diluted (loss) / earning per share	27	(0.65)	0.47

The accompanying notes 1 to 32 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
Place: Gurugram



Date: May 16, 2023

For and on behalf of the Board of Directors of Indo Teleports Limited



Rahul Vatts
Managing Director
DIN: 08877577
Place: New Delhi



Vinayak Malpani
Chief Financial Officer
Place: New Delhi



Vidyut Gulati
Director
DIN: 08205324
Place: New Delhi



Udit Jain
Company secretary
Place: New Delhi



Indo Teleports Limited
Statement of Changes in Equity

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

	Equity Share Capital		Other Equity - Reserves and Surplus			Total equity
	No of shares (In '000)	Amount	Securities Premium*	Retained earnings	Total	
As of April 1, 2021	23,000	230,000	-	(925,530)	(925,530)	(695,530)
Profit for the year	-	-	-	10,720	10,720	10,720
Total comprehensive income	-	-	-	10,720	10,720	10,720
As of March 31, 2022	23,000	230,000	-	(914,810)	(914,810)	(684,810)
Loss for the year	-	-	-	(32,792)	(32,792)	(32,792)
Total comprehensive income	-	-	-	(32,792)	(32,792)	(32,792)
Transaction with owners of equity						
Issue of equity shares (refer note 5 (i))	59,571	595,714	229,240	-	229,240	824,954
As of March 31, 2023	82,571	825,714	229,240	(947,602)	(718,362)	107,352

* Net of share issue expenses

The accompanying notes 1 to 32 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
Place: Gurugram



Date: May 16, 2023

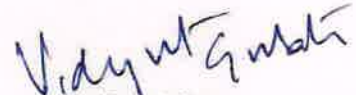
For and on behalf of the Board of Directors of Indo Teleports Limited



Rahul Vatts
Managing Director
DIN: 08877577
Place: New Delhi



Vinayak Malpani
Chief Financial Officer
Place: New Delhi



Vidyut Gulati
Director
DIN: 08205324
Place: New Delhi



Udit Jain
Company secretary
Place: New Delhi



Indo Teleports Limited
Statement of Cash Flows

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

Particulars	For the year ended	
	March 31, 2023	March 31, 2022
Cash flows from operating activities		
(Loss) / profit before tax	(32,792)	10,720
Adjustments for:		
Depreciation expense	157,029	182,820
Finance costs	58,567	14,790
Interest income	(1,186)	(1,777)
Provision for doubtful debt	(11,198)	(35,604)
Operating cash flow before changes in assets and liabilities	170,420	170,949
Changes in assets and liabilities		
Trade receivables	15,719	53,901
Trade payables	(109,645)	(13,161)
Other financial and non - financial liabilities	(1,937)	385
Other financial and non - financial assets	19,886	(20,406)
Net cash generated from operations before tax	94,443	191,668
Income tax (paid) / refund (net)	(3,099)	7,319
Net cash generated from operating activities (a)	91,343	198,987
Cash flows from investing activities		
Purchase of property, plant and equipment and capital-work-in-progress	(287)	(2,600)
Purchase of investments	(132,047)	-
Interest received	1,186	1,777
Net cash used in investing activities (b)	(131,148)	(823)
Cash flows from financing activities		
Proceeds from issuance of shares (net)	130,955	-
Proceeds from borrowings	49,500	258,650
Repayment of borrowings	(41,500)	(284,500)
Interest and other finance charges paid	(7,247)	(14,290)
Payment of lease liabilities	(75,042)	(171,237)
Net cash generated from / (used in) financing activities (c)	56,666	(211,377)
Net increase / (decrease) in cash and cash equivalents during the year (a+b+c)	16,862	(13,213)
Add : Cash and cash equivalents as at the beginning of the year	8,115	21,328
Cash and cash equivalents as at the end of the year (refer note 10)	24,977	8,115

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

Please refer note 30.1.(e), for reconciliation of liabilities whose cash flow movements are disclosed as part of financing activities in the Statement of Cash Flows.

The accompanying notes 1 to 32 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
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1. Corporate information

Indo Teleports Limited ('the Company') is domiciled and incorporated in India as a public limited 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 principally engaged in establishing, setting, operating up linking hub amplification & related processes to provide end to end communication needs.

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 accounting principles generally accepted in India.

The Company made a loss for the financial year ended March 31, 2023 of Rs. 32,792 (March 31, 2022: Profit Rs. 10,720) and as that date, the current liabilities exceeded its current assets by Rs. 61,618 (March 31, 2022: Rs. 816,930). Management has undertaken initiatives to reduce current assets and liability mismatch. These initiatives include: -

- Improving utilisation of spare capacity by increasing engagement with existing customers and on-boarding of new customers in the existing business
- Providing in-flight data & voice services
- Rationalisation of cost structure

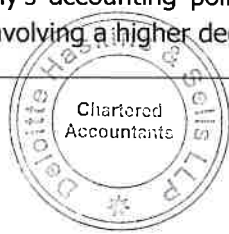
The Company's ability to continue as going concern is dependent of the success of operations and its ability to arrange funding for the operations. The Company based on commitments and support from Bharti Airtel Limited, the parent Shareholder, is confident of meeting its operating and capital funding requirements in the future. Accordingly, these financial statements have been prepared on a going concern basis.

The financial statements are approved for issue by the Company's Board of Directors on May 16, 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 to the Act. Further, for the purpose of clarity, various items are aggregated in the Statement of Balance Sheet and Statement of Profit and Loss. Nonetheless, these items are disaggregated separately in the notes to the Financial Statements, where applicable or required.

All the amounts included in the Financial Statements are reported in thousands of Indian Rupee ('Rupee' or 'Rs.') and are rounded off to the nearest thousands, except shares data, per share data and unless stated otherwise. Further, due to rounding off, certain amounts 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 4.



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 / or amendments during the year.

To provide more reliable and relevant information about the effect of certain items in the Balance Sheet and Statement of Profit and Loss, the Company has changed the classification of certain items.

New amendments adopted during the year

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

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.

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 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

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 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 (refer note 2.7) - 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 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). In addition, 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

The financial statements are presented in Indian Rupees which is the functional and presentation currency of the Company.

Transactions in foreign currencies are initially recorded in the relevant functional currency at the exchange rate prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the closing exchange rate prevailing as at the reporting date with the resulting foreign exchange differences, on subsequent restatement / settlement, recognised in the statement of Profit and Loss. Non-monetary assets and liabilities denominated in foreign currencies are translated into the functional currency using the exchange rate prevalent, at the date of initial recognition (in case they are measured at historical cost) or at the date when the fair value is determined (in case they are measured at fair value) – the resulting foreign exchange difference, on subsequent restatement / settlement, 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.

The equity items denominated in foreign currencies are translated at historical cost.

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 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 PPE are required to be replaced at regular intervals, the Company recognises such parts as separate component of assets. When an item of PPE is replaced, then its carrying amount is derecognised 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.

Cost of assets not ready for intended use, as on the Balance Sheet date, is shown as capital-work-in-progress ('CWIP'), advances given towards acquisition of PPE outstanding at each Balance Sheet date are disclosed under other non-current assets.

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.

The Company has established the estimated range of useful lives for different categories of PPE as follows:

Categories	Years
Plant & equipment	5 - 10
Computer	3
Office equipment	5

The useful lives, residual values and depreciation method of PPE are reviewed, and adjusted appropriately, atleast as at each 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 of are derecognised 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 and Right-of-use assets ('ROU')

PPE (including CWIP) and ROU 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. 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.

Reversal of impairment losses

Impairment losses are reversed in the 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 previously.

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 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 offset 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. 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.



- 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 from financial assets at fair value through profit or loss 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. 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 months, 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 liabilities are derecognised from the Balance Sheet when the underlying obligations are extinguished, discharged, lapsed, cancelled, expires or legally released. The financial assets are derecognised 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 resultant impact of derecognition is recognised in the statement of Profit and Loss.

2.8 Leases

The Company, at the inception of a contract, assesses the contract as, or containing, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether the contract involves the use of an identified asset, the Company has the right to obtain

substantially all of the economic benefits from use of the asset throughout the period of use; and the Company has the right to direct the use of the asset.

Company as a lessee

The Company recognises a ROU and a corresponding lease liability with respect to all lease agreements in which it is the lessee in the Balance Sheet. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the incremental borrowing rate (as the rate implicit in the lease cannot be readily determined). Lease liabilities include the net present value of fixed payments (including any insubstance fixed payments) and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Subsequently, the lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments including changes in the Company's assessment of whether it will exercise an extension or termination option or when the lease contract is modified and the lease modification is not accounted for as a separate lease. The corresponding adjustment is made to the carrying amount of the ROU, or is recorded in the statement of Profit and Loss if the carrying amount of the related ROU has been reduced to zero and there is a further reduction in the measurement of the lease liability.

ROU are measured at cost comprising the amount of the initial measurement of lease liability, any lease payments made at or before the commencement date and any initial direct costs less any lease incentives received.

Subsequent to initial recognition, ROU are stated at cost less accumulated depreciation and any impairment losses; and adjusted for certain remeasurements of the lease liability. Depreciation is computed using the straightline method from the commencement date to the end of the useful life of the underlying asset or the end of the lease term, whichever is shorter. The estimated useful lives of ROU are determined on the same basis as those of the underlying asset.

In the Balance Sheet, the ROU and lease liabilities are presented separately. In the statement of Profit and Loss, interest expense on lease liabilities are presented separately from the depreciation charge for the ROU. Interest expense on the lease liability is a component of finance costs, which are presented separately in the statement of Profit and Loss. In the statement of cash flows, cash payments for the principal portion of lease payments and the interest portion of lease liability are presented as financing activities, and short-term lease payments and payments for leases of low-value assets and variable lease payments not included in the measurement of the lease liability, if any, as operating activities.

When a contract includes lease and non-lease components, the Company allocates the consideration in the contract on the basis of the relative standalone prices of each lease component and the aggregate standalone price of the non-lease components.

Short-term leases and leases of low-value assets

The Company has elected not to recognise ROU and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.



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 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.

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. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. However, deferred tax is 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.

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.

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.

2.10 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.

2.11 Equity Share capital

Ordinary shares are classified as Equity when the Company has an unconditional 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.

2.12 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of 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 unwinding of interest over passage of time is recognised within finance costs.

2.13 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. Contingent assets are not recognised and disclosed only where an inflow of economic benefits is probable.

2.14 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 and discounts.

The Company assesses its revenue arrangements in order to determine if it is acting as a principal or as an agent by determining whether it has primary obligation, pricing latitude and exposure to inventory risk associated with the sale of goods / rendering of services.

In the said assessment, both the legal form and substance of the agreement are reviewed to determine each party's role in the transaction.



a. Service revenues

Service revenues mainly pertain to establishing, setting, operating up linking hub amplification & related processes to provide end to end communication needs.

The billing / collection in excess of revenue recognised is presented as deferred revenue in the Balance Sheet whereas unbilled revenue is recognised under other current financial assets.

b. Interest income

The interest income is recognised using the EIR method.

2.15 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.

2.16 Earnings per share ('EPS')

The Company presents the Basic and Diluted EPS.

Basic EPS is computed by dividing the profit / (loss) 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 / (loss) 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 year.

3 Segmental reporting

The Company operates only in one business segment viz. establishing, setting, operating up linking hub amplification & related processes, which is the only reportable segment and Company has operations only in India. Accordingly, no further operating segment financial information is disclosed.

4 Key sources of estimation uncertainties and critical 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, 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 underlying 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 year in which they become known.

4.1 Key sources of estimation uncertainties

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. Useful lives of PPE

As described at note 2.5 above, the Company reviews the estimated useful lives of PPE at the end of each reporting period. After considering market conditions, industry practice, technological developments and other factors, the Company determined that the current useful lives of its PPE remain appropriate. However, changes in economic conditions of the markets, competition and technology, among others, are unpredictable and they may significantly impact the useful lives of PPE and therefore the depreciation charges. Refer note 2.5 and note 6 for the estimated useful life and carrying value of PPE respectively.

b. Allowance for impairment of 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 grouped into homogeneous groups 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.

4.2 Critical judgements in applying the Company's accounting policies

The critical judgements, which the management has made in the process of applying the Company's accounting policies and have the most significant impact on the amounts recognised in the said Financial Statements, are discussed below:

a. Determining the lease term

Under Ind AS 116 if it is reasonably certain that a lease will be extended / will not be early terminated, the Company is required to estimate the expected lease period which may be different from the contractual tenure. The Company has various transponder lease agreements with a right to extend / renew / terminate wherein it considers the nature of the contractual terms and economic factors to determine the lease term. After assessing such factors, the lease liability has been calculated using the remaining lease period until which significant exit penalties are payable.

b. Determining the incremental borrowing rate for lease contracts

The initial recognition of lease liabilities at present value requires the identification of an appropriate discount rate. The Company has determined the incremental borrowing rate based on considerations specific to the leases by taking consideration of the risk free borrowing rates as adjusted for country / Company specific risk premiums (basis the readily available data points).



5 Significant transactions / new developments

- (i) The Board of Directors of Indo Teleport Limited in its meeting held on October 13, 2022 approved the conversion of outstanding unsecured loan (including interest) of Rs 694,000 availed from Bharti Airtel Limited into 49,571,428 equity shares, at Rs. 14 each (including securities premium of Rs 4). Further the Board of Directors also approved issuance of 10,000,000 Equity shares on a preferential / private placement basis to Parent Company, at Rs. 14 each (including securities premium of Rs 4) for cash consideration.
- (ii) The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. The Ministry of Labour and Employment ('Ministry') has issued draft of the Code on Social Security (Central) Rules, 2020 on November 13, 2020 and has invited suggestions from stakeholders which are under active consideration by the Ministry. However, the date on which the Code will come into effect has not been notified. The Company is assessing the impact of the Code and will record any related impact in the period the Code becomes effective.

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6 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:

	Plant and equipment	Office equipment	Computer	Total
Gross carrying value				
As of April 1, 2021	309,784	5,834	1,476	317,094
Additions	1,061	-	124	1,185
As of March 31, 2022	310,845	5,834	1,600	318,279
As of April 1, 2022	310,845	5,834	1,600	318,279
Additions	1,434	-	-	1,434
As of March 31, 2023	312,279	5,834	1,600	319,713
Accumulated depreciation				
As of April 1, 2021	265,480	5,727	1,457	272,664
Charge	13,929	13	124	14,066
Disposals / adjustments	(701)	19	2	(680)
As of March 31, 2022	278,708	5,759	1,583	286,050
As of April 1, 2022	278,708	5,759	1,583	286,050
Charge	9,667	13	2	9,682
Disposals / adjustments	614	19	2	635
As of March 31, 2023	288,989	5,791	1,587	296,367
Net carrying value				
As of March 31, 2022	32,137	75	17	32,229
As of March 31, 2023	23,290	43	13	23,346

The carrying value of capital work-in-progress as at March 31, 2023 and March 31, 2022 is Nil and Rs. 1,469 respectively.

CWIP aging:

As of March 31, 2022

	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	1,469	-	-	-	1,469

7 Other assets

Non-current

	As of	
	March 31, 2023	March 31, 2022
Taxes recoverable (net)*	996	996
	996	996

* It pertains to goods and service tax ('GST') claim recoverable.



Current

	As of	
	March 31, 2023	March 31, 2022
Taxes recoverable (net)*	57,064	61,760
Prepaid expenses	2,957	17,356
Advances to suppliers (net) [@]	123	137
Others	315	315
	60,459	79,568

* It includes Goods and Services Tax ('GST') and other taxes recoverable.

@ Advances to suppliers are disclosed net of allowance of Rs. 831 and Rs. 813 as of March 31, 2023 and March 31, 2022 respectively.

8 Investment

	As of	
	March 31, 2023	March 31, 2022
Investments - FVTPL		
Mutual funds (quoted)	132,047	-
	132,047	-
Aggregate book value / market value of quoted investments	132,047	-

9 Trade receivables

	As of	
	March 31, 2023	March 31, 2022
Trade receivable considered good - unsecured*	174,149	189,868
Less: Allowances for doubtful receivables	(135,005)	(145,368)
	39,144	44,500

* Includes amount due from related parties (refer note 28).

Refer note 30.1.(c) for credit risk

The movement in allowances for doubtful receivables is as follows:

	As of	
	March 31, 2023	March 31, 2022
Opening balance	145,368	180,955
Reversal	(10,363)	(35,490)
Write off	-	(97)
	135,005	145,368

Trade receivable ageing

As of March 31, 2023

	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	
Undisputed Trade receivables — considered good	1,751	30,446	768	221	11,348	129,615	174,149
Less: allowance for doubtful receivables							(135,005)
Total Trade receivables							39,144



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As of March 31, 2022

	Outstanding for following periods from due date of payment					Total	
	Not due	Less than 6 months	6 months - 1 year	1-2 Years	2-3 years		More than 3 years
Undisputed Trade receivables — considered good	-	51,957	514	12,995	11,270	113,132	189,868
Less: allowance for doubtful receivables							(145,368)
Total Trade receivables							44,500

1.0 Cash and cash equivalents ('C&CE')

	As of	
	March 31, 2023	March 31, 2022
Balances with banks		
- On current accounts	24,977	8,115
	24,977	8,115

1.1 Other financial assets**Current**

	As of	
	March 31, 2023	March 31, 2022
Other receivable	44	44
Unbilled revenue (refer note 19)	57	-
	101	44

1.2 Equity Share capital

	As of	
	March 31, 2023	March 31, 2022
Authorised shares		
123,000,000 (March 31, 2022 - 23,000,000) equity shares of Rs. 10 each	1,230,000	230,000
Issued, Subscribed and fully paid-up shares		
82,571,428 (March 31, 2022 - 23,000,000) equity shares of Rs. 10 each	825,714	230,000
	825,714	230,000

a. Reconciliation of the shares outstanding at the beginning and at the end of the year

	As of			
	March 31, 2023		March 31, 2022	
	No. of shares	Amount ('000)	No. of shares	Amount ('000)
At the beginning of the year	23,000,000	230,000	23,000,000	230,000
Issued during the year	59,571,428	595,714	-	-
Outstanding at the end of the year	82,571,428	825,714	23,000,000	230,000

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 shares 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.

c. Details of shareholders (as per the register of shareholders) holding more than 5% shares in the Company: -

	As of			
	March 31, 2023		March 31, 2022	
	No. of shares	% holding	No. of shares	% holding
Equity shares of Rs. 10 each fully paid up				
Bharti Airtel Limited (Parent Company)	82,570,423	99.9988%	22,998,995	99.9956%

d. Shareholding of Promoters

S No.	Promoter Name	As of				% Change during the year
		April 1, 2022		March 31, 2023		
		No. of shares	% of total shares	No. of shares	% of total shares	
1	Bharti Airtel Limited	22,998,995	99.9956%	82,570,423	99.9988%	0%
2	Bharti Enterprises (Holding) Pvt Limited	1,005	0.0044%	1,005	0.0012%	0%

S No.	Promoter Name	As of				% Change during the year
		April 1, 2021		March 31, 2022		
		No. of shares	% of total shares	No. of shares	% of total shares	
1	Bharti Airtel Limited	22,998,995	99.9956%	22,998,995	99.9956%	-
2	Bharti Enterprises (Holding) Pvt Limited	1,005	0.0044%	1,005	0.0044%	-

13 Reserve and surplus

a) Retained earnings: Retained earnings represent the amount of accumulated earnings of the Company.

b) Securities premium: Securities premium is used to record the premium on issue of equity shares. The same is utilised in accordance with the provisions of the Act.

14 Borrowings

Current

Unsecured

Loan from Parent Company (refer note 28)
Less: Interest accrued

	As of	
	March 31, 2023	March 31, 2022
	-	666,315
	-	(29)
	-	666,286

15 Trade payables

Total outstanding dues of creditors other than micro enterprises and small enterprises*

	As of	
	March 31, 2023	March 31, 2022
	72,815	182,458
	72,815	182,458

* Includes amount payable to related parties (refer note 28).



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Trade Payables ageing:

As of March 31, 2023

Particulars	Unbilled	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Dues to micro and small enterprises (A)	-	-	-	-	-	-
(ii) Others (B)	68,402	4,344	-	-	69	72,815
(iii) Disputed dues to micro and small enterprises (C)	-	-	-	-	-	-
(iv) Disputed dues - Others (D)	-	-	-	-	-	-
Total dues to micro and small enterprises (A + C)	-	-	-	-	-	-
Total Others (B + D)	-	-	-	-	-	72,815

As of March 31, 2022

Particulars	Unbilled	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Dues to micro and small enterprises (A)	-	-	-	-	-	-
(ii) Others (B)	179,851	1,409	-	1,108	90	182,458
(iii) Disputed dues to micro and small enterprises (C)	-	-	-	-	-	-
(iv) Disputed dues - Others (D)	-	-	-	-	-	-
Total dues to micro and small enterprises (A + C)	-	-	-	-	-	-
Total Others (B + D)	-	-	-	-	-	182,458

16 Other financial liabilities**Current**

	As of	
	March 31, 2023	March 31, 2022
Payables against capital expenditure	-	765
Interest accrued *	29	29
Others	282	-
	311	794

* Represents amount due to parent Company (refer note 28)

17 Other liabilities**Current**

	As of	
	March 31, 2023	March 31, 2022
Taxes payable*	3,163	5,382
	3,163	5,382

* It mainly pertains to Goods & Services Tax ('GST') and other taxes payable.

18 Commitments**Capital Commitments**

The Company has contractual commitments towards capital expenditure of Rs. 1,235 and Rs. 206 as of March 31, 2023 and March 31, 2022 respectively.

19 Revenue from operations

	For the year ended	
	March 31, 2023	March 31, 2022
Service revenue	213,608	201,884
	213,608	201,884



Disaggregation of revenue**Timing of Revenue Recognition**

	For the year ended	
	March 31, 2023	March 31, 2022
Services transferred over time	213,608	201,884
	213,608	201,884

Contract Balances

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

	As of	
	March 31, 2023	March 31, 2022
Unbilled revenue	57	-

20 Other income

	For the year ended	
	March 31, 2023	March 31, 2022
Net gain on FVTPL investments	2,054	-
Provision written back	-	262
Interest income	1,186	1,777
Allowance for doubtful receivable	10,363	35,588
Miscellaneous income	163	27
	13,766	37,654

21 Network Operating Expenses

	For the year ended	
	March 31, 2023	March 31, 2022
Repair and maintenance	2,505	1,833
Leased line charges	2,803	303
Others	19	70
	5,327	2,206

22 Employee benefits expense

	For the year ended	
	March 31, 2023	March 31, 2022
Cost allocation from parent Company	11,894	10,895
	11,894	10,895

23 Other expenses

	For the year ended	
	March 31, 2023	March 31, 2022
Legal and professional fees*	1,348	1,409
Rent expenses	3,761	2,356
IT expenses	8,093	8,026
Bad debts written off	-	97
Others*	1,490	2,777
	14,692	14,665



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

	For the year ended	
	March 31, 2023	March 31, 2022
Audit fee	600	600
Reimbursement of expenses	45	45
	645	645

* It includes miscellaneous expenses and loss on sale of assets.

24 Depreciation expenses

	For the year ended	
	March 31, 2023	March 31, 2022
Depreciation on property, plant and equipment	9,682	14,066
Depreciation on right-of-use assets	147,347	168,754
	157,029	182,820

25 Finance costs

	For the year ended	
	March 31, 2023	March 31, 2022
Interest expense - lease liabilities	14,690	13,388
Interest expense	21,739	-
Net exchange loss	24,413	1,505
Bank charges	27	8
	60,869	14,901

26 Income taxes

The reconciliation between the amount computed by applying the statutory income tax rate to the loss before tax and income tax expense is summarised below:

	For the year ended	
	March 31, 2023	March 31, 2022
(Loss) / Profit before tax	(32,792)	10,720
Tax @ company's domestic tax rate of 25.168%	(8,253)	2,698
Effect of:		
Losses and deductible temporary difference against which no deferred tax asset recognised	8,253	(2,698)
Income tax expense	-	-

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry forward of unabsorbed depreciation and unused tax losses can be utilised. Accordingly, the Company has not recognised deferred tax assets in respect of deductible temporary differences, carry forward of unabsorbed depreciation and unused tax losses of Rs. 605,725 and Rs. 574,187 as of March 31, 2023 and March 31, 2022 respectively, as it is not probable that taxable profits will be available in future.

Of the above balance as of March 31, 2023 and March 31, 2022, tax losses, unabsorbed depreciation and deductible temporary differences to the extent of Rs. 505,076 and Rs. 430,729 respectively, have an indefinite carry forward period and the amount expires as follows:

Expiry date	As of	
	March 31, 2023	March 31, 2022
Within one - three years	70,171	91,677
Within three - five years	8,575	25,934
Above five years	21,904	25,847
Unlimited	505,076	430,729
	605,725	574,187

27 Earnings per share ('EPS')

The details used in the computation of basic and diluted EPS:

	For the year ended	
	March 31, 2023	March 31, 2022
(Loss) / profit attributable to equity shareholders as per statement of profit and loss (A)	(32,792)	10,720
Weighted average number of equity shares for calculation of basic & diluted earning per share (B) (in thousands)	50,746	23,000
Equity share of face value Rs. 10 per share		
Basic (A / B)	(0.65)	0.47
Diluted (A / B)	(0.65)	0.47

28 Related Party disclosures

Parent Company

Bharti Airtel Limited

Ultimate controlling entity

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.

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

Fellow subsidiaries

Nxtra Data Limited

Bharti Telemedia Limited

Key Management Personnel ('KMP')

Rahul Vatts

The remuneration paid to KMP of the Company is borne by its Parent Company and cross charged as part of a single composite consideration. Accordingly, the same is not reported under related party transactions.

In the ordinary course of business, there are certain transactions with the related parties, and all these transactions are on arm length basis. The transactions with related parties (other than with KMPs) for the year ended March 31, 2023 and March 31, 2022 respectively, are described below:

The summary of significant transactions with the above mentioned parties are as follows:

	For the year ended			
	March 31, 2023		March 31, 2022	
	Parent Company	Fellow subsidiary *	Parent Company	Fellow subsidiary *
Receiving of services	4,165	6,574	4,970	10,462
Loans taken	49,500	-	258,650	-
Repayment of loans taken	41,500	-	284,500	-
Conversion of loan to equity shares	674,286	-	-	-
Interest expense	21,739	-	-	-
Expenses incurred on behalf of the Company	15,084	-	14,121	-

* Transactions are with Nxtra Data Limited.



The outstanding balances of the above mentioned related parties are as follows:

	Parent Company	Fellow subsidiaries
As of March 31, 2023		
Interest accrued on borrowings	29	-
Trade payables	50,094	21,006
As of March 31, 2022		
Loan outstanding	666,286	-
Interest accrued on borrowings	29	-
Trade payables	154,360	9,521

Outstanding balances at year end are unsecured and settlement occurs in cash.

29 Leases

Company as a lessee

Right-of-use assets ('ROU')

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

	Transponder	Total
Balance at April 1, 2021	239,163	239,163
Additions	9,515	9,515
Depreciation expense	(168,754)	(168,754)
Balance at March 31, 2022	79,924	79,924
Balance at April 1, 2022	79,924	79,924
Additions	235,834	235,834
Depreciation expense	(147,347)	(147,347)
Balance at March 31, 2023	168,411	168,411

Transponder

The Company's leases comprise of capacity in the space segment in satellite system in direct to home business.

Amounts recognised in Statement of Profit and Loss

	For the year ended	
	March 31, 2023	March 31, 2022
Leases under Ind AS 116		
Interest on lease liabilities	14,690	13,388

Amounts recognised in Statement of Cash Flows

	For the year ended	
	March 31, 2023	March 31, 2022
Leases under Ind AS 116		
Cash outflow for leases	75,042	171,237

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be paid after the reporting date.

	For the year ended	
	March 31, 2023	March 31, 2022
Leases under Ind AS 116		
Not later than one year	260,556	99,668
Later than one year but not later than five years	36,665	-
Later than five years	-	-
Total	297,221	99,668



30 Financial risk and capital risk**30.1 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 Company's risk management strategies focus on the unpredictability of these elements and seek to minimise the potential adverse effects on its financial performance.

The financial risk management for the Company is driven by the Company's senior management ('CSM'), in close co-ordination with the operating entities and internal / external experts subject to necessary supervision. The Company does not undertake any speculative transactions either through derivatives or otherwise. The CSM are accountable to the Board of Directors and Audit Committee. They ensure that the Company's financial risk-taking activities are governed by appropriate financial risk governance framework, policies and procedures. The Board of Directors of the respective operating entities periodically reviews the exposures to financial risks, and the measures taken for risk mitigation and the results thereof.

a) Foreign currency risk

Foreign exchange risk arises on all recognised monetary assets and liabilities, and any highly probable forecasted transactions, which are denominated in a currency other than the functional currency of the Company. The Company has foreign currency trade payables which carries foreign exchange exposure.

The foreign exchange risk management policy of the Company requires it to manage the foreign exchange risk by transacting as far as possible in the functional currency.

Foreign currency sensitivity

The impact of foreign exchange sensitivity on profit / (loss) for the year and other comprehensive income is given in the table below:

	Change in currency exchange rate	Effect on (loss) / profit before tax	Effect on equity (OCI)
For the year ended March 31, 2023			
US Dollars	+5%	(1,366)	-
	-5%	1,366	-
For the year ended March 31, 2022			
US Dollars	+5%	(439)	-
	-5%	439	-

The sensitivity disclosed in the above table is mainly attributable to, in case of to foreign exchange gains / (losses) on translation of USD denominated balances.

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.

Based on the movements in the foreign exchange rates historically and the prevailing market conditions as at the reporting date, the Company's management has concluded that the above mentioned rates used for sensitivity are reasonable benchmarks.



b) Interest rate risk

As the Company does not have exposure to any floating-interest bearing assets, or any significant long-term fixed-interest bearing assets, its interest income and related cash inflows are not affected by changes in market interest rates. The Company does not have exposure to any floating interest rate liabilities.

c) 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.

Trade receivables

The trade receivables of the Company are typically non-interest bearing unsecured and derived from sales made to corporate customers. As the customer base is widely distributed both economically and geographically, there is no concentration of credit risk.

As there is no independent credit rating of the customers available with the Company, the management reviews the credit-worthiness of its customers based on their financial position, past experience and other factors. The credit risk related to the trade receivables is managed / mitigated by each business unit, basis the Company's established policy and procedures, by setting appropriate payment terms and credit period, and by setting and monitoring internal limits on exposure to individual customers. The credit period provided by the Company to its customers generally ranges between 0-90 days.

The Company uses a provision matrix to measure the expected credit loss of trade receivables, which comprise a very large numbers of small balances. Based on the industry practices and the business environment in which the entity operates, management considers that the trade receivables are credit impaired if the payments are more than 90 days past due (except receivables from related parties).

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, 2023	1,593	13,087	8,891	6,920	8,653	39,144
Trade receivables as of March 31, 2022	5,606	14,469	10,190	11,485	2,750	44,500

The Company performs ongoing credit evaluations of its customers' financial condition and monitors the creditworthiness of its customers to which it grants credit in its ordinary course of business. The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amount due.

Where the financial asset has been written-off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in the statement of Profit and Loss.

Other financial instruments

The Company's treasury, in accordance with the board approved policy, maintains its cash and cash equivalents - with banks, financial and other institutions, having good reputation and past track record, and high credit rating. Similarly, counter-parties of the Company's other receivables carry either no or very minimal credit risk. Further, the Company reviews the credit-worthiness of the counter-parties (on the basis

of its ratings, credit spreads and financial strength) of all the above assets on an on-going basis, and if required, takes necessary mitigation measures.

d) 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 summaries 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						Total
	Carrying amount	On demand	Less than 6 months	6 to 12 months	1 to 2 years	> 2 years	
Borrowings *	29	29	-	-	-	-	29
Trade payables	72,815	-	72,815	-	-	-	72,815
Other financial liabilities *	282	-	282	-	-	-	282
Lease Liabilities	286,441	-	177,962	81,107	36,665	-	295,734
	359,567	29	251,059	81,107	36,665	-	368,860

	As of March 31, 2022						Total
	Carrying amount	On demand	Less than 6 months	6 to 12 months	1 to 2 years	> 2 years	
Borrowings *	666,315	666,315	-	-	-	-	666,315
Trade payables	182,458	-	182,458	-	-	-	182,458
Other financial liabilities *	765	-	765	-	-	-	765
Lease Liabilities	94,237	-	54,574	45,094	-	-	99,668
	943,775	666,315	237,797	45,094	-	-	949,206

* Interest accrued has been included in borrowings and excluded from other financial liabilities.

e) Reconciliation of liabilities whose net cash flow movements are disclosed as part of financing activities in the statement of cash flows

Balance sheet caption	Statement of cash flows line item	April 1, 2022	Cash flows	Non-cash changes			March 31, 2023
				Interest expenses	Others	Converted to equity	
Borrowings	Proceeds / repayments of borrowings (including short-term)	666,286	8,000	21,739	-	(696,025)	-
Interest accrued	Interest and other finance charges paid	29	-	-	-	-	29
Lease liabilities	Payment of lease liabilities	94,237	(82,289)	14,717	257,751	-	284,416



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

Balance sheet caption	Statement of cash flows line item	April 1, 2021	Cash flows	Non-cash changes			March 31, 2022
				Interest expenses	Others	Converted to equity	
Borrowings	Proceeds / repayments of borrowings (including short-term)	692,136	(25,850)	-	-	-	666,286
Interest accrued	Interest and other finance charges paid	29	-	-	-	-	29
Lease liabilities	Payment of lease liabilities	255,583	(185,527)	13,396	10,785	-	94,237

30.2 Capital risk

The 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 covenants and restrictions imposed by lenders and / or 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, uphold investor; creditor and customer confidence, 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 calculated as below:

	As of	
	March 31, 2023	March 31, 2022
Borrowings	-	666,286
Less: Cash and cash equivalents	24,977	8,115
Net debt (A)	-	658,171
Equity	107,352	(684,810)
Total capital	107,352	(684,810)
Capital and net debt (B)	107,352	(26,639)
Gearing ratio (A / B)	0%	(2471%)

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31 Fair Value of financial assets and liabilities

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

	Level	Carrying Value as of		Fair Value as of	
		March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Financial Assets					
FVTPL					
Investments - quoted	Level 1	132,047	-	132,047	-
Amortised cost					
Trade receivables		39,144	44,500	39,144	44,500
Cash and cash equivalents		24,977	8,115	24,977	8,115
Other financial assets		101	44	101	44
		196,269	52,659	196,269	52,659
Financial Liabilities					
Amortised cost					
Borrowings		-	666,286	-	666,286
Trade payables		72,815	182,458	72,815	182,458
Other financial liabilities		311	794	311	794
		73,126	849,538	73,126	849,538

The following method / assumption was used to estimate the fair values:

The carrying value of trade receivables, cash & cash equivalents, other current financial assets, trade payables, borrowings, other current financial liabilities approximate their fair value mainly due to the short-term maturities of these instruments or where impact of discounting considered not to be material.

During the year ended March 31, 2023 and March 31, 2022, there were no transfers between Level 1 and Level 2 fair value measurements. None of the financial assets and financial liabilities are in Level 3.



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

32 Ratios

The following are analytical ratios for the year ended March 31, 2023 and March 31, 2022

Ratio	Numerator	Denominator	March 31, 2023	March 31, 2022	% Variance	Reason for variance
Current Ratio - [no. of times]	Current Assets	Current Liabilities	0.81	0.14	479%	Increase on account of increase in current asset and decrease in current liability.
Debt-equity Ratio - [no. of times]*	Non-Current borrowings (+) current borrowings (-) cash and cash equivalents	Equity	-	(0.96)	-100%	Not applicable as no debt outstanding at the year end.
Debt service coverage ratio - [no. of times]	Profit / (loss) before depreciation, finance costs and tax	Interest expenses (+) principal repayments of long-term debt (+) payment of lease liabilities	1.66	1.13	47%	Increase on account of decrease in lease repayment.
Return on equity ratio - [no. of times]	Profit / (loss) for the year	Average Equity attributable to owners of the parent	0.11	(0.02)	-831%	Decrease on account of lower average equity of the company during the year.
Trade receivables turnover ratio - [no. of days]	Average trade receivables	Revenue from operations / no of days for the year	71	97	-26%	Not applicable.
Net capital turnover ratio - [no. of times]	Revenue from operations	Working Capital	(3.47)	(0.24)	1362%	Increase on account of increase in working capital during the year.
Net profit ratio (%)	Net Profit / (Loss)	Revenue from operations	(15.4%)	5.3%	-389%	Decrease on account of loss during the year.
Return on capital employed (%)	EBIT	Average Capital Employed*	12.3%	16.0%	-23%	Decrease on account of higher EBIT and higher capital employed during the year.

* excluding lease liabilities

Average Capital Employed = Average of equity + Average of Net debt

