Nxtra Data Limited

Ind AS Financial Statements

March 31, 2022

Nxtra Data Limited

Ind AS Financial Statements – March 2022

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Independent Auditor's Report

Deloitte Haskins & Sells LLP

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INDEPENDENT AUDITOR'S REPORT

To The Members of NXTRA DATA LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of **NXTRA DATA LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, 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 (hereinafter referred to as "the Financial Statements").

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, 2022, and its profit, total comprehensive income, the changes in equity and its 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 specified under section 143(10) of the Act ("SAs"). 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements of the current period. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	**Accounting and valuation of Compulsory Convertible Preference Shares ('CCPS')** (Refer Notes 3.1 and 31 of Financial Statements):	**Principal Audit Procedures** We performed testing of design and operating effectiveness of internal controls and substantive testing as follows:

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Sr. No.	Key Audit Matter	Auditor's Response
	As at March 31, 2022, the Company has financial liability relating to CCPS' of Rs. 17,880 millions (including embedded derivative). Considering the terms of the CCPS, the accounting is complex and involved significant management judgement. The fair value of CCPS is determined through application of valuation techniques and the use of assumptions and estimates, in which observable data is not readily available, as in the case of level 3 financial instruments. We identified application of appropriate accounting and determining the fair value of CCPS as a key audit matter because of the degree of complexity involved in accounting, valuing financial liabilities and the judgement exercised by management in determining the inputs used in the valuation.	•Evaluated the design and operating effectiveness of management's internal controls over accounting and valuation process. •Evaluated the management's accounting assessment of CCPS by reading the terms of CCPS in the investment agreement. •Obtained the fair valuation report of management's expert. •Evaluated the objectivity, competence and independence of the management expert. •Evaluated the valuation model, assumptions relating to EBIDTA and other terms of CCPS agreement by involving our valuations specialists. We further assessed the adequacy of the disclosures made in Notes 3.1 and 31 in the Financial Statements for the year ended March 31, 2022.

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 Board's Report including annexures to Board 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.
- 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.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the 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

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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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those 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 controls 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 system in place and the operating effectiveness of Company's internal financial 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.

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- 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.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

   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, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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 over financial reporting 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 over financial reporting.

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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 remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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 its 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 its 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 that has 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.

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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:22130054AJWGGV3830)

Place: Gurugram
Date: May 30, 2022

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

We have audited the internal financial controls over financial reporting of **NXTRA DATA LIMITED** ("the Company") as at March 31, 2022 in conjunction with our audit of the Financial Statements of the Company as at and for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the Guidance Note"). 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 ("Act").

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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 system over financial reporting.

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Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Financial Statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, 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 system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note.

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

Deloitte Haskins & Sells LLP Chartered Accountants

Nilesh

Nilesh H. Lahoti
(Partner)
(Membership No. 130054)
(UDIN:22130054AJWGGV3830)

Place: Gurugram
Date: May 30, 2022

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 of even date)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that

i) In respect of Company's Property, Plant and Equipment:

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, Property, Plant and Equipment and right of use assets were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

c) With respect to immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment and capital work-in progress and according to the information and explanations given to us and based on the examination of the property tax receipts, utility bills for building constructed, registered sale deed / transfer deed provided to us, we report that, the title deeds of such immovable properties are held in the name of the Company as at the balance sheet date.

In respect of immovable properties that have been taken on lease and disclosed in the Financial Statements as right of use assets as at the balance sheet date, the lease agreements are duly executed in favour of the Company.

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, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

ii) In respect of its Inventory:

a) The Company does not have any inventory and hence reporting under clause (ii)(a) of the Order is not Applicable.

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Chartered Accountants

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 on the basis of security of current assets, 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) According to information and explanation given to us, the Company has not granted any loans, made investments or provided guarantees or securities that are covered under the provisions of sections 185 or 186 of the Companies Act, 2013, and hence reporting under clause (iv) of the Order is not applicable.

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) To the best of our knowledge and as explained to us, 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 its statutory dues:

a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, duty of Custom, duty of Excise, 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, Provident Fund, Employees' State Insurance, Income-tax, duty of Custom, cess and other material statutory dues in arrears as at March 31, 2022 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, 2022 on account of disputes are given below;

Name of the Statute	Nature of the Dues	Amount (Rs.)	Period to which the Amount Relates
Maharashtra Value Added Tax Act, 2002	Value Added tax	51,958	2018-19

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) In our opinion, 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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Chartered Accountants

c) To the best of our knowledge and belief, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained.

d) On an overall examination of the Financial Statements of the Company, the funds raised on short-term basis have, prima facie, not been used during the year for long-term purpose 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) of the Order is not applicable.

f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries or joint ventures or associate companies.

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. Moneys raised by way of commercial papers during the year have been, prima facie, applied by the Company for the purposes for which they were raised.

b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.

xi) In respect if fraud:

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) We have taken into consideration the whistle blower complaints received by the Company during the year (and upto the date of this report) and provided to us, when performing our audit.

xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order I 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) In respect of Internal audit:

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 December 31, 2021 and the draft of the internal audit

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reports where issued after the balance sheet date covering the period January 1, 2022 to March 31, 2022 for the period under audit.

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) 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.

The Parent Group has more than one CIC as part of the Parent Group. There are 2 CIC forming part of the Parent 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 has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.

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

Deloitte Haskins & Sells LLP
Chartered Accountants

Nilesh H. Lahoti
(Partner)
(Membership No. 130054)
(UDIN:22130054AJWGGV3830)

Place: Gurugram
Date: May 30, 2022

Ind AS Financial Statements

Nxtra Data Limited
Balance Sheet
(All amounts are in millions of Indian Rupee)

	Notes	As of March 31, 2022	As of March 31, 2021
Assets			
Non-current assets			
Property, plant and equipment	5	19,106	8,262
Capital work-in-progress	5	1,087	4,612
Right-of-use assets	29	3,215	1,434
Financial assets			
- Investments	6	4	4
- Other financial assets	7	517	326
Income tax assets (net)		118	103
Deferred tax assets (net)	8	494	583
Other non-current assets	9	10	1
		24,551	15,325
Current assets			
Inventories		-	38
Financial assets			
- Investments	6	150	690
- Trade receivables	10	2,876	822
- Cash and cash equivalents	11	1,869	124
- Other bank balances	11	8	8
- Other financial assets	7	777	71
Other current assets	9	756	1,837
		6,436	3,590
Total assets		30,987	18,915
Equity and liabilities			
Equity			
Equity share capital	12	90	90
Other equity		5,140	2,751
		5,230	2,841
Non-current liabilities			
Financial liabilities			
- Borrowings	14	-	3,150
- Lease liabilities		1,301	665
- Derivative instruments	15	78	181
- Other financial liabilities	16	17,802	6,819
Deferred revenue	21	23	31
Provisions	17	22	25
		19,226	10,871
Current liabilities			
Financial liabilities			
- Borrowings	14	2,343	1,250
- Lease liabilities		338	241
- Trade payables			
- total outstanding dues of micro enterprises and small enterprises	18	11	49
- total outstanding dues of creditors other than micro enterprises and small enterprises	18	2,020	2,777
- Other financial liabilities	16	1,535	535
Deferred revenue	21	58	54
Provisions	17	19	17
Current tax liabilities (net)		108	182
Other current liabilities	19	99	98
		6,531	5,203
Total liabilities		25,757	16,074
Total equity and liabilities		30,987	18,915

The accompanying notes 1 to 33 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

Deloitte Haskins & Sells LLP Chartered Accountants

Date: May 30, 2022

For and on behalf of the Board of Directors of Nxtra Data Limited

Rajesh Tapadia
WTD & Chief Executive Officer
DIN: 08391891
Place: New Delhi

Ajay Chitkara
Director
DIN: 08977367
Place: Gurugram

Kapil Jethani
Chief Financial Officer
Place: Gurugram

Shivangni Baijal
Company Secretary
Place: New Delhi

Nxtra Data Limited

Nxtra Data Limited
Statement of Profit and loss
(All amounts are in millions of Indian Rupee ; except per share data)

	Notes	For the year ended March 31, 2022	For the year ended March 31, 2021
Income			
Revenue from operations	21	13,333	11,091
Other income		340	346
		13,673	**11,437**
Expenses			
Data centre operating expences	22	7,169	6,235
Employee benefits expense	23	258	263
Other expenses	24	425	511
		7,852	**7,009**
Profit before depreciation, finance costs and tax		**5,821**	**4,428**
Depreciation expense	25	2,455	1,773
Finance costs	26	229	241
Profit before tax		**3,137**	**2,414**
Tax expense / (credit)			
Current tax	8	664	629
Deferred tax	8	89	(3)
		753	**626**
Profit for the year		**2,384**	**1,788**
Other comprehensive income			
Items not to be reclassified to profit or loss :			
- Remeasurement Gain / (Loss) on defined benefit plans	23	2	(4)
- Tax (charge) / credit	8	(0)	1
Other comprehensive income / (loss) for the year		**2**	**(3)**
Total comprehensive income for the year		**2,386**	**1,785**
Earnings per share (Face value: Rs. 10 each)			
Basic and diluted earnings per share	27	228.99	187.44

The accompanying notes 1 to 33 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

Deloitte Haskins & Sells LLP Chartered Accountants

Date: May 30, 2022

For and on behalf of the Board of Directors of Nxtra Data Limited

Rajesh Tapadia
WTD & Chief Executive Officer
DIN: 08391891
Place: New Delhi

Ajay Chitkara
Director
DIN: 08977357
Place: Gurugram

Kapil Jethani
Chief Financial Officer
Place: Gurugram

Shivangni Baijal
Company Secretary
Place: New Delhi

Nxtra Data Limited

Nxtra Data Limited
Statement of Changes in Equity
(All amounts are in millions of Indian Rupee ; unless stated otherwise)

	Equity share capital		Other equity - Reserves and Surplus						Total equity
	No. of shares (In '000)	Amount	Securities Premium	Deemed capital contribution	Retained earnings	Share-based payment reserve	Capital reserve	Total	
As of April 1, 2020	9,018	90	-	258	897	-	(189)	966	1,056
Issue of Shares*	0	0	0	-	-	-	-	0	0
Profit for the year	-	-	-	-	1,788	-	-	1,788	1,788
Other comprehensive loss (net of tax)	-	-	-	-	(3)	-	-	(3)	(3)
Total comprehensive income	-	-	-	-	1,785	-	-	1,785	1,785
As of March 31, 2021	9,018	90	0	258	2,682	-	(189)	2,751	2,841
Profit for the year	-	-	-	-	2,384	-	-	2,384	2,384
Other comprehensive income (net of tax)	-	-	-	-	2	-	-	2	2
Total comprehensive income	-	-	-	-	2,386	-	-	2,386	2,386
Transaction with owners of equity									
Employee share-based payment expense	-	-	-	-	-	3	-	3	3
As of March 31, 2022	9,018	90	0	258	5,068	3	(189)	5,140	5,230

*Issued 10 (Ten) equity share at Rs. 5,780 per share having face value of Rs. 10 per share.

The accompanying notes 1 to 33 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)

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Director
DIN: 08977367
Place: Gurugram

Kapil Jethani
Chief Financial Officer
Place: Gurugram

Shivangni Baijal
Company Secretary
Place: New Delhi

Nxtra Data Limited
Statement of Cash Flows
(All amounts are in millions of Indian Rupee)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Cash flows from operating activities		
Profit before tax	**3,137**	**2,414**
Adjustments for:		
Depreciation expense	2,455	1,773
Finance costs	235	230
Interest income	(1)	(31)
Net gain on FVTPL investments	(4)	-
Employee share - based payment expense	1	-
Other non-cash items	(215)	77
Operating cash flows before changes in assets and liabilities	**5,608**	**4,463**
Changes in assets and liabilities		
Trade receivables	(1,930)	369
Trade payables	(795)	(536)
Inventories	153	(25)
Provisions	(8)	-
Other financial and non-financial liabilities	8	(912)
Other financial and non-financial assets	173	(491)
Net cash generated from operations before tax	**3,209**	**2,868**
Income tax Paid - net	(753)	(100)
Net cash generated from operating activities (a)	**2,456**	**2,768**
Cash flows from investing activities		
Purchase of property, plant and equipment and capital work in progress	(8,438)	(5,101)
Proceeds from sale / (purchase) of current investments (net)	544	(690)
Interest received	1	31
Net cash used in investing activities (b)	**(7,893)**	**(5,760)**
Cash flows from financing activities		
Proceeds from issue of shares	-	0
Proceeds from borrowings	9,267	4,400
Repayment of borrowings	(11,400)	(3,750)
Payment of lease liabilities	(182)	(669)
Net Repayment of short-term borrowings (net)	(56)	(3,661)
Interest and other finance charges paid	(1,327)	(250)
Proceeds from issuance of compulsorily convertible preference shares	10,880	7,000
Net cash generated from financing activities (c)	**7,182**	**3,070**
Net increase in cash and cash equivalents during the year (a+b+c)	**1,745**	**78**
Add: Cash and cash equivalents as at the beginning of the year	124	46
Cash and cash equivalents as at the end of the year (refer note 11)	**1,869**	**124**

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

The accompanying notes 1 to 33 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

Deloitte Haskins & Sells LLP
Chartered Accountants

Date: May 30, 2022

For and on behalf of the Board of Directors of Nxtra Data Limited

Rajesh Tapadia
WTD & Chief Executive Officer
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Place: Gurugram

Kapil Jethani
Chief Financial Officer
Place: Gurugram

Shivangni Baijal
Company Secretary
Place: New Delhi

Nxtra Data Limited

1. Corporate information

Nxtra Data 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 the business of data center, managed services and sale of hardware.

2. Summary of significant accounting policies

2.1 Basis of preparation

These Financial Statements have been prepared to comply in all material respects with the Indian Accounting Standards ('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 Financial Statements are approved for issue by the Company's Board of Directors on May 30, 2022.

The Financial Statements are based on the classification provisions contained in Ind AS 1, 'Presentation of Financial Statements' and Division II of Schedule III (as amended) of the Companies Act, 2013. Further, for the purpose of clarity, various items are aggregated in the 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 millions of Indian Rupee ('Rupee' or 'Rs.') and are rounded off to the nearest million, except 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 3.

The accounting policies, as set out in the following paragraphs of this note, have been consistently applied, by the Company, to all the periods presented in the said financial statements, except 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. Previous year figures have been re-grouped or reclassified, to confirm to such current year's grouping / classifications. There is no impact on Equity or Net Profit to these regrouping / reclassifications.

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Nxtra Data Limited

New Amendments adopted during the year

a) Amendments to Ind AS

MCA vide notification no. G.S.R. 419(E) dated June 18, 2021 has issued the Companies (Indian Accounting Standards) Amendment Rules, 2021 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 116, Leases
- Ind AS 115, Revenue from Contracts with Customers
- Ind AS 1, Presentation of Financial Statements
- Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors
- Ind AS 12, Income Taxes
- Ind AS 16, Property, Plant and Equipment
- Ind AS 27, Separate Financial Statements
- Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets

The amendments are applicable for annual periods beginning on or after April 1, 2021, however, these do not have material impact on the financial statements of the Company.

b) Amendments to Schedule III Division II

MCA vide notification dated March 24, 2021, has amended disclosure requirements to Division II of Schedule III to the Act. The amendments are applicable from April 1, 2021.

Amendments to Ind AS issued but not yet effective

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

The amendments are applicable for annual periods beginning on or after April 1, 2022. 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 which are classified as fair value through profit or loss (refer note 2.8) – which are measured at fair value.

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Nxtra Data Limited

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).

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 is 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 Rupee 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 rates 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 re-statement / 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 re-statement / 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.

Separated embedded derivatives are classified basis the host contract

2.5 Common control transactions

Transactions arising from transfers of assets / liabilities, interest in entities or businesses between entities that are under the common control, are accounted at historical carrying amounts. The difference, between consideration paid / received and the aggregate historical carrying amount of assets / liabilities and interest in entities acquired / disposed (other than impairment, if any), is recorded in capital reserve / retained earnings, as applicable.

2.6 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, if any. 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 year in which such costs are

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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 to 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
Building	20
Plant and Machinery	2-25
Computer	1-3
Office equipments	2 - 5
Furniture and Fixtures	5
Leasehold improvements	Lease term or 20 years, whichever is less

The useful lives, residual values and depreciation method of PPE are reviewed, and adjusted appropriately, at least 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 off are de-recognised from the Balance Sheet and the resulting gains / losses are included in the statement of profit and loss within other income / other expenses.

2.7 Impairment of non-financial assets

PPE and Right-of-use assets ('ROU')

PPE (including CWIP) and ROU with definite lives, are reviewed for impairment, whenever events or changes in circumstances indicate that their carrying values may not be recoverable.

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

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2.8 Financial instruments

a. Recognition, classification and presentation

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

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

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

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

The entire hybrid contract, financial assets with embedded derivatives, are considered in their entirety for determining the contractual terms of the cash flow and accordingly, the embedded derivatives are not separated. However, derivatives embedded in non-financial instrument / financial liabilities (measured at amortised cost) host contracts are classified as separate derivatives if their economic characteristics and risks are not closely related to those of the host contracts.

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

b. Measurement - Non-derivative financial instruments

I. Initial measurement

At initial recognition, the Company measures the non-derivative financial instruments (except financial guarantee) at its fair value plus or minus, in the case of a financial instruments not at fair value through profit or loss, transaction costs. Otherwise, transaction costs are expensed in the statement of profit and loss.

II. Subsequent measurement - financial assets

The subsequent measurement of the 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.

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

All financial assets that do not meet the criteria for amortised cost are measured at FVTPL. Interest (basis EIR method) income from financial assets at FVTPL 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.

iii. 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

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

c. Measurement – derivative financial instruments

Derivative financial instruments, including separated embedded derivatives are classified as financial instruments at fair value through profit or loss - Held for trading. Such derivative financial instruments are initially recognised at fair value. They are subsequently measured at their fair value, with changes in fair value being recognised in the statement of profit and loss.

d. Derecognition

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

2.9 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.

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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 in-substance 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 incremental borrowing rate. It is remeasured when there is a change in future lease payments including 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 profit or 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 straight-line 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 or 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.

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 twelve months or less and leases of low value assets. The Company recognises lease expense associated with these leases in Statement of Profit and Loss.

2.10 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

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comprehensive income or directly in equity, in which case the related income tax is also recognised accordingly.

a. Current tax

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

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

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.

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 taxes are not recognised if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

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.

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

2.11 Inventories

Inventories are stated at the lower of cost (determined using the first-in-first-out method) and net realisable value. The costs comprise its purchase price and any directly attributable cost of bringing the inventories to its present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

2.12 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.

2.13 Equity Share capital

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

2.14 Employee benefits

The Company's employee benefits mainly include wages, salaries, bonuses, defined contribution to plans, defined benefit plans, compensated absences, deferred compensation and share based payments. The employee benefits are recognised in the year in which the associated services are rendered by the Company employees. Short-term employee benefits are recognised in statement of profit and loss at undiscounted amounts during the period in which the related services are rendered.

a. Defined contribution plans

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

b. Defined benefit plans

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

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

The obligation towards the said benefits is recognised in the balance sheet, at the present value of the defined benefit obligations. The present value of the said obligation is determined by discounting the estimated future cash outflows, using interest rates of government bonds.

The interest income / (expense) are calculated by applying the above mentioned discount rate to the plan assets and defined benefit obligations liability. The net interest income / (expense) on the net defined benefit liability is recognised in the statement of profit and loss. However, the related re-measurements of the net defined benefit liability are recognised directly in the other comprehensive income in the period in which they arise. The said re-measurements comprise of actuarial gains and losses (arising from experience adjustments and changes in actuarial assumptions), the return on plan assets (excluding interest). Re-measurements are not re-classified to the statement of profit and loss in any of the subsequent periods.

c. Other long-term employee benefits

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

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

d. Share-based payments

The Company operates equity-settled employee share-based compensation plans, under which the Company receives services from employees as consideration for stock options towards shares of the Company.
In case of equity-settled awards, the fair value of stock options (at grant date) is recognised as an expense in the statement of profit and loss within employee benefits as employee share-based payment expenses over the vesting period, with a corresponding increase in share-based payment reserve (a component of equity).

The total amount so expensed is determined by reference to the grant date fair value of the stock options granted, which includes the impact of any market performance conditions and non-vesting conditions but excludes the impact of any service and non-market performance vesting conditions. However, the non-market performance vesting and service conditions are considered in the assumption as to the number of options that are expected to vest. The forfeitures are estimated at the time of grant and reduce the said expense rateably over the vesting period.

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The expense so determined is recognised over the requisite vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. As at each reporting date, the Company revises its estimates of the number of options that are expected to vest, if required.

It recognises the impact of any revision to original estimates in the period of change. Accordingly, no expense is recognised for awards that do not ultimately vest, except for which vesting is conditional upon a market performance / non-vesting condition. These are treated as vested irrespective of whether or not the market / non-vesting condition is satisfied, provided that service conditions and all other non-market performance are satisfied.

Where the terms of an award are modified, in addition to the expense pertaining to the original award, an incremental expense is recognised for any modification that results in additional fair value, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled or settled during the vesting period (other than a grant cancelled by forfeiture when the vesting conditions are not satisfied), company shall account for the cancellation or settlement as an acceleration of vesting, and shall therefore recognise immediately the amount that otherwise would have been recognised for services received over the remainder of the vesting period.

2.15 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 un-winding of interest over passage of time is recognised within finance costs.

2.16 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 are probable.

2.17 Revenue recognition

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

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Revenue is recognised when, or as, each distinct performance obligation is satisfied. The main categories of revenue and the basis of recognition are as follows:

a) Service revenue

Service revenue mainly pertains to the revenue from data center and managed services which are recognised post completion of performance obligation.

Revenues in excess of invoicing are classified as unbilled revenue while invoicing / collection in excess of revenue are classified as deferred revenue / advance from customers.

b) Equipment sales

Equipment sales mainly pertain to sale of telecommunication equipment and related accessories for which revenue is recognised when the control of equipment is transferred to the customer, i.e. transferred at a point in time.

c) Interest income

The interest income is recognised using the EIR method.

2.18 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. Other borrowing costs are recognised in the statement of profit and loss within finance costs in the period in which they are incurred.

2.19 Exceptional items

Exceptional items refer to items of income or expense within the statement of profit and loss from ordinary activities which are non-recurring and are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance of the Company.

2.20 Dividends paid

Dividend to shareholders is recognised as a liability and deducted from equity, in the year in which the dividends are approved by the shareholders. However, interim dividends declared by the Board of Directors, which does not need shareholders' approval, are recognised as a liability and deducted from retained earnings, in the year in which the dividends are so declared.

2.21 Earnings per share ('EPS')

The Company presents the Basic and Diluted EPS.

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

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

2.22 Segment reporting

The Company operates only in one business segment viz. to carry on the business of data centre, managed services, which is the only reportable segment. Accordingly, no further operating segment financial information is disclosed.

3. 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.

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 period in which they become known.

3.1 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 2.6 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.

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

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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.

c. Fair valuation of compulsorily convertible preference shares ('CCPS')

Considering the terms of issuance of CCPS, the accounting is complex and involved significant management judgement. The fair value of CCPS is determined through application of valuation techniques and the use of assumptions and estimates.

3.2 Critical judgement in applying the Company's accounting policies

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).

4. Significant transactions / new developments

a) During the previous year ended March 31, 2021, the Company has entered into an Investment Agreement with CA Cloud Investments (formerly Comfort Investments II) ('investor'). In accordance with the said agreement, the investor will subscribe to 17,880,000 compulsorily convertible preference shares ('CCPS'), each at Rs. 1,000, and 10 equity shares, each at Rs. 5,780 (including securities premium of Rs. 5,770), of Nxtra Data Limited for an aggregate consideration of Rs. 17,880 in three separate tranches. During the previous year ended March 31, 2021, the Company has received the first tranche of Rs. 7,000 and has allotted 7,000,000 CCPS and 10 equity shares to the investor. During the current year ended March 31, 2022, the Company has received the second and third tranche of Rs. 10,880 and has allotted 10,880,000 CCPS to the investor. These amounts have been classified as liability (refer note 16).

b) On March 16, 2022, the Company got its commercial papers listed for Rs. 2,450 which will get matured on February 7, 2023. The listing is pursuant to SEBI circulars SEBI/HO/IMD/DF2/P/2019/104 dated October 1, 2019 and SEBI/HO/DDHS/DDHS/CIR/P/2019/115 dated October 22, 2019 (refer note 14).

c) 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 in which the Code becomes effective.

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

5. 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, 2022 and March 31, 2021:

	Building	Plant and machinery	Furniture and fixtures	Office equipment	Computer	Leasehold improvements	Total
Gross Carrying value							
As of April 1, 2020	**1,135**	**16,074**	**13**	**1,175**	**207**	**433**	**19,037**
Additions	-	1,656	1	49	6	1	1,713
Disposals / adjustment	(9)	(241)	86	(191)	(1)	(1)	(357)
As of March 31, 2021	**1,126**	**17,489**	**100**	**1,033**	**212**	**433**	**20,393**
As of April 1, 2021	**1,126**	**17,489**	**100**	**1,033**	**212**	**433**	**20,393**
Additions	2,890	9,733	11	295	111	1	13,041
Disposals / adjustments	-	(712)	(8)	(46)	(5)	-	(771)
As of March 31, 2022	**4,016**	**26,510**	**103**	**1,282**	**318**	**434**	**32,663**
Accumulated depreciation							
As of April 1, 2020	**25**	**9,187**	**13**	**1,090**	**206**	**382**	**10,903**
Charge	56	1,404	1	81	17	14	1,573
Disposals / adjustment	1	(140)	86	(263)	(29)	-	(345)
As of March 31, 2021	**82**	**10,451**	**100**	**908**	**194**	**396**	**12,131**
As of April 1, 2021	**82**	**10,451**	**100**	**908**	**194**	**396**	**12,131**
Charge	103	1,960	1	77	44	13	2,198
Disposals / adjustment	-	(712)	(8)	(46)	(5)	-	(771)
As of March 31, 2022	**185**	**11,699**	**93**	**938**	**233**	**409**	**13,557**
Net carrying Amount							
As of March 31, 2021	1,044	7,038	-	125	18	37	8,262
As of March 31, 2022	3,831	14,811	10	344	85	25	19,106

During the year ended March 31, 2022 and March 31, 2021 the Company has capitalised borrowing cost for under construction building of Rs. 91 and Rs. 111 respectively. The rate used to determine the amount of borrowing cost eligible for capitalisation is 5.65% and 6.71% for the year ended March 31, 2022 and March 31, 2021, which is the weighted average interest rate applicable to the company's general borrowings.

The carrying value of capital work-in-progress ('CWIP') as of March 31, 2022 and March 31, 2021 is Rs. 1,087 and Rs. 4,612 which mainly pertains to plant and machinery and construction of building.

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CWIP Ageing Schedule:

As of March 31, 2022

Project	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Data centre	374	110	-	-	484
Mobile switching centre	602	1	-	-	603
Total	976	111	-	-	1,087

As of March 31, 2021

Project	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Data centre	2,386	1,286	210	-	3,882
Mobile switching centre	720	10	-	-	730
Total	3,106	1,296	210	-	4,612

6. Investment

	As of	
Non- current	**March 31, 2022**	**March 31, 2021**
Investments - FVTPL		
Greenergy Wind Corporation Pvt. Ltd. : 53,398 shares of Rs. 10 each *	4	1
Aban Green Power Pvt. Ltd. : 47,155 shares of Rs. 10 each	0	0
Sugnaneshwara Hydel Power Pvt. Ltd. : 32,500 shares of Rs. 100 each *	-	3
	4	**4**
Current		
Investments - FVTPL		
Mutual funds	150	690
	150	**690**
Aggregate book value of unquoted investments	**4**	**4**
Aggregate book value / market value of quoted investments	**150**	**690**

*During the year ended March 31, 2022 Sugnaneshwara Hydel Power Pvt. Ltd. got merged into Greenergy Wind Corporation Pvt. Ltd.

7. Other financial assets

Non-current

	As of	
	March 31, 2022	**March 31, 2021**
Margin Money^	2	2
Security deposits*	515	324
	517	**326**

^Margin money deposits represents amount given as collateral for bank guarantees.

* Security deposits include amount due from related parties (refer note 28), and net of provision of Rs. 2 and Rs 2 as of March 31, 2022 and March 31, 2021 respectively.
It majorly includes deposits given to electricity department.

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

Current

	As of March 31, 2022	As of March 31, 2021
Unbilled revenue (refer note 21)	767	30
Security deposits	6	41
Claims recoverable	0	0
Others *	4	-
	777	**71**

*It include amount recoverable from related parties (refer note 28)

8. Income tax

The major components of Income tax expense are:

Amounts recognised in Statement of Profit and Loss:

	For the year ended March 31, 2022	For the year ended March 31, 2021
Current tax		
- For the year	663	633
- Adjustments for prior periods	1	(4)
	664	629
Deferred tax		
- Origination and reversal of temporary differences	118	(3)
- Adjustments for prior periods	(29)	-
	89	(3)
Income tax expense	**753**	**626**

Amounts recognised in Other Comprehensive Income:

Deferred tax related to items charged or credited directly to Other Comprehensive Income during the year:		
- Remeasurement gains / (losses) on defined benefit plans	(0)	1
Deferred Tax (credited) / charged to Other Comprehensive Income	**(0)**	**1**

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

	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit before tax	3,137	2,414
Tax expense @ 25.168%	790	608
Effect of:		
Adjustment in respect to current tax of previous years	1	(4)
Adjustment in respect to deferred tax of previous years	(29)	-
(Income) / expense not taxable / deductible (net)	(9)	22
Income tax expense	**753**	**626**

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

The analysis of deferred tax assets is as follows:

	As of	
	March 31, 2022	**March 31, 2021**
Deferred tax asset		
Allowance for impairment of debtors / advance	92	127
Employee share options	1	-
Post employment benefits	6	5
MTM Gains	(1)	-
Depreciation / amortisation on PPE / intangible assets	396	451
Net deferred tax asset	**494**	**583**

	For the year ended	
	March 31, 2022	**March 31, 2021**
Deferred tax expense		
Allowance for impairment of debtors / advance	(35)	11
Employee share options	1	-
Post employment benefits	1	1
MTM Gains	(1)	-
Depreciation / amortisation on PPE / intangible assets	(55)	(9)
Net deferred tax (expense) / income	**(89)**	**3**

The movement in deferred tax assets during the year is as follows:

	For the year ended	
	March 31, 2022	**March 31, 2021**
Opening balance	583	579
Tax (expense) / credit recognised in statement of profit or loss	(89)	3
Tax (expense) / credit recognised in OCI	(0)	1
Closing balance	**494**	**583**

9. Other assets

Non-current

	As of	
	March 31, 2022	**March 31, 2021**
Prepaid expenses	-	1
Capital advances	10	-
	10	**1**

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

Current

	As of March 31, 2022	As of March 31, 2021
Taxes recoverable*	613	335
Advances to suppliers (net)**	106	463
Prepaid expenses	6	949
Others ^	31	90
	756	**1,837**

* Taxes recoverable majorly include or represents goods and services tax (GST).

** Advance to Suppliers are disclosed net of provision of Rs. 24 and Rs. 28 as of March 31, 2022 and March 31, 2021 respectively.

^ Others majorly include earnest money deposits.

10. Trade receivables

	As of March 31, 2022	As of March 31, 2021
Trade receivable considered good - Unsecured*	3,213	1,308
Less: Allowances for doubtful receivables	(337)	(486)
	2,876	**822**

*It includes amount due from related parties (refer note 28).
Refer note 30.1(iii) for credit risk

The movement in allowances for doubtful receivables is as follows:

	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening balance	486	393
(Write off) / Additions	(149)	44
Adjustments*	-	49
Closing balance	**337**	**486**

*Reclass from other provisions.

Trade receivables ageing:

As of March 31, 2022

	Not due	Outstanding for following periods from due date of payment: Less than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	Total
Undisputed Trade receivables — considered good	1,041	1,715	92	112	81	172	3,213
							3,213
Less: allowance for doubtful receivables							(337)
Total Trade receivables							2,876

As of March 31, 2021

	Not due	Outstanding for following periods from due date of payment: Less than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	Total
Undisputed Trade receivables — considered good	428	470	79	99	68	164	1,308
							1,308
Less: allowance for doubtful receivables							(486)
Total Trade receivables							822

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11. Cash and bank balances

	As of	
Cash and cash equivalents	**March 31, 2022**	**March 31, 2021**
Balances with banks		
- On current accounts	224	124
- Bank deposits with original maturity of 3 months or less	1,645	-
	1,869	**124**

	As of	
Other Bank Balances	**March 31, 2022**	**March 31, 2021**
Margin Money^	8	8
	8	**8**

^Margin money deposits represents amount given as collateral for bank guarantees.

12. Equity share capital

	As of	
	March 31, 2022	**March 31, 2021**
Authorised shares		
312,000,000 (March 31, 2021- 312,000,000) equity shares of Rs. 10 each	3,120	3,120
Issued, Subscribed and fully paid-up shares		
9,017,867 (March 31, 2021- 9,017,867) equity shares of Rs. 10 each	90	90
	90	**90**

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

	For the year ended			
	March 31, 2022		**March 31, 2021**	
	No. of shares in '000	**Amount**	**No. of shares in '000**	**Amount**
At the beginning of the year	9,018	90	9,018	90
Issued during the year*	-	-	0	0
Outstanding at the end of the year	**9,018**	**90**	**9,018**	**90**

*Issued 10 (Ten) equity share at Rs. 5,780 per share having face value of Rs. 10 per share.

b. Rights, preferences and restrictions attached to Shares

The Company has only one class of equity shares having par value of Rs. 10 per share. The holder of the equity share is entitled to dividend right and voting right in the same proportion as the capital paid-up on such equity share bears to the total paid-up equity share capital of the Company. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion to the number of equity shares held by the shareholders.

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

	As of			
	March 31, 2022		March 31, 2021	
	No. of shares in '000	% holding	No. of shares in '000	% holding
Equity shares of Rs 10 each fully paid up				
Bharti Airtel Limited (Holding Company)	5,105	57%	5,050	56%
Nettle Infrastructure Investment Limited	3,913	43%	3,968	44%

d. Shareholding of Promoters

As of March 31, 2022

S No.	Promoter Name	No. of shares	% of total shares	% Change during the year
1	Bharti Airtel Limited	5,105	57%	1.09%
2	Nettle Infrastructure Investments Limited	3,913	43%	-1.39%

As of March 31, 2021

S No.	Promoter Name	No. of shares	% of total shares	% Change during the year
1	Bharti Airtel Limited	5,050	56%	-
2	Nettle Infrastructure Investments Limited	3,968	44%	-

13. Other Equity

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

b) **Deemed capital contribution:** Deemed capital contribution represents the fair valuation impact of the off-market loans provided by the parent company.

c) **Capital reserve:** Capital reserve represent excess of amount paid over cost of assets acquired under common control.

d) **Securities premium:** It 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

Non-current

	As of	
	March 31, 2022	March 31, 2021
Unsecured		
Term loans	-	3,157
	-	**3,157**
Less: Interest accrued (refer note 16)	-	(7)
	-	**3,150**

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Current

	As of March 31, 2022	As of March 31, 2021
Unsecured		
Term Loan	-	1,250
Commercial papers *	2,343	-
	2,343	**1,250**

* Refer Note no 4(b).

Analysis of borrowings

The details given below are gross of debt origination cost.

14.1 Repayment terms of borrowings

The table below summarises the details of the Company's borrowings based on contractual undiscounted payments.

As of March 31, 2022

	Interest rate (range)	Type of borrowing	Frequency of installments	Number of installments outstanding per facility *	Within one year	Between one and two years	Between two and five years
Commercial paper ^	5.4%	Fixed	One time	One time	2,450		
					2,450	-	-

As of March 31, 2021

	Interest rate (range)	Type of borrowing	Frequency of installments	Number of installments outstanding per facility *	Within one year	Between one and two years	Between two and five years
Term loan ^	6.5%	Floating	Half yearly	5	-	475	1,425
Term loans ^	4.5-7.6%	Floating	One time	One time	1,250	1,250	-
					1,250	**1,725**	**1,425**

* The instalments amount due are equal / equated per se.

^ The borrowings are in INR.

15. Derivative financial liabilities

	As of March 31, 2022	As of March 31, 2021
Embedded derivatives	78	181
	78	**181**

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

16. Other financial liabilities

Non-Current

	As of March 31, 2022	As of March 31, 2021
Liability component of CCPS*	17,802	6,819
	17,802	**6,819**

* Refer Note no 4(a).

Current

	As of March 31, 2022	As of March 31, 2021
Payables against capital expenditure	1,494	498
Employee payables	39	28
Interest accrued	-	7
Others	2	2
	1,535	**535**

17. Provisions

Non-Current

	As of March 31, 2022	As of March 31, 2021
Gratuity	21	23
Long term service award	1	2
	22	**25**

Current

	As of March 31, 2022	As of March 31, 2021
Gratuity	6	2
Compensated absence	12	10
Other employee benefits	1	5
	19	**17**

Refer note 23 for movement of provision towards employee benefits.

18. Trade payables

	As of March 31, 2022	As of March 31, 2021
Due to micro enterprises and small enterprises	11	49
Others*	2,020	2,777
	2,031	**2,826**

*It include amount due to related parties (refer note 28).

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Micro, Small & Medium Enterprises Development Act, 2006 ('MSMED') disclosure

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

S No.	Particulars	For the year ended March 31, 2022	March 31, 2021
1	Principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	11	49
2	Amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
3	Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act 2006.	-	-
4	Amount of interest accrued and remaining unpaid at the end of each accounting year;	-	-
5	Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006.	-	-

Trade payables ageing:

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)	-	11	-	-	-	11
(ii) Others (B)	1,840	157	17	3	3	2,020
(iii) Disputed dues to micro and small enterprises (C)	-	-	-	-	-	-
(iv) Disputed dues - Others (D)	-	-	-	-	-	-
Total dues to micro and small enterprises (A + C)						11
Total Others (B + D)						2,020

As of March 31, 2021

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)	-	49	0	0	-	49
(ii) Others (B)	1,524	1,069	180	1	3	2,777
(iii) Disputed dues to micro and small enterprises (C)	-	-	-	-	-	-
(iv) Disputed dues - Others (D)	-	-	-	-	-	-
Total dues to micro and small enterprises (A + C)						49
Total Others (B + D)						2,777

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19. Other liabilities

Current

	As of	
	March 31, 2022	March 31, 2021
Taxes Payable *	55	50
Advance from customers	43	47
Others	1	1
	99	98

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

20. Commitments

Capital Commitments

The Company has contractual commitments towards capital expenditure (net of related advance) of Rs. 3,159 and Rs. 4,317 as of March 31, 2022 and March 31, 2021, respectively.

21. Revenue from operations

	For the year ended	
	March 31, 2022	March 31, 2021
Service revenue	13,155	10,915
Sale of products	178	176
	13,333	**11,091**

Disaggregation of revenue

Revenue is disaggregated by geographical market, major products / service lines and timing of revenue recognition are as follows:

	For the year ended	
	March 31, 2022	March 31, 2021
Geographical Markets		
India	12,945	10,892
Outside India	388	199
	13,333	**11,091**
Major Product / Services lines		
Data centre and managed services	13,155	10,915
Others	178	176
	13,333	**11,091**
Timing of Revenue Recognition		
Products transferred at a point in time	178	176
Services transferred over time	13,155	10,915
	13,333	**11,091**

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

Contract Balances

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

	As of	
	March 31, 2022	**March 31, 2021**
Unbilled revenue	767	30
Deferred revenue	81	85

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

	For the year ended March 31, 2022	
	Unbilled revenue	**Deferred revenue**
Revenue recognised that was included in deferred revenue at the beginning of the year	-	54
Increases due to cash received, excluding amounts recognised as revenue during the year	-	50
Transfers from unbilled revenue recognised at the beginning of the year to receivables	30	-

22. Data centre operating expenses

	For the year ended	
	March 31, 2022	**March 31, 2021**
Electricity and water	5,678	5,035
Rent	229	384
Repair and maintenance	1,015	1,018
Others *	247	(202)
	7,169	**6,235**

* It includes charged towards leased line charges, security and insurance.

23. Employee benefits expense

	For the year ended	
	March 31, 2022	**March 31, 2021**
Salaries and wages	216	225
Contribution to provident and other funds	13	10
Staff welfare expenses	19	19
Defined benefit plan / other long term benefits	9	9
Share based payment expense	1	-
	258	**263**

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23.1 Share-based payment plans

The following table provides an overview of all existing share option plans of the Company:

Scheme	Plan	Vesting Period (years)	Contractual terms
Equity Settled Plans			
Scheme I	2021 Plan	1 - 4	7

The stock options vesting are subject to service and certain performance conditions mainly pertaining to certain financial parameters.

The movement in the number of stock options and the related weighted average exercise prices are as follows:

	For the year ended			
	March 31, 2022		March 31, 2021	
	Number of share options ('000)	Weighted average exercise price (Rs.)	Number of share options ('000)	Weighted average exercise price (Rs.)
2021 Plan				
Outstanding at beginning of year	-	-	-	-
Granted	16	5,780	-	-
Exercised	-	-	-	-
Forfeited / expired	(1)	-	-	-
Outstanding at end of year	15	5,780	-	-
Exercisable at end of year	-	-	-	-

The details of weighted average remaining contractual life, weighted average fair value and weighted average share price for the options are as follows:

Weighted average	March 31, 2022	March 31, 2021
Remaining contractual life for the options outstanding as of (years)	6.54	-
Fair value for the options granted during the year ended (Rs.)	990	-
Share price for the options exercised during the year ended (Rs.)	-	-

The fair value of options is measured using Black-Scholes valuation model. The key inputs used in the measurement of the grant date fair valuation of equity settled plans is given in the table below:

	For the year ended	
	March 31, 2022	March 31, 2021
Risk free interest rates	5.34% to 6.19%	-
Expected life	48 to 84 months	-
Volatility	24%	-
Dividend yield	0%	-
Exercise price (Rs.)	5,780	-
Weighted average share price (Rs.)	4,232	-

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The expected life of the stock options is based on the Company's expectations and is not necessarily indicative of exercise patterns that may actually occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the expected life of the options is indicative of future trends, which may not necessarily be the actual outcome. Further, the expected volatility is based on the weighted average volatility of the comparable benchmark companies.

23.2 Employee benefits

The details of significant defined benefit obligations are as follows:

	For the Year Ended			
	March 31, 2022		March 31, 2021	
	Gratuity	Compensated absences	Gratuity	Compensated absences
Obligation:				
Obligation as at beginning of the year	25	10	22	9
Current service cost	4	4	4	2
Interest cost	2	1	2	1
Benefits paid	(3)	(2)	(9)	(2)
Transfer	1	1	2	-
Remeasurements	(2)	(2)	4	-
Present value of obligation	**27**	**12**	**25**	**10**
Current portion	**6**	**12**	**2**	**10**
Non-current portion	**21**	**-**	**23**	**-**

As of March 31, 2022, expected contributions for the next annual reporting period is Rs. 7.

Amount recognised in Other Comprehensive Income

	For the year ended	
	March 31, 2022	March 31, 2021
Gains / (Losses) from change in actuarial assumptions	2	(4)
Remeasurements of defined benefit plans	**2**	**(4)**

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

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

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

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

	As of	
	March 31, 2022	March 31, 2021
Discount Rate	7.2%	6.8%
Rate of salary increase	7.0%	7.5%
Rate of attrition	10% to 35%	0% to 17%
Retirement age	58	58

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Sensitivity analysis

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

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

	Change in	As of March 31, 2022	As of March 31, 2021
		Gratuity	
Discount Rate	+1%	(1)	(2)
	-1%	1	2
Salary Growth Rate	+1%	1	2
	-1%	(1)	(2)

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

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

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

	As of March 31, 2022	As of March 31, 2021
Within one year	6	2
Within one - three years	9	5
Within three - five years	5	2
Above five years	8	29
Weighted average duration (in years)	5.14	8.34

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24. Other expenses

	For the year ended	
	March 31, 2022	**March 31, 2021**
Legal & professional charges#	7	7
Sales & marketing expense	110	85
Provision for doubtful receivables	(149)	44
Cost of goods sold	228	149
Repair and maintenance	128	14
Charity & donation^	29	38
Customer Care expenses	23	35
Rates, Fees and Taxes	12	34
Printing and Stationery	32	29
Other administrative expense*	5	76
	425	**511**

* Other administrative expenses represent rent, consultancy charges and security expenses.

#Details of Auditor's remuneration (excluding GST) included in legal and professional charges:

	For the year ended	
	March 31, 2022	**March 31, 2021**
Audit fees	3	1
Reimbursement of Expenses	0	0
	3	1

^ Additional information pertaining to Corporate Social Responsibility (CSR)

	For the year ended	
	March 31, 2022	**March 31, 2021**
Amount required to be spent by the company during the year	29	15
Amount of expenditure incurred	29	35
Shortfall at the end of the year	Nil	Nil
Total of previous years shortfall	Nil	Nil
Reason for shortfall	NA	NA
Nature of CSR activities	Promotion of Education	Promotion of art and culture
Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	Contribution done to Bharti Foundation	NA
Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately	NA	NA

25. Depreciation expense

	For the year ended	
	March 31, 2022	**March 31, 2021**
Depreciation (including on ROU)	2,455	1,773
	2,455	**1,773**

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26. Finance costs

	For the year ended	
	March 31, 2022	**March 31, 2021**
Interest expense	134	147
Interest expense- lease liabilities	103	83
Other finance charges	0	1
Net exchange loss / (gain)	(8)	10
	229	**241**

27. Earnings per share ('EPS')

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

	For the year ended	
	March 31, 2022	**March 31, 2021**
Profit attributable to equity shareholder as per statement of profit and loss (A)	2,384	1,788
Weighted average number of equity shares for calculation of basic / diluted EPS (in thousands) (B)	10,413	9,539
Earning per share		
Equity share of face value Rs 10 per share		
Basic / diluted eanings per share (A)/(B)	228.99	187.44

28. Related party transactions

List of related parties

(i) Holding Company
Bharti Airtel Limited

(ii) 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.

(iii) Fellow Subsidiaries
Bharti Hexacom Limited
Bharti Telemedia Limited
Telesonic Networks Limited
Indo Teleports Limited
Bharti Airtel (Hongkong) Ltd.
Bharti Airtel (UK) Ltd.
Bharti Airtel (USA) Ltd.
Bharti Airtel International (Netherlands) B.V.
Bharti Airtel Services Limited
Airtel (Seychelles) Limited
Airtel Congo (RDC) S.A.
Airtel Congo S.A
Airtel Digital Limited
Airtel Gabon S.A.
Airtel Madagascar S.A.
Airtel Malawi Limited
Airtel Networks Kenya Limited

Airtel Networks Ltd.
Airtel Networks Zambia Plc
Airtel Rwanda Limited
Airtel Tanzania Limited
Airtel Tchad S.A.
Airtel Uganda Limited
Celtel Niger S.A.

(iv) Entity where parent company exercises significant influence

Fellow Joint Ventures
Indus Towers Limited

Fellow Associates
Airtel Payments Bank Limited

(v) Other related parties*
Aban Green Power Private Limited
Beetel Teletech Limited (Formerly Known As Brightstar Telecommunication India Limited)
Bharti AXA Life Insurance Company Limited
Bharti Global Limited
Bharti Land Ltd
Bharti Real Estates Limited
Bharti Realty Limited (Formerly Bharti Realty Private Limited)
Centum Learning Limited
Greenenergy Wind Corporation Private Limited
CA Cloud Investments
Bharti Realty Holdings Limited
Deber Technologies Private Limited
Bharti Foundation

(vi) Key Management Personnel
Rajesh Tapadia
Kapil Jethlani (From September 1, 2021)
Durgesh Pandey (Till August 31, 2021)

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

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

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

	For the Year ended					
	March 31, 2022			March 31, 2021		
	Parent Company	Fellow Subsidiaries	Entities having significant influence and Other related parties	Parent Company	Fellow Subsidiaries	Entities having significant influence and Other related parties
Rendering of services	10,565	323	170	9,286	197	68
Receiving of services	698	23	3	702	12	128
Reimbursement of energy expenses	4,245	-	375	4,223	-	132
Expenses incurred on behalf of the Company	202	0	-	144	4	-
Expenses incurred on behalf of others	1	2	-	3	-	-
Issuance of CCPS	-	-	10,880	-	-	7,000
Loans taken	32,367	-	-	12,320	-	-
Repayment of loans taken	32,367	-	-	15,981	-	-
Donation	-	-	19	-	-	-

The significant transactions with related parties are as follows:

	For the year ended	
	March 31, 2022	**March 31, 2021**
(i) **Rendering of services**		
Parent Company		
Bharti Airtel Limited*	10,565	9,286
(ii) **Receiving of services**		
Parent Company		
Bharti Airtel Limited	698	702
(iii) **Expenses incurred on behalf of the Company**		
Parent Company		
Bharti Airtel Limited	202	144
(iv) **Reimbursement of energy expenses**		
Parent Company		
Bharti Airtel Limited	4,245	4,223
(v) **Loan taken**		
Parent Company		
Bharti Airtel Limited	32,367	12,320
(vi) **Repayment of loan taken**		
Parent Company		
Bharti Airtel Limited	32,367	15,981
(vii) **Issuance of CCPS**		
Other related party		
CA Cloud Investments	10,880	7,000

* Includes advance billing.

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

	Parent Company	Fellow Subsidiaries	Entities having significant influence and Other related parties
As of March 31, 2022			
Trade payables	-	2	60
Other financial liabilities (including derivative)	-	-	17,880
Trade receivables	1,450	271	61
Security deposit (asset)	0	-	78
As of March 31, 2021			
Trade payables	1,025	1	47
Other financial liabilities (including derivative)	-	-	7,000
Trade receivables	-	479	85
Security deposit (asset)	-	-	51

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

Transactions with KMP

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

	For the year ended	
	March 31, 2022	March 31, 2021
Short-term employee benefits	23	22
Performance linked incentive ('PLI')#	3	4
Post-employment benefits	1	1
Share-based payment	0	-
	27	27

Value of PLI considered above represents incentive at 100% performance level. However, same will be paid on the basis of actual performance parameters in next year. During the year ended March 31, 2022, PLI of Rs. 4 (March 31, 2021: Rs. 3) pertaining to previous year has been paid.

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

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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, 2022 and March 31, 2021:

	Building	Land	Total
Balance as at April 1, 2020	**859**	**465**	**1,324**
Additions	-	310	310
Depreciation expenses	(195)	(5)	(200)
Balance as at March 31, 2021	**664**	**770**	**1,434**
Balance as at April 1, 2021	**664**	**770**	**1,434**
Additions	989	1,094	2,083
Depreciation expenses	(239)	(18)	(257)
Disposals / adjustments	(45)	-	(45)
Balance as at March 31, 2022	**1,369**	**1,846**	**3,215**

- Building

  The company's lease of building comprise of lease of property where data center is built.
- Land

  The Company's leases of land comprise of land taken on lease on which data center is built.

Amounts recognised in profit or loss

	For the year ended	
Leases under Ind AS 116	**March 31, 2022**	**March 31, 2021**
Interest on lease liabilities	103	83
Expenses relating to leases of low-value assets, excluding short-term leases of low value assets	5	3

Amounts recognised in statement of cash flows

	For the year ended	
Leases under Ind AS 116	**March 31, 2022**	**March 31, 2021**
Cash outflow for leases	182	669

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

	As of	
Leases under Ind AS 116	**March 31, 2022**	**March 31, 2021**
Not later than one year	444	308
Later than one year but not later than five years	1,207	698
Later than five years	360	66
	2,011	**1,072**

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30. Financial 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, interest rate risk and price risk), credit risk and liquidity risk. The Company's risk management 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 ('BOD') 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 BOD periodically reviews the exposures to financial risks, and the measures taken for risk mitigation and the results thereof.

(i) 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 and receivables. Foreign exchange exposure arises from trade receivables and trade payables denominated in foreign currencies.

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. Moreover, the Company monitors the movements in currencies in which the vendors are payable and manage any related foreign exchange risk, which inter-alia include entering into foreign exchange derivative contracts as considered appropriate and whenever necessary.

Foreign currency sensitivity

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

	Change in currency exchange rate	Effect on profit before tax	Effect on equity (OCI)
For the year ended March 31, 2022			
US Dollars	+5%	15	
US Dollars	-5%	(15)	-
For the year ended March 31, 2021			
US Dollars	+5%	13	-
US Dollars	-5%	(13)	-

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

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

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.

(ii) 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. Consequently, the Company's interest rate risk arises mainly from borrowings.

Borrowings

Borrowings with floating and fixed interest rates expose the Company to cash flow and fair value interest rate risk respectively. However, the short-term borrowings of the Company do not have a significant fair value or cash flow interest rate risk due to their short tenure. Accordingly, the components of the debt portfolio are determined by the CSM in a manner which enables the Company to achieve an optimum debt-mix basis its overall objectives and future market expectations.

The Company monitors the interest rate movement and manages the interest rate risk based on its risk management policies, which inter-alia include entering into interest swaps contracts, as considered appropriate and whenever necessary.

Interest rate sensitivity of borrowings

The impact of the interest rate sensitivity on profit before tax is given in the table below:

Interest rate sensitivity	Increase / decrease in basis points	Effect on profit before tax
For the year ended March 31, 2022		
INR - borrowings	+100	-
	-100	-
For the year ended March 31, 2021		
INR - borrowings	+100	(44)
	-100	44

The sensitivity disclosed in the above table is attributable to floating-interest rate borrowings and the interest swaps.

(iii) 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, investment in bank deposits and mutual funds.

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Trade receivables

The trade receivables of the Company are typically non-interest bearing unsecured and derived from sales made to a number of independent customers including group entities. Majority of the revenue is earned from the related parties (refer note 28). The credit period provided by the Company to its customers generally ranges between 0-90 days.

For details of trade receivables from related-parties, refer note 28.

The Company uses a provision matrix to measure the expected credit loss of trade receivables, which comprise a very large numbers of small balances. Refer Note 10 for details on the impairment of trade receivables. Based on the industry practices and the business environment in which the entity operates, management considers that the trade receivables are impaired if the payments are more than 90 days past due.

		Past due but not impaired				
	Neither past due nor impaired	Less than 30 days	30 to 60 days	60 to 90 days	above 90 days	Total
Trade Receivables as of March 31, 2022	1,037	510	925	236	168	2,876
Trade Receivables as of March 31, 2021	303	165	127	165	62	822

The Company performs on going credit evaluations of its customers' financial condition and monitors the credit worthiness of its customers to which it grants credit in the ordinary course of business. Consequently, the allowance for impairment of trade receivables is created to the extent and as and when required, based upon the expected collectability of accounts receivables.

Financial Instruments and Cash Deposits

The Company's treasury, in accordance with the board approved policy, maintains its cash and cash equivalents, deposits and investment in mutual funds 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.

(iv) Price risk

The Company invests its surplus funds in various mutual funds, and fixed deposits. In order to manage its price risk arising from investments, the Company diversifies its portfolio in accordance with the limits set by the risk management policies.

(v) 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. To manage liquidity risk, the Company monitors its

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net operating cash flows and maintains an adequate level of cash and cash equivalents to finance the Company's operation and mitigate the effects of fluctuations in cash flows.

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

Particulars	As of March 31, 2022						
	Carrying amount	On Demand	Less than 6 months	6 to 12 months	1 to 2 years	> 2 years	Total
Interest bearing borrowings#*	2,343	-	-	2,450	-	-	2,450
Other financial liabilities ^	1,535	-	1,535	-	-	-	1,535
Trade payables	2,031	-	2,031	-	-	-	2,031
Lease liabilities#	1,639	-	269	176	348	1,218	2,011
Financial liabilities	**7,548**	**-**	**3,835**	**2,626**	**348**	**1,218**	**8,027**

Particulars	As of March 31, 2021						
	Carrying amount	On Demand	Less than 6 months	6 to 12 months	1 to 2 years	> 2 years	Total
Interest bearing borrowings#*	4,407	-	1,370	100	1,882	1,516	4,868
Other financial liabilities ^	528	-	528	-	-	-	528
Trade payables	2,826	-	2,826	-	-	-	2,826
Lease liabilities#	906	-	156	152	307	457	1,072
Financial liabilities	**8,667**	**-**	**4,880**	**252**	**2,189**	**1,973**	**9,294**

#It includes contractual interest payment based on interest rate prevailing at the end of the reporting period over the tenor of the borrowings / lease liabilities.

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

^Compulsorily convertible preference shares are excluded from other financial liabilities.

The following table provides the reconciliation of liabilities whose net cash flow movements are disclosed as part of financing activities of statement of cash flows:

Balance sheet caption	Statement of cash flows line items	April 1, 2021	Cash flows	Non cash changes: Interest capitalised	Interest expense	Other	March 31, 2022
Borrowings	Proceeds / repayments of borrowings (including short term)	4,400	(2,189)	-	-	132	2,343
Interest accrued	Interest and other finance charges paid	7	(101)	92	134	(132)	(0)
Lease liability	Payment of lease liabilities	906	(1,408)	-	103	2,038	1,639

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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. 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, 2022	**March 31, 2021**
Borrowings	2,343	4,400
Less: Cash and Cash equivalents	1,869	124
Net Debt	**474**	**4,276**
Equity	5,230	2,841
Total Capital	**5,230**	**2,841**
Capital and Net Debt	**5,704**	**7,117**
Gearing Ratio	8.31%	60.08%

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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, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Financial assets					
Fair value through profit and loss					
Investments - quoted	Level 1	150	690	150	690
Investments - unquoted	Level 2	4	4	4	4
Amortised cost					
Trade receivables		2,876	822	2,876	822
Cash and cash equivalents		1,869	124	1,869	124
Other bank balances		8	8	8	8
Other financial assets		1,294	397	1,294	397
		6,201	**2,045**	**6,201**	**2,045**
Financial liabilities					
Fair value through profit and loss					
Derivative Instruments	Level 3	78	181	78	181
Amortised cost					
Borrowings - fixed	Level 1	2,343	-	2,343	-
Borrowings - floating		-	4,400	-	4,400
Trade payables		2,031	2,826	2,031	2,826
Other financial liabilities		19,337	7,354	19,337	7,354
		23,789	**14,761**	**23,789**	**14,761**

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

The carrying value of trade receivables, trade payable, short term borrowings, floating-rate long-term borrowings, other current financial assets and liabilities approximate their fair value mainly due to the short-term maturities of these instruments.

The fair value of non-current financial assets, other long-term borrowings and other financial liabilities is estimated by discounting future cash flows using current rates applicable to instruments with similar terms, currency, credit risk and remaining maturities.

The following table describes the key inputs used in the valuation (basis discounted cash flow technique) of Level 2 & Level 3 financial assets / liabilities as of March 31, 2022 and March 31, 2021:

Financial assets / liabilities	Inputs used
Investments	Prevailing interest rates in market, inflation rates
Derivative Instruments	Prevailing interest rates in market, inflation rates

During the year ended March 31, 2022 and March 31, 2021, there were no transfers between Level 1 and Level 2 fair value measurements.

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32. Ratios

The following are analytical ratios for the year ended March 31, 2022 and March 31, 2021

Particulars	Numerator	Denominator	March 31, 2022	March 31, 2021	% Variance	Reason for variance
Current Ratio - [no. of times]	Current Assets	Current Liabilities	0.99	0.69	43%	Increase on account of higher trade receivable and cash balance as of date.
Debt-equity Ratio - [no. of times] *	Non-Current borrowings (+) current borrowings (-) cash and cash equivalents	Equity	0.09	1.51	-94%	Decrease on account of repayment of borrowing during the year.
Debt service coverage ratio - [no. of times]	Profit before depreciation, finance costs and tax	Interest expenses (+) principal repayments of long-term debt (+) payment of lease liabilities	1.63	1.30	25%	Increase on account of higher profit during the year.
Return on equity ratio - [no. of times]	Net Profit	Average Equity	0.59	0.92	-36%	Decrease on account of higher 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 period	51	34	49%	Increase on account of higher debtors coupled with higher revenue from operations.
Net capital turnover ratio - [no. of times]	Revenue from operations	Working Capital (i.e. current assets - current liabilities)	(140.31)	(6.88)	1941%	Increase on account of lower working capital during the year.
Net profit ratio (%)	Net Profit	Revenue from operations	17.9%	16.1%	11%	Not applicable.
Return on capital employed (%)	EBIT	Average Capital Employed #	46.3%	32.1%	44%	Increase on account of higher EBIT and lower net debt during the year.
Return on investment (%)	Income generated from investments	Average current Investment (FVTPL)	0.9%	0.0%	3743%	Increase on account of return on investment in current year.

* excluding lease liabilities
\# Average Capital Employed= Average of (Equity + Net Debt)

Considering the principal activities of the company, inventory turnover ratio and trade payables turnover ratio are not relevant.

33. Relationship with struck off companies

S No.	Name of the Struck off company	Nature of transactions	Relationship	Balance outstanding as of March 31, 2022	Balance outstanding as of March 31, 2021
1	Nature Conservancy Consultancy Private Limited	Payables	Vendor	0	0
2	Eco E Waste Recyclars India Pvt Ltd	Payables	Customer	-	1
3	Trackon Ewaste Recyclers Private Limited	Receivables	Customer	0	0

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