Brightstar™

ANNUAL
REPORT 2019 - 2020

CONTENTS

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Gerard Patrick O'Keeffe (DIN: 08807817)
Mr. Sanjeev Chhabra (DIN: 08174113)
Mr. Devendra Khanna (DIN: 01996768)
Mr. Rajesh Madan (DIN: 02647922)
Ms. Uma Ajay Relan (DIN: 07087902)

COMPANY SECRETARY

Mr. Neeraj Manchanda

STATUTORY AUDITORS

Deloitte Haskins & Sells LLP
Gurugram

COST AUDITORS

K.G. Goyal & Associates
Jaipur

SECRETARIAL AUDITORS

Saurabh Jain & Associates
Delhi

BANKERS

HDFC Bank Limited
Australia & New ZealandBanking Group Limited
Kotak Mahindra Bank Limited
Citi Bank N.A.

REGISTERED OFFICE

First Floor, Plot No.16,
Udyog Vihar, Phase-IV,
Gurugram-122015 (Haryana)

WEBSITE

www.brightstarcorp.in

REGISTRAR & TRANSFER AGENT

MCS Share Transfer Agent Ltd.,
F-65, 1st Floor,
Okhla Industrial Area, Phase-I,
New Delhi -110020.

Ph:- +91 11 4140 6149
Fax:- +91 11 4170 9881

QUERIES/ASSISTANCE

MCS Share Transfer Agent Ltd.,
F-65, 1st Floor,
Okhla Industrial Area, Phase-I,
New Delhi -1100 20.

Ph:- +91 11 4140 6149
Fax:- +91 11 4170 9881

Secretarial Department
Brightstar Telecommunications India Limited
(Erstwhile Beetel Teletech Limited)
First Floor, Plot No.16,
Udyog Vihar, Phase-IV,
Gurugram-122015 (Haryana)

Ph.: +91 124 4823500
Fax: +91 124 4146130

THE BOARD OF DIRECTORS – AN INTRODUCTION

Gerard Patrick O'Keeffe, Chairman

Gerard Patrick O'Keeffe (Gerry) is the Non - Executive Chairman of Brightstar Telecommunications India Limited. He is the Executive Vice President of Brightstar Europe with responsibility for operations in Europe, the Middle East, Australia, and New Zealand. He is responsible for setting the strategic directions, overall P&L, and management of partners, services, and customer relationships.

Gerry is an accomplished leader with 25 years' experience in Finance and leadership roles. Gerry started working in the mobile industry in 1996 for 20:20 Logistics Limited, a mobile phone distributor and part of the Caudwell Group. In 2007 Gerry took up a role as Finance Director for Micro Peripherals Limited, a company owned by DCC PLC, a FTSE 100 listed international sales, marketing, and support services business. In 2009 Gerry was made Managing Director. This led on to leadership roles with Exertis International Limited, also part of the DCC family. Initially, as Managing Director UK and Ireland and latterly as Managing Director of Exertis International with responsibility for developing and managing markets in North America, Canada, Nordics, France, Germany, Italy, Spain, The Netherlands, and UAE.

Gerry originates from and was educated in the Republic of Ireland and is FCA qualified.

Sanjeev Chhabra, Managing Director

Sanjeev Chhabra is the Managing Director (MD) of Brightstar Telecommunications India Limited. He has over 24 years of experience in Information and Communication Technology (ICT) and has been with Brightstar Telecommunications (erstwhile Beetel Teletech) for 12 years.

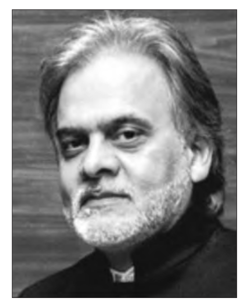
Across this experience, his goal has been of improving lives through technology and this has been a guiding principle in his work. His sound understanding of Sales and distribution domain has positioned Brightstar as a preferred choice for Vendors. His foresight is to foray into emerging areas such as Artificial Intelligence (AI), deep learning.

Sanjeev provides vision for organisation strategy, operational excellence, and seamless execution. Sanjeev is a committed leader who believes in empowering his team to perform actions independently and this has brought fruitful results in form of increased RoIC, enhanced shareholder value and continuous growth in business.

In his journey with Brightstar for past 12 years, he has created path-breaking record in client acquisition, has closely worked with the management team and established good networking. He has transformed the business from box-selling to value added distribution to services led approach.

Before joining Brightstar, Sanjeev held leadership roles across Ingram Micro, XO Infotech, SES Technologies and Microtek International. Sanjeev holds a B.E. (Electronics) degree from Nagpur University & Post Graduate Diploma in Marketing.

Devendra Khanna, Non- Executive Director



Devendra Khanna (Deven) is the Non Executive Director of Brightstar Telecommunications India Limited. He is the Group Director, Chairman's Office at Bharti Enterprises and is responsible for driving key initiatives and strategic projects across all businesses of the group.

Deven has nearly 33 years of experience in finance and general management. He started at Bharti as the Group Financial Controller at Airtel in 2004 and later became Corporate Director - Finance in 2008 before taking on the current role in 2011. He has spearheaded financial reporting, business planning, revenue assurance, taxation, risk management and a host of strategic projects including structuring initiatives.

Deven serves as a Director on the boards of Bharti Enterprises (Holdings) Private Limited, Bharti Telecom Limited, Bharti Hexacom Limited, Bharti Telemedia Limited & Centum Learning Limited and has served on the boards of Bharti AXA Life Insurance Limited and Bharti AXA General Insurance Limited.

Earlier, Deven worked with Triveni Engineering & Industries Limited as the Chief Financial Officer for a business portfolio including sugar, steam turbines, sugar machinery, water treatment, micro hydel and oil drilling.

Deven is a commerce graduate from Sri Ram College of Commerce, Delhi University and is a Fellow Member of the Institute of Chartered Accountants of India.

Rajesh Madan, Independent Director

Rajesh Madan is an Independent Director in Brightstar Telecommunications India Limited. He has experience of handling large transactions relating to mergers, acquisitions and divestitures, restructuring of companies and businesses and cross-border transactions.

He also has extensive experience in corporate governance and compliance with special emphasis on corporate responsibility to shareholders, government, employees and customers. He has held the position of in-house Counsel with a number of multinational corporations in India, including Novartis, Glaxo Smithkline etc.

Since 2004, he has been practicing as an independent Counsel. He is a qualified Company Secretary and a Law Graduate by qualification.

Uma Ajay Relan, Independent Director

Uma A Relan is an Independent Director in Brightstar Telecommunications India Limited. She is specialized in Consumer Credit and spent much of her career with Citigroup working in multiple geographies, various banking disciplines and diverse product groups.

She worked in Dubai for 6 years as head of credit for the Gulf region, where she successfully launched the first credit card portfolio in UAE. The bulk of her career has been with Citigroup's consumer business where she was the principal architect of the growth story in several markets across the globe. She has the distinction of being a Level 1 Senior Credit Officer (the most senior credit designation in Citibank) for both commercial and retail lending. She is having overall 41 years of experience.

Ms. Uma Ajay Relan holds a bachelor's degree in Commerce and a bachelor's degree in Law.

CHAIRMAN'S MESSAGE

Dear Shareholders,

On behalf of Board of Directors, it is my pleasure to present annual report for the financial year ended on 31st March 2020. During the year, your company has enhanced operational effectiveness and achieved its annual plans, despite the challenging business environment and downfall in consumption.

Foundation of integrated values

At Brightstar, we believe in an ethically driven business process that is committed to values aimed at enhancing an organization's wealth generating capacity. This is ensured by taking ethical business decisions and conducting business with a firm commitment to values, while meeting stakeholders' expectations. At Brightstar, it is imperative that our company affairs are managed in a fair and transparent manner. This is vital to gain and retain the trust of our stakeholders, which is essential for business and long associations. Our corporate governance framework ensures effective engagement with our stakeholders and helps us evolve with changing times in ethical ways.

Operational Environment

We are in a rapidly changing world where digital connectivity and devices, abundance of data and artificial intelligence are reshaping value creation models across verticals. Despite the volatility, in the economic environment, we continue to improve and evolve consistently, fostering an entrepreneurial mindset across the organisation. Overall, we have delivered yet another year of achievements across our business segments and have plans to bring future ready products & technologies for deliveries.

I would like to share my heartfelt solidarity with our employees, partners & customers for their delightful accomplishments, in these extremely challenging times of novel coronavirus. At Brightstar, the health and safety of our colleagues, customers, partners, and the communities in which we operate is our foremost priority. We have adapted to the changing environment for continued operations and ensured supply of critical requirements for disaster management and other business purposes. I place on record my deep appreciation to the management and employees, who worked tirelessly in tough time.

Word of Appreciation

I would like to express my deepest appreciation to our shareholders, management team, employees, bankers, and business associates for their commitment and contribution towards the constant growth of the Company. I would like to express my gratitude towards my fellow directors for their contribution in building responsive value chain of the organisation.

Warm regards,

Gerard Patrick O'Keeffe
Chairman

MANAGING DIRECTOR'S MESSAGE

Dear Valued Shareholders,

Year gone by

I am pleased to share with you an update on your Company's performance for 2019-20. During the year, your Company has delivered competitive, and responsible growth in operations. Our growth fundamentals are in a good shape with deep penetration in distribution ecosystem. Most of our served brands have gained in terms of mind measures and this augurs well for the future. As compared to market situation, having challenging business environment with slowdown in consumption, your company has achieved its annual plans for FY 2019-20, which is remarkable in the backdrop of stated environment.

Challenges and determination

The novel coronavirus (COVID-19) has affected not just human health but severely impacted businesses and the society at large. Adversity, they say, is the true test of character and it was in the final days of the year that the true nature of its purpose-driven determination truly shone through for the organisation. In additional to business continuity, your company also prioritized the health and safety of its employees, ensured supply of critical equipment for disaster management teams & government agencies, and pitched in to help essential service providers by supporting telecommunications network operations. I would like to record my sincere appreciation for the employees who work diligently and deliver to everyone's joy in tough time.

Year ahead & plans

As part of our transformation journey, your company is launching its own Brand **'FLiX'** which is powered by **BEETEL** to venture into consumer accessories such as power accessories, mobile accessories, lifestyle accessories and IOT devices. In its endeavor to have future technologies and products, your company is looking for adding more distribution brands in audio accessories, education field, artificial intelligence, machine learning & networks.

I express my heartfelt gratitude to our esteemed brand partners, channel partners, financers, bankers, clientage, shareholders and confident of having same patronage and support in times to come.

Warm regards,

Sanjeev Chhabra
Managing Director

NOTICE

Notice is hereby given that the Twenty First (21st) Annual General Meeting of the members of Brightstar Telecommunications India Limited, erstwhile Beetel Teletech Limited (hereinafter to be referred as the **"Company"**) will be held on 25th September, 2020 at 2:00 PM (IST) through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM"), to transact the following businesses:

ORDINARY BUSINESS:

1. **To review, consider and adopt financial statements of the Company including the audited Balance Sheet as on 31st March, 2020, and Cash Flow Statement and Statement of Profit & Loss for the financial year ended on 31st March, 2020 along with notes and schedules, on standalone and consolidated basis, together with the Auditors' and Directors' Report thereon**

   To consider and if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT the Balance Sheet as on 31st March, 2020 and Cash Flow Statement and Statement of profit and loss account for the financial year ended on 31st March 2020 along with notes and schedules, on standalone and consolidated basis together with Auditors' Report and the Directors' Report thereon, be and is hereby reviewed, considered and adopted".

2. **To appoint director in place of Mr. Sanjeev Chhabra (DIN: - 08174113), who retires by rotation and being eligible, offers himself for re-appointment**

   To consider and if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT Mr. Sanjeev Chhabra (DIN: 08174113), Director of the Company, who is liable to retire by rotation and being eligible for re-appointment, be and is hereby re-appointed as the Director of the Company, liable to retire by rotation."

3. **To consider re-appointment of M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No. 117366W/W-100018), as the Statutory Auditors of the Company and to fix their remuneration**

   To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to the provisions of Sections 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the rules framed thereunder, as amended (the "Companies Act") and Rule 4(1) of the Companies (Audit and Auditors) Rules, 2014, as amended, M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No. 117366W/W-100018) be and are hereby re-appointed as the Statutory Auditors of the Company for another term of five (5) years and to hold office from the conclusion of the 21st Annual General Meeting of the Company till the conclusion of the 26th Annual General Meeting at such remuneration, inclusive of applicable taxes and reimbursement of out of pocket expenses incurred in connection with the audit, as recommended by the Audit Committee and as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors from time to time."

SPECIAL BUSINESS:

4. **To appoint Mr. Devendra Khanna (DIN - 01996768) as director liable to retire by rotation**

   To consider and if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution:**

   "**RESOLVED THAT** pursuant to the provisions of Section 152, Section 161, and any other applicable provisions of the Companies Act, 2013 and Companies (Appointment and Qualifications of Directors) Rules, 2014, Mr. Devendra Khanna (DIN- 01996768), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 26th December 2019 and who holds office up to 21st Annual General Meeting of the Company, and in respect of whom, a notice in writing has been received under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as a director liable to retire by rotation."

5. **To appoint Mr. Gerard Patrick O'Keeffe (DIN - 08807817) as director liable to retire by rotation**

   To consider and if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of Section 152, Section 161, and any other applicable provisions of the Companies Act, 2013 and Companies (Appointment and Qualifications of Directors) Rules, 2014, Mr. Gerard Patrick O'Keeffe (DIN - 08807817), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 31st July 2020 and who holds office up to 21st Annual General Meeting of the Company, and in respect of whom, a notice in writing has been received under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as a director liable to retire by rotation."

6. **To re-appoint Mr. Rajesh Madan (DIN - 02647922) as Independent director for a period of 5 years**

   To consider and if thought fit, to pass with or without modification, the following resolution as **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 149, 150, 152, 160 and any other applicable provisions of the Companies Act, 2013 ("Act") and Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act, as amended from time to time, and pursuant to the recommendations of the Nomination & Remuneration Committee and Board of Directors of your Company, Mr. Rajesh Madan (DIN- 02647922) whose term as independent director will expire on 7th September 2020, and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and in respect of whom the Company has received a notice u/s 160 of the Companies Act, 2013 proposing his candidature for the office of Independent Director be and is hereby re-appointed as an Non-Executive Independent Director of the Company, not liable to retire by rotation, for another term of 5 (five) consecutive years commencing from 8th September, 2020"

7. **Ratification of remuneration payable to M/s. K. G. Goyal & Associates, Cost Accountants as Cost Auditors of the company**

To consider and if thought fit, to pass with or without modification the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 as amended from time to time, M/s. K. G. Goyal & Associates, Cost Accountants appointed as the Cost Auditors of the Company, to conduct of the audit of the cost records of the Company for the financial year 2020-21, to be paid a remuneration of Rs. 33000/- (Rupees Thirty Three Thousand Only) per annum, exclusive of taxes and out of pocket expenses incurred, if any as approved by the Board of directors and the Audit Committee"

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

For and on behalf of the Board of Directors
Brightstar Telecommunications India Limited

Sd/-
Neeraj Manchanda
(Company Secretary)

Date: August 07, 2020
Place: Gurugram

NOTES:

1. In view of the outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs ("MCA") followed by Circular No. 20/2020 dated May 05, 2020 ("MCA Circulars"), Annual General Meeting (AGM) are allowed to be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members may attend and participate in the ensuing AGM through VC/OAVM. The deemed venue for the AGM shall be the Registered Office of the Company situated at 1st Floor, Plot No. 16, Udyog Vihar, Phase-IV, Gurugram, Haryana - 122015.
2. Pursuant to MCA Circulars, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, pursuant to the provisions of Sections 112 and 113 of the Companies Act, 2013 the Body Corporates and others eligible to appoint authorised representatives are still entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
3. Since the AGM is being held through VC, physical attendance of the Members has been dispensed with. Accordingly, the facility for appointment of proxies by Members is not available, as provided in the MCA Circulars and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
4. The Members may join the AGM in the VC/OAVM mode which will remain open for participation 15 minutes before the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
5. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
6. An explanatory statement pursuant to Section 102 of the Companies Act, 2013 is annexed hereto.
7. Members are requested to intimate immediately any change in their address, including e mail addresses to the Company.
8. Since the AGM will be held through VC/ OAVM, the route map of the venue of the Meeting is not annexed hereto.
9. The recorded transcript of this meeting, shall as soon as possible, be made available on the website of the Company.
10. Institutional shareholders are encouraged to attend and vote at the AGM

11. 21st Annual General Meeting has been convened through VC or OAVM in Compliance with applicable provisions of the Companies Act, 2013 read with MCA Circulars.

12. Company's Registrar and Transfer Agent (RTA) is MCS Share Transfer Agent Ltd.

ELECTRONIC DISPATCH OF ANNUAL REPORT AND PROCESS FOR REGISTRATION OF E-MAIL ID FOR OBTAINING COPY OF ANNUAL REPORT:

13. In compliance with the aforesaid MCA Circulars, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website www.brightstarcorp.in and on the website of NSDL https://www.evoting.nsdl.com.

14. Members holding shares in physical mode and who have not updated their e-mail addresses with the Company are requested to update their e-mail addresses by sending email request at admin@mcsregistrars.com; and/ or legal.secretarial@brightstarcorp.in, along with scanned copy of the signed request letter mentioning the name and address of the Member, self-attested copy of the PAN card and self-attested copy of any document (example: Aadhar, Driving License, Election Identity Card, Passport). Members holding shares in dematerialised mode are requested to register / update their e-mail addresses with the relevant Depository Participants.

15. Please note that updation/ registration of email addresses on the basis of the above scanned documents will be only for the purpose of sending the notice of 21st AGM and Annual Report 2019-20 and thereafter shall be disabled from the records of the RTA immediately after the 21st AGM. The Member(s) will therefore be required to send the email ID updation request along with hard copies of the aforesaid documents to RTA for actual registration in the records to receive all the future communications including Annual Reports, Notices, Circulars, etc. from the Company electronically. "Members who still hold share certificates in physical form are advised to dematerialise their shareholding to avail the benefits of dematerialisation, which include easy liquidity, since trading is permitted in dematerialised form only, electronic transfer, savings in stamp duty and elimination of any possibility of loss of documents and bad deliveries."

PROCESS TO PROCURE USER ID & PASSWORD FOR E-VOTING FOR THOSE SHAREHOLDERS WHOSE EMAIL IDs ARE NOT REGISTERED

16. The shareholders whose email ids are not registered with the depositories / company can procure USER ID and password and register the email ids for e-voting on the resolutions set out in this notice. In case shares are held in physical mode shareholders are requested to provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), self-attested scanned copy of PAN and AADHAR by email to admin@mcsregistrars.com and/ or legal.secretarial@brightstarcorp.in. In case shares are held in demat mode, shareholders are requested to provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, self attested copy of PAN & AADHAR to admin@mcsregistrars.com and/ or legal.secretarial@brightstarcorp.in.

PROCEDURE TO RAISE QUESTIONS / SEEK CLARIFICATIONS WITH RESPECT TO ANNUAL REPORT:

17. As the AGM is being conducted through VC / OAVM, for smooth conduct of proceedings of the AGM, Members are encouraged to express their views / send their queries in advance mentioning their name, demat account no. / folio no., email id, mobile no. at legal.secretarial@brightstarcorp.in. Questions / queries received by the Company by Wednesday, 23rd September, 2020 till 5.00 p.m. shall be considered and responded during AGM.

18. The Company reserves its right to restrict the number of questions, as appropriate for smooth conduct of the AGM.

PROCEDURE FOR REMOTE E-VOTING

19. Pursuant to provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Amendment Rules, 2015, the Company is pleased to provide facility to the members to exercise their right to vote at AGM by electronic means and the business shall be transacted through e-voting including remote e-voting. The facility of casting the votes by the members using remote e-voting and electronic voting during AGM will be provided by National Securities Depository Limited (NSDL).

20. The Company has approached NSDL for providing e-voting services through their e-voting platform. In this regard, members de-mat account/folio number has been enrolled by the Company for their participation in e-voting on resolution placed by the Company on e-voting system. Notice of AGM of the Company inter alia indicating the process and manner of e-voting process can be downloaded from the link https://www.evoting.nsdl.com or www.brightstarcorp.in.

21. The e-voting period commences on 21st September 2020 (9:00 am) and ends on 24th September 2020 (5:00 pm). During this period shareholders of the Company, may cast their vote electronically. The e-voting module shall also be disabled for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

22. The voting rights of members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date of 18th September 2020. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 18th September 2020, may obtain the USER

ID and Password by sending a request at evoting@nsdl.co.in. In addition, the facility for voting through electronic voting system shall also be made available during the AGM. Members attending the AGM who have not cast their votes by remote e-voting shall be eligible to cast their votes through e-voting during the AGM. In case of voting by both the modes, vote cast through remote e-voting will be considered final and e-voting at AGM will not be considered. Members who have voted through remote e-voting shall be eligible to attend the AGM, however, they shall not be eligible to vote at the meeting. Members holding shares in physical form are requested to access the remote e-voting facility provided by the Company through NSDL e-voting system at https://www.evoting.nsdl.com/.

23. The procedure to login to e-voting website consists of two steps as detailed hereunder:

Step 1: Log-in to NSDL e-Voting system at https://www.evoting.nsdl.com/

i) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.

ii) Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.

iii) A new screen will open. You will have to enter your USER ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

iv) Your USER ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat . account with NSDL	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 113378 then USER ID is113378001***

v) Your password details are given below:

a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

c) How to retrieve your 'initial password'?

(i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

(ii) If your email ID is not registered, please follow steps mentioned in Note No. 16 process for those shareholders whose email ids are not registered.

vi) If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

a) Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL o CDSL) option available on www.evoting.nsdl.com.

b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

vii) After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

viii) Now, you will have to click on "Login" button.

ix) After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically on NSDL e-Voting system

i) After successful login at Step 1, you will be able to see the

Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.

ii) After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.

iii) Select "EVEN" of company, which is 113378.

iv) Now you are ready for e-Voting as the Voting page opens.

v) Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

vi) Upon confirmation, the message "Vote cast successfully" will be displayed.

vii) You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

viii) Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

24. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to sanjaygrover7@gmail.com with a copy marked to evoting@nsdl.co.in; and legal.secretarial@brightstarcorp.in; It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

25. The Board of Directors has appointed Mr. Devesh Kumar Vasisht (FCS-8488; C.P. No. 13700), Partner, of M/s. Sanjay Grover & Associates, Company Secretaries, and failing him, Ms. Priyanka, (ACS-A41459, C.P. NO.: 16187) Partner, of M/s. Sanjay Grover & Associates, Company Secretaries has been appointed as the Scrutinizer to scrutinize the entire e-voting process in a fair and transparent manner.

26. The results of the electronic voting shall be declared at the website of the Company i.e. www.brightstarcorp.in and on the website of NSDL https://www.evoting.nsdl.com, within three days of conclusion of AGM.

27. USER ID and Password can be used by members exclusively for e-voting on the resolutions placed by the Companies in which members are the shareholders. It is strongly recommended to the members not to share their password with any other person and take utmost care to keep it confidential.

28. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request to at evoting@nsdl.co.in or contact Ms. Pallavi Mhatre, Manager or Ms. Soni Singh, Asst. Manager, National Securities Depository Limited, Trade World, 'A' Wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013, at the designated email id – pallavid@nsdl.co.in or SoniS@nsdl.co.in or at telephone nos.:- +91 22 24994545, +91 22 24994559.

PROCEDURE FOR JOINING THE AGM THROUGH VC / OAVM:

29. Members will be provided with a facility to attend the AGM through VC / OAVM through the NSDL e-voting system. Members may access the same at https://www.evoting.nsdl.com under Shareholders/ Members login by using the remote e-voting credentials. The link for VC / OAVM will be available in Members login where the EVEN of Company will be displayed. Please note that the Members who do not have the USER ID and Password for e-voting or have forgotten the USER ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the notice. Further Members can also use the OTP based login for logging into the e-voting system of NSDL.

30. Members who need assistance before or during the AGM with use of technology, can: - send a request at evoting@nsdl.co.in or use Toll free no.: 1800-222-990; or contact Ms. Pallavi Mhatre, Manager or Ms. Soni Singh, Asst. Manager, NSDL at the designated email id – evoting@nsdl.co.in or pallavid@nsdl.co.in or SoniS@nsdl.co.in or at telephone nos.:- +91 22 24994545, +91 22 24994559.

31. Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

32. Please note that participants connecting from Mobile devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio / Video loss due to fluctuations in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM ARE AS UNDER: -

33. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

34. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

35. Members who have voted through remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

36. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for remote e-voting.

PROCEDURE FOR INSPECTION OF DOCUMENTS:

37. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 and all other documents referred to in the Notice will be available for inspection in electronic mode, based on the request being sent on legal.secretarial@brightstarcorp.in.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 3:

To consider re-appointment of M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No. 117366W/W-100018), as the Statutory Auditors of the Company and to fix their remuneration

Pursuant to the resolution passed by Members at the 16th AGM, M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No. 117366W/W-100018) were appointed as the Statutory Auditors of the Company to hold office for a term of five (5) years from the conclusion of the 16th AGM till the conclusion of the 21st AGM.

M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No. 117366W/W-100018) have provided their consent and confirmed that their re-appointment, if made, would be within the limits specified under 141(3)(g) of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014, as amended from time to time.

It is proposed to re-appoint M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No. 117366W/W-100018) as Statutory Auditors of the Company for another term of five (5) years to hold office from the conclusion of 21st AGM of the Company till the conclusion of 26th AGM at such remuneration, inclusive of applicable taxes and reimbursement of out of pocket expenses incurred in connection with the audit, as recommended by the Audit Committee and as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors from time to time.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives is concerned or interested (financially or otherwise) in the passing of the Resolution.

The Board recommends this Resolution for your approval.

ITEM NO. 4:

To appoint Mr. Devendra Khanna (DIN - 01996768) as director liable to retire by rotation

The Board of Directors of the Company ('the Board') appointed Mr. Devendra Khanna as an Additional Non-Executive Director of the Company with effect from 26th December 2019.

In terms of Section 161 of the Companies Act, 2013 ('the Act'), Mr. Khanna will hold office up to the ensuing Annual General Meeting. The Board at the meeting held on 7th August 2020 has recommended the appointment of Mr. Khanna as a Non-Executive Director of the Company for the approval of the Shareholders as set out in the Resolution relating to his appointment.

Requisite Notice under Section 160 of the Act proposing the candidature of Mr. Khanna has been received by the Company, along with consent to act as director from Mr. Khanna pursuant to Section 152 of the Act.

Mr. Khanna does not hold any share in the Company, either in his individual capacity or on a beneficial basis for any other person.

Except Mr. Khanna being appointed as director himself, none of the directors or key managerial personnel or their relatives have any personal interest in the item.

Additional information in respect of Mr. Khanna, pursuant to the statutory requirements including Secretarial Standard-2, is given below:

Mr. Devendra Khanna, aged 60 years, Non-executive Director of the Company was appointed with effect from 26th December 2019. Currently, he is working as Group Director, Chairman's Office at Bharti Enterprises and is responsible for driving key initiatives and strategic projects across all businesses of the group. Mr. Khanna is an experienced finance leader with 33 years of experience in a multinational environment.

He has spearheaded financial reporting, business planning, revenue assurance, taxation, risk management and a host of strategic projects including structuring initiatives.

Mr. Khanna serves as Director on the boards of various companies in Bharti Group. Prior to joining Bharti Group, Mr. Khanna worked with Triveni Engineering & Industries Limited as the Chief Financial Officer for a business portfolio including sugar, steam turbines, sugar machinery, water treatment, micro hydel and oil drilling.

Mr. Khanna is a member of Institute of Chartered Accountants of India.

Mr. Khanna is holding directorship in the following companies/ body corporates:

- Bharti Telecom Limited
- Centum Learning Limited
- Bharti Telemedia Limited
- Bharti (SBM) Holdings Private Limited
- Satya Bharti Foundation
- Bharti Enterprises (Holding) Private Limited
- Nettle Infrastructure Investments Limited
- Centum Workskills India Limited
- Bharti Hexacom Limited
- Bharti Airtel International (Mauritius) Limited
- Bharti Airtel (Hong Kong) Limited
- Bharti Airtel (USA) Limited

Mr. Khanna is holding committee membership/chairmanship in the following other public limited companies in India:

Sl. No.	Name of Company	Name of Committee	Status
1.	Bharti Haxacom Limited	Audit Committee	Chairman
		Corporate Social Responsibility Committee	Member
2.	Bharti Telemedia Limited	Nomination & Remuneration Committee	Member
		Corporate Social Responsibility Committee	Chairman
3.	Bharti Telecom Limited	Stakeholders Relationship Committee	Member
		Asset Liability Committee	Member
		Risk Management Committee	Member
		Corporate Social Responsibility Committee	Member
		BTL Committee of Directors	Member
4.	Centum Learning Limited	Audit Committee	Chairman
		Nomination & Remuneration Committee	Chairman
		Corporate Social Responsibility Committee	Chairman

During the FY 2019-2020, Mr. Khanna attended one Board Meeting of the Company, which was the only meeting held during FY 2019-20 after his appointment as director.

The terms and conditions of the appointment of Mr. Khanna shall be governed by the Remuneration Policy of the Company. Mr. Khanna shall not be paid any remuneration/sitting fee by the Company in his capacity as Non- Executive & Non- Independent Director.

The Board recommends this Resolution for your approval.

ITEM NO. 5:

To appoint Mr. Gerard Patrick O'Keeffe (DIN - 08807817) as director liable to retire by rotation

The Board of Directors of the Company ('the Board') appointed Mr. Gerard Patrick O'Keeffe (DIN - 08807817) as an Additional Non-Executive Director & Chairman of the Company with effect from 31st July 2020.

In terms of Section 161 of the Companies Act, 2013 ('the Act'), Mr. Gerard Patrick O'Keeffe will hold office up to the ensuing Annual General Meeting. The Board at the meeting held on 7th August 2020 has recommended the appointment of Mr. Gerard Patrick O'Keeffe as a Non-Executive Director of the Company for the approval of the Shareholders as set out in the Resolution relating to his appointment.

Requisite Notice under Section 160 of the Act proposing the candidature of Mr. Gerard Patrick O'Keeffe has been received by the Company, along with consent to act as director from Mr. Gerard Patrick O'Keeffe pursuant to Section 152 of the Act.

Mr. Gerard Patrick O'Keeffe does not hold any share in the Company, either in his individual capacity or on a beneficial basis for any other person.

Except for Mr. Gerard Patrick O'Keeffe being appointed as director himself, none of the director or Key managerial personnel or their relatives have any personal interest in the item.

<u>Additional information in respect of Mr. Gerard Patrick O'Keeffe pursuant to the statutory requirements including Secretarial Standard-2, is given below:</u>

Mr. Gerard Patrick O'Keeffe aged 56 years, Non-executive Director of the Company, was appointed with effect from 31st July 2020. Currently, he is working as Executive Vice President of Brightstar Europe with responsibility for operations in Europe, the Middle East, Australia and New Zealand. He is responsible for setting the strategic direction, overall P&L, and management of partners, services, and customer relationships. Mr. Gerard Patrick O'Keeffe is an experienced leader with 25 years of experience in finance and leadership roles.

Mr. Gerard Patrick O'Keeffe is qualified FCA from Republic of Ireland.

Mr. Gerard Patrick O'Keeffe has no relationship with any other director, manager or key managerial personnel of the Company.

Mr. Gerard Patrick O'Keeffe does not hold any directorship and/or committee membership/chairmanship in any other body corporate.

As Mr. Gerard Patrick O'Keeffe was appointed as Non-executive Director of the Company w.e.f. 31st July 2020 hence information about his attendance in Board Meetings held during FY 2019-20 is not applicable.

The terms and conditions of the appointment of Mr. Gerard Patrick O'Keeffe shall be governed by the Remuneration Policy of the Company. Mr. Gerard Patrick O'Keeffe shall not be paid any remuneration/sitting fee by the Company in his capacity as Non-Executive & Non- Independent Director.

The Board recommends this Resolution for your approval.

ITEM NO. 6:

To re-appoint Rajesh Madan (DIN - 02647922) as Independent director for a period of 5 years

Mr. Rajesh Madan was appointed as Independent Director of the Company for a period of 5 years with effect from 8th September 2015 in the 16th Annual General Meeting of the Company. His tenure as Independent Director is expiring on 7th September 2020.

The Nomination & remuneration committee of the Company in its meeting held on 7th August 2020 considered the performance evaluation of Mr. Rajesh Madan during their tenure and after considering his contribution, skill sets and rich experience, the committee has recommended his candidature as Independent Director, not liable to retire by rotation, for second term of 5 years effective from 8 September 2020, subject to the approval shareholders of the Company as set out in the resolution relating to his appointment.

A copy of the draft letter of re-appointment of Mr. Rajesh Madan setting out the terms and conditions is available for inspection in the electronic mode.

In terms of Section 160 of the Companies Act 2013, the Company has received a notice proposing his candidature as Independent Director. The Company has also received consent to act as Independent director from Mr. Madan along with other disclosures and declaration of independence.

Mr. Madan does not hold any share in the Company, either in his individual capacity or on a beneficial basis for any other person.

Except Mr. Madan being appointed as director himself, none of the director or Key managerial personnel or their relatives have any personal interest in the item.

Additional information in respect of Mr. Rajesh Madan, pursuant to the statutory requirements including Secretarial Standard-2, is given below:

Mr. Rajesh Madan, aged 70 years, was originally appointed as Independent Director of the Company with effect from 31.03.2015. He is having rich experience of over 40 years in handling large transactions relating to mergers, acquisitions, and divestitures, restructuring of companies and businesses and cross-border transactions. He also has extensive experience in corporate governance and compliance with special emphasis on corporate responsibility to shareholders, government, employees, and customers. Prior to joining Brightstar, he has worked with several multinational corporations in India, including Novartis, Glaxo Smithkline etc. as in-house Legal Counsel.

Mr. Madan is a qualified Company Secretary and a Law Graduate.

Mr. Madan is holding directorship in the following entities/ body corporates:

- ATC Telecom Infrastructure Private Limited.
- ACT India Infrastructure Private Limited

Mr. Madan does not hold committee membership/ chairmanship in any company.

Mr. Madan attended all four Board Meetings of the Company held during the FY 2019-2020.

The terms and conditions of the appointment of Mr. Madan shall be governed by the Remuneration Policy of the Company. In his capacity as Non-Executive Independent Director of the Company, Mr. Madan is entitled to be paid sitting fee by the Company as may be determined by the Nomination & Remuneration Committee and Board of Directors from time to time.

The Board recommends this Resolution for your approval.

ITEM NO. 7:

Ratification of remuneration payable to M/s. K. G. Goyal & Associates, Cost Accountants as Cost Auditors of the company

On the recommendation of the Audit Committee, the Board has approved the appointment of M/s K. G. Goyal & Associates, Cost Accountants as the Cost Auditor of the Company for the financial year 2020-21 at a remuneration of Rs. 33,000/- (Rupees Thirty-Three Thousand only) per annum, exclusive of taxes and all out of pocket expenses incurred, if any, in connection with the cost audit.

The remuneration of the cost auditor is to be ratified subsequently in accordance with the provisions and rules of the Companies Act, 2013.

Accordingly, the Board recommends this Ordinary Resolution to be passed by the shareholders for their acceptance.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives is concerned or interested (financially or otherwise) in the passing of the Resolution.

ANNEXURE TO ITEM 2

Details of Directors seeking appointment and re-appointment [Pursuant to Secretarial Standard 2 on General Meetings]

Name of the Director	Mr. Sanjeev Chhabra
Age	45 years
Qualification	BE in Electronics and PG Diploma in Marketing
Experience	More than 20 years in sales & distributions
Date of first appointment	12th July 2018
Shareholding in the Company	Nil
Relationship with other Directors, Manager and other Key Managerial Personnel of the company	None
Number of Meetings of the Board attended during the year	04
Other Directorships, Membership/ Chairmanship of Committees of other boards	Brightstar Telecommunications Singapore Private Limited – Director

For and on behalf of the Board of Directors
Brightstar Telecommunications India Limited

Sd/-
Neeraj Manchanda
Company Secretary

Date: August 07, 2020
Place: Gurugram

BOARD'S REPORT

To
The Members,
Brightstar Telecommunications India Limited

Your Directors are pleased to present the 21st Board's Report of your Company together with the Audited Statement of Accounts and Auditors' Report thereon for the financial year ended on 31st March 2020.

FINANCIAL HIGHLIGHTS

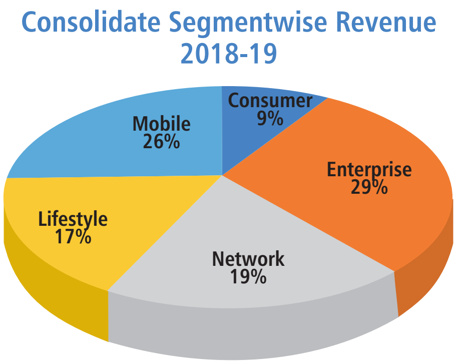
(INR in Mn)

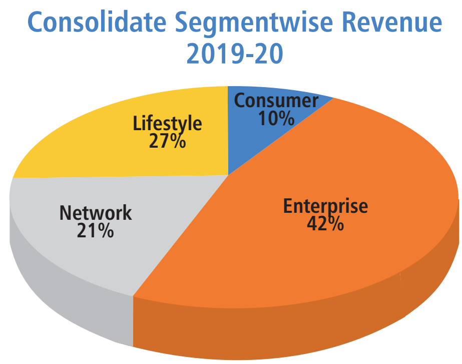
Particulars	**Standalone**		**Consolidated**	
	Year Ended 31st March 2020	**Year Ended 31st March 2019**	**Year Ended 31st March 2020**	**Year Ended 31st March 2019**
Net Sales / Other Operating Revenue	12,697.74	17,657.18	14,004.19	19,496.06
Total Expenditure before Depreciation and Finance Costs (Net of expenditure transferred to capital accounts)	12,447.67	17,873.46	13,661.76	19,640.05
Add: Dividend received and other Income	232.71	112.54	48.74	23.70
Less: Finance Costs	308.01	414.88	308.04	415.03
Profit/(Loss) before Depreciation, Exceptional Items and Tax	174.77	(518.62)	83.13	(535.32)
Less: Depreciation and Amortization Expense	64.12	37.28	64.12	37.28
Profit/(Loss) before Exceptional Items and Tax	110.65	(555.90)	19.01	(572.60)
Add: Profit on Sale of Immovable Property	-	-	-	-
Add: Profit on Sale of Non-current Investments	-	-	-	-
Less: Diminution in Value of investment	-	-	-	-
Profit/(Loss) before Tax	110.65	(555.90)	19.01	(572.60)
Less: Current Tax and deferred tax	-	-	7.36	7.00
Profit/(Loss) for the year	110.65	(555.90)	11.65	(579.60)
Other comprehensive income	18.03	(6.60)	39.96	12.90
Remeasurements of the defined benefit plans (net of tax)	18.03	(6.60)	18.03	(6.60)
Exchange difference on translation	-	-	21.93	19.50
Total comprehensive Income/(loss) for the year	128.68	(562.50)	51.61	(566.70)
Surplus / (deficit) brought forward	(1176.75)	(561.21)	(1255.63)	(635.89)
Transferred from General Reserve to Retained earning	-	-	-	-
Adjustment in Opening reserve for adoption of new "IND AS"	(6.37)	(53.04)	(6.37)	(53.04)
Amount available for appropriation which the Directors recommend should be appropriated as follows:	(1,054.44)	(1,176.75)	(1210.39)	(1,255.63)
(a) Interim Equity Dividend	-	-	-	-
(b) Proposed Equity Dividend	-	-	-	-
(c) Corporate Dividend Tax	-	-	-	-
(d) Transfer to General Reserve	-	-	-	-
(e) Surplus/(deficit) carried forward	(1,054.44)	(1,176.75)	(1,210.39)	(1,255.63)

STATE OF COMPANY'S AFFAIRS AND FUTURE OUTLOOK

Your company has recorded an overall revenue of INR 14,004.19 million during the FY 2019-20, on consolidated basis. In the last FY 2018-19, the overall revenue recorded by the company was INR 19,496.06 million on consolidated basis.

The contribution of different business segments in total revenue in financial year 2018-19 and 2019-2020 are shown below:





CHANGE IN NATURE OF BUSINESS, IF ANY

During the period under review, there is no change in nature of business of the Company.

Company has merged lifestyle and Consumer business segments into a single business segment for better efficiency and effectiveness. In addition to distribution of products, your company has endeavor to work in services domain as well to value add its' delivery line and to match expectations of our customers.

DIVIDEND

Your Board of Directors have not recommended any dividend during the financial year under review.

CHANGES IN SHARE CAPITAL, IF ANY

During the financial year under review, there is no change in share capital of the Company.

TRANSFER TO RESERVES

During the financial year under review, the Company did not propose any amount to be carried to any reserves.

INFORMATION ABOUT SUBSIDIARY/ JOINT VENTURE/ ASSOCIATE COMPANY

Below is the detail of wholly owned subsidiary of Brightstar Telecommunications India Limited:

S. No	Name of the Entity	Type (Subsidiary/ Joint Ventures/ Associate company)	Date of become Subsidiary/ Joint Ventures/ Associate company	Date of Ceased to be Subsidiary/ Joint Ventures/ Associate company
1	Brightstar Telecommunications Singapore Private Limited (Erstwhile Beetel Teletech Singapore Private Limited)	Subsidiary	21/12/2011	Not Applicable

With respect to your Company's wholly owned subsidiary (Brightstar Telecommunications Singapore Private Limited), it is pertinent to note that during the financial year 2019-2020, total turnover was INR 1651.85 Mn against INR 1838.06 Mn in the financial year 2018-19.

Except the above, there is no other Subsidiary company or associate company or joint venture of Brightstar Telecommunications India Limited.

AOC-1 containing statement containing salient features of the financial statement of the subsidiary company is annexed herewith as **Annexure-1** for your kind perusal and information.

TRANSFER OF UNCLAIMED DIVIDEND/ SHARES ASSOCIATED WITH UNCLAIMED DIVIDEND TO INVESTOR EDUCTION AND PROTECTION FUND

Pursuant to the applicable provisions of the Companies Act, 2013, read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, as amended, dividends that are unpaid/ unclaimed for a period of seven years are required to be transferred along with associated shares to the Investor Education and Protection Fund (IEPF) administered by the Central Government.

During the year under review, no unpaid/ unclaimed dividend or associated shares have been transferred to IEPF as no such unpaid/ unclaimed dividends was pending to be paid/ claimed for more than 7 years.

List of shareholders whose shares & unpaid dividend have been transferred in past years to Investor Education and Protection Fund managed by Ministry of Corporate Affairs, New Delhi is available at the website of the Company (www.brightstarcorp.in) for reference of shareholders.

MATERIAL CHANGES AND COMMITMENTS

There were no material changes and commitments affecting the financial position of the Company, which have occurred between the end of the financial year 2019-20 and the date of the Board report.

COVID-19 pandemic has impacted and continues to impact the business operations in many countries due to lockdown, travel bans, quarantines and other emergency measures resulting in disruption of business operations due to impact on macro-economic conditions globally. In future, it is decided to dis-continue Harman business segment from Company's operations. We are exploring other brands in the same segment and launching our own Brand FLiX in consumer accessories segment, which is powered by our established Brand "BEETEL".

THE EXTRACT OF ANNUAL RETURN

The Extract of Annual Return as required under section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, in Form MGT-9 is annexed herewith as **Annexure-2** for your kind perusal and information.

Annual return of the Company will be uploaded and can be accessed on the website of the Company using the following link:- http://www.brightstarcorp.in/investor relations/.

DIRECTORS AND KMP

The Board of your Company has an optimum combination of executive and non-executive directors, having diversified experience, expertise, and skill in the field of business, operations, finance, legal, corporate governance, and banking. During the period under review, the following changes have been occurred in the constitution of directors of the Company:

Nature of Change	Name	Designation	Date of appointment	Date of cessation	Mode of Cessation
Cessation	Paul Andrew Ringrose	Director	12.07.2016	30.04.2019	Resignation
Cessation	Harjeet Singh Kohli	Director	01.08.2016	08.01.2020	Resignation
Cessation	Dharshan Nanayakkara	Director & Chairman	01.10.2014	06.03.2020	Resignation
Appointment	Uma Ajay Relan	Director	06.08.2019	NA	NA
Appointment	Devendra Khanna	Director	26.12.2019	NA	NA
Appointment	Stijn Piet N Nijs	Director	13.05.2019	09.07.2020	Resignation

During the financial year under review, there is no change in the status of Key Managerial Personals (KMP). However, Mr. Luciano Barreto Ferreira (KMP) has ceased to be the Chief Financial Officer of the Company with the close of business hours on 7th August 2020.

The Board of Directors of your Company has appointed following additional directors: -

a. Mr. Devendra Khanna as Non-Executive Additional Director with effect from 26th December 2019, who shall hold office up to the date of the ensuing annual general meeting.

b. Mr. Gerard Patrick O'Keeffe as Non-Executive Additional Director with effect from 31st July 2020, who shall hold office up to the date of the ensuing annual general meeting.

Separate notices u/s 160 of the Companies Act, 2013, proposing candidature of Mr. Devendra Khanna and Mr. Gerard Patrick O'Keeffe for the office of director have been received by the Company. Mr. Devendra Khanna and Mr. Gerard Patrick O'Keeffe have also provided their consent to act as director along with other disclosures. Board of Directors of your company in their meeting held on 7th August 2020 has recommended to the shareholders the appointment of Mr. Devendra Khanna and Mr. Gerard Patrick O'Keeffe as a director liable to retire by rotation.

Mr. Sanjeev Chhabra, Managing Director, is liable to retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. Board of Directors of your Company has recommended to the shareholders the re-appointment of Mr. Chhabra as director, liable to retire by rotation.

Mr. Rajesh Madan was appointed as an Independent Director of the Company for a term of 5 years in the 16th Annual General Meeting of the Company with effect from 8th September 2015. Being eligible for re-appointment for another term and pursuant to section 149 and other applicable provisions of the Companies Act, 2013, Mr. Rajesh Madan has provided his consent to act as Independent Director for another term along with other disclosures and declaration of independence.

Based on the recommendations of Nomination & Remuneration Committee, the Board of Directors of your company in their meeting held on 7th August 2020 has recommended to the shareholders the re-appointment of Mr. Rajesh Madan as Independent Director for another term of 5 years.

In the opinion of the Board, Independent Directors are persons of integrity and possesses relevant industrial expertise and experience.

MEETINGS OF BOARD OF DIRECTORS

During the financial year under review, the Company held 04 meetings of the board of directors as per Section 173 of Companies Act, 2013 which is summarized below. The provisions of Companies Act, 2013 were adhered to while considering the time gap between two meetings.

S. No.	Date of Meeting	Key Matters taken up/ Discussed	Name of the Director who attended the meeting	Name of the director(s) to whom the leave of absence was granted
1.	20.05.2019	To take note of annual disclosures/declaration received from directors; To take note of transfer of shares and inclusion of transferee as an affiliate of transferor; To review the status of approved Omnibus Related Party Transactions for FY 2018-19; To take note of eligibility/ no-disqualification confirmation received from statutory auditors - M/s. Deloitte Haskins & Sells LLP; To consider proposal for appointment of M/s. Saurabh Jain & Associates as secretarial auditor of the Company for FY 2019-20; To consider proposal for appointment of M/s. K.G. Goyal & Associates as Cost Auditor of the Company for FY 2019-20 and the recommendation to the shareholders to ratify the remuneration of Cost Auditor in the forthcoming annual general meeting; To consider proposal for appointment of M/s. Protiviti India Member Private Limited as Internal Auditor of the Company for FY 2019-20; Annual evaluation by the Board of its own performance and that of its Committees, Chairperson and Individual Directors; Financial performance & business update for quarter/financial year ended on 31st March 2019.	a. Dharshan Nanayakkara b. Sanjeev Chhabra c. Rajesh Madan d. Harjeet Singh Kohli* e. Stijn Piet N Nijs	NIL
2.	06.08.2019	To consider & approve the appointment of Ms. Uma Ajay Relan as an Independent Director, with effect from 6th August 2019; Re-constitution of Board Committees; Take note of Declaration of Independence from Independent Directors; To consider and take note of the Secretarial Audit Report for the financial year ended on 31st March 2019; To approve cost records for the financial year ended on 31st March 2019 and consider cost audit report thereon; To approve financial statement of the Company for the financial year ended on March 31, 2019 and recommend the same to shareholders for adoption of these financial statements; Re-appointment of director retiring by rotation; Appointment of director (other than director retiring by rotation) pursuant to notice received u/s 160 of the Companies Act, 2013; Approval of Directors' Report; To fix the date, time and place of 20th Annual General Meeting (AGM); To appoint	a. Dharshan Nanayakkara b. Harjeet Singh Kohli* c. Rajesh Madan d. Sanjeev Chhabra e. Stijn Piet N Nijs f. Uma Ajay Relan**	NIL

S. No.	Date of Meeting	Key Matters taken up/ Discussed	Name of the Director who attended the meeting	Name of the director(s) to whom the leave of absence was granted
		scrutinizer for 20th Annual General Meeting; To approve notice of 20th (twentieth) Annual General Meeting of the company and fix record date for dispatch of notices; To borrow money from Brightstar India Shared Services, LLP; To consider the proposal to borrow money in excess of limits prescribed under section 180 (1) (c) and create security on the properties/ assets of the company in favor of lenders under section 180 (1) (a) of the companies act, 2013 and recommendation thereof to the shareholders for their approval; Approval to avail term loan from M/s. Hewlett Packard Financial Services (India) Private Limited to the extent of INR 350 million; To discuss outcome of annual evaluation of board as a whole and that of its Committees, Chairperson and Individual Directors; To appoint Sanjeev Chhabra as representative of the Company to participate and vote in the General Meetings of Brightstar Telecommunications Singapore Private Limited; Financial performance for the quarter ended on 30th June 2019 and business update.		
3.	22.10.2019	Approval to avail credit facility from Citibank to the extent of INR 2000 million; Approval to avail External Commercial Borrowings (ECB) to the extent of US Dollar 5 Million from Brightstar Group; Authorisation to institute & defend legal proceedings before National Company Law Tribunal (NCLT)	a. Rajesh Madan b. Sanjeev Chhabra c. Harjeet Singh Kohli* d. Stijn Piet N Nijs e. Uma Ajay Relan**	Dharshan Nanayakkara
4.	13.02.2020	To take note of fresh disclosure (MBP-1) received from Mr. Rajesh Madan Independent Director; To consider & approve remuneration of statutory auditor for FY 2019-2020; To consider half yearly audit report from an independent auditor on reconciliation of shares and activities of the registrar & transfer agent (RTA) of equity shares; Financial performance & business update for the period ended on 31st December 2019; To approve changes in authorised signatories for signing documents of credit facilities from banks/ financial institutions; To take note of disclosure (MBP-1) received from Mr. Devendra Khanna	a. Dharshan Nanayakkara b. Rajesh Madan c. Sanjeev Chhabra d. Stijn Piet N Nijs e. Uma Ajay Relan** f. Devendra Khanna***	NIL

* Resigned w.e.f. 8th January 2020.
**Appointed w.e.f. 6th August 2019 in place of Ms. Geeta Mathur.
***Appointed w.e.f. 26th December 2019 in place of Mr. Harjeet Singh Kohli.

During the financial year under review, 04 meetings of Audit Committee were held, details of which are as follows:

S. No.	Date of Meeting	Name of committee member(s)	Name of committee member(s) to whom leave of absence was granted
1.	20.05.2019	1. Sanjeev Chhabra 2. Rajesh Madan 3. Harjeet Singh Kohli** (Regular invitee)	Nil
2.	06.08.2019	1. Sanjeev Chhabra 2. Uma Ajay Relan* 3. Rajesh Madan 4. Harjeet Singh Kohli** (Regular invitee)	Nil
3.	22.10.2019	1. Sanjeev Chhabra 2. Uma Ajay Relan* 3. Rajesh Madan 4. Harjeet Singh Kohli** (Regular invitee)	Nil
4.	13.02.2020	1. Sanjeev Chhabra 2. Uma Ajay Relan* 3. Rajesh Madan 4. Devendra Khanna** (Regular invitee)	Nil

* Member w.e.f. 6th August 2019 in place of Ms. Geeta Mathur.
** Regular invitee/ observer as per the composition of the committee.

During the financial year under review, 03 meetings of Nomination & Remuneration Committee were held, details of which are as follows:

S. No.	Date of Meeting	Name of committee member(s) who were present	Name of committee member(s) to whom leave of absence was granted
1.	20.05.2019	1. Dharshan Nanayakkara 2. Harjeet Singh Kohli## 3. Rajesh Madan	Nil
2.	06.08.2019	1. Dharshan Nanayakkara 2. Harjeet Singh Kohli## 3. Rajesh Madan	Nil
3.	13.02.2020	1. Dharshan Nanayakkara 2. Rajesh Madan 3. Devendra Khanna* 4. Uma Ajay Relan**	Nil

*member w.e.f. 1st February 2020 in place of Mr. Harjeet Singh Kohli.
** member w.e.f. 6th August 2019 in place of Ms. Geeta Mathur.
##ceased as member w.e.f. 8th January 2020.

During the financial year under review, 01 meeting of Corporate Social Responsibility Committee was held, details of which are as follows:

S. No.	Date of Meeting	Name of committee member(s) who were present	Name of committee member(s) to whom leave of absence was granted
1.	06.08.2019	1. Rajesh Madan 2. Harjeet Singh Kohli## 3. Sanjeev Chhabra	Nil

##ceased as member w.e.f. 8th January 2020.

During the financial year under review, 01 meeting of Stakeholders Relationship Committee was held, details of which are as follows:

S. No.	Date of Meeting	Name of committee member(s) who were present	Name of committee member(s) to whom leave of absence was granted
1.	20.05.2019	1. Dharshan Nanayakkara. 2. Harjeet Singh Kohli## 3. Sanjeev Chhabra	Nil

##ceased as member w.e.f. 8th January 2020.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013 the Board of Directors of the Company confirms that: -

(a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(b) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;

(c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) The directors had prepared the annual accounts on a going concern basis;

(e) Company being unlisted sub clause (e) of section 134(5) is not applicable; and

(f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DETAILS OF FRAUD REPORTED BY AUDITOR

In terms of sub clause 3(c)(a) of Section 134 of Companies Act, 2013, no frauds have been reported by the Auditors under sub section (12) of section 143.

AUDITORS AND AUDITORS' REPORT

M/s Deloitte Haskins & Sells LLP, Chartered Accountants were appointed as the Statutory Auditors of the Company for a period of five years from the conclusion of 16th Annual General Meeting until the conclusion of 21st Annual General Meeting. Accordingly, current Statutory Auditors of the Company, holds office till the conclusion of the ensuing 21st Annual General Meeting and being eligible offer himself for re-appointment.

M/s Deloitte Haskins & Sells LLP, Chartered Accountants have consented and confirmed their eligibility to the effect that their re-appointment, if made, would be within the prescribed limits under the Companies Act, 2013 & rules and that they are not disqualified for re-appointment.

The Board of Directors at its meeting held on 7th August 2020, after considering the recommendations of the Audit Committee, has recommended the appointment of M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (Registration No. 117366W/W-100018), as the Statutory Auditors of the Company for approval of the members. The proposed Auditors shall hold office for a term of five consecutive terms from the conclusion of the ensuing 21st Annual General Meeting until the conclusion of 26th Annual General Meeting of the Company.

Pursuant to Section 139 of the Companies Act, 2013, approval of the members is required for appointment of the Statutory Auditors and fixing their remuneration by means of an ordinary resolution. Accordingly, approval of the members is sought for appointment of M/s. Deloitte Haskins & Sells LLP, Chartered Accountants as the Statutory Auditors of the Company and to fix their remuneration.

There are no qualifications made in the report of Statutory Auditor. Financials have been prepared on going concern basis and point regarding this is self-explanatory in auditors' report.

LOANS, GUARANTEES AND INVESTMENTS

During the financial year ended on 31st March 2020, the Company has not given any loan or provided any guarantee or made any investment under section 186 of the Companies Act, 2013.

RELATED PARTY TRANSACTIONS

The Company has entered into transactions with related parties as defined under Section 188 of the Companies Act, 2013. All these transactions have been carried out by the Company in ordinary course of its business and on arm's length basis. Further all necessary details of transactions are annexed herewith as **Annexure-3** for your kind information.

Further, for details of related party transactions as per Indian Accounting Standards issued by the Institute of Chartered Accountants of India (IND AS-24), please refer in Note 37 to the Standalone Audited Financials. All these transactions have been carried out by the Company in the ordinary course of its business and on arm's length basis.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO

(A) Conservation of Energy

Your Company evaluates new technologies and techniques on regular basis to make infrastructure more energy efficient. Your Company takes suitable measures to reduce energy consumption by using energy efficient equipment, computers and adopt energy efficient processes.

Continuous study is being made for energy conservation and results, wherever found appreciable are being implemented from time to time. The implementation of the measures adopted for energy conservation have resulted in savings in energy/ fuel consumption/ cost.

(B) Technology Absorption

During the period under review, efforts have been made to extend new telecom products based on technological advancements to the end consumers and telecommunications industry. Strong emphasis is given towards developing customized designs of phones and CCTV Cameras based on the requirements of end users and telecom companies. Your Company is having constant endeavor to improve productivity levels in cost efficient and effective manner, especially for the manufacturing facility. Your company has successfully introduced new products in landline & CCTV segment to meet changing market needs.

During the year, the Company has further increased its focus on product design and development as per customers' requirements. The innovation carried out by research & development team indigenously would be deployed in manufacturing advanced products.

The Company continues to use the latest technology for innovation and improving the productivity and quality of its products and development of new designs/ models of telecom instruments.

Details of expenditure incurred on R&D are provided below –

(INR in Mn)

S. No.	Details	31-Mar-2020	31-Mar-2019
1.	Capital	-	-
2.	Recurring	0.20	0.12
3.	Total	0.20	0.12
4.	Total R & D expenditure as a percentage of total turnover	0.0016%	0.0007%

(C) Foreign Exchange Earning and Outgo

(INR in Mn)

S. No.	Details	31-Mar-2020	31-Mar-2019
1.	The Foreign Exchange earned in terms of actual inflows during the year	880.06	373.58
2.	The Foreign Exchange outgo during the year in terms of actual outflows	4481.81	5112.72

RISK MANAGEMENT

Risk management is the process of identifying any potential threat that may occur during business activities and doing anything possible to mitigate or eliminate those dangers. Your Company makes periodic assessments of business operations and processes to identify the risk areas to enable the Company to control risk through a properly defined mitigation plan to minimize or eliminate the chance of adverse incidence. All these risks have regularly been considered while preparing short term and annual business plans for the Company.

DEPOSITS

The Company has not accepted any deposits during the year.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

As per section 135(5) of the companies Act, 2013 and Rule & of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and schedule VII of the Companies Act 2013, the company has duly constituted CSR Committee. The composition of CSR Committee is as follows:-

S. No.	Name of committee member(s)	Category of the member(s)
1.	Sanjeev Chhabra	Executive Non-Independent Director
2.	Uma Ajay Relan*	Non-executive Independent Director
3.	Devendra Khanna**	Non-executive Non-Independent Director
4.	Rajesh Madan	Non-executive Independent Director

* Member w.e.f. 6th August 2019 in place of Ms. Geeta Mathur.
** Member w.e.f. 1st February 2020 in place of Mr. Harjeet Singh Kohli.

A detailed working on the profitability of the Company for CSR expenditure and CSR activities undertaken by the Company for the financial year ended on 31st March, 2020 is annexed herewith as **Annexure - 4** for your kind perusal and information.

ANNUAL EVALUATION

The provision of section 134 (3) (p) of the Companies Act, 2013 relating to board evaluation is not applicable on the Company. Board of Directors of your Company has carried out annual evaluation of the Board as a whole and that of its committees, chairperson and individual directors based on the assessment questionnaire.

INDEPENDENT DIRECTORS AND DECLARATION

During the period under review, Mr. Rajesh Madan and Ms. Uma Ajay Relan were the Independent Directors of the Company as per Section 149(10) of the Companies Act, 2013. Ms. Uma has been appointed as Independent Director on the Board of Directors of the Company w.e.f. 06th August 2019.

The Board of Directors of the Company hereby confirms that all the Independent directors duly appointed by the Company have given the declaration of independence as required pursuant to section 149 (7) of the Companies Act, 2013 confirming that they meet the criteria of independence as provided under section 149(6) of the Companies Act, 2013.

NOMINATION AND REMUNERATION COMMITTEE

As per the section 178 (1) of the Companies Act, 2013 the Company has constituted a Nomination and Remuneration Committee. The composition of Nomination and Remuneration Committee is as follows:

S. No.	Name of committee member(s)	Category of the member(s)
1.	Rajesh Madan	Non-Executive Independent Director
2.	Uma Ajay Relan*	Non-Executive Independent Director
3.	Devendra Khanna**	Non-Executive Non-Independent Director
4.	Gerard Patrick O'Keeffe#	Non-Executive Non-Independent Director

* Member w.e.f. 6th August 2019 in place of Ms. Geeta Mathur.

** Member w.e.f. 1st February 2020 in place of Mr. Harjeet Singh Kohli.

Member w.e.f. 31st July 2020 in place of Mr. Dharshan Nanayakkara.

The terms of reference of the Nomination and Remuneration Committee are as under:

1. To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board on appointment and removal of Directors and shall carry out evaluation of every Director's performance.
2. To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees.
3. The Nomination and Remuneration Committee policy ensure that:
    a. the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
    b. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
    c. remuneration to Directors, Key Managerial Personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

4. Review the Human Resource function of the Company, if required.
5. Discharge such other function(s) or exercise such power(s) as may be delegated to the Committee by the Board from time to time.
6. Review and reassess the adequacy of NRC's charter periodically and recommend any proposed changes to the Board for approval from time to time.
7. Any other work and policy related and incidental to the objectives of the committee as per provisions of the Act and rules made there under.

REMUNERATION POLICY

Remuneration to Executive Directors:

The remuneration paid to Executive Directors is recommended by the Nomination and Remuneration Committee and approved by the Board of Directors, subject to the approval of the shareholders at the General Meeting and such other authorities, as may be required. The remuneration of executive director(s) is decided after considering various factors such as qualification, experience, performance, responsibilities shouldered, industry standards as well as financial position of the Company.

Remuneration to Independent Directors:

The Independent Directors are paid sitting fees for each meeting of the Board of Directors and Committees thereof which are attended by them as per the terms of their appointment.

STAKEHOLDERS RELATIONSHIP COMMITTEE

As per the section 178 of the Companies Act, 2013, the Company has constituted a Stakeholders Relationship Committee. The composition of Stakeholders Relationship Committee is as follows :

S. No.	Name of committee member(s)	Category of the member(s)
1.	Sanjeev Chhabra	Executive Non-Independent Director
2.	Devendra Khanna*	Non-Executive Non-Independent Director
3.	Gerard Patrick O'Keeffe#	Non-Executive Non-Independent Director

* Member w.e.f. 1st February 2020 in place of Mr. Harjeet Singh Kohli.
\# Member w.e.f. 31st July 2020 in place of Mr. Dharshan Nanayakkara.

AUDIT COMMITTEE

According to Section 177 of the Companies Act, 2013 the Company's Audit Committee comprised of three directors. The board has accepted all recommendations of the Audit Committee. The composition of the Audit Committee is as follows :

S. No.	Name of committee member(s)	Position held in the Committee	Category of the member(s)
1.	Sanjeev Chhabra	Member	Executive Non- Independent Director
2.	Rajesh Madan	Member (Elected to chair audit committee meeting of 20th May 2019, 6th August 2019, 22nd October 2019 and 13th February 2020)	Non-Executive Independent Director
3.	Uma Ajay Relan*	Member	Non-Executive Independent Director
4.	Devendra Khanna**	Regular Invitee	Non-Executive Non-Independent Director

*Member w.e.f. 6th August 2019 in place of Ms. Geeta Mathur.

**Invitee w.e.f. 1st February 2020 in place of Mr. Harjeet Singh Kohli.

SECRETARIAL AUDIT REPORT

The Secretarial Audit Report as provided by Mr. Saurabh Jain, practicing company secretary C/o. M/s. Saurabh Jain & Associates for the financial year ended, 31st March, 2020 is annexed herewith as **Annexure-5** for your kind perusal and information.

There are no qualifications or adverse remarks in the Secretarial Audit Report which require any clarification/ explanation.

M/s. Saurabh Jain & Associates, company secretaries, has been appointed as Secretarial Auditors of the Company to conduct secretarial audit for financial year 2019-2020.

COST AUDIT

Your Company is required to maintain cost records as specified by the Central Government under section 148 (1) of the Companies Act, 2013 and accordingly such accounts and records are maintained by the Company.

M/s. K.G. Goyal & Associates has conducted the cost audit of cost records maintained by the Company for the financial year 2019-2020. There are no qualifications or adverse remarks in the cost audit report which require any clarification/ explanations.

M/s. K.G. Goyal & Associates, Cost Accountants has been appointed as cost auditors of the Company to conduct cost audit for financial year 2019-2020 subject to ratification of their remuneration by the Shareholders in the ensuing 21st Annual General Meeting.

SECRETARIAL STANDARDS OF THE INSTITUTE OF COMPANIES SECRETARIES OF INDIA

Your Company has complied with all the applicable Secretarial Standards as specified by the Institute of Companies Secretaries of India.

HEARING AND RESOLVING CONCERNS AND ISSUES

We have specific processes policies and procedures for dealing with issues and concerns raised by our employees including to report and deal with sexual harassment cases at the workplace. We have also constituted a committee under the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act 2013 for hearing and resolving the cases.

Following are the details of workplace sexual harassment complaint received and resolved-

S. No.	Workplace Sexual Harassment Complaint Received	FY 2019-2020
1.	No. of complaints received under the Act	—
2.	No. of complaints disposed-off during the year	—

VIGIL MECHANISM

As per Section 177(9) and (10) of the Companies Act, 2013, the Company has established Vigil Mechanism under the overall supervision of Audit Committee, for its employees to report genuine concerns. The Company has also adopted the Group ethics helpline toll free number and systems in this regard. Awareness materials have been provided to all the employees of the Company and the procedure established for this purpose, provides safeguard to the whistle blower and encourage to communicate freely and share genuine concerns in relation to any illegal or unethical practice being carried out in the Company. The details of the helpline with necessary guidance has been provided on the website of the Company.

There were certain allegations reported on which appropriate action was initiated by the Company it was concluded that there is no impact on the Financial statements.

SIGNIFICANT & MATERIAL ORDERS

There are no material adverse orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operation in future.

DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The Company has implemented proper and adequate internal control system which is commensurate with the nature of its business, size and complexity of its operations. Internal control system comprising of policies and procedures are designed to ensure reliability of financial reporting, timely feedback on achievement of operational & strategic goals, compliance with policies, procedure and applicable laws and that all assets and resources are acquired economically, used efficiently and adequately protected.

ACKNOWLEDGMENT

Your Directors wish to express their grateful appreciation to the continued co-operation extended by banks, government authorities, customers, vendors, auditors and regulators during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services of the officers, staff and workers of the Company.

For and on behalf of the Board of Directors
Brightstar Telecommunications India Limited

Sd/-
Gerard Patrick O'Keeffe
Chairman
(DIN : 08807817)

Date : August 07, 2020
Place : London, England

Form AOC-1

Annexure 1

(Pursuant to first proviso to sub-section(3) of Section129 of the Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries or associate companies or join ventures

Part A Subsidiaries

1. Sl. No.: 1
2. Name of the subsidiary: Brightstar Telecommunications Singapore Private Limited
   (Erstwhile Beetel Teletech Singapore Private Limited)
3. The date since when subsidiary was acquired: 22/12/2011
4. Reporting period for the subsidiary concerned, if different from the holding company's reporting period: The reporting period for the subsidiary concerned is same as for the holding company's reporting period i.e. from 01st April, 2019 to 31st March, 2020.
5. Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries. Reporting currency USD, Exchange rate: 1 USD = INR 75.389 for balance sheet items and 1 USD = INR 70.921 used for profit and loss items.
6. Share capital INR 75.39
7. Reserves and surplus INR 20,52,59,273.33
8. Total assets INR 50,49,49,914.40
9. Total Liabilities INR 29,96,90,565.68
10. Investments Nil
11. Turnover INR 1,65,18,53,903.46
12. Profit before taxation INR 5,33,44,694.15
13. Provision for taxation INR 73,62,165.14
14. Profit after taxation INR 4,59,82,529.01
15. Proposed Dividend NA
16. Extent of shareholding (in percentage):100% owned by Brightstar Telecommunications India Limited.

Notes: The following information shall be furnished at the end of the statement:

1. Names of subsidiaries which are yet to commence operations - Not Applicable
2. Names of subsidiaries which have been liquidated or sold during the year - Not Applicable

Part B Associates and Joint Ventures

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures – Not Applicable

Name of Associates or Joint Ventures	Not Applicable
1. Latest audited Balance Sheet Date	-
2. Shares of Associate/Joint Ventures held by the company on the year end	-
No.	-
Amount of Investment in Associates or Joint Venture	-
Extent of Holding (in percentage)	-
3. Description of how there is significant influence	-
4. Reason why the associate/joint venture is not consolidated	-
5. Net worth attributable to shareholding as per latest audited Balance Sheet	-
6. Profit or Loss for the year	-
i. Considered in Consolidation	-
ii. Not Considered in Consolidation	-

1. Names of associates or joint ventures which are yet to commence operations.

2. Names of associates or joint ventures which have been liquidated or sold during the year.

For and on behalf of the Board of Directors
Brightstar Telecommunications India Limited

Sd/-
Gerard Patrick O'Keeffe
Chairman
(DIN : 08807817)
Place : London, England

Sd/-
Sanjeev Chhabra
Managing Director
(DIN : 08174113)
Place : Gurugram, India

Sd/-
Luciano Ferreira
Chief Financial Officer
Place : Sao Paulo, Brazil

Sd/-
Neeraj Manchanda
Company Secretary
Place: Gurugram, India

Date : August 07, 2020

Annexure 2

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the Financial Year Ended on 31st March, 2020

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

Extract of Annual Return of a Company Having a Share Capital

I. Registration and other Details

CIN	U32204HR1999PLC042204
Registration Date	30/03/1999
Name of the Company	Brightstar Telecommunications India Limited
Category / Sub-Category of the Company	Company limited by Shares / Non-govt company
Address of the Registered office and contact details	First Floor, Plot No. 16, Udyog Vihar, Phase IV, Gurgaon, Haryana- 122015, India. Telephone: +91 124 4823500 Fax : +91 124 4146130 Email ID: legal.secretarial@brightstarcorp.in
Whether listed company Yes / No	No
Name, Address and Contact details of Registrar and Transfer Agent, if any	MCS Share Transfer Agent Ltd. F-65, First Floor, Okhla Industrial Area, Delhi Telephone : +91 11 41406149 Fax : +91 11 41709881 Email ID : admin@mcsregistrars.com

II. Principal Business Activities of the company

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

S. No.	Name and Description of Main Products/ Services	NIC Code of Products/Services	% to total turnover of the company
1.	Company's branded landline telephones and other products	Division 26: Manufacture of computer, electronic and optical products – Class 2630 – Subclass 26302	7%
2.	Company's distributed/ marketed products of other brands	Division 46: Wholesale trade, except of Motor Vehicles and Motor Cycles. – Class 469 – Subclass 46909	93%

III. Particulars of Holding, Subsidiary and Associates Companies:

S. No.	Name and address of the company	CIN/ GNL	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1.	Brightstar Logistics PTE Limited	200502127E	Holding Company	51%	Section 2 (46)
2.	Brightstar Telecommunications Singapore Private Limited	201136049H	Subsidiary Company	100%	Section 2 (87)

IV. Share Holding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

	Category of Shareholders	No. of Shares held at the beginning of the year				No of Shares held at the end of year				% change during the year
		Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
A.	**Promoters**									
1.	**Indians**									
	Individual/HUF	-	-	-	-	-	-	-	-	-
	Central Govt.	-	-	-	-	-	-	-	-	-
	State Govt.	-	-	-	-	-	-	-	-	-
	Bodies Corp.	12,59,042	-	12,59,042	24.728	12,59,042	-	12,59,042	24.728	-
	Banks/FI	-	-	-	-	-	-	-	-	-
	Any Others	-	-	-	-	-	-		-	-
	Sub-Total (A) (1)	**12,59,042**	**-**	**12,59,042**	**24.728**	**12,59,042**	**-**	**12,59,042**	**24.728**	**-**
2.	**Foreign**									
	NRIs- Individuals*	-	-	-	-	-	-	-	-	-
	Other- Individuals	-	-	-	-	-	-	-	-	-
	Bodies Corp.	25,96,720	-	25,96,720	51.000	25,96,720	-	25,96,720	51.000	-
	Banks/FI	-	-		- -	-	-			-
	Any Others	-	-		- -	-	-		-	- -
	Sub-Total (A) (2)	**25,96,720**	**-**	**25,96,720**	**51.000**	**25,96,720**	**-**	**25,96,720**	**51.000**	**-**
	Total shareholding of Promoter A=(A)(1)+(A)(2)	**38,55,762**	**-**	**38,55,762**	**75.728**	**38,55,762**	**-**	**38,55,762**	**75.728**	**-**
B.	**Public Shareholding**									
1.	**Institutions**									
	Mutual Funds	60	-	60	0.001	60	-	60	0.001	-
	Banks/FI	30	-	30	0.001	30	-	30	0.001	-
	Central Govt.	46,368	-	46,368	0.911	46,368	-	46,368	0.911	-
	State Govt.	-	-	-	-	-	-	-	-	-
	Venture Capital Fund	-	-	-	-	-	-	-	-	-
	Insurance Co	30	-	30	0.001	30	-	30	0.001	-
	FIIs	-	-	-	-	-	-	-	-	-
	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
	Any Others (Company)	-	-	-	-	-	-	-	-	-
	Sub-Total (B) (1)	**46,488**	**-**	**46,488**	**0.914**	**46,488**	**-**	**46,488**	**0.914**	**-**
2.	**Non Institutions**									
	Bodies Corp. Indian	83,780	397	84,177	1.653	83,750	367	84,117	1.652	(0.001)
	Bodies Corp. Overseas	-	-	-	-		- -	-	-	-

	Individual shareholders holding nominal share c apital upto Rs. 1 lakh	37242	47605	84,847	1.666	48,093	36,760	84,853	1.666	-
	Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
	Any Others	-	-	-	-	-	-	-	-	-
	Trust & Foundations	2,514	-	2,514	0.049	2,514	-	2,514	0.049	-
	Non Resident Individual	10,09,720	8,099	10,17,819	19.990	10,09,774	8,099	10,17,873	19.991	0.001
	Sub-Total (B) (2)	**11,33,256**	**56,101**	**11,89,357**	**23.358**	**11,44,131**	**45,226**	**11,89,357**	**23.358**	**-**
	Total Public shareholding B =(B)(1)+(B)(2)	**11,79,744**	**56,101**	**12,35,845**	**24.272**	**11,90,619**	**45,226**	**12,35,845**	**24.272**	**-**
	C. Shares held by Custodian for GDRs & ADRs	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	
	Grand Total =A+B+C	**50,35,506**	**56,101**	**50,91,607**	**100.000**	**50,46,381**	**45,226**	**50,91,607**	**100.000**	**-**

ii) Shareholding of Promoters

S. No.	Shareholder's Name	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Brightstar Logistics PTE Limited	25,96,720	51.00	0.00	25,96,720	51.00	0.00	0.00
2.	Bharti (RM) Holdings Private Limited	6,29,521	12.36	0.00	6,29,521	12.36	0.00	0.00
3.	Bharti (RBM) Holdings Private Limited	6,29,521	12.36	0.00	6,29,521	12.36	0.00	0.00

iii) Change in Promoters' Shareholding (please specify, if there is no change)

S. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year/ Shareholding at the end of the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
No change					

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

S. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1.	Eiesha Bharti Pasricha	10,07,235	19.78	10,07,235	19.78
2.	Bharti Enterprises (Holding) Private Limited [Resultant entity after merger of shareholder - Bharti Enterprises Limited (by way of court order)]	82182	1.61	82182	1.61

3.	Harsha Hitesh Javeri	8846	0.17	8846	0.17
4.	Rasila Shantilal Mehta	1500	0.29	1500	0.29
5.	Rasila Shantilal Mehta	1026	0.20	1026	0.20
6.	Indrakala Gattani	840	0.16	840	0.16
7.	Rajiv Chaudhri	631	0.12	631	0.12
8.	S Vijayalaksmi	600	0.01	600	0.01
9.	Leelu Bhagwan Wadhwani	592	0.01	592	0.01
10.	Custodian (Special Court) A/C Rasila S Mehta / Ashwin S Mehta	513	0.01	513	0.01

v) Shareholding of Directors and Key Managerial Personnel

S. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1.	At the beginning of the year	None	None	None	None
2.	Date wise Increase /Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer /bonus/ sweat equity etc.)	None	None	None	None
3.	At the End of the year	None	None	None	None

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(INR in Mn)

Particulars	Secured Loan	Unsecured Loan	Deposit	Total
Indebtedness at the beginning of the year				
Principal Amount	3445.51	146.35	-	3591.86
Interest due but not paid	-	-	-	-
Interest accrued but not due	5.72	-	-	5.72
Total	**3451.23**	**146.35**	**-**	**3597.58**
Change in Indebtedness during the financial year				
Addition	-	785.19	-	785.19
Reduction	(784.53)	-	-	(784.53)
Net Change	**(784.53)**	**785.19**	**-**	**0.66**
Indebtedness at the end of the financial year				
Principal Amount	2652.10	926.00	-	3578.10
Interest due but not paid	-	-	-	-
Interest accrued but not due	14.60	5.54	-	20.14
Total	**2666.70**	**931.54**	**-**	**3598.24**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

(INR in Mn)

S. No.	Particulars of Remuneration	Name of Directors	Total Amount
		Sanjeev Chhabra[#]	
1.	Gross salary		
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	18.01[#]	18.01
(b)	Value of perquisites u/s 17(2) of the Income-tax Act, 1961	0.02	0.02
(c)	Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961		
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission	-	-
	as % of profit	-	-
	others, specify…	-	-
5.	Others, please specify	-	-
	Total (A)	**18.03**	**18.03**
Ceiling as per the Act - Not Applicable*			

[#] Annual Incentive of INR 1.48 million due for past year was also paid during the year and included in above amount.
* The Company has paid remuneration to Mr. Sanjeev Chhabra (Managing Director) as per Special Resolution passed in the general meeting held on 29th March 2019 as per the requirement of Schedule V of the Companies Act 2013.

B. Remuneration to other directors

(INR in Mn)

S. No.	Particulars of Remuneration	Name of Directors		Total Amount
1.	Independent Director	**Rajesh Madan**	**Uma Relan**	
	Fee for attending board / committee meetings	0.84	0.49	1.33
	Commission	-	-	-
	Others, specify…	-	-	-
	Total (1)	0.84	0.49	1.33
2.	Other Non-Executive Directors			
	Fee for attending board / committee meetings	-	-	-
	Commission	-	-	-
	Others, specify…	-	-	-
	Total (2)	-	-	-
	Total (B)=(1+2)	**0.84**	**0.49**	**1.33**
	Total Managerial Remuneration (A+B) (inclusive of sitting fee)			**19.36**
	Overall Ceiling as per the Act – Not applicable.			

C. **Remuneration to Key Managerial Personnel other than MD/Manager/WTD**

(INR in Mn.)

S. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Neeraj Manchanda Company Secretary	Luciano Ferreira Chief Financial Officer#	
1.	Gross salary			
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3.34	20.25#	23.59
(b)	Value of perquisites u/s 17(2) of the Income-tax Act, 1961	-	10.46	10.46
(c)	Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
	as % of profit	-	-	-
	others, specify…	-	-	-
5.	Others, please specify	-	-	-
	Total	**3.34**	**30.71**	**34.05**

Annual Incentive of INR 0.47 million due for the past year was also paid during the year and included in above number.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

For and on behalf of the Board of Directors
Brightstar Telecommunications India Limited

Sd/-
Gerard Patrick O'Keeffe
Chairman
(DIN : 08807817)

Date : August 07, 2020
Place : London, England

RELATED PARTY TRANSACTION DETAILS **Annexure-3**

1. **Details of contracts or arrangements or transactions not at arm's length basis**

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	Date of approval by the Board	Amount paid as advances, if any:	Date on which the special resolution was passed in general meeting as required under first proviso to section 188
Not Applicable							

2. **Details of material contracts or arrangement or transactions at arm's length basis**

(INR in Mn.)

S. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Value of contract or arrangements and other terms, if any:	Date(s) of approval by the Audit Committee, if any:	Amount paid as advances, if any:
1.	Brightstar Telecommunications Singapore Pvt Ltd (Erstwhile Beetel Teletech Singapore Private Limited)	Management fees, Share of common expenses/ Scheme, Purchase of goods from Subsidiary, Credit Insurance charges	Ongoing	574.15	28.01.2019, 20.05.2019, 30.09.2019, 23.12.2019	-
2.	Brightstar Logistics Pty Ltd.	Management fees, Administrative and Legal expenses	Ongoing	5.02	28.01.2019, 20.05.2019	-
3.	Brightstar Corp.	Reimbursement of due diligence/ Audit Expenses, Sharing of Common Expenses, Administrative and Legal expenses	Ongoing	2.51	28.01.2019, 06.8.2019, 13.02.2020	-
4.	Brightstar 20:20 Ltd.	Management Fee	Ongoing	76.09	20.05.2019	-
5.	Brightstar 2020 UK Ltd.	Reimbursement of cost for 2 handsets purchased for testing purpose	Ongoing	0.02	06.08.2019	-

Further, for details of related party transactions as per Indian Accounting Standards issued by the Institute of Chartered Accountants of India (IND AS-24), please refer in note 37 to the Standalone Audited Financials.

For and on behalf of the Board of Directors
Brightstar Telecommunications India Limited

Sd/-
Gerard Patrick O'Keeffe
Chairman
(DIN : 08807817)

Date : August 07, 2020
Place : London, England

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Annexure-4

[Pursuant to clause (o) of sub-section (3) of Section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

1. The main objective of the CSR Policy is to lay down guidelines for the Company to make CSR as one of the key focus areas to adhere to progress strategy that focuses on making a positive contribution to society through high impact, sustainable programs. The Policy covers current as well as proposed CSR activities to be undertaken by the Company and examining their alignment with Schedule VII of the Act as amended from time to time. It covers the CSR activities which are being carried out in India only and includes strategy that defines plans for future CSR activities.

2. The Composition of the CSR Committee

S. No.	Name of the Member
1.	Sanjeev Chhabra
2.	Uma Ajay Relan*
3.	Devendra Khanna**
4.	Rajesh Madan

*member w.e.f. 6th August 2019
**member w.e.f. 1st February 2020

3. Average net profit of the company for last three financial year :

Financial Year	Net Profit/Net Loss (-) (in INR)
F.Y. 16-17	-54,57,77,368
F.Y. 17-18	-52,83,49,185
F.Y. 18-19	-54,80,89,173
Total net profit for 3 years	-1,62,22,15,726
Average net profit of the company for last three financial yeas	-54,07,38,575

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above):- Nil

5. Details of CSR spent during the financial year in INR :

a. Total amount to be spent for the financial year: Nil

b. Amount unspent, if any: Nil

c. Manner in which the amount spent during the financial year is detailed below :

S.No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto to the reporting period	Amount spent : Direct or through implementing agency*
Not Applicable							

6. Since the Company's average net profit for last 3 financial year is negative, the Company is not mandatorily required to spend any amount on any CSR activity.

7. CSR Committee declares that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

For and on behalf of the Board of Directors
Brightstar Telecommunications India Limited

Sd/-
Sanjeev Chhabra
Managing Director
(DIN : 08174113)

Sd/-
Rajesh Madan
Chairman, CSR Committee
(DIN : 02647922)

Place : Gurugram, India
Date : August 07, 2020

Form No. MR-3 **Annexure-5**

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2020

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

The Members,
Brightstar Telecommunications India Limited (Erstwhile Beetel Teletech Limited)
First Floor, Plot No. 16,
Udyog Vihar, Phase IV,
Gurgaon (HR) - 122015

CIN No.: U32204HR1999PLC042204
Authorised Capital: Rs. 10 Crore

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Brightstar Telecommunications India Limited, erstwhile Beetel Teletech Limited, ("the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and the information/representations provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on March 31, 2020 complied with the statutory provisions including as listed hereunder and also that the Company has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2020, in accordance to the provisions of:

(i) The Companies Act, 2013 and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

   I. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; -**Not Applicable**

   II. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; -**Not Applicable**

   III. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; -**Not Applicable**

   IV. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; -**Not Applicable**

   V. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; -**Not Applicable**

   VI. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;-**Not Applicable**

   VII. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **Not Applicable**

   VIII. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **Not Applicable**

IX. The other laws as applicable specifically on the Company:

a. **Labour and Industrial Laws** such as The Payment of Wages Act, 1936, The Minimum Wages Act, 1948, The Payment of Bonus Act, 1965, The Payment of Gratuity Act, 1972, The Employees Provident Fund and Miscellaneous Provisions Act, 1952, Equal Remuneration Act,1976, Contract Labour (Regulation and Abolition) Act, 1970, Maternity Benefit Act, 1961, The Apprentices Act, 1961, The Child Labour (Prohibition & Abolition) Act, 1960, Employees' Compensation Act, 1923; Factories Act, 1948, Industrial Dispute Act, 1947, Industrial (Development & Regulation) Act, 1951

b. **Environmental Laws** such as Environment Protection Act, 1986, Water (Prevention & Control of Pollution) Act, 1974, Extended Producer Responsibility (EPR)- Authorization under E-waste (Management) Rules, 2016.

c. **Financial Laws** such as Income Tax Act, 1961, Service Tax Act (Finance Act, 1994), State & Central Sales (VAT) Act (Central Sales Tax Act, 1956), Central Excise Act,1944, Customs Act, 1962.

d. Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013 & rules there made therein.

e. PR (Intellectual Property Rights) Laws such as Trade Mark Act, 1999, Copyrights Act, 1957, Patent Act, 1970.

f. Other laws to the extent applicable are Registration Act, 1908, Indian Stamp Act, 1899, Limitation Act, 1963, Transfer of Property Act, 1882, Indian Contract Act, 1872, Negotiable Instrument Act, 1881, Sales of Goods Act, 1930, Information Technology Act, 2000, Consumer Protection Act, 1986, Competition Act, 2002, Legal Metrology Act, 2009.

We have also examined compliance with the applicable clauses of the following:

I. Secretarial Standards issued by The Institute of Company Secretaries of India.

II. The Listing Agreements entered into by the Company with Stock Exchange(s), if applicable; **-Not Applicable**

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

I. That the Company has maintained statutory registers and records under the provisions of Companies Act, 2013;

II. That the Company has filed all the forms, returns, documents and resolutions with the Registrar of Companies, Delhi & Haryana prescribed under the Act and rules made there under;

III. That the Board met 04 (Four) times i.e. on 20th May 2019, 06th August 2019, 22nd October 2019 and 13th February 2020 during the year. The committee meeting details are as follows:-

a. Audit Committee met 04 (Four) times on 20th May 2019, 06th August 2019, 22nd October 2019 and 13th February 2020 during the year;

b. Nomination and Remuneration Committee duly met 03 (Three) times on 20th May 2019, 06th August 2019 and 13th February 2020 during the year.

c. Corporate Social Responsibility committee met 01 (One) time on 06th August 2019 time during the year and

d. Stakeholder relationship committee met 01 (One) time on 20th May 2019 during the year;

IV. That the Annual General Meeting for the financial year ended on 31st March 2019 was held on 25th September 2019;

V. That Mr. Paul Andrew Ringrose ceased from the Directorship of the Company with effect from 30th April 2019;

VI. That Mr. Stijn Piet N Nijs was appointed as an Additional Director of the Company with effect from 13th May 2019 and re-appointed as director in the Annual General Meeting held on 25th September 2019.

VII. That Ms. Uma Ajay Relan was appointed as an Independent Additional Director of the Company with effect from 06th August 2019. The Board of Directors in their meeting held on 6th August 2019 also recommended to the shareholders the appointment of Ms. Relan as an Independent Director for a term of 5 years, which was approved by shareholders in Annual General Meeting of the Company held on 25th September 2019;

VIII. That Mr. Devendra Khanna was appointed as an Additional Director of the Company with effect from 26th December 2019;

IX. That Mr. Harjeet Singh Kohli ceased from the designation of Director of the Company with effect from 08th January 2020;

X. That Mr. Dharshan Nanayakkara ceased from the designation of Director of the Company with effect from 06th March 2020;

XI. That the shares of the Company are in dematerialized and in physical form. In respect of the shares which are in dematerialized form with the depositories (NSDL and CDSL), tripartite agreements have been properly executed between the Company, the Depositories and RTA; and

XII. That the Company has adopted Reconciliation of Share Capital Audit Report issued by a Practicing Company Secretary with respect to the reconciliation of shares in accordance with Rule 9A of the Companies (Prospectus and Allotment of Securities) Rules 2014 read with applicable provisions of Companies Act 2013 for the period 01st April 2019 to September 2019 and 01st October 2019 to 31st March 2020.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of executive directors, non-executive directors and independent directors.

Adequate notice is given to all directors to schedule the Board/Committee Meetings, agenda and detailed notes on agenda were sent in as per the provisions of Companies Act, 2013 and secretarial standards and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All the Board decisions are taken after proper deliberation and recorded in the Minutes Book of the Company during the period under review.

We further report that based on the review of compliance report taken on record by the Audit Committee of the company, in my opinion there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the company has no other specific event required to be reported except above mentioned.

For Saurabh Jain & Associates
Company Secretaries

Sd/-
Proprietor
Saurabh Jain
Membership No: F9513
C P NO.: 11247
UDIN: F009513B000506823

Place: Delhi
Date: July 30, 2020

This Report is to be read with my testimony of even date which is annexed as Annexure A and forms an integral part of this report.

Annexure-A

To,
The Members,
Brightstar Telecommunications India Limited (Erstwhile Beetel Teletech Limited)
First Floor, Plot No. 16,
Udyog Vihar, Phase IV,
Gurgaon (HR) - 122015

My report of even date is to be read along with this supplementary testimony.

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion of these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, the Company had followed provide a reasonable basis of our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For Saurabh Jain & Associates
Company Secretaries

Sd/-
Proprietor
Saurabh Jain
Membership No: F9513
C P NO.: 11247

Place: Delhi
Date: July 30, 2020

INDEPENDENT AUDITOR'S REPORT

To The Members of Brightstar Telecommunications India Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Brightstar Telecommunications India Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 31 March 2020, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone 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 Standalone 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 standalone 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 standalone financial statements.

Material uncertainty related to Going Concern

We draw attention to Note 3.1.1 to the standalone financial statements, which indicates that the Company's assessment of going concern assumption and financial impact on account of COVID 19 pandemic situation. As stated in the note, Company has a total comprehensive income of Rs.128.68 million and has accumulated losses of Rs.1,054.44 million, during the year ended 31st March, 2020 and as of that date, the Company's current liabilities exceeded its current assets by Rs.951.38 million. Brightstar Corp., the holding company, which might be impacted due to Covid -19, has confirmed that it would provide continuing financial support to the Company until the Company is able to meet its obligations on its own. These current conditions may cast a significant doubt on the Company's ability to continue as a going concern and realise its assets and discharge its liabilities in the normal course of business, however considering the future business plans of the Company and continuing financial support from the holding company, the financial statements have been prepared on a going concern basis. Our opinion is not modified in respect of this matter.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone 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 Standalone 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 standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the 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 Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone 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 standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Other Matter

On account of the Covid-19 related lockdown restrictions, management was able to perform year end physical verification of inventories, subsequent to year end. However, we were not able to physically observe the stock verification carried out by the management. Consequently, we have performed alternative procedures to audit the existence of inventory as per the guidance provided in SA 501 " Audit Evidence- Specific consideration for selected items " and have obtained sufficient audit evidence to issue our unmodified opinion on these standalone financial statements. Our report on the standalone financial statement is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

e) The matter described in the Material uncertainty related to Going Concern section above, in our opinion, may have an adverse effect on the functioning of the Company.

f) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164(2) of the Act.

g) 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.

h) 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.

i) 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 has disclosed the impact of pending litigations on its financial position in its standalone financial statements (Refer Note 17.2 and 34 to the standalone financial statements);

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses (Refer Note 46 to the standalone financial statements);

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company (Refer Note 48 to the standalone financial statements).

2. As required by the Companies (Auditor's Report) Order, 2016 ("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)

Sd/-
Vijay Agarwal
(Partner)
(Membership No.094468)
UDIN: 20094468AAAAFD3186

Place: Gurugram
Date: August 07, 2020

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(g) 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 Brightstar Telecommunications India Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company and its joint operations companies incorporated in India (retain as applicable) based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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.

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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls 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, 2020, 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 on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

S/d-
Vijay Agarwal
(Partner)
(Membership No.094468)
UDIN: 20094468AAAAFD3186

Place: Gurugram
Date: August 07, 2020

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) In respect of the Company's Property, plant and equipment:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, plant and equipment.

(b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and based on the lenders confirmations in respect of immovable properties of land and buildings whose title deeds have been mortgaged as security for loans, we report that these title deeds are held in the name of Company.

(ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.

(iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, made investments or provided guarantees under Section 185 and 186 of the Companies Act, 2013 and hence reporting under clause (iv) of the Companies (Auditor's Report) Order, 2016 ("CARO 2016") is not applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year.

(vi) The maintenance of cost records has been specified by the Central Government under Section 148(1) of the Companies Act, 2013 in respect of electrical and electronic equipments or appliances manufactured by the Company. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Goods and Services tax, Income-tax, Employees' State Insurance, Customs Duty, cess and other material statutory dues applicable to it to the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Goods and Services tax, Income-tax, Customs Duty, cess and other material statutory dues in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.

(c) Details of dues of Sales tax and Customs Duty which have not been deposited as on March 31, 2020 on account of disputes are given below:

Name of Statute*	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Unpaid (Rs. in million)
Sales Tax Laws	Sales Tax	Appellate Authority	2005-06, 2007-08 to 2008-09, 2010-11 to 2015-16	70.78
Sales Tax Laws	Sales Tax	Sales Tax Tribunal	2007-08 to 2012-13	1.39
Sales Tax Laws	Sales Tax	High Court	2000-01, 2005-06 to 2006-07	14.75

Name of Statute*	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Unpaid (Rs. in million)
Customs Act, 1962	Customs Duty	Customs, Excise and Service Tax Appellate Tribunal	1996-97	0.30
Customs Act, 1962	Customs Duty	DGFT	2008-09	25.10

*There are no dues of Income-tax and Excise Duty as on March 31, 2020 on account of disputes.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institution and banks. The Company has not taken any loan or borrowings from government and has not issued any debentures.

(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans during the year and hence reporting under clause (ix) of the Order is not applicable.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Sections 177 and 188 of the Companies Act, 2013, wherever applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the CARO 2016 is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or persons connected with them and hence provisions of Section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and hence reporting under clause (xvi) of the CARO is not applicable to the Company.

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

S/d
Vijay Agarwal
(Partner)
(Membership No.094468)
UDIN: 20094468AAAAFD3186

Place: Gurugram
Date: August 07, 2020

STANDALONE BALANCE SHEET as at March 31, 2020

(Rs. in Million)

Particulars	Notes	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-current assets			
(a) Property, plant and equipment	4	85.87	100.15
(b) Right to use assets	43	139.69	-
(c) Intangible assets	5	25.12	26.44
(d) Intangible assets under development		-	10.39
(e) Financial assets			
(i) Investment in subsidiary	6	360.86	360.86
(ii) Loans	7	16.38	15.29
(iii) Other financial assets	8	6.11	9.61
(f) Non-current tax assets (net)	9	92.59	173.59
(g) Other non-current assets	10	396.48	447.23
Total non-current assets		**1,123.10**	**1,143.56**
Current assets			
(a) Inventories	11	1,682.16	1,445.34
(b) Financial assets			
(i) Trade receivables	12	1,937.87	2,387.15
(ii) Cash and cash equivalents	13	105.08	0.68
(iii) Other bank balances	14	-	2.53
(iv) Other financial assets	8	244.97	121.75
(c) Current tax assets (net)	9	127.20	-
(d) Other current assets	10	958.92	1,371.20
Total current assets		**5,056.20**	**5,328.65**
TOTAL ASSETS		**6,179.30**	**6,472.21**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	15	50.92	50.92
(b) Other equity	16	(1,046.67)	(1,168.98)
Total equity		**(995.75)**	**(1,118.06)**
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	584.42	-
(ii) Lease liability	43	133.78	-
(b) Provisions	17	67.22	268.78
(c) Other non current liabilities	18	382.05	368.29
Total non-current liabilities		**1,167.47**	**637.07**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	2,993.68	3,591.86
(ii) Trade payables	20		
- total outstanding dues of micro enterprises and small enterprises		23.09	1.68
- total outstanding dues of creditors other than micro enterprises and small enterprises		2,326.37	2,716.23
(iii) Lease liability	43	14.58	-
(iv) Other financial liabilities	21	41.69	76.05
(b) Provisions	17	43.16	61.23
(c) Other current liabilities	18	565.01	506.15
Total current liabilities		**6,007.58**	**6,953.20**
Total liabilities		**7,175.05**	**7,590.27**
TOTAL EQUITY AND LIABILITIES		**6,179.30**	**6,472.21**

The accompanying notes form an integral part of these standalone Ind-AS financial statements. 1-49

In terms of our report attached
For **Deloitte Haskins and Sells LLP**
Chartered Accountants

Sd/-
Vijay Agarwal
Partner

Place: Gurugram
Date: August 07, 2020

For and on behalf of Board of Directors of
Brightstar Telecommunications India Limited

Sd/-
Gerard Patrick O'Keeffe
Chairman
(DIN: 08807817)
Place: London, England

Sd/-
Sanjeev Chhabra
Managing Director
(DIN: 08174113)
Place: Gurugram, India

Sd/-
Luciano Barreto Ferreira
Chief Financial Officer
Place: Sao Paulo, Brazil

Sd/-
Neeraj Manchanda
Company Secretary
Place: Gurugram, India

STANDALONE STATEMENT OF PROFIT AND LOSS for the year ended March 31, 2020

(Rs. in Million)

Particulars	Notes	Year ended March 31, 2020	Year ended March 31, 2019
Continuing Operations			**(Refer note 42)**
I Revenue from operations	22	12,697.74	12,665.03
II Other income	23	232.71	112.54
III Total income (I + II)		**12,930.45**	**12,777.57**
IV Expenses			
(a) Cost of materials consumed	24	293.59	307.82
(b) Purchases	25	11,237.93	11,157.49
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	26	(266.80)	42.61
(d) Employee benefits expense	27	603.70	548.01
(e) Finance costs	28	308.01	369.28
(f) Depreciation and amortisation expense	29	64.12	36.41
(g) Other expenses	30	579.25	687.11
Total expenses		**12,819.80**	**13,148.73**
V Profit/(Loss) before tax from continuing operation (III-IV)		**110.65**	**(371.16)**
VI Tax expense/(credit)			
(a) Current tax	31	-	-
(b) Deferred tax	31	-	-
		-	-
VII Profit/(Loss) for the year from continuing operation (V-VI)		**110.65**	**(371.16)**
Discontinued operations			
VIII Loss from discontinued operation before tax	42	-	(184.74)
IX Tax expenses		-	-
X Loss for the year from discontinued operation (VIII-IX)		**-**	**(184.74)**
XI Profit/(Loss) for the year (VII+X)		**110.65**	**(555.90)**
XII Other comprehensive income			
Items that will not be reclassified to profit and loss			
(i) Remeasurements of the defined benefit plans		18.03	(6.60)
(ii) Income tax relating to these items		-	-
Net other comprehensive income/(loss) not to be reclassified to profit or loss		**18.03**	**(6.60)**
XIII Total comprehensive Income/(loss) for the year (XI + XII)		**128.68**	**(562.50)**
XIV Profit/(Loss) per equity share from continuing operation (face value of share Rs. 10 each)			
(a) Basic (in Rs.)	32	21.74	(72.92)
(b) Diluted (in Rs.)	32	21.74	(72.92)
XV Profit/(Loss) per equity share from discontinued operation (face value of share Rs. 10 each)			
(a) Basic (in Rs.)	32	-	(36.29)
(b) Diluted (in Rs.)	32	-	(36.29)
XVI Profit/(Loss) per equity share from continuing and discontinued operation (face value of share Rs. 10 each)			
(a) Basic (in Rs.)	32	21.74	(109.21)
(b) Diluted (in Rs.)	32	21.74	(109.21)

The accompanying notes form an integral part of these standalone Ind-AS financial statements. 1-49

In terms of our report attached
For **Deloitte Haskins and Sells LLP**
Chartered Accountants

Sd/-
Vijay Agarwal
Partner

Place: Gurugram
Date: August 07, 2020

For and on behalf of Board of Directors of
Brightstar Telecommunications India Limited

Sd/-
Gerard Patrick O'Keeffe
Chairman
(DIN: 08807817)
Place: London, England

Sd/-
Sanjeev Chhabra
Managing Director
(DIN: 08174113)
Place: Gurugram, India

Sd/-
Luciano Barreto Ferreira
Chief Financial Officer
Place: Sao Paulo, Brazil

Sd/-
Neeraj Manchanda
Company Secretary
Place: Gurugram, India

STANDALONE STATEMENT OF CHANGES IN EQUITY for the year ended March 31, 2020

Equity share capital (Equity shares of Rs. 10 each issued, subscribed & fully paid up)	No. in Million	Rs. in Million
Balance as at April 1, 2018	**5.09**	**50.92**
Changes in equity share capital during the year	-	-
Balance as at March 31, 2019	**5.09**	**50.92**
Changes in equity share capital during the year	-	-
Balance as at March 31, 2020	**5.09**	**50.92**

(Rs. in Million)

Other equity	Reserve and surplus			
	Capital Reserve	Securities premium	Retained earnings	Total
	(Refer Note 16.1)	(Refer Note 16.2)	(Refer Note 16.3)	
Balance as at April 01, 2018	**2.50**	**5.27**	**(561.21)**	**(553.44)**
Effect of adoption of Ind AS 115 (Net of deferred tax Rs. Nil)	-	-	(53.04)	(53.04)
Loss for the year	-	-	(555.90)	(555.90)
Other comprehensive loss for the year arising from defined benefit obligation (net of income taxes)	-	-	(6.60)	(6.60)
Total movement for the year	**-**	**-**	**(615.54)**	**(615.54)**
Balance as at March 31, 2019	**2.50**	**5.27**	**(1,176.75)**	**(1,168.98)**
Effect of adoption of Ind AS 116 (Net of deferred tax Rs. Nil)	-	-	(6.37)	(6.37)
Profit for the year	-	-	110.65	110.65
Other comprehensive income/ (loss) for the year arising from defined benefit obligation(net of income taxes)	-	-	18.03	18.03
Total movement for the year	**-**	**-**	**122.31**	**122.31**
Balance as at March 31, 2020	**2.50**	**5.27**	**(1,054.44)**	**(1,046.67)**

The accompanying notes form an integral part of these consolidated Ind AS financial statements. 1-49

In terms of our report attached
For **Deloitte Haskins and Sells LLP**
Chartered Accountants

Sd/-
Vijay Agarwal
Partner

Place: Gurugram
Date: August 07, 2020

For and on behalf of Board of Directors of
Brightstar Telecommunications India Limited

Sd/-
Gerard Patrick O'Keeffe
Chairman
(DIN: 08807817)
Place: London, England

Sd/-
Sanjeev Chhabra
Managing Director
(DIN: 08174113)
Place: Gurugram, India

Sd/-
Luciano Barreto Ferreira
Chief Financial Officer
Place: Sao Paulo, Brazil

Sd/-
Neeraj Manchanda
Company Secretary
Place: Gurugram, India

CASH FLOW STATEMENT for the year ended March 31, 2020

(Rs. in Million)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) for the year after tax	**110.65**	**(555.90)**
Continuing operation	110.65	(371.16)
Discontinued operation (Refer note 42)	-	(184.74)
Adjustments for :		
Finance cost	308.01	414.88
Interest income	(42.22)	(19.13)
Dividend Income	(144.99)	(71.12)
Loss on disposal of property, plant and equipment	(0.03)	(0.10)
Software impairment	1.94	7.70
Unrealised exchange loss/(gain) (net)	19.90	6.20
Depreciation and amortisation expense	64.12	37.28
Provision for doubtful debts	(61.46)	(111.95)
Bad debts/amounts written off	8.84	63.35
Liabilities/provisions no longer required written back	(3.94)	(2.41)
Allowances for obsolete/slow moving stock	12.72	(114.86)
Allowances for doubtful advances	-	(0.47)
OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES	**273.54**	**(346.53)**
Movements in working capital:		
(Increase)/decrease in trade receivables	506.33	853.77
(Increase)/decrease in inventories	(249.55)	3,854.26
(Increase)/decrease in loans	(1.09)	2.72
(Increase)/decrease in other financial assets	(97.80)	585.19
(Increase)/decrease in other assets	456.56	64.75
Increase/(decrease) in trade payables	(382.68)	(1,879.33)
Increase/(decrease) in provisons	(201.60)	207.79
Increase/(decrease) in other financial liabilities	(48.78)	(31.98)
Increase/(decrease) in other liabilities	72.62	260.65
CASH GENERATED FROM OPERATING ACTIVITIES	**327.55**	**3,571.29**
Income taxes paid	(46.20)	47.12
NET CASH INFLOW FROM OPERATING ACTIVITIES	**281.35**	**3,618.41**
CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	0.05	0.27
Payments for property, plant and equipment	(5.28)	(3.43)
Payments for intangible assets	(11.74)	(28.85)
Proceeds from deposits	3.50	(0.01)
Dividend Income	144.99	71.12
Repayments for bank balance not considered as cash and cash equivalents	2.53	(0.18)
Interest received	42.21	19.13
NET CASH INFLOW FROM INVESTING ACTIVITIES	**176.26**	**58.05**
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds/(repayment) of borrowings (Refer Note 45)	(45.32)	(3,254.74)
Repayment of lease liability (Refer Note 43)	(29.69)	-
Interest paid	(278.20)	(427.35)
NET CASH OUTFLOW FINANCING ACTIVITIES	**(353.21)**	**(3,682.09)**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**104.40**	**(5.63)**
Cash and cash equivalents at the beginning of the year	**0.68**	**6.31**
Cash and cash equivalents at the end of the year	**105.08**	**0.68**
Components of cash and cash equivalents		
Cash in hand	0.05	0.03
Balance with scheduled banks: In current accounts	**105.03**	**0.65**
Total cash and cash equivalents as per note 13	**105.08**	**0.68**
Cash and cash equivalents at the end of the year	**105.08**	**0.68**

1. The above cash flow statement prepared under the "Indirect method" as set out in the Ind AS 7 "Cash flow statement".
2. Brackets indicate cash outflow.
3. Refer note 42 for cash flow statement of discontinued operations.

The accompanying notes form an integral part of these standalone Ind-AS financial statements. 1-49

In terms of our report attached
For **Deloitte Haskins and Sells LLP**
Chartered Accountants

Sd/-
Vijay Agarwal
Partner

Place: Gurugram
Date: August 07, 2020

For and on behalf of Board of Directors of
Brightstar Telecommunications India Limited

Sd/-
Gerard Patrick O'Keeffe
Chairman
(DIN: 08807817)
Place: London, England

Sd/-
Sanjeev Chhabra
Managing Director
(DIN: 08174113)
Place: Gurugram, India

Sd/-
Luciano Barreto Ferreira
Chief Financial Officer
Place: Sao Paulo, Brazil

Sd/-
Neeraj Manchanda
Company Secretary
Place: Gurugram, India

NOTES FORMING PART OF STANDALONE IND AS FINANCIAL STATEMENTS for the year ended March 31, 2020

1. **Corporate information**

Brightstar Telecommunications India Limited ('the Company') was incorporated in India on March 30, 1999. The Company is a leading provider of premium enterprise, networking, and lifestyle solutions, in the information, communication, and technology domains for customers across all industry verticals. Company holds a commendable market share in telecom and allied products. We also have our own line of products, including landlines and IoT solutions, under our iconic brand, Beetel.

The registered address of the Company is First Floor, Plot No. 16, Udyog Vihar, Phase IV, Gurugram-122015, Haryana, India.

The immediate holding company is Brightstar Logistics Pte Ltd a company incorporated in Singapore. The ultimate holding company is Softbank Group, Japan.

2. **Significant accounting policies**

2.1 Statement of compliance

In accordance with the notification issued by Ministry of Corporate Affairs, the Company has voluntary adopted the Indian Accounting Standard (referred to as Ind AS) notified under the Companies (Indian Accounting Standards) Rules 2015 with effect from April 1, 2016.

2.2 Basis of preparation and presentation

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

The standalone financial statements have been prepared on the historical cost convention on accrual and going concern basis, except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

All the amounts included in the financial statements are reported in millions of Indian Rupees ('Rs.'), except per share data and unless stated otherwise.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the assets or the liability if the market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these standalone financial statements is determined on such basis.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

Previous year's figures have been regrouped/reclassified wherever necessary to conform with the current year's classification / disclosure.

2.3 Basis of measurement

The standalone financial statements have been prepared on an accrual basis as a going concern and under the historical cost convention, except for certain financial assets and financial liabilities that are measured at fair value at the end of each reporting date as required under relevant Ind AS. Refer note no. 3.1.1

2.4 Current versus non-current classification

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

An asset is classified as current when it satisfies any of the following criteria:

a) It is expected to be realised or intended to sold or consumed in normal operating cycle

b) It is held primarily for the purpose of trading

c) It is expected to be realised within twelve months after the reporting period, or

d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

Considering the nature of business activities, the operating cycle has been assumed to have duration of 12 months. Accordingly, all assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in Ind AS 1 'Presentation of Financial Statements' and Schedule III to the Companies Act, 2013.

2.5 Revenue recognition

2.5.1. Sale of goods

Revenue from the sale of goods is recognized when control of the products being sold is transferred to the customer and when there are no longer any unfulfilled obligations. The performance obligations in the contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on customer terms. Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government such as goods and services tax, etc. when the amount of revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the Company. Revenue is only recognized to the extent that it is highly probable a significant reversal will not occur. An estimate is made of goods that will be returned and a liability is recognized for this amount using the best estimate available.

2.5.2 Rendering of services

Income from services rendered is recognized based on agreements/arrangements with the customers as the service is performed and there are no unfulfilled obligations and when ultimate collectability is certain.

Critical Assessment: The Company enters into contract with customers where the period between the transfer of the promised services to the customer and payment by the customer exceeds one year. As a consequence, the company has adjusted the transaction price and has deferred the revenue for contracts along with the related cost of providing those services, whose period has not expired.

2.5.3 Dividend and interest income

Dividend income from investments is recognized when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.6 Leasing

A contract is, or contains, 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.

Company as a lessee

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right of use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any re-measurement of the lease liability.

The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right of use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently re-measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and re-measuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The Company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

The Company has elected not to apply the requirements of Ind AS 116 Leases to short term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

Company as a lessor

The Company do not have any leases in which it acts as a lessor. Thus, the Company is not required to make any adjustments on transition to Ind AS 116 for leases.

2.7 Foreign currencies

The functional currency of the Company is the Indian rupee. These standalone financial statements are presented in Indian rupees.

Income and expenses in foreign currencies are initially recorded by the Company at the exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the Balance sheet date and exchange gains and losses arising on settlement and restatement are recognised in the Statement of Profit and Loss.

Non-monetary items denominated in foreign currencies are carried at historical cost.

2.8 Employee benefits

Employee benefits include provident fund, employee state insurance scheme, gratuity, compensated absences and long term service award.

2.8.1 Defined benefit plans

The Company’s gratuity scheme is a defined benefit plan. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation carried at the year-end using the Projected Unit Credit Method. Remeasurement, comprising actuarial gains and losses are recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. The contribution towards gratuity is made to Life Insurance Corporation.

2.8.2 Defined contribution plans

The Company's contribution to provident fund and employee state insurance scheme is considered as defined contribution plans and is charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees. The contributions are made to funds administered and managed by the government of India. There are no other obligations under these plans beyond its contributions.

2.8.3 Short-term and other long-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized during the year when the employees renders the service. These benefits include bonus and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

Short term compensated absences are provided for based on estimates. Long term compensated absences are measured at the present value of the obligation determined on the basis of actuarial valuation carried at the year-end using projected unit credit method. Actuarial gains and losses are recognized immediately as an income or expense in the Statement of Profit and Loss in the period in which they occur.

Long term service award is governed by Company's long-term service policy. The present value of the obligation is determined based on Management estimate.

2.9 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.9.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

2.9.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the standalone financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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.

2.9.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.10 Property, plant and equipment

Property, plant and equipment (PPE) are carried at cost less accumulated depreciation and impairment losses, if any. The cost of PPE comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use. Upon transition to IND AS, the Company has elected to measure all of its property, plant and equipment on fair value as of transition date as calculated under Ind AS and used that fair value as the deemed cost of the property, plant and equipment as on transition date.

Capital work-in-progress:

Projects under which tangible PPE are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

Depreciation:

Depreciation is recognised so as to write off the cost of assets (other than properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Estimated useful lives of the assets are as follows:

Asset Category	Useful lives (years)
Freehold land	Not Depreciated
Leasehold improvement	Over the period of lease
Building-factory	30
Plant and machinery (other than moulds and office equipments)*	10
Moulds*	2
Office equipments	5
Furniture and fixtures*	5
Computers*	3
Mobile Phones*	2

Fixed assets costing up to Rs. 70,000 are being fully expensed off.

*For these class of assets, based on internal assessment and technical evaluation carried out by the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence the useful lives for these assets are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the Statement of Profit and Loss in the year in which the expenditure is incurred.

Major computer software in the nature of ERP license is amortized over a period of 5 years and other software have a life of one year.

2.11 Impairment

The carrying amounts of tangible and intangible assets are reviewed at each balance sheet date to determine whether there is any indication of impairment based on internal/external factors. An impairment loss is recognised in Statement of Profit and Loss wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

2.12 Inventories

Raw materials, stores and spare parts

Lower of cost and net realizable value after providing for obsolescence and other losses. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on weighted average cost basis.

Work-in-progress and finished goods

Lower of cost and net realizable value after providing for obsolescence and other losses. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost is determined on weighted average cost basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Cost includes octroi, other levies, transit insurance and receiving charges.

2.13 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Warranty provisions

Provisions for warranty related costs are recognised when the product is sold or service provided. Provision is based on historical experience. The estimate of such warranty related costs is revised annually.

2.14 Financial instruments

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities valued at fair value through profit or loss are recognised immediately in profit or loss.

2.15 Financial assets

All recognised financial assets are subsequently measured at either amortised cost or fair value, depending on the classification of the financial assets.

2.15.1 Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value.

2.15.2 Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for financial assets other than those financial assets classified as at fair value through profit or loss. Interest income is recognised in the Statement of Profit and Loss and is included in the “other income” line item.

2.15.3 Financial Assets at fair value through profit or loss (FVTPL)

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and in included in the ‘other income’ line items.

2.15.4 Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. On derecognition of a financial asset in its entirety, the difference between the asset’s carrying amount and the sum of the consideration received and receivable is recognised in the Statement of Profit and Loss.

2.15.5 Impairment of financial assets

The Company recognises loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in the Statement of Profit and Loss.

2.16 Financial Liabilities and Equity Instruments

2.16.1 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by an entity are recognised at the proceeds received, net of direct issue costs.

2.16.2 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at fair value through profit or loss.

2.16.2.1 Financial Liabilities at fair value through profit or loss

Financial liabilities are classified as at fair value through profit or loss when the financial liability is held for trading or it is designated as at fair value through profit or loss.

A financial liability is classified as held for trading if:

- It has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not designated and effective as a hedging instrument.

2.16.2.2 Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at fair value through profit or loss are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

2.16.2.3 Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

2.16.2.4 Financial guarantee contract

A financial guarantee contract is a contract that requires the issuer to make specified payment to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee issued is measured on initial recognition at their fair value and if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of the loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

2.16.2.5 Derivatives contract

The Company enters into forward contracts to manage its exposure to foreign exchange rate risks. Further details of derivative financial instruments are disclosed in note 39.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately.

2.17 Contingent Liabilities

Contingent liabilities are disclosed in the standalone financial statements by way of notes to accounts, unless possibility of an outflow of resources embodying economic benefit is remote.

2.18 Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of Cash on hand, balances with banks which are unrestricted for withdrawal and usage and demand deposit with bank.

2.18.1 Cash Flow Statement

Cash flows are reported using the indirect method, where by profit after tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

2.19 Segment reporting

The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. Based on the nature and class of product and services, their customers and assessment of differential risks and returns and financial reporting results reviewed by chief operating decision maker, the Company has identified business segments as Consumer, Enterprise and Network.

2.20 Earnings per share

2.20.1 Basic earnings per share

Basic earnings per share is calculated by dividing:

- The profit attributable to owners of the company
- By the weighted average number of equity shares outstanding during the financial year.

2.20.2 Diluted earnings per share

Diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account:

- The after income tax effect of interest and other financing costs associated with dilutive potential equity shares; and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

2.21 Factoring Agreements

Company utilize factoring arrangements with banks and other financial institutions (each a "factor") as a short-term financing alternative to accelerate monetization of trade receivables. Company account for transfers of trade receivables as a sale when control over the related assets has been surrendered to the factor. Whether control has been relinquished requires, among other things, an evaluation of relevant legal considerations and an assessment of the nature and extent of our continuing involvement with the assets transferred.

Factoring agreements reported as a sale are accounted for as a reduction of trade receivables and the proceeds are included in cash flows from operating activities in the statements of cash flows. Factoring agreements that do not qualify for sale accounting are reported as collateralized borrowings. If trade accounts receivable do not qualify for sale accounting, the factor is entitled to demand full repayment of the outstanding balance from Company if the payer of the receivable defaults. Accordingly, the related assets remain on company's balance sheet and continue to be reported and accounted for as if the transfer had not occurred.

2.22 Material events

Events after the reporting period are those events, favourable and unfavourable, that occur between the end of the reporting period and the date when the financial statements are approved by the Board of Directors of the Company. Two types of events are identified by the Company:

(a) those that provide evidence of conditions that existed at the end of the reporting period (adjusting events after the reporting period); and

(b) those that are indicative of conditions that arose after the reporting period (non-adjusting events after the reporting period).

The impact of the material adjusting events occurring after the reporting period are adjusted in the financial statements and the impact of non-adjusting events after the reporting period are disclosed in the financial statements.

2.23 Use of estimates

The preparation of standalone financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates, judgements and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the standalone financial statements and the reported amounts of income and expense for the periods presented.

3. Significant accounting judgements estimates and assumptions

In the application of the Company's accounting policies, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only the period of the revision and future periods if the revision affects both current and future periods.

3.1 Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the standalone financial statements:

3.1.1 Going concern assumption

COVID-19 pandemic has impacted and continues to impact the business operations in many countries due to lockdown, travel bans, quarantines and other emergency measures resulting in disruption of business operations. With respect to the operations of the Company, management believes that it has taken into account all the possible impact of known events arising from COVID- 19 pandemic in the preparation of these financial statements. Further, in evaluating the impact of COVID-19 on its ability to continue as a going concern and the possible impact on its financial position, the Company has made an assessment of its liquidity position for next one year and assessed the impact of macro-economic conditions on its business in light of the future business projections. Further, during the year, Company has a total comprehensive income of Rs.128.68 million (Previous year comprehensive loss of Rs.562.50 million) and has an accumulated losses of Rs.1,054.44 million as at March 31, 2020 (Previous year Rs.1,176.75 million), resulting in erosion of its net worth as on that date. Additionally, the Company's current liabilities exceeds its current assets by Rs. 951.38 million (Previous year Rs. 1,624.55 million). Brightstar Corp., the holding company, which might be impacted due to Covid -19, has confirmed that it would provide continuing financial support to the Company until the Company is able to meet its obligations on its own. These current conditions may cast a significant doubt on the Company's ability to continue as a going concern and realise its assets and discharge its liabilities in the normal course of business, however considering the future business plans of the Company and continuing financial support from the holding company, the financial statements have been prepared on a going concern basis.

3.2 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company has based its assumptions and estimates on parameters available when the standalone financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

3.2.1 Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk volatility and discount rates. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See note 38 for further disclosures.

3.2.2 Income taxes

The Company is subject to income tax laws as applicable in India. Significant judgment is required in determining provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

3.2.3 Deferred Taxes

In assessing the realisability of deferred tax assets, management considers whether it is probable, that some portion, or all, of the deferred tax assets will not be realised. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the projected future taxable income and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable incomes over the periods in which the deferred tax assets are deductible, management believes that it is probable that the Company will be able to realise the benefits of those deductible differences in future.

3.2.4 Estimation of defined benefits and compensated leave of absence

The present value of the gratuity, pension and leave encashment obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Further details about gratuity and leave encashment obligations are given in note 36.

3.2.5 Estimation of useful life of tangible and intangible assets

Management reviews the useful lives of depreciable assets at each reporting date. Further, there is no change in the useful lives of other tangible and intangible assets as compared to previous year. However, Management has decided to depreciate all assets up to full value during the current financial year ending March 31, 2020. Depreciation during the year includes Rs. 5.70 Million impact of earlier years due to change in policy.

3.2.6 Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and period covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

4. Property, plant and equipment

(Rs. in Million)

Description	As at March 31, 2020	As at March 31, 2019
Carrying amounts of :		
1 Freehold land	44.71	44.71
2 Leasehold improvement	-	-
3 Building	23.49	26.10
4 Plant and machinery	7.69	16.33
5 Furniture and fixture	0.60	0.39
6 Computer and networking	9.38	12.62
Total	**85.87**	**100.15**

Current Year

(Rs. in Million)

		Gross carrying value				Accumulated depreciation				Carrying amount	
	Description	As at April 1, 2019	Additions during the year	Disposal/ adjustment	As at March 31, 2020	As at April 1, 2019	Depreciation during the year	Disposal/ adjustment	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019
1	Freehold land	44.71	-	-	44.71	-		-	-	44.71	44.71
2	Buildings	36.54	-	-	36.54	10.44	2.61	-	13.05	23.49	26.10
3	Leasehold improvement	11.34	-	-	11.34	11.34	-	-	11.34	-	-
4	Plant and equipment	75.40	0.13	0.81	74.72	59.07	8.75	0.79	67.03	7.69	16.33
5	Furniture and fixtures	3.05	0.45	0.01	3.49	2.66	0.24	0.01	2.89	0.60	0.39
6	Computer and networking	33.12	4.70	0.77	37.05	20.50	7.94	0.77	27.67	9.38	12.62
	Total	**204.16**	**5.28**	**1.59**	**207.85**	**104.01**	**19.54**	**1.57**	**121.98**	**85.87**	**100.15**

Previous Year

(Rs. in Million)

		Gross carrying value				Accumulated depreciation				Carrying amount	
	Description	As at April 1, 2018	Additions during the year	Disposal/ adjustment	As at March 31, 2019	As at April 1, 2018	Depreciation during the year*	Disposal/ adjustment	As at March 31, 2019	As at March 31, 2019	As at March 31, 2018
1	Freehold land	44.71	-	-	44.71	-	-	-	-	44.71	44.71
2	Buildings	36.54	-	-	36.54	7.83	2.61	-	10.44	26.10	28.71
3	Leasehold improvement	11.34	-	-	11.34	8.88	2.46	-	11.34	-	2.46
4	Plant and equipment	72.44	3.64	0.68	75.40	50.70	8.98	0.61	59.07	16.33	21.74
5	Furniture and fixtures	2.71	0.35	0.01	3.05	2.19	0.48	0.01	2.66	0.39	0.52
6	Computer and networking	22.80	11.94	1.62	33.12	16.48	5.54	1.52	20.50	12.62	6.32
	Total	**190.54**	**15.93**	**2.31**	**204.16**	**86.08**	**20.07**	**2.14**	**104.01**	**100.15**	**104.46**

* Includes depreciation amounting to Rs. 0.87 Mn which relates to discontinued business.

Notes:

1. The fixed assets are hypothecated/mortgaged to secure borrowings of the Company. (Refer Note 19)

5. Intangible Assets

(Rs. in Million)

Description	As at March 31, 2020	As at March 31, 2019
Carrying amounts of :		
1 Computer softwares	25.12	26.44
Total	**25.12**	**26.44**

Current Year

(Rs. in Million)

	Gross carrying value				Accumulated depreciation				Carrying amount	
Description	As at April 1, 2019	Additions during the year	Disposal/ adjustment	As at March 31, 2020	As at April 1, 2019	Depreciation during the year	Disposal/ adjustment	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019
1 Computer softwares	51.73	22.13	30.20	43.66	25.29	21.51	28.26	18.54	25.12	26.44
Total	**51.73**	**22.13**	**30.20**	**43.66**	**25.29**	**21.51**	**28.26**	**18.54**	**25.12**	**26.44**

Previous Year

(Rs. in Million)

	Gross carrying value				Accumulated depreciation				Carrying amount	
Description	As at April 1, 2018	Additions during the year	Disposal/ adjustment*	As at March 31, 2019	As at April 1, 2018	Depreciation during the year#	Disposal/ adjustment*	As at March 31, 2019	As at March 31, 2019	As at March 31, 2018
1 Computer softwares	38.44	24.60	11.31	51.73	11.69	17.21	3.61	25.29	26.44	26.75
Total	**38.44**	**24.60**	**11.31**	**51.73**	**11.69**	**17.21**	**3.61**	**25.29**	**26.44**	**26.75**

* Includes impairment of softwares related to discontinued business INR 7.70 Mn (net of amortisation)
# includes amortization pertaining to discontinued operation amounting to Rs. 0.87 Million

6. Investment in subsidiary

	As at March 31, 2020 Rs. in Million	As at March 31, 2019 Rs. in Million
<u>Non-current</u>		
(a) Investment in equity shares fully paid up (Unquoted)		
1 (March 31, 2019 - 1) equity share of Brightstar Telecommunications Singapore Private Limited (Erstwhile known as Beetel Singapore Private Limited) of USD 1 each fully paid up	360.86	360.86
	360.86	**360.86**

* In accordance with Ind AS 101, the Company has carried out fair valuation of its investment in subsidiary at April 1, 2015 and used that fair value as deemed cost on the date of transition. On the basis of impairment analysis conducted by the Company as per Ind AS 36 ' Impairment of Assets', the Company has not created any provision for dimunition as these are long-term investments and no impariment is considered necessary at this stage.

7. Loans

	As at March 31, 2020 Rs. in Million	As at March 31, 2019 Rs. in Million
Non current		
Security deposits (Unsecured, considered good)	16.38	15.29
Security deposits (Unsecured, considered doubtful)	0.39	0.39
	16.77	**15.68**
Allowances for credit losses	(0.39)	(0.39)
	16.38	**15.29**

Movement in allowances for credit losses	As at March 31, 2020 Rs. in Million	As at March 31, 2019 Rs. in Million
Balance at the beginning of the year	**0.39**	**0.39**
Movement in allowances for credit losses	-	-
Balance at the end of the year	**0.39**	**0.39**

8. Other financial assets

	As at March 31, 2020 Rs. in Million	As at March 31, 2019 Rs. in Million
Non Current		
(a) Balances in earmarked accounts		
-Margin money*	6.11	9.61
	6.11	**9.61**
Current		
(a) Financial assets measured at fair value		
Forward contracts (Refer note 39)	25.41	-
(b) Interest accrued on bank deposits	0.08	0.07
(c) Receivables from related parties (Refer note 37)	0.10	1.39
(d) Vendor Incentive receivables	194.04	100.72
(e) Other receivables	25.34	19.57
	244.97	**121.75**

*Margin money with a carrying amount of Rs. 6.11 Million (March 31, 2019- Rs. 9.61 Million) are hypothecated against the bank guarantee.

9. Tax Assets

	As at March 31, 2020 Rs. in Million	As at March 31, 2019 Rs. in Million
Non current tax assets		
Advance income-tax (net of provision of Rs. Nil (March 31, 2019- Nil)	92.59	173.59
	92.59	173.59
Current tax assets		
Advance income-tax (net of provision of Rs. Nil (March 31, 2019- Nil)	127.20	-
	127.20	-

10. Other assets

	As at March 31, 2020	As at March 31, 2019
	Rs. in Million	Rs. in Million
<u>Non-current</u>		
(a) Advances other than capital advances (Unsecured, considered good)		
(i) Balances with government authorities	100.86	170.32
(ii) Deferred expense on security deposit given	-	5.53
(iii) Deferred service cost*	295.62	271.38
	396.48	**447.23**
(b) Advances other than capital advances (Unsecured, considered doubtful)		
(i) Balances with government authorities	6.00	8.52
	6.00	**8.52**
Allowances for credit losses	(6.00)	(8.52)
	396.48	**447.23**
<u>Current</u>		
(a) Advances other than capital advances (Unsecured, considered good)		
(i) Prepaid expenses	28.91	25.80
(ii) Deferred expense on security deposit given	-	1.03
(iii) Balances with government authorities	481.79	963.62
(iv) Loans/Imprest to employees	2.16	1.15
(v) Deferred service cost*	411.64	347.32
(vi) Other	34.42	32.28
	958.92	**1,371.20**

*Effective April 1, 2018, the Company had applied Ind AS 115 Revenue from Contracts with Customers. As per Ind AS 115, revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company had contract with customers where the period between the transfer of the promised services to the customer and payment by the customer over time. As a consequence, the Company had adjusted the transaction price and has deferred the service revenue for contracts along with the related cost of providing those services whose period has not expired as on the reporting period.

11 . Inventories

	As at March 31, 2020	As at March 31, 2019
	Rs. in Million	Rs. in Million
Raw materials	**42.68**	**59.07**
Allowances for obsolete/slow moving stock	(0.15)	(0.48)
	42.53	**58.59**
Work-in-progress	**3.84**	**8.14**
Finished goods	**36.13**	**46.40**
Stock-in-trade	**1,692.93**	**1,411.56**
Allowances for obsolete/slow moving stock	(93.71)	(80.03)
	1,599.22	**1,331.53**

	As at March 31, 2020	As at March 31, 2019
	Rs. in Million	Rs. in Million
Stores and spares	**0.47**	**1.33**
Allowances for obsolete/slow moving stock	(0.03)	(0.65)
	0.44	**0.68**
	1,682.16	**1,445.34**

Included above, goods-in-transit:		
(i) Raw materials	10.75	24.96
(ii) Stock-in-trade	139.27	145.27
Total goods-in-transit	**150.02**	**170.23**

(i) The cost of inventories recognised as an expense during the year was Rs. 11,264.72 Million (March 31, 2019: Rs. 11,507.92 Million).

(ii) Refer to Note 19 for information on inventories pledged as security by the company

(iii) The method of valuation of inventories has been stated in note 2.12

12. Trade receivables

	As at March 31, 2020	As at March 31, 2019
	Rs. in Million	Rs. in Million
<u>**Current**</u>		
Trade receivables*		
(a) Unsecured, considered good	1,937.87	2,387.15
(b) Unsecured, considered doubtful	412.88	479.91
	2,350.75	**2,867.06**
Allowance for credit loss	(412.88)	(479.91)
	1,937.87	**2,387.15**

Movement in allowances for credit loss	As at March 31, 2020	As at March 31, 2019
	Rs. in Million	Rs. in Million
Balance at the beginning of the year	479.91	591.86
Utilised during the year	(5.57)	(62.87)
Arise/(reversed) of allowances for credit loss	(61.46)	(49.08)
Balance at the end of the year	**412.88**	**479.91**

* Includes Rs. 32.49 Million (March 31, 2019- Rs. 29.91Million) secured against bank guarantees issued by customers, Rs. 1,618.79 Million (March 31, 2019- Rs. 1,697.96 Million) secured against credit insurance and Rs. 169.86 Million (March 31, 2019- Rs. 492.75 Million) secured against letter of credit. Insurance against trade receivables, if any, are available only in case there are no dispute with customers.

* There are Nil Trade receivable which have significant increase in credit risk.

* Trade receivable are generally on terms of 7-90 days from date of invoice.

13. Cash and cash equivalents

	As at March 31, 2020	As at March 31, 2019
	Rs. in Million	Rs. in Million
(i) Cash on hand	0.05	0.03
(ii) Balances with banks:		
(a) In current accounts	105.03	0.65
	105.08	**0.68**

14. Other bank balances

	As at March 31, 2020	As at March 31, 2019
	Rs. in Million	Rs. in Million
(a) In earmarked accounts		
- On current accounts under lien	-	2.53
	-	2.53

15. Equity share capital

	As at March 31, 2020	As at March 31, 2019
	Rs. in Million	Rs. in Million
Authorised share capital		
Equity shares of Rs. 10 each with voting rights	100.00	100.00
March 31, 2020 :- 10,000,000 Shares		
March 31, 2019 :- 10,000,000 Shares		
Issued, subscribed and fully paid		
Equity shares of Rs. 10 each with voting rights	50.92	50.92
March 31, 2020 :- 5,091,607 Shares		
March 31, 2019 :- 5,091,607 Shares		
	50.92	**50.92**

15.1 Reconciliation of the number of shares outstanding at the beginning and at the end of the year.	Number of Shares	Share Capital
	In Million	INR in Million
Balance as at April 01, 2018	5.09	50.92
Add:- Issued during the year	-	-
Balance as at March 31, 2019	5.09	50.92
Add:- Issued during the year	-	-
Balance as at March 31, 2020	**5.09**	**50.92**

15.2 Voting and other rights

The Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.

15.3 Details of shares held by the holding company.

Fully paid equity shares of Rs. 10 (No. of shares in Million)	As at March 31, 2020	As at March 31, 2019
Brightstar Logistics Pte. Ltd (Holding Company)	2.59	2.59

15.4 Details of shares held by each shareholder holding more than 5% shares in the company. (In Million)

Fully paid equity shares of Rs. 10 each	As at March 31, 2020		As at March 31, 2019	
	Number of Shares held	% holding of equity shares	Number of Shares held	% holding of equity shares
Brightstar Logistics Pte. Ltd	2.59	51.00%	2.59	51.00%
Bharti (RM) Holdings Private Limited	0.63	12.36%	0.63	12.36%
Eiesha Bharti Pasricha	1.01	19.78%	1.01	19.78%
Bharti (RBM) Holdings Private Limited	0.63	12.36%	0.63	12.36%

16. Other equity

	As at March 31, 2020	As at March 31, 2019
	Rs. in Million	Rs. in Million
Capital reserve	2.50	2.50
Securities premium	5.27	5.27
Retained earnings	(1,054.44)	(1,176.75)
	(1,046.67)	**(1,168.98)**

16.1 Capital reserve

	As at March 31, 2020	As at March 31, 2019
	Rs. in Million	Rs. in Million
Balance at the beginning of the year	2.50	2.50
Movement during the year	-	-
Balance at the end of the year	**2.50**	**2.50**

16.2 Securities premium

	As at March 31, 2020	As at March 31, 2019
	Rs. in Million	Rs. in Million
Balance at the beginning of the year	5.27	5.27
Movement during the year	-	-
Balance at the end of the year	**5.27**	**5.27**

16.3 Retained earnings

	As at March 31, 2020 Rs. in Million	As at March 31, 2019 Rs. in Million
Balance at the beginning of the year	(1,176.75)	(561.21)
Effect of adoption of new Ind AS (Net of deferred tax Rs. Nil)	(6.37)	(53.04)
Profit/(Loss) during the year	110.65	(555.90)
Other comprehensive loss arising from defined benefit obligation, net of income taxes	18.03	(6.60)
Balance at the end of the year	**(1,054.44)**	**(1,176.75)**

<u>Nature of reserves</u>

16.1) Capital reserve

The Company recognises profit or loss on purchase, sale, issue or cancellation of Company's own equity instruments to capital reserve.

16.2) Securities premium

The amount received in excess of face value of the equity shares is recognised in securities premium reserve.

16.3) Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

17. Provisions

	As at March 31, 2020 Rs. in Million	As at March 31, 2019 Rs. in Million
<u>Non current provisions</u>		
(a) Provision for employee benefits		
Provision for compensated absences (Refer Note 36)	21.74	24.58
Provision for other long term employee benefits (Refer Note 36)	0.70	1.79
	22.44	**26.37**
(b) Other provisions		
Provision for litigations (Refer Note 17.2)	44.78	242.41
	44.78	**242.41**
	67.22	**268.78**
<u>Current provisions</u>		
(a) Provision for employee benefits		
Provision for compensated absences (Refer Note 36)	3.22	3.31
Provision for other long term employee benefits (Refer Note 36)	0.55	2.47
Provision for sales return allowance (Refer Note 17.3)	20.62	38.40
	24.39	**44.18**
(b) Other provisions		
Provision for warranties (Refer Note 17.1)	18.77	17.05
	18.77	**17.05**
	43.16	**61.23**

17.1 Provision for warranties

The Company provides warranty on certain products dealt by it by giving the undertaking to repair/ replace items, which fails to perform satisfactorily during the warranty period. Provision made as at March 31, 2020 represents the amount of the expected cost of meeting such obligations of repair/ replacement. The details are as follows:

Reconciliation of balance at the beginning and at the end of the year	As at March 31, 2020	As at March 31, 2019
	Rs. in Million	Rs. in Million
Balance at the beginning of the year	17.05	42.78
Arising during the year	21.25	88.85
Utilized during the year	(3.66)	(97.37)
Unused amounts reversed	(15.87)	(17.21)
Balance at the end of the year	**18.77**	**17.05**

17.2 Provision for litigations

The Company is contending various matters pertaining to excise duty, sales tax and entry tax and has considered provision for the matters where it is probable that an outflow of resources may be required to settle the obligation. The details are as follows:

Reconciliation of balance at the beginning and at the end of the year	As at March 31, 2020	As at March 31, 2019
	Rs. in Million	Rs. in Million
Balance at the beginning of the year	242.41	42.09
Arising/(reversed) during the year*	(197.63)	200.32
Utilised during the year	-	-
Balance at the end of the year	**44.78**	**242.41**

* Company imports Access Points for Network division which is supplied to different customers. These goods are classified under CTH 8517 62 90 by availing BCD exemption under Notification No.24/2005. This Notification further amended vide Notification No.11/2014 dated 11-07-2014 and BCD exemption was withdrawn to 5 category of products which include Multiple Input/Multiple Output (MIMO) and Long-Term Evolution (LTE) Products. The Company is of the view that these access points are not covered in S.no. (iv) of such exception list because majority of these access points are not having feature of Multiple Input/Multiple Output (MIMO) and Long-Term Evolution (LTE) Products. During the current year, the case has been decided in favour of the Company. On the basis of legal view, management is of the view that the likelihood of any liability devolving on the Company is remote, hence provision has been reversed during the year.

17.3 Provision for sales return allowance

Company's customer has contractual right to return goods only when authorised by the Company. An estimate is made of goods that will be returned and a liability is recognised based on best estimate available and customer agreements.

Reconciliation of balance at the beginning and at the end of the year	As at March 31, 2020	As at March 31, 2019
	Rs. in Million	Rs. in Million
Balance at the beginning of the year	38.40	0.98
Arise/(reverse) during the year	12.17	48.94
Utilised during the year	(29.95)	(11.52)
Balance at the end of the year	**20.62**	**38.40**

18. Other liabilities

	As at March 31, 2020	As at March 31, 2019
	Rs. in Million	Rs. in Million
<u>Non Current</u>		
(a) Deferred contract revenue*	327.45	307.78
(b) Gratuity obligation (Refer Note 36)	54.60	60.51
	382.05	**368.29**
<u>Current</u>		
(a) Advance received from customer	47.73	63.25
(b) Statutory dues		
- taxes payable (other than income taxes)	48.02	39.43
(c) Gratuity obligation (Refer Note 36)	5.55	6.55
(d) Deferred contract revenue*	463.71	396.92
	565.01	**506.15**

*Effective April 1, 2018, the Company had applied Ind AS 115 Revenue from Contracts with Customers. As per Ind AS 115, revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company had contract with customers where the period between the transfer of the promised services to the customer and payment by the customer over time. As a consequence, the company has adjusted the transaction price and has deferred the revenue for contracts along with the related cost of providing those services, whose period has not expired as on reporting period.

19. Borrowings

<u>Current Borrowings</u>	As at March 31, 2020	As at March 31, 2019
	Rs. in Million	Rs. in Million
Secured		
a) Cash credit from banks (Refer Note 19.1)	132.00	515.51
b) Working capital demand loan (Refer Note 19.1)	2,520.10	2,930.00
	2,652.10	**3,445.51**
Unsecured		
a) Buyer's credit (Refer Note 19.2)	228.13	146.35
b) Other loan (Refer Note 19.5)	113.45	-
	2,993.68	**3,591.86**
<u>**Non-Current Borrowings**</u>		
Unsecured		
a) Loan from Related party (Refer Note 19.4)	376.95	-
b) Other loan (Refer Note 19.5)	207.47	-
	584.42	**-**

Note :

19.1 Cash credit and working capital demand loan

a) The cash credit facility carries interest rate of 8.65% to 10.35% p.a. (March 31, 2019: 9.65% to 10.40% p.a) and working capital loan from ANZ Banking Group Ltd is repayable on demand carries interest rate of 7.10% to 8.55% p.a. (March 31, 2019: 8.50% to 8.80% p.a.) and is secured by hypothecation of current, fixed, movable and immovable assets of the Company. Further, the above borrowings from ANZ banking Group Ltd is secured against corporate guarantee from Brightstar Logistics Pte Ltd and Brightstar Logistics Pty Ltd.

b) The cash credit facility carries interest rate of 9.60% to 12.00% p.a. (March, 31, 2019: 8.80% to 10.75% p.a.) and working capital loan from Kotak Mahindra Bank is repayable on demand carries interest rate of 8.25% to 12.00% p.a. (March 31, 2019 : 8.45% to 10.55% p.a.) and is secured by hypothecation of all existing and future receivable/current assets/movable fixed assets of Company and further secured against corporate guarantee from Brightstar Corp.

c) The cash credit facility carries interest rate of 11.60 to 12% p.a. (March 31, 2019 : 9.75% to 12.00%p.a.) and working capital loan from HDFC Bank Ltd is repayable on demand carries interest rate of 11.00% to 12.00% p.a. (March 31, 2019 : 8.20% to 10.75% p.a.) and is secured by hypothecation of stock, book debts and entire fixed assets of Company and further secured against corporate guarantee from Brightstar Corp.

d) Working capital loan from Citi Bank Limited is repayable on demand carries interest rate of 9.00% p.a. and is secured against hypothecation of current and Fixed assets of Company and further secured against corporate guarantee by Brightstar Corp.

19.2 Buyer's credit

a) Buyer's credit carries interest rate of 2.66% to 3.74% p.a. (March 31, 2019 : 2.81% to 3.95% p.a.) from ANZ Banking Group Ltd which is secured by corporate guarantee from Brightstar Logistics Pte Ltd and Brightstar Logistics Pty Ltd.

19.3 Corporate guarantees

a) Since the corporate guarantees given by Brightstar Corp., Brightstar Logistics Pte Ltd and Brightstar Logistics Pty Ltd. are integral to the original borrowings, fair value of financial guarantee is not accounted separately.

19.4 Loan from Related party

USD 5 Mn Intercompany loan for Brightstar Logistics Pte Ltd Singapore for 5 years carrires interest rate of LIBOR+450bps.

19.5 Other loan

Unsecured financing arrangement loan from Hewlett Packard Financial Services (India) Private Limited , repayable in 36 installments and carries interest rate of 10.90%

20. Trade payables

	As at March 31, 2020	As at March 31, 2019
	Rs. in Million	Rs. in Million
Total outstanding dues of micro enterprises and small enterprises (refer note 44)	23.09	1.68
Total outstanding dues of creditors other than micro enterprises and small enterprises*	2,326.37	2,716.23
	2,349.46	**2,717.91**

* Above trade payables includes payable to one vendor amounting Rs. Nil (March 31, 2019- Rs. 74.75 Million) which will be paid to the vendor only after the Company will receive payment from customers to whom the Company have sold its product.

For related party balances, Refer Note 37.

21. Other financial liabilities

	As at March 31, 2020	As at March 31, 2019
	Rs. in Million	Rs. in Million
Current		
(a) Security deposits received	0.08	0.15
(b) Interest accrued but not due on borrowings	20.14	5.72
(c) Payable to Employees	21.47	56.01
(d) Financial liability measured at fair value		
(i) Forward contracts	-	14.17
	41.69	**76.05**

22. Revenue from operations*

	Year ended March 31, 2020	Year ended March 31, 2019
	Rs. in Million	Rs. in Million
(a) Revenue from sale of products		
- Finished goods	529.60	563.76
- Traded goods	11,274.94	11,433.70
(b) Revenue from rendering of services	888.95	667.14
(c) Other operating revenue		
- Sale of scrap	4.25	0.43
	12,697.74	**12,665.03**

* Also refer note 42

22.1 Disaggregated revenue information

Set out below is the disaggregation of the Company's revenue from contracts with customers: (Rs. in Million)

Segment	Year Ended March 31, 2020				Total
	Consumer	Enterprises	Network	Mobile Distribution*	
India	5,133.23	5,053.20	2,475.51	-	**12,661.94**
Outside India	12.35	22.13	1.32	-	**35.80**
Total Revenue from contracts with customers	**5,145.58**	**5,075.33**	**2,476.83**	**-**	**12,697.74**

(Rs. in Million)

Segment	Year Ended March 31, 2019				Total
	Consumer	Enterprises	Network	Mobile Distribution*	
India	5,181.51	4,521.00	2,721.69	-	**12,424.20**
Outside India	15.42	48.23	177.18	-	**240.83**
Total Revenue from contracts with customers	**5,196.93**	**4,569.23**	**2,898.87**	**-**	**12,665.03**

During the last year Company had discontinued mobile handset business, pertaining to mobile distribution segment. (Refer note 40 and 42)

22.2 Contract Balances

Particulars	As at March 31, 2020	As at March 31, 2019
	Rs. in Million	Rs. in Million
Trade Receivables	1,937.87	2,387.15
Contract Assets	-	-
Contract Liabilities	47.73	63.25

Set out below is the amount of revenue recognised from:

Particulars	As at March 31, 2020	As at March 31, 2019
	Rs. in Million	Rs. in Million
Amounts included in contract liabilities at the beginning of the year	63.25	76.81
Performance obligations satisfied in previous years	-	-

22.3 Performance obligations and remaining performance obligations

The transaction price allocated to the remaining performance obligations as at 31st March, 2020 is as follows:

	As at March 31, 2020	As at March 31, 2019
	Rs. in Million	Rs. in Million
Within one year	463.71	396.92
More than one year	327.45	307.78

The remaining performance obligations expected to be recognised in more than one year relates to the performance of services that is to be satisfied within a maximum period of five years. These services relates to products sold by the Company. All the other remaining performance obligations are expected to be recognised within one year.

23. Other income*

	Year ended March 31, 2020	Year ended March 31, 2019
	Rs. in Million	Rs. in Million
(a) Interest income		
(i) On bank deposits	0.42	0.60
(ii) On security deposits carried at amortised cost	0.93	1.32
(iii) Others	41.80	18.53
(b) Other non operating income		
(i) Liabilities/provisions no longer required written back	3.94	2.88
(ii) Miscellaneous income	40.63	18.09
(iii) Dividend Income	144.99	71.12
	232.71	**112.54**

* Also refer note 42

24. Cost of material consumed*

	Year ended March 31, 2020	Year ended March 31, 2019
	Rs. in Million	Rs. in Million
Opening stock	**59.07**	**39.50**
Add: Purchases	277.20	327.39
	336.27	**366.89**
Less: Closing stock	42.68	59.07
Cost of material consumed	**293.59**	**307.82**

* Also refer note 42

25. Purchases*

	Year ended March 31, 2020	Year ended March 31, 2019
	Rs. in Million	Rs. in Million
Purchase of goods and Services	11,237.93	11,157.49
	11,237.93	**11,157.49**

* Also refer note 42

26. Changes in inventories of finished goods, work-in-progress and stock-in-trade*

	Year ended March 31, 2020	Year ended March 31, 2019
	Rs. in Million	Rs. in Million
Inventories at the end of the year:		
Finished goods	36.13	46.40
Work-in-progress	3.84	8.14
Stock-in-trade	1,692.93	1,411.56
	1,732.90	**1,466.10**
Inventories at the beginning of the year:		
Finished goods	46.40	36.34
Work-in-progress	8.14	6.14
Stock-in-trade	1,411.56	1,466.23
	1,466.10	**1,508.71**
Net (increase)/decrease	**(266.80)**	**42.61**

* Also refer note 42

27. Employee benefit expense*

	Year ended March 31, 2020	Year ended March 31, 2019
	Rs. in Million	Rs. in Million
Salaries and wages	537.75	487.11
Contribution to provident and other funds	45.73	40.25
Staff welfare expenses	20.22	20.65
	603.70	**548.01**

* Also refer note 42

28. Finance cost*

	Year ended March 31, 2020 Rs. in Million	Year ended March 31, 2019 Rs. in Million
Interest expenses		
- On current borrowings	283.22	369.28
- On borrowings from related party (refer note 37)	9.40	-
- On Lease liability	15.39	-
	308.01	**369.28**

* Also refer note 42

29. Depreciation and amortisation expense*

	Year ended March 31, 2020 Rs. in Million	Year ended March 31, 2019 Rs. in Million
Depreciation of property, plant and equipment (Refer Note 4)	19.54	20.07
Amortisation of intangible assets (Refer Note 5)	21.51	16.34
Amortisation of right to use asset (refer note 43)	23.07	-
	64.12	**36.41**

* Also refer note 42

30. Other expenses*

	Year ended March 31, 2020 Rs. in Million		Year ended March 31, 2019 Rs. in Million	
Advertisement and marketing expense		8.40		7.04
Bad debts and advances written off	14.41		0.62	
Less: adjusted against provision for doubtful debts	(5.57)	8.84	(0.57)	0.05
Bank charges		9.41		11.76
Charity and donation		0.20		0.20
Commission on sales		11.78		2.22
Communication expenses		8.25		10.25
Consumption of stores and spares		2.23		2.85
Electricity and water charges		3.19		3.37
Exchange rate difference (net)		77.63		59.78
Freight and cartage		84.60		69.38
Insurance charges		47.93		40.28
Legal and professional expenses#		30.11		25.40
Loss on sale of property, plant and equipment (net)/ Software Impairement		1.91		(0.10)
Power and fuel		10.70		11.79
Printing and stationery		1.02		1.23
Allowances for doubtful debt (net)		(61.46)		2.86
Allowances for obsolete/slow moving stock		12.72		16.74

	Year ended March 31, 2020 Rs. in Million	Year ended March 31, 2019 Rs. in Million
Recruitment and staff development	9.05	15.37
Rates and taxes	4.22	2.55
Rent expenses	3.64	32.67
Repair and maintenance:		
a) Building	0.17	0.21
b) Others	58.21	54.33
Sales promotion and schemes expenses	20.89	34.15
Security charges	4.39	4.03
Service charges	138.82	135.04
Travelling and conveyance	46.89	44.65
Warranty cost	5.39	71.64
Miscellaneous expenses	30.12	27.37
	579.25	**687.11**

* Also refer note 42

 # Payment to Auditor (as included in legal and professional expenses) excluding taxes

	Year ended March 31, 2020 Rs. in Million	Year ended March 31, 2019 Rs. in Million
As Auditor:		
Audit fee	2.63	2.50
In other capacity:		
Other services (certification and others)	0.65	0.20
Reimbursement of expenses	0.14	0.18
	3.42	**2.88**

31. Income taxes

	Year ended March 31, 2020 Rs. in Million	Year ended March 31, 2019 Rs. in Million
Current tax		
In respect of the current year	-	-
In respect of the previous years	-	-
	-	-
Deferred tax		
In respect of the current year	-	-
Adjustments in respect of deferred tax of previous years	-	-
	-	-
Total income tax expense recognised in Statement of Profit and Loss	-	-

Reconciliation of tax expense with accounting profit for the year as follows:

	Year ended March 31, 2020	Year ended March 31, 2019
	Rs. in Million	**Rs. in Million**
Profit/ (Loss) before tax	**110.65**	**(555.90)**
Income tax @34.944% (year ended March 31, 2019 @ 34.944%)	38.67	(194.25)
Adjustments in respect of deferred tax of previous years	-	-
Deferred tax asset not recognised	(38.67)	194.25
Net tax expense recognised in profit and loss	**-**	**-**

The tax rate used for the years 2019-2020 and 2018-2019 reconciliations above is the corporate tax rate payable by corporate entity in India on taxable profits under the Indian tax law.

32. Profit/(Loss) per share

	Year ended March 31, 2020	Year ended March 31, 2019
	Rs. in Million	**Rs. in Million**
Nominal value of equity shares (Rs.)	10	10
Profit/(Loss) attributable to equity shareholders from continuing operations for computing basic and dilutive EPS (A) (Rs. million)	110.65	(371.16)
Profit/(Loss) attributable to equity shareholders from discontinued operations for computing basic and dilutive EPS (A) (Rs. million)	-	(184.74)
Weighted average number of equity shares outstanding during the year for computing Basic EPS (B)	5.09	5.09
Dilutive effect on weighted average number of equity shares and equity equivalent shares for computing Diluted EPS	-	-
Weighted average number of equity shares and equity equivalent shared for computing Diluted EPS (C)	5.09	5.09
Basic earnings per share (A/B) continuing operation	**21.74**	**(72.92)**
Basic earnings per share (A/B) discontinuing operation	**-**	**(36.29)**
Diluted earnings per share (A/C) continued operation	**21.74**	**(72.92)**
Diluted earnings per share (A/C) discontinued operation	**-**	**(36.29)**
Basic earnings per share (A/B) Rs.	**21.74**	**(109.21)**
Diluted earnings per share (A/C) Rs.	**21.74**	**(109.21)**

33. Deferred tax assets/(liabilities) (net)*

	As at March 31, 2020	As at March 31, 2019
	Rs. in Million	**Rs. in Million**
Deferred tax assets	115.89	80.76
Deferred tax liabilities	(115.89)	(80.76)
Net deferred tax assets	-	-

Deferred tax relates to the following:	As at March 31, 2020 Rs. in Million	As at March 31, 2019 Rs. in Million
Deferred tax liability on account of:		
Property, plant and equipment, right to use assets and intangible assets	43.72	8.59
Investment in subsidiary	72.17	72.17
	115.89	**80.76**
Deferred tax asset on account of:		
Temporary differences	115.89	80.76
	115.89	**80.76**
Net deferred tax assets	-	-

* Considering the nature of the Company's operations and history of past tax losses, deferred tax assets are recognized to the extent of Deferred tax liability in line with ICAI guidelines. With respect to recognised deferred tax assets, it is probable that sufficient taxable profit will be generated in future against which such deductible temporary differences will be utilised. It is considered prudent not to recognise deferred tax assets on other temporary differences, unabsorbed depreciation and tax losses of Rs. 579.68 Million (year ended March 31, 2019: Rs. 621.83 Million).

34. Contingent liabilities (to the extent not provided for)

Claims against the Company not acknowledged as debt (excluding cases where the possibility of any outflow in settlement is remote):

(Rs. in Million)

Particulars	As at March 31, 2020	As at March 31, 2019
Sales Tax	104.06	103.37
Excise Duty	3.70	3.70
Custom Duty	-	-
Other	2.02	2.09
Total	**109.78**	**109.16**

The Company's pending litigations above pertains to proceedings pending with VAT, excise department, custom department and other authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities, where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial statements.

35. Commitments

(i) Capital commitments

(Rs. in Million)

Particulars	As at March 31, 2020	As at March 31, 2019
Estimated amount of contracts remaining to be executed on capital account and not provided for*	5.62	1.69
Total	**5.62**	**1.69**

* As of March 31, 2020, Net of capital advance Nil (March 31, 2019- Nil)

The Company has other commitments for the purchase orders which are issued after considering requirements as per operating cycle for purchase of goods and services. The Company does not have any long term commitment or material non-cancellable contractual commitments/ contracts which might have a material impact on the financial statements.

36. Employee benefit plan

36.1 Defined contribution plan

The Company makes provident fund contributions which are defined contribution plans, for qualifying employees. Under the scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs. 27.10 Million (year ended March 31, 2019 Rs. 26.83 Million) for provident fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the scheme.

36.2 Defined benefit plans and other employee benefits

Gratuity scheme: The scheme is a defined benefit arrangement providing gratuity benefit expensed in terms of final monthly salary and service. Every employee gets a gratuity on departure at 15 days salary for each completed year of service. However, payment to the employees who have joined prior to April 1, 2008 is subject to a maximum limit of Rs 2,000,000. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

Long term employee benefits: Compensated absences include earned leaves and sick leaves. Compensated absences have been provided on accrual basis based on year end actuarial valuation.

Long term service award: The long term service award ('the program') is governed by Company's long term service policy. The present value of obligation is determined based on Management estimate.

36.3 Description of risk exposures

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such Company is exposed to various risks as follow:

Salary risk (salary escalation)	Actual salary escalation will increase the plan's liability. Escalation in salary increase rate assumption in future valuations will also increase the liability.
Discount rate	Reduction in discount rate in subsequent valuations can increase the plan's liability.
Mortality & disability	Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
Withdrawals	Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact plan's liability.

36.4 The principal assumptions used for the purpose of the actuarial valuations were as follows:

Valuation as at

	March 31, 2020			March 31, 2019		
	Gratuity	**Compensated absences**	**Long term service award**	**Gratuity**	**Compensated absences**	**Long term service award**
Discount rate(s)	6.55%	6.55%	-	7.40%	7.40%	-
Expected rate(s) of salary escalation	0% for year 2020-21 and 7% thereafter	0% for year 2020-21 and 7% thereafter	-	10.00%	10.00%	-
Employee turnover	0%-15%	0%-15%	-	0%-17%	0%-17%	-

36.5 Amounts recognised in Statement of Profit and Loss in respect of these defined benefits plans and other long term employee benefits are as follows:

(Rs. in Million)

	Year ended March 31, 2020			Year ended March 31, 2019		
	Gratuity	Compensated absences	Long term service award	Gratuity	Compensated absences	Long term service award
Service cost*						
Current service cost	11.03	5.22		10.37	4.92	0.06
Past Service Cost	-	-		-	-	
Actuarial losses	-	(4.52)	(2.31)	-	2.39	
Net interest expense	4.98	1.98		4.08	1.93	
Components of defined benefit costs recognised in profit or loss	**16.01**	**2.68**	**(2.31)**	**14.45**	**9.24**	**0.06**
Remeasurement on the net defined benefit liability**						
Return on plan assets (excluding amount included in net interest expense)	0.93			0.32		
Actuarial (gains)/losses	(18.65)			(0.75)		
Actuarial gains and loss arising form experience adjustments	(0.31)			7.03		
Components of defined benefit cost recognised in other comprehensive income	**(18.03)**	**-**	**-**	**6.60**	**-**	**-**
Total	**(2.02)**	**2.68**	**(2.31)**	**21.05**	**9.24**	**0.06**

* The current service cost and the net interest expense for the year are included in the "Employee Benefit Expense" line item in the Statement of Profit and Loss.

** The remeasurement of the net defined liability is included in Other Comprehensive Income.

36.6 The amount included in the Balance Sheet arising from the entity's obligation in respect of its defined benefit plans and other long term employee benefits is as follows:

(Rs. in Million)

	March 31, 2020			March 31, 2019		
	Gratuity	Compensated absences	Long term service award	Gratuity	Compensated absences	Long term service award
Present value of defined benefit obligation	83.08	24.96	1.25	95.07	27.89	4.26
Fair value of plan assets	(22.93)	-	-	(28.01)	-	-
Net liability arising from defined benefit obligation	**60.15**	**24.96**	**1.25**	**67.06**	**27.89**	**4.26**
Non current portion	54.60	21.74	0.70	60.51	24.58	1.79
Current portion	5.55	3.22	0.55	6.55	3.31	2.47

Movement in the present value of the defined benefit obligation and other long term employee benefits are as follows:

(Rs. in Million)

	March 31, 2020			March 31, 2019		
	Gratuity	Compensated absences	Long term service award	Gratuity	Compensated absences	Long term service award
Opening defined benefit obligation	**95.07**	**27.89**	**4.26**	**82.34**	**25.21**	**4.56**
Current service cost	11.03	5.22	-	10.37	4.92	0.06
Past service cost	-	-	-	-	-	-
Interest cost	7.05	1.98	-	6.29	1.93	-
Remeasurement losses						
- Actuarial losses	(18.65)	(4.52)	(2.31)	(0.75)	2.39	-
- Actuarial gains and loss arising form experience adjustments	(0.31)	-	-	7.03	-	-
Benefits paid	(11.11)	(5.61)	(0.70)	(10.21)	(6.56)	(0.36)
Closing defined benefit obligation	**83.08**	**24.96**	**1.25**	**95.07**	**27.89**	**4.26**

Movement in the fair value of the plan assets are as follows:

(Rs. in Million)

	March 31, 2020			March 31, 2019		
	Gratuity	Compensated absences	Long term service award	Gratuity	Compensated absences	Long term service award
Opening fair value of plan assets	**28.01**	**-**	**-**	**29.03**	**-**	**-**
Interest income	2.07	-	-	2.22	-	-
Remeasurement losses						
- Actual return on plan assets in excess of the expected return	(0.93)	-	-	(0.32)	-	-
Contributions by employer (including benefit payments recoverable)	2.23	-	-	1.32	-	-
Benefits paid	(8.45)	-	-	(4.24)	-	-
Closing fair value of plan assets	**22.93**	**-**	**-**	**28.01**	**-**	**-**

36.7 Maturity profile of defined benefit obligation of gratuity:

(Rs. in Million)

	2020	2019
Within 1 year	7.19	9.40
2 - 5 year	35.11	37.45
6 - 10 year	43.02	50.45
More than 10 years	55.72	82.39

The weighted average duration of the defined benefit obligation is 7 years (March 31, 2019: 7 years).

36.8 Plan assets

The fair value of Company's pension plan asset as of March 31, 2020 and 2019 by category are as follows:

Asset category:	2020	2019
Investment with Insurer	100%	100%

36.9 The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

36.10 Sensitivity analysis

The sensitivity of the defined benefit obligation of gratuity to changes in the weighted principal assumptions is: (Rs. in Million)

Principal assumption	Year	Changes in assumption	Impact on defined benefit obligation	
			Increase	Decrease
Discount rate	2020	(- / + 1%)	(5.52)	6.17
	2019	(- / + 1%)	(7.38)	6.58
Salary escalation rate	2020	(- / + 1%)	6.06	(5.60)
	2019	(- / + 1%)	6.32	(6.90)
Attrition rate	2020	(- / + 50%)	(0.38)	0.59
	2019	(- / + 50%)	(3.98)	2.35
Mortality rate	2020	(- / + 10%)	(0.01)	0.01
	2019	(- / + 10%)	(0.03)	0.04

37. Related Party Transactions

S.No.	Nature of relationship	Name of the party
a.	Ultimate holding company	Softbank Group Corp.
b.	Holding company	Brightstar Corp
c.	Intermediate Holding company	Brightstar Logistics Pte Ltd
d.	Enterprise having substantial interest in the Company	Bharti (RBM) Holdings Private Limited Eiesha Bharti Pasricha (w.e.f March 30, 2019) Bharti (RM) Holdings Private Limited
e.	Subsidiary company (Wholly owned)	Brightstar Telecommunications Singapore Private Limited (Erstwhile Beetel Teletech Singapore Private Limited)
f.	Fellow subsidiaries and other companies which do not exercise control or significant influence over the Company (with whom the Company has transactions)	Brightstar Logistics Pty Ltd. Brightstar 20:20 Limited Brightstar 20:20 UK Limited
g.	Key management personnel of the Company	**Whole Time Directors:** Sanjeev Chhabra - with effect from July 12, 2018 and Managing Director with effect from January 28, 2019 Mr. Deval Parikh-CEO and Whole time Director till July 12, 2018. Resigned on April 21, 2018 **Others:** Geeta Mathur (Independent Director)- till February 06, 2019 Rajesh Madan (Independent Director) Paul Andrew Ringrose (Director)- resigned w.e.f 30/04/2019

		Dharshan Nanayakkara (Director) resigned wef 06/03/2020 Harjeet Singh Kohli (Director)- resigned 08/01/2020 Uma Ajay Relan (Independent Director)- effective August 6, 2019 Stijin Piet N Nijis (Non-Executive Director)- effective May 13, 2019 Luciano Barreto Ferreira (Chief Financial officer)- effective October 22, 2018 Devendra Khanna (Director) effective 26/12/2019 Neeraj Manchanda (Company Secretary) effective January 28, 2019 Neeru Bhalla (Company Secretary)- till October 29, 2018

37.1 Details of transaction between the Group and its related parties are disclosed below:

(Rs. in Million)

Particulars	For the year ended	Holding company	Subsidiary	Fellow subsidiaries	Key managerial personnel*
Nature of transactions with related parties					
Purchase of goods	31-Mar-20	-	347.62	-	-
	31-Mar-19	-	28.45	-	-
Purchase Return	31-Mar-20	-	-	-	-
	31-Mar-19	-	28.19	-	-
Expenses incurred by related party on	31-Mar-20	3.71	-	-	-
behalf of Company	31-Mar-19	0.53	-	4.31	-
Expenses incurred by Company on behalf	31-Mar-20	0.09	11.09	0.02	-
of related party	31-Mar-19	0.26	7.99	-	-
Marketing Support Received	31-Mar-20	0.26	-	-	-
	31-Mar-19	-	-	-	-
Management contract fees expenses	31-Mar-20	-	-	27.12	-
	31-Mar-19	-	-	32.70	-
Management contract fees income	31-Mar-20	-	40.63	-	-
	31-Mar-19	-	18.09	0.88	-
Short-term employee benefits	31-Mar-20	-	-	-	50.33
	31-Mar-19	-	-	-	51.32
Fee for attending board committee meetings	31-Mar-20	-	-	-	1.33
	31-Mar-19	-	-	-	1.75
Loan Received	31-Mar-20	354.50	-	-	-
	31-Mar-19	-	-	-	-
Interest on Loan Paid	31-Mar-20	9.40	-	-	-
	31-Mar-19	-	-	-	-
Dividend Received	31-Mar-20	-	144.99	-	-
	31-Mar-19	-	71.12	-	-

*The remuneration to the key managerial personnel ('KMP') does not include the provisions made for gratuity, compensated absences as they are determined on an actuarial basis for the Company as a whole. The remuneration is within the limits prescribed under section 197 of the Companies Act, 2013.

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free except Loan taken from Related party and settlement occurs in cash. For the year ended 31 March 2020, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2019: INR Nil,). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

37.2 Balance outstanding at the end of the year

(Rs. in Million)

Nature of balances with related parties	Balance as at	Holding company	Subsidiary	Fellow subsidiaries	Key managerial personnel
Trade payables	31-Mar-20	-	111.95	30.84	-
	31-Mar-19	-	-	5.21	-
Loan Payable	31-Mar-20	376.95	-	-	-
	31-Mar-19	-	-	-	-
Other receivables	31-Mar-20	0.10	-	-	-
	31-Mar-19	0.44	-	0.95	-
Employee related liabilities	31-Mar-20	-	-	-	-
	31-Mar-19	-	-	-	4.35

Notes

1. For corporate guarantees given by related party on behalf of the Company, Refer Note 19.

38. Fair value measurements

38.1 The carrying value of financial instruments by categories as of March 31, 2020 is as follows:

(Rs. in Million)

	Measured at fair value through P&L	Measured at amortised cost	Carrying value
Financial assets:			
Cash and cash equivalents	-	105.08	105.08
Other bank balances	-	-	-
Trade receivables	-	1,937.87	1,937.87
Loans	-	16.38	16.38
Forward contracts	25.41	-	25.41
Other financial assets	-	225.67	225.67
Total	**25.41**	**2,285.00**	**2,310.41**
Financial liabilities:			
Trade payables	-	2,349.46	2,349.46
Borrowings	-	3,578.10	3,578.10
Forward contracts	-	-	-
Other financial liabilities	-	190.05	190.05
Total	**-**	**6,117.61**	**6,117.61**

38.2 The carrying value of financial instruments by categories as of March 31, 2019 is as follows:

(Rs. in Million)

	Measured at fair value through P&L	Measured at amortised cost	Carrying value
Financial assets:			
Cash and cash equivalents	-	0.68	0.68
Other bank balances	-	2.53	2.53
Trade receivables	-	2,387.15	2,387.15
Loans	-	15.29	15.29
Forward contracts	-	-	-
Other financial assets	-	131.36	131.36
Total	**-**	**2,537.01**	**2,537.01**
Financial liabilities:			
Trade payables	-	2,717.91	2,717.91
Borrowings	-	3,591.86	3,591.86
Forward contracts	14.17	-	14.17
Other financial liabilities	-	61.88	61.88
Total	**14.17**	**6,371.65**	**6,385.82**

38.3 Fair Value hierarchy:

Ind AS establishes a fair value hierarchy that prioritises the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under Ind AS are described below:

Level 1 — inputs are based upon quoted prices (unadjusted) in active markets for identical assets or liabilities which are accessible as of the measurement date.

Level 2 — inputs are based upon quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active and model derived valuations for the asset or liability that are derived principally from or corroborated by market data for which the primary inputs are observable, including forward interest rates, yield curves, credit risk and exchange rates.

Level 3 — inputs for the valuations are unobservable and are based on management's estimates of assumptions that market participants would use in pricing the asset or liability. The fair values are therefore determined using model-based techniques such as option pricing models and discounted cash flow models.

The following table summarizes the financial assets and financial liabilities measured at fair value on a recurring basis:

(Rs. in Million)

	Fair value hierarchy		
	Level 1	**Level 2**	**Level 3**
At March 31, 2020			
Financial assets	-	25.41	-
Financial liabilities	-	-	-
At March 31, 2019			
Financial assets			-
Financial liabilities	-	14.17	-

The Company classifies forward contracts in Level 2 as quoted prices can be corroborated based on observable market transactions of spot currency rate and forward currency prices.

The fair value of the Company's financial assets and financial liabilities approximates carrying amount because of the short-term nature of these instruments.

The following table summarizes the financial assets and financial liabilities measured at carrying value as at March 31, 2020

(Rs. in Million)

	Level 1	Level 2	Level 3	Total
Financial Assets				
Financial assets at amortised cost:				
Cash and cash equivalents	-	105.08	-	105.08
Trade receivables	-	1,937.87	-	1,937.87
Loans	-	-	16.38	16.38
Other financial assets	-	225.67	-	225.67
Total	**-**	**2,268.62**	**16.38**	**2,285.00**
Financial liabilites				
Financial liabilities held at amortised cost:				
Trade payables	-	2,349.46	-	2,349.46
Borrowings	-	-	3,578.10	3,578.10
Other financial liabilities	-	190.05	-	190.05
Total	**-**	**2,539.51**	**3,578.10**	**6,117.61**

The following table summarizes the financial assets and financial liabilities measured at carrying value as at March 31, 2019

(Rs. in Million)

	Level 1	Level 2	Level 3	Total
Financial Assets				
Financial assets at amortised cost:				
Cash and cash equivalents	-	0.68	-	0.68
Other bank balances	-	2.53	-	2.53
Trade receivables	-	2,387.15	-	2,387.15
Loans	-	-	15.29	15.29
Other financial assets	-	131.36	-	131.36
Total	**-**	**2,521.72**	**15.29**	**2,537.01**
Financial liabilites				
Financial liabilities held at amortised cost:				
Trade payables	-	2,717.91	-	2,717.91
Borrowings	-	-	3,591.86	3,591.86
Other financial liabilities	-	61.88	-	61.88
Total	**-**	**2,779.79**	**3,591.86**	**6,371.65**

Except as detailed in the above table, the Management consider that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair.

39. Financial instruments

39.1 Capital management

The objective of the Company's capital management structure is to ensure that there remains sufficient liquidity within the Company to carry out business. The Company monitors the long term cash flow requirements of the business in order to assess the requirement for changes to the capital structure to meet that objective and to maintain flexibility.

The Company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of the statement of financial position.

The Company sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

Gearing ratio as of March 31, 2020 and March 31, 2019 is as follows: (Rs. in Million)

	As at March 31, 2020	As at March 31, 2019
Debt	2,993.68	3,591.86
Cash and other bank balances	105.08	3.21
Net debt	**2,888.60**	**3,588.65**
Total equity	**(995.75)**	**-1,118.06**
Gearing ratio (%)	**-290%**	**-321%**

39.2 Financial risk management framework

In its ordinary operations, the Company's activities expose it to the various types of risks, which are associated with the financial instruments and markets in which it operates. The Company has a risk management policy which covers the foreign exchanges risks and other risks associated with the financial assets and liabilities such as interest rate risks and credit risks. The following is the summary of the main risks:

39.2.1 Credit risk management

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. Credit risk is managed by Company's established policy, procedures and control relating to customer credit risk management.

Financial assets that potentially exposed the Company to credit risk are listed below: (Rs. in Million)

	As at March 31, 2020	As at March 31, 2019
Loan	16.38	15.29
Trade receivables*	1,937.87	2,387.15
Other financial assets	251.08	131.36
Total	**2,205.33**	**2,533.80**

*Refer Note 12.

39.2.2 Liquidity risk management

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages liquidity risk by maintaining cash in accounts, establishing adequate banking facilities, and reserve borrowing facilities. The company actively monitors its actual and forecast cash flows and matches cash requirements with the maturity profile of financial assets and liabilities.

The table below provides details regarding the contractual maturities of financial liabilities as at: (Rs. in Million)

Particulars	**As at March 31, 2020**			**As at March 31, 2019**		
	Weighted average effective interest rate	**Less than 1 year**	**1-5 years**	**Weighted average effective interestrate**	**Less than 1 year**	**1-5 years**
<u>Financial Liabilities</u>						
Trade payables	-	2,349.46	-	-	2,717.91	-
Borrowings	9.92%	3,578.10	-	10.24%	3,591.86	-
Other financial liabilities	-	190.05	-	-	61.88	-
Forward contracts	-	-	-	-	14.17	-
Total		**6,117.61**	**-**		**6,385.82**	**-**

39.2.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates (currency risk) and interest rates (interest rate risk) will affect the Company's income or value of it's holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

39.2.3.1 Foreign currency risk management

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company's exposure to currency risk relates primarily to the Company's operating activities and borrowings when transactions are denominated in a different currency from the Company's functional currency.

The carrying amounts of the Company’s foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

(Amount in Million)

Particulars	Currency	March 31, 2020	March 31, 2019
Trade receivables	USD	1.24	6.11
Trade payables	USD	8.40	18.20
	EUR	1.32	0.01
	AUD	0.02	-
Other Receivables	USD	0.07	0.09
	EUR	0.43	0.02
Other Payables	USD	-	0.01
Borrowings	USD	8.03	2.11

Of the above foreign currency exposures, the following exposures are not hedged by a derivative:

(Amount in Million)

Particulars	Currency	March 31, 2020	March 31, 2019
Trade receivables	USD	1.24	6.11
Trade payables	USD	5.39	10.08
	EUR	0.40	0.01
	AUD	0.02	-
Other Receivables	USD	0.07	0.09
	EUR	0.43	0.02
Other Payables	USD	-	0.01

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD, EUR and AUD exchange rates, with all other variables held constant. The impact on the Company’s profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives and embedded derivatives.

Particulars	Currency	Change in rate	Effect on profit before tax Rs. in Million
For the year ended March 31, 2020	USD	+5%	(15.41)
	USD	-5%	15.41
	EUR	+5%	(3.27)
	EUR	-5%	3.27
	AUD	+5%	(0.05)
	AUD	-5%	0.05

For the year ended March 31, 2019	USD	+5%	(13.45)
	USD	-5%	13.45
	EUR	+5%	(0.05)
	EUR	-5%	0.05
	AUD	+5%	0.05
	AUD	-5%	(0.05)

*Derivative financial instruments**

The Company holds derivative financial instruments such as foreign currency forward to mitigate the risk of changes in exchange rate on foreign currency exposure. The counterparty for these contracts is generally a Bank or a Financial Institution. These derivative financial instrument are valued based on quoted prices for similar asset and liabilities in active markets or inputs that is directly or indirectly observable in the marketplace.

The following table gives details in respect of outstanding forward contracts:

(Rs. in Million)

	As at March 31, 2020			As at March 31, 2019		
Currency to Buy	**Coverage (INR)**	**Outstanding Amount (Foreign Currency)**	**MTM (INR)**	**Coverage (INR)**	**Outstanding Amount (Foreign Currency)**	**MTM (INR)**
USD	813.55	11.03	23.86	727.58	10.24	(14.17)
EUR	74.60	0.92	1.55	-	-	-
	888.15	**11.95**	**25.41**	**727.58**	**10.24**	**(14.17)**

*The outstanding forward contracts are having maturity profile of less than six months.

39.2.3.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates. The Company's borrowings are primarily short-term, which do not expose it to significant interest rate risk.

40. SEGMENT INFORMATION

40.1 Segment Accounting Policies:

a. **Product from which reportable segment derive their revenues.**

Based on the nature and class of product and services, their customers and assessment of differential risks and returns and financial reporting results reviewed by chief operating decision maker, the Group has identified the following business segments which comprised:

Consumer Products: Distribution of Harman & other accessories, Landline phones, Modems, information technology periherals.

Enterprises products: Distribution board room solutions, display devices, voice and data products and related Services

Network Products: Distribution of network equipment, servers, Telecom products & related services

b. **Geographical segments**

In terms of geographical segment, the Group's sales outside India are not material.

c. **Segment accounting policies**

Segment accounting policies: In addition to the significant accounting policies applicable to the business segment as set out in note 1, the accounting policies in relation to segment accounting are as under:

(i) Segment assets and liabilities:

Segment assets include all operating assets used by a segment and consist principally of cash, debtors, inventories and Property, Plant and Equipment including capital work in progress, net of allowances and provisions, which are reported as direct offset in the Balance Sheet. Segment liabilities include all operating liabilities and consist principally of creditors and accrued liabilities.

(ii) Segment revenue and expenses:

Joint revenue and expenses of segments are allocated amongst them on reasonable basis. All other segment revenue and expenses are directly attributable to the segments.

(iii) Segment results :

Segment results represents the profit before tax earned by each segment without allocation of unallocable central administration costs, other income as well as finance costs. Operating profit amounts are evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance.

40.2 For the year ended March 31, 2020

(Rs. in Million)

Reportable Segments	Consumer	Enterprises	Network	Discontinued	Unallocated	Total
Revenue						
External sales	5,145.58	5,075.33	2,476.83	-	-	12,697.74
Other income	-	-	-	-	232.71	232.71
Total revenue	**5,145.58**	**5,075.33**	**2,476.83**	**-**	**232.71**	**12,930.45**
Result						
Profit/(loss) before interest and tax	25.76	99.23	139.78	-	153.89	418.66
Interest expense	-	-	-	-	308.01	308.01
Profit/(loss) before tax	**25.76**	**99.23**	**139.78**	**-**	**(154.12)**	**110.65**
Tax expense	-			-	-	-
Profit/(loss) after tax	**25.76**	**99.23**	**139.78**	**-**	**(154.12)**	**110.65**
Other information						
Segment assets	1,263.84	1,923.51	1,467.73	-	1,524.22	**6,179.30**
Segment liabilities	932.10	1,561.32	878.53	-	3,803.10	**7,175.05**
Capital expenditure	-	-	-	-	17.02	**17.02**
Depreciation and amortisation	9.65	-	-	-	54.47	**64.12**
Other non-cash expenditure	50.56	(76.75)	(16.27)		20.42	**(22.04)**

40.3 For the year ended March 31, 2019

(Rs. in Million)

Reportable Segments	Consumer	Enterprises	Network	Discontinued	Unallocated	Total
Revenue						
External sales	5,196.93	4,569.23	2,898.87	4,992.15	-	17,657.18
Other income	-	-	-	-	112.54	112.54
Total revenue	**5,196.93**	**4,569.23**	**2,898.87**	**4,992.15**	**112.54**	**17,769.72**
Result						
Profit/(loss) before interest and tax	153.14	(28.71)	(99.12)	(264.16)	97.83	(141.02)
Interest expense	-	-	-	-	414.88	414.88
Profit/(loss) before tax	**153.14**	**(28.71)**	**(99.12)**	**(264.16)**	**(317.05)**	**(555.90)**
Tax expense	-	-	-	-	-	-
Profit/(loss) after tax	**153.14**	**(28.71)**	**(99.12)**	**(264.16)**	**(317.05)**	**(555.90)**
Other information						
Segment assets	1,177.79	2,021.95	1,430.95	-	1,841.52	**6,472.21**
Segment liabilities	845.56	1,511.24	1,448.93	-	3,784.54	**7,590.27**
Capital expenditure	-	-	-	-	32.28	**32.28**
Depreciation and amortisation	10.27	-	-	-	27.01	**37.28**
Other non-cash expenditure	1.33	2.53	2.96	70.43	-	**77.25**

* includes Mobile handset business discontinued during the year

40.4 Information about major customers

No Customer contributed for 10% or more to the company's total revenue for the year ended March 31, 2020.

41. Details of sales tax, customs duty and excise duty which have not been deposited as on March 31, 2020 on account of disputes are given below:

(Rs. in Million)

Name of the statue	Nature of dues	Forum where the dispute is pending	Period to which amount pertains	Amount unpaid
Sales Tax Laws	Sales Tax	Appellate Authority 2007-08 to 2008-09, 2010-11 to 2015-16	2005-06, 70.78	70.78
Sales Tax Laws	Sales Tax	Sales Tax Tribunal	2007-08 to 2012-13	1.39
Sales Tax Laws	Sales Tax	High Court 2005-06 to 2006-07	2000-01,	14.75
Customs Act, 1962	Customs Duty	Central, Excise and Service Tax Appellate Tribunal	1996-97	0.30
Customs Act, 1962	Customs Duty	DGFT	2008-09	25.10
Total				**112.32**

42. During financial year 2018-2019, Company has decided to discontinue its mobile handset distribution business and related service offerings due to its inability to maintain the gross margin, consequently Company has not renewed contracts with its vendors related to the Mobile business segment.

	Discontinued Operations	**Year ended March 31, 2020 Rs. in Million**	**Year ended March 31, 2019 Rs. in Million**
I	Revenue from operations	-	4,992.15
II	Other income	-	-
III	**Total income (I + II)**	**-**	**4,992.15**
IV	Expenses		
	(a) Cost of materials consumed	-	-
	(b) Purchases	-	1,398.13
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	-	3,830.47
	(d) Employee benefit expense	-	35.82
	(e) Finance cost	-	45.60
	(f) Depreciation and amortisation expense	-	0.87
	(g) Other Expenses		
	(i) Advertisement and marketing expense	-	7.01
	(ii) Amount/debtors written off	-	0.43
	(iii) Bank charges	-	0.01
	(iv) Communication expenses	-	0.51
	(v) Freight and cartage	-	1.50
	(vi) Insurance charges	-	6.07
	(vii) Legal and professional expenses	-	12.37

(viii) Loss on sale of property, plant and equipment (net)	-	7.70
(ix) Printing and stationery	-	0.01
(x) Allowances for doubtful debt*	-	-51.94
(xi) Allowances for obsolete/slow moving stock*	-	-131.60
(xii) Recruitment and Staff Development	-	0.10
(xiii) Sales promotion and schemes expenses	-	-
(xiv) Travelling and conveyance	-	2.70
(xv) Miscellaneous expenses		11.13
Total other expenses	**-**	**(134.00)**
Total expenses	**-**	**5,176.89**
Loss before tax	**-**	**(184.74)**
Tax expense/(credit)	**-**	**-**
Loss for the year from discontinued operation	**-**	**(184.74)**

* Pertains to reversal of provision created in previous years.

Cash flows from discontinued operations	**For the year March 31, 2020**	**For the year March 31, 2019**
	Rs. in Million	**Rs. in Million**
Net Cash flows from/(used in) operating activities	-	3,126.81
Net Cash flows from/(used in) investing activities	-	(0.87)
Net Cash flows from/(used in) financing activities	-	(3,353.26)
Net cash flows	**-**	**(227.32)**

43. Leases

Transition to Ind AS 116

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all Lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Company's incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included in the audited financial statements for the year ended March 31, 2019.

Company as a lessee:

For transition, the Company has elected not to apply the requirements of Ind AS 116 to leases which are expiring within 12 months from the date of transition by class of asset and leases for which the underlying asset is of low value on a lease-by-lease basis.

The Company has also used the practical expedient provided by the standard when applying Ind AS 116 to leases previously classified as operating leases under Ind AS 17 and therefore, has not reassessed whether a contract, is or contains a lease, at the date of initial application, relied on its assessment of whether leases are onerous, applying Ind AS 37 immediately before the date of initial application as an alternative to performing an impairment review, excluded initial direct costs from measuring the right of use asset at the date of initial application and used hindsight when determining the lease term if the contract contains options to extend or terminate the lease. The Company has used discount rate based on lease to lease basis with similar characteristics. The company has applied its incremental borrowing rate for lease liabilities recognised in the balance sheet at the date of initial application.

On transition, the Company recognised a lease liability measured at the present value of the remaining lease payments as at April 1, 2019. The right-of-use asset is recognised at its carrying amount as if the standard had been applied since the commencement of the lease, but discounted using the lessee's incremental borrowing rate as at April 1, 2019. Accordingly, a right-of-use asset of Rs. 162.76 Million and a corresponding lease liability of Rs. 162.66 Million has been recognized. The cumulative effect on transition in retained earnings net of taxes is Rs. 6.37 Million.

The principal portion of the lease payments have been disclosed under cash flow from financing activities. The lease payments for operating leases as per Ind AS 17 - Leases, were earlier reported under cash flow from operating activities. The weighted average incremental borrowing rate of 11.45% for 9 year term and 8.45% for 3 year term has been applied to lease liabilities recognised in the balance sheet at the date of initial application. On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-of-use asset, and finance cost for interest accrued on lease liability.

The discounting impact on security deposit paid for Rs. 6.47 Million has been reclassified to Right of use asset on the date of transition.

Company as a lessor:

The Company do not have any leases in which it acts as a lessor. Thus, the Company is not required to make any adjustments on transition to Ind AS 116 for leases.

The impact of Ind AS 116 on the balance sheet line items is as follows:

The changes in the carrying value of ROU assets for the year ended March 31, 2020 are as follows :

Right of Use Assets

Particulars	Rs. in Million
Balance as at April 1, 2019	**162.76**
Additions during the year	-
Disposals during the year	-
Depreciation during the year	(23.07)
Balance as at March 31, 2020	**139.69**

The movement in lease liabilities during the year ended March 31, 2020 and break up of current and non-current lease liabilities as at March 31, 2020 is as follows:

Leasehold Obligation

Particulars	Rs. in Million
Balance as at April 1, 2019	**162.66**
Additions during the year	-
Deletions during the year	-
Interest accrued during the year	15.39
Payment of lease liabilities	(29.69)
Balance as at March 31, 2020	**148.36**
Current	14.58
Non Current	133.78

The details of the contractual maturities of lease liabilities as at March 31, 2020 on an undiscounted basis are as follows:

Particulars	Rs. in Million
Less than one year	30.06
One to five years	111.35
More than five years	14.67
Total	**156.08**

44. Disclosure under Micro, Small and Medium Enterprises Development Act, 2006

Particulars	March 31, 2020 Rs. in Million	March 31, 2019 Rs. in Million
(i) Principal amount remaining unpaid to MSME suppliers as on	23.09	1.68
(ii) Interest due on unpaid principal amount to MSME suppliers as on	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the MSME suppliers beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year (without adding the interest under MSME Development Act)	-	-
(v) The amount of interest accrued and remaining unpaid as on	-	-
(vi) The amount of interest due and payable to be disallowed under Income Tax Act, 1961	-	--

Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. This has been relied upon by the Auditors.

45. Reconciliation of liabilities arising from financing activities

The table below details change in the Company's liabilities arising from financing activities, including both cash and non cash changes. Liabilities arising from financing activities are those for which cash flows where, or future cash flows will be, classified in the Company's statement of cashflows as cashflows from financing activities.

Particulars	Opening Balance as at April 01, 2019	Interest Accrual during year	Financial Cash Flows	Non Cash Item	Closing Balance as at March 31, 2020
Working Capital Loan From Banks	3,445.51		(793.41)	-	2,652.10
Other loan	-		320.92	-	320.92
Buyers Credit from Banks	146.35		72.67	9.11	228.13
Loan from related party	-		354.50	22.45	376.95
Lease liabilities	162.66	15.39	(29.69)	-	148.36
Interest	5.72	292.62	(278.20)	-	20.14
Total	**3,760.24**	**308.01**	**(353.21)**	**31.56**	**3,746.60**

Particulars	Opening Balance as at April 01, 2018	Interest Accrual during year	Financial Cash Flows	Non Cash Item	Closing Balance as at March 31, 2019
Working Capital Loan From Banks	6,643.54		(3,198.03)	-	3,445.51
Buyers Credit	206.65		(56.71)	(3.59)	146.35
Interest	18.18	414.88	(427.34)	-	5.72
Total	**6,868.37**	**414.88**	**(3,682.08)**	**(3.59)**	**3,597.58**

46. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

47. In accordance with the provisions of Section 135 of the Companies Act, 2013, the Company has turnover of more than Rs. 100 million which is one of the conditions mentioned in the said section and hence, the Company is liable to spend at least two percent of the average net profits of the Company made during the three immediately preceding financial years. However, the Company has losses from the past three consecutive years, the Company is not required to spend any amount on Corporate Social Responsibility.

48. There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as at March 31, 2020.

49. Approval of financial statements
The financial statements were approved for issue by the Board of Directors on August 07, 2020.

For and on behalf of Board of Directors of
Brightstar Telecommunications India Limited

Sd/- **Gerard Patrick O'Keeffe** Chairman (DIN: 08807817) Place: London, England	Sd/- **Sanjeev Chhabra** Managing Director (DIN: 08174113) Place: Gurugram, India
Sd/- **Luciano Barreto Ferreira** Chief Financial Officer Place: Sao Paulo, Brazil	Sd/- **Neeraj Manchanda** Company Secretary Place: Gurugram, India

INDEPENDENT AUDITOR'S REPORT

To The Members of Brightstar Telecommunications India Limited
Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Brightstar Telecommunications India Limited ("the Parent") and its subsidiary, (the Parent Company and its subsidiary together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31st March 2020, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditor on separate financial statements of the subsidiary referred to in the Other Matters section below, the aforesaid consolidated 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 consolidated state of affairs of the Group as at 31 March 2020, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated 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 Consolidated Financial Statements section of our report. We are independent of the Group 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 consolidated 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 and the audit evidence obtained by other auditor in terms of their report referred to in the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Material uncertainty related to Going Concern

We draw attention to Note 3.1.1 to the consolidated financial statements, which indicates that the Group's assessment of going concern assumption and financial impact on account of COVID 19 pandemic situation. As stated in the note, Group has a total comprehensive income of Rs.51.61 million and has accumulated losses of Rs.1,258.62 million, during the year ended 31st March, 2020 and as of that date, the Group's current liabilities exceeded its current assets by Rs.746.04 million. Brightstar Corp., the holding company, which might be impacted due to Covid -19, has confirmed that it would provide continuing financial support to the Group until the Group is able to meet its obligations on its own. These current conditions may cast a significant doubt on the Group's ability to continue as a going concern and realise its assets and discharge its liabilities in the normal course of business, however considering the future business plans of the Group and continuing financial support from the holding company, the financial statements have been prepared on a going concern basis. Our opinion is not modified in respect of this matter.

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

The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiary audited by the other auditor, to the extent it relates to that entity and, in doing so, place reliance on the work of the other auditor and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiary is traced from their financial statements audited by the other auditor.

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 Consolidated Financial Statements

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

In preparing the consolidated financial statements, the respective Board of Directors of the Companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate or cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group 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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entity included in the consolidated financial statements of which we are the independent auditors. For the entity

included in the consolidated financial statements, which have been audited by other auditor, other auditor remain responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion.

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

We communicate with those charged with governance of the Parent and such other entity included in the consolidated financial statements of which we are the independent auditors 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.

Other Matters

- On account of the Covid-19 related lockdown restrictions, management was able to perform year end physical verification of inventories, subsequent to year end. However, we were not able to physically observe the stock verification carried out by the management. Consequently, we have performed alternative procedures to audit the existence of inventory as per the guidance provided in SA 501 " Audit Evidence- Specific consideration for selected items " and have obtained sufficient audit evidence to issue our unmodified opinion on these consolidated financial statements. Our report on the consolidated financial statements is not modified in respect of this matter.
- We did not audit the financial statements of one subsidiary, viz., Brightstar Telecommunications Singapore Private Limited whose financial statements reflect total assets of Rs.504.95 million as at 31st March, 2020, total revenues of Rs.1,651.85 million and net cash outflows amounting to Rs.51.03 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose report have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the report of the other auditor. Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the report of the other auditor.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditor on the separate financial statements of the subsidiary referred to in the Other Matters section above we report, to the extent applicable 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 of the aforesaid consolidated financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditor.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

e) The matter described in the Material uncertainty related to Going Concern section above, in our opinion, may have an adverse effect on the functioning of the Group.

f) On the basis of the written representations received from the directors of the Parent as on 31st March, 2020 taken on record by the Board of Directors of the Company none of the directors of the Group Company, is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act. The Parent has a subsidiary company incorporated outside India, hence, Section 164 (2) of the Act is not applicable to the subsidiary company.

g) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent Company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies. The Parent has a subsidiary company incorporated outside India and reporting on the adequacy and operating effectiveness of internal financial controls over financial reporting is not applicable to such subsidiary company.

h) 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 Parent to its directors during the year is in accordance with the provisions of section 197 of the Act.

i) 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 consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group (Refer Note 17.2 and 33 to the consolidated financial statements);

ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts (Refer Note 46 to the consolidated financial statements);

iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Parent. The Parent has a subsidiary company incorporated outside India, hence there were no amounts which were required to be transferred to the Investor Education and Protection Fund by its subsidiary company (Refer Note 48 to the consolidated financial statements).

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

Sd/-
Vijay Agarwal
(Partner)
(Membership No.094468)
UDIN: 20094468AAAAFE4070

Place : Gurugram
Date : August 07, 2020

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(g) 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")

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of Brightstar Telecommunications India Limited (hereinafter referred to as "Parent"), as of that date. The Parent has a subsidiary company incorporated outside India and reporting on the adequacy and operating effectiveness on internal financial control over financial reporting is not applicable to such subsidiary company.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Parent, 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 ICAI)". 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 the Parent's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Parent's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 Parent's internal financial controls system over financial reporting.

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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls 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 Parent, 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, 2020, 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.

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

Sd/-
Vijay Agarwal
(Partner)
(Membership No.094468)
UDIN: 20094468AAAAFE4070

Place : Gurugram
Date : August 07, 2020

CONSOLIDATED BALANCE SHEET as at March 31, 2020

(Rs. in Million)

Particulars	Notes	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-current assets			
(a) Property, plant and equipment	4	85.87	100.15
(b) Right to use assets	43	139.69	-
(c) Intangible assets	5	25.12	26.44
(d) Intangible assets under development		-	10.39
(e) Financial assets			
(i) Loans	6	16.38	15.29
(ii) Other financial assets	7	6.11	9.61
(f) Deferred tax assets (net)	8	0.02	1.13
(g) Non-current tax assets (net)	9	92.59	173.59
(h) Other non-current assets	10	403.73	457.13
Total non-current assets		**769.51**	**793.73**
Current assets			
(a) Inventories	11	1,726.43	1,579.52
(b) Financial assets			
(i) Trade receivables	12	2,101.34	2,680.03
(ii) Cash and cash equivalents	13	242.05	64.73
(iii) Other bank balances	14	3.87	5.99
(iv) Other financial assets	7	258.27	134.27
(c) Current tax assets (net)	9	127.20	0.13
(d) Other current assets	10	982.43	1,428.22
Total current assets		**5,441.59**	**5,892.89**
TOTAL ASSETS		**6,211.10**	**6,686.62**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	15	50.92	50.92
(b) Other equity	16	(1,202.62)	(1,247.86)
Total equity		**(1,151.70)**	**(1,196.94)**
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	584.42	-
(ii) Lease liability	43	133.78	-
(b) Provisions	17	67.22	268.78
(c) Other non current liabilities	18	389.75	378.89
Total non-current liabilities		**1,175.17**	**647.67**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	2,993.68	3,591.86
(ii) Trade payables	20		
- total outstanding dues of micro enterprises and small enterprises		23.09	1.68
-total outstanding dues of creditors other than micro enterprises and small enterprises		2,476.06	2,956.15
(iii) Lease liability	43	14.58	-
(iv) Other financial liabilities	21	41.69	76.05
(b) Provisions	17	50.54	69.60
(c) Other current liabilities	18	587.99	540.55
Total current liabilities		**6,187.63**	**7,235.89**
Total liabilities		**7,362.80**	**7,883.56**
TOTAL EQUITY AND LIABILITIES		**6,211.10**	**6,686.62**
The accompanying notes form an integral part of these consolidated Ind AS financial statements.	1-49		

In terms of our report attached
For **Deloitte Haskins and Sells LLP**
Chartered Accountants

Sd/-
Vijay Agarwal
Partner

Place: Gurugram
Date: August 07, 2020

For and on behalf of Board of Directors of
Brightstar Telecommunications India Limited

Sd/-
Gerard Patrick O'Keeffe
Chairman
(DIN: 08807817)
Place: London, England

Sd/-
Sanjeev Chhabra
Managing Director
(DIN: 08174113)
Place: Gurugram, India

Sd/-
Luciano Barreto Ferreira
Chief Financial Officer
Place: Sao Paulo, Brazil

Sd/-
Neeraj Manchanda
Company Secretary
Place: Gurugram, India

CONSOLIDATED STATEMENT OF PROFIT AND LOSS for the year ended March 31, 2020

(Rs. in Million)

	Particulars	Notes	Year ended March 31, 2020	Year ended March 31, 2019
				(Refer note 39)
	Continuing operation			
I	Revenue from operations	22	14,004.19	14,503.91
II	Other income	23	48.74	23.70
III	Total income (I + II)		**14,052.93**	**14,527.61**
IV	**Expenses**			
	(a) Cost of materials consumed	24	293.59	307.82
	(b) Purchases	25	12,339.43	12,904.51
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	26	(172.53)	17.89
	(d) Employee benefit expense	27	603.70	548.01
	(e) Finance cost	28	308.04	369.43
	(f) Depreciation and amortisation expense	29	64.12	36.41
	(g) Other expenses	30	597.57	731.40
	Total expenses		**14,033.92**	**14,915.47**
V	**Profit/(Loss) before tax from continuing operation(III-IV)**		**19.01**	**(387.86)**
VI	**Tax expense/(credit)**			
	(a) Current tax	31	6.22	8.14
	(b) Deferred tax	31	1.14	(1.14)
			7.36	**7.00**
VII	**Profit/(Loss) for the year from continuing operation (V-VI)**		**11.65**	**(394.86)**
	Discontinued Operations			
VIII	Loss from discontinued operation before tax		-	(184.74)
IX	Tax expenses		-	-
X	**Loss for the year from discontinued operation (VIII-IX)**		**-**	**(184.74)**
XI	**Profit/(Loss) for the year (VII+X)**		**11.65**	**(579.60)**
XII	**Other comprehensive income**			
	Items that will not be reclassified to profit and loss			
	(i) Remeasurements of defined benefit plans		18.03	(6.60)
	(iI) Exchange difference on translation		21.93	19.50
	Net other comprehensive Income/(loss) not to be reclassified to profit or loss		**39.96**	**12.90**
XIII	**Total comprehensive income/(loss) for the year (XI+XII)**		**51.61**	**(566.70)**
XIV	Income / (Loss) for the year attributable to Owners of the company		11.65	(579.60)
XV	**Other comprehensive income for the year attributable to** Owners of the company		39.96	12.90
XVI	**Total comprehensive income/ (loss) for the year attributable to** Owners of the company		51.61	(566.70)
XVII	**Profit/(Loss) per equity share from continuing operation (face value of share Rs. 10 each)**			
	(a) Basic (in Rs.)	32	2.29	(77.58)
	(b) Diluted (in Rs.)	32	2.29	(77.58)
XVIII	**Profit/(Loss) per equity share from discontinued operation (face value of share Rs. 10 each)**			
	(a) Basic (in Rs.)	32	-	(36.29)
	(b) Diluted (in Rs.)	32	-	(36.29)
XIX	**Profit/(Loss) per equity share from continuing and discontinued operation (face value of share Rs. 10 each)**			
	(a) Basic (in Rs.)	32	2.29	(113.87)
	(b) Diluted (in Rs.)	32	2.29	(113.87)

The accompanying notes form an integral part of these consolidated Ind AS financial statements. 1-49

In terms of our report attached
For **Deloitte Haskins and Sells LLP**
Chartered Accountants

Sd/-
Vijay Agarwal
Partner

Place: Gurugram
Date: August 07, 2020

For and on behalf of Board of Directors of
Brightstar Telecommunications India Limited

Sd/-
Gerard Patrick O'Keeffe
Chairman
(DIN: 08807817)
Place: London, England

Sd/-
Sanjeev Chhabra
Managing Director
(DIN: 08174113)
Place: Gurugram, India

Sd/-
Luciano Barreto Ferreira
Chief Financial Officer
Place: Sao Paulo, Brazil

Sd/-
Neeraj Manchanda
Company Secretary
Place: Gurugram, India

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY for the year ended March 31, 2020

Equity share capital **(Equity shares of Rs. 10 each issued, subscribed & fully paid up)**	**No. in Million**	**Rs. in Million**
Balance as at April 1, 2018	**5.09**	**50.92**
Changes in equity share capital during the year	-	-
Balance as at March 31, 2019	**5.09**	**50.92**
Changes in equity share capital during the year	-	-
Balance as at March 31, 2020	**5.09**	**50.92**

(Rs. in Million)

Other equity	**Reserve and surplus**			**Items of other comprehensive income**	**Total**
	Capital Reserve	**Securities premium**	**Retained earnings**	**Foreign currency translation reserve**	
	(Refer Note 16.1)	**(Refer Note 16.2)**	**(Refer Note 16.3)**	**(Refer Note 16.4)**	
Balance as at April 1, 2018	**2.50**	**5.27**	**(642.69)**	**6.80**	**(628.12)**
Effect of adoption of new accounting standard (IndAS 115) (Net of deferred tax Rs. Nil)			(53.04)	-	(53.04)
Loss for the year	-	-	(579.60)	-	(579.60)
Other comprehensive loss for the year arising from defined benefit obligation(net of income taxes)	-	-	(6.60)	-	(6.60)
Effects of exchange difference on translation	-	-	-	19.50	19.50
Total movement for the year	**-**	**-**	**(639.24)**	**19.50**	**(619.74)**
Balance as at March 31, 2019	**2.50**	**5.27**	**(1,281.93)**	**26.30**	**(1,247.86)**
Effect of adoption of new accounting standard (IndAS 116) (Net of deferred tax Rs. Nil)	-	-	(6.37)	-	(6.37)
Profit for the year	-	-	11.65	-	11.65
Other comprehensive income for the year arising from defined benefit obligation(net of income taxes)	-	-	18.03	-	18.03
Effects of exchange difference on translation	-	-	-	21.93	21.93
Total movement for the year	**-**	**-**	**23.31**	**21.93**	**45.24**
Balance as at March 31, 2020	**2.50**	**5.27**	**(1,258.62)**	**48.23**	**(1,202.62)**

The accompanying notes form an integral part of these consolidated Ind AS financial statements. 1-49

In terms of our report attached
For **Deloitte Haskins and Sells LLP**
Chartered Accountants

Sd/-
Vijay Agarwal
Partner

Place: Gurugram
Date: August 07, 2020

For and on behalf of Board of Directors of
Brightstar Telecommunications India Limited

Sd/-
Gerard Patrick O'Keeffe
Chairman
(DIN: 08807817)
Place: London, England

Sd/-
Sanjeev Chhabra
Managing Director
(DIN: 08174113
Place: Gurugram, India)

Sd/-
Luciano Barreto Ferreira
Chief Financial Officer
Place: Sao Paulo, Brazil

Sd/-
Neeraj Manchanda
Company Secretary
Place: Gurugram, India

CONSOLIDATED CASH FLOW STATEMENT for the year ended March 31, 2020

(Rs. in Million)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) for the year after tax	11.65	(579.60)
Continuing Operation	11.65	(394.86)
Discontinued operation (refer not 39)	-	(184.74)
Adjustments for :		
Income tax expense	7.36	7.00
Finance cost	308.04	415.03
Interest income	(43.32)	(19.21)
Loss on disposal of property, plant and equipment	(0.03)	(0.10)
Software Impairment	1.94	7.70
Unrealised exchange loss/(gain) (net)	14.64	6.61
Depreciation and amortisation expense	64.12	37.28
Provision for doubtful debts	(64.41)	(111.07)
Bad debts/amounts written off	14.42	67.51
Liabilities/provisions no longer required written back	(4.49)	(2.70)
Allowances for obsolete/slow moving stock	8.25	(115.53)
Allowances for doubtful advances	-	(0.47)
OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES	**318.17**	**(287.55)**
Movements in working capital:		
(Increase)/decrease in trade receivables	638.61	990.88
(Increase)/decrease in inventories	(155.28)	3,829.54
(Increase)/decrease in loans	(1.09)	2.72
(Increase)/decrease in other financial assets	(98.59)	581.40
(Increase)/decrease in other assets	492.72	3.11
Increase/(decrease) in trade payables	(472.52)	(2,003.79)
Increase/(decrease) in provisions	(201.60)	207.79
Increase/(decrease) in other financial liabilities	(48.78)	(32.11)
Increase/(decrease) in other liabilities	58.30	298.08
CASH GENERATED FROM OPERATING ACTIVITIES	**529.94**	**3,590.07**
Income taxes paid	(53.28)	31.26
NET CASH INFLOW FROM OPERATING ACTIVITIES	**476.66**	**3,621.33**
CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	0.05	0.27
Payments for property, plant and equipment	(5.28)	(3.43)
Payments for intangible assets	(11.74)	(28.85)
Proceeds from/(payment for) deposits	3.50	(0.01)
Repayments for bank balance not considered as cash and cash equivalents	2.12	(0.34)
Interest received	43.32	19.19
NET CASH INFLOW FROM/(USED) IN INVESTING ACTIVITIES	**31.97**	**(13.17)**
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds/(repayment) of borrowings (Refer Note 45)	(45.32)	(3,254.74)
Repayment of lease liability (Refer Note 43)	(29.69)	-
Interest paid	(278.23)	(427.49)
NET CASH OUTFLOW FINANCING ACTIVITIES	**(353.24)**	**(3,682.23)**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**155.39**	**(74.07)**
Impact of cash flow on account of foreign currency translation	21.93	19.50
Cash and cash equivalents at the beginning of the year	64.73	119.30
Cash and cash equivalents at the end of the year	242.05	64.73
Components of cash and cash equivalents		
Cash in hand	0.05	0.03
Balance with scheduled banks: In current accounts	242.00	64.70
Total cash and cash equivalents as per note 13	242.05	64.73
Cash and cash equivalents at the end of the year	242.05	64.73

1. The above cash flow statement prepared under the "Indirect method" as set out in the Ind AS 7 "Cash flow statement".
2. Brackets indicate cash outflow.
3. Refer note 39 for cash flow statement of discontinued operations.
The accompanying notes form an integral part of these consolidated Ind AS financial statements.1-49

In terms of our report attached
For **Deloitte Haskins and Sells LLP**
Chartered Accountants

Sd/-
Vijay Agarwal
Partner

Place: Gurugram
Date: August 07, 2020

For and on behalf of Board of Directors of
Brightstar Telecommunications India Limited

Sd/-
Gerard Patrick O'Keeffe
Chairman
(DIN: 08807817)
Place: London, England

Sd/-
Sanjeev Chhabra
Managing Director
(DIN: 08174113
Place: Gurugram, India)

Sd/-
Luciano Barreto Ferreira
Chief Financial Officer
Place: Sao Paulo, Brazil

Sd/-
Neeraj Manchanda
Company Secretary
Place: Gurugram, India

1. **Corporate information**

Brightstar Telecommunications India Limited('the Company') and its subsidiary (Brightstar Telecommunications Singapore Private Limited) (collectively referred to as 'the Group') is a leading provider of premium enterprise, networking, and lifestyle solutions, in the information, communication, and technology domains for customers across all industry verticals. Company holds a commendable market share in telecom and allied products. We also have our own line of products, including landlines and IoT solutions, under our iconic brand, Beetel.

The registered address of the Company is First Floor, Plot No. 16, Udyog Vihar, Phase IV, Gurugram-122015, Haryana, India.

The immediate holding company is Brightstar Logistics Pte Ltd a company incorporated in Singapore. The ultimate holding company is Softbank Group, Japan.

2. **Significant accounting policies**

2.1 Statement of compliance

In accordance with the notification issued by Ministry of Corporate Affairs, the Group has voluntarily adopted the Indian Accounting Standard (referred to as Ind AS) notified under the Companies (Indian Accounting Standards) Rules 2015 with effect from April 1, 2016.

2.2 Basis of preparation and presentation

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

The consolidated financial statements have been prepared on the historical cost convention on accrual and going concern basis, except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

All the amounts included in the financial statements are reported in millions of Indian Rupees ('Rs.'), except per share data and unless stated otherwise.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the assets or the liability if the market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such basis.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

2.3 Basis of measurement

The consolidated financial statements have been prepared on an accrual basis as a going concern and under the historical cost convention, except for certain financial assets and financial liabilities that are measured at fair value at the end of each reporting date as required under relevant Ind AS. Refer note no. 3.1.1

2.4 Current versus non-current classification

The Group presents assets and liabilities in the Balance Sheet based on current/ non-current classification.

An asset is classified as current when it satisfies any of the following criteria:

a) It is expected to be realised or intended to sold or consumed in normal operating cycle

b) It is held primarily for the purpose of trading

c) It is expected to be realised within twelve months after the reporting period, or

d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

Considering the nature of business activities, the operating cycle has been assumed to have duration of 12 months. Accordingly, all assets and liabilities have been classified as current or non-current as per the Group's operating cycle and other criteria set out in Ind AS 1 'Presentation of Financial Statements' and Schedule III to the Companies Act, 2013.

2.5 Basis of Consolidation

The Consolidated financial statements comprise the financial statements of the Group and its subsidiary which are as follows: -

Entity	Country of incorporation	Principal Service	Relationship	Shareholding As at March 31, 2020	Shareholding As at March 31, 2019
Brightstar Telecommunications Singapore Private Limited	Singapore	Wholesale, Supply, deal, import and export of telecommunication equipment	Subsidiary	100%	100%

The consolidated financial statements incorporate the financial statements of the Company and its wholly owned subsidiary Brightstar Telecommunications Singapore Private Limited incorporated in Singapore.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated Statement of Profit and Loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiary is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The financial statements of the subsidiary Company used in the consolidation are based on the audited financial statements which has been drawn upto the same reporting date as that of the Company i.e. March 31, 2020.

2.6 Revenue recognition

2.6.1. Sale of goods

Revenue from the sale of goods is recognized when control of the products being sold is transferred to the customer and when there are no longer any unfulfilled obligations. The performance obligations in the contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on customer terms. Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government such as goods and services tax, etc when the amount of revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the Group. Revenue is only recognized to the extent that it is highly probable a significant reversal will not occur. An estimate is made of goods that will be returned and a liability is recognized for this amount using the best estimate available.

2.6.2 Rendering of services

Income from services rendered is recognized based on agreements/arrangements with the customers as the service is performed and there are no unfulfilled obligations and when ultimate collectability is certain.

Critical Assessment: The Group enters into contract with customers where the period between the transfer of the promised services to the customer and payment by the customer exceeds one year. As a consequence, the Group has adjusted the transaction price and has deferred the revenue for contracts along with the related cost of providing those services, whose period has not expired as on March 31, 2020.

2.6.3 Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.7 Leasing

A contract is, or contains, 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.

Group as a lessee

The Group recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right of use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any re-measurement of the lease liability.

The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right of use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Group measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses incremental borrowing rate. For leases with reasonably similar characteristics, the Group, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Group is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently re-measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and re-measuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The Group recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the re-measurement in statement of profit and loss.

The Group has elected not to apply the requirements of Ind AS 116 Leases to short term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

Group as a lessor

The Group do not have any leases in which it acts as a lessor. Thus, the Group is not required to make any adjustments on transition to Ind AS 116 for leases.

2.8 Foreign currencies

The functional currency of the Group is the Indian rupee. These consolidated financial statements are presented in Indian rupees.

Income and expenses in foreign currencies are initially recorded by the Group at the exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the Balance sheet date and exchange gains and losses arising on settlement and restatement are recognised in the Statement of Profit and Loss.

Non-monetary items denominated in foreign currencies are carried at historical cost.

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Indian Rupees using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation, all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Group are reclassified to profit or loss.

2.9 Employee benefits

Employee benefits include provident fund, employee state insurance scheme, gratuity, compensated absences and long term service award.

2.9.1 Defined benefit plans

The Group's gratuity scheme is a defined benefit plan. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation carried at the year-end using the Projected Unit Credit Method Remeasurement, comprising actuarial gains and losses are recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. The contribution towards gratuity is made to Life Insurance Corporation.

2.9.2 Defined contribution plans

The Group's contribution to provident fund and employee state insurance scheme is considered as defined contribution plans and is charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees. The contributions are made to funds administered and managed by the government of India. There are no other obligations under these plans beyond its contributions.

2.9.3 Short-term and other long-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees renders the service. These benefits include bonus and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

Short term compensated absences are provided for based on estimates. Long term compensated absences are measured at the present value of the obligation determined on the basis of actuarial valuation carried at the year-end using projected unit credit method. Actuarial gains and losses are recognised immediately as an income or expense in the Statement of Profit and Loss in the period in which they occur.

Long term service award is governed by Company's long-term service policy. The present value of the obligation is determined based on Management estimate.

2.10 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.10.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

2.10.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2.10.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.11 Property, plant and equipment

Property, plant and equipment (PPE) are carried at cost less accumulated depreciation and impairment losses, if any. The cost of PPE comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use.

Upon transition to IND AS, the Group has elected to measure all of its property, plant and equipment on fair value as of transition date as calculated under Ind AS and used that fair value as the deemed cost of the property, plant and equipment as on transition date.

Capital work-in-progress:

Projects under which tangible PPE are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

Depreciation:

Depreciation is recognised so as to write off the cost of assets (other than properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Estimated useful lives of the assets are as follows:

Asset Category	Useful lives (years)
Freehold land	Not Depreciated
Leasehold improvement	Over the period of lease
Building-factory	30
Plant and machinery (other than moulds and office equipments)*	10
Moulds*	2
Office equipments	5
Furniture and fixtures*	5
Computers*	3
Mobile Phones*	2

Fixed assets costing up to Rs. 70,000 are being fully expensed off.

*For these class of assets, based on internal assessment and technical evaluation carried out by the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence the useful lives for these assets are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the Statement of Profit and Loss in the year in which the expenditure is incurred.

Major computer software in the nature of ERP license is amortized over a period of 5 years and other software have a life of one year.

2.12 Impairment

The carrying amounts of tangible and intangible assets are reviewed at each balance sheet date to determine whether there is any indication of impairment based on internal/external factors. An impairment loss is recognised in Statement of Profit and Loss wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

2.13 Inventories

Raw materials, stores and spare parts

Lower of cost and net realizable value after providing for obsolescence and other losses. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on weighted average cost basis.

Work-in-progress and finished goods

Lower of cost and net realizable value after providing for obsolescence and other losses. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost is determined on weighted average cost basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Cost includes octroi, other levies, transit insurance and receiving charges.

2.14 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Warranty provisions

Provisions for warranty related costs are recognised when the product is sold or service provided. Provision is based on historical experience. The estimate of such warranty related costs is revised annually.

2.15 Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities valued at fair value through profit or loss are recognised immediately in profit or loss.

2.16 Financial assets

All recognised financial assets are subsequently measured at either amortised cost or fair value, depending on the classification of the financial assets.

2.16.1 Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value.

2.16.2 Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for financial assets other than those financial assets classified as at fair value through profit or loss. Interest income is recognised in the Statement of Profit and Loss and is included in the "other income" line item.

2.16.3. Financial Assets at fair value through profit or loss (FVTPL)

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and in included in the 'other income' line items.

2.16.4 Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the Statement of Profit and Loss.

2.16.5 Impairment of financial assets

The Group recognises loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in the Consolidated Statement of Profit and Loss.

2.17 Financial Liabilities and Equity Instruments

2.17.1 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by an entity are recognised at the proceeds received, net of direct issue costs.

2.17.2 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at fair value through profit or loss.

2.17.2.1 Financial Liabilities at fair value through profit or loss

Financial liabilities are classified as at fair value through profit or loss when the financial liability is held for trading or it is designated as at fair value through profit or loss.

A financial liability is classified as held for trading if:

- It has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not designated and effective as a hedging instrument.

2.17.2.2 Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at fair value through profit or loss are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

2.17.2.3 Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

2.17.2.4 Financial guarantee contract

A financial guarantee contract is a contract that requires the issuer to make specified payment to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee issued is measured on initial recognition at their fair value and if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of the loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

2.17.2.5 Derivatives contract

The Group enters into forward contracts to manage its exposure to foreign exchange rate risks. Further details of derivative financial instruments are disclosed in note 41.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately.

2.18 Contingent Liabilities

Contingent liabilities are disclosed in the consolidated financial statements by way of notes to accounts, unless possibility of an outflow of resources embodying economic benefit is remote.

2.19 Cash and cash equivalents

The Group considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of Cash on hand, balances with banks which are unrestricted for withdrawal and usage and demand deposit with bank.

2.19.1 Cash Flow Statement

Cash flows are reported using the indirect method, where by profit/loss after tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

2.20 Segment reporting

The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. Based on the nature and class of product and services, their customers and assessment of differential risks and returns and financial reporting results reviewed by chief operating decision maker, the Group has identified business segments as Consumer, Enterprise and Network.

2.21 Earnings per share

2.21.1 Basic earnings per share

Basic earnings per share is calculated by dividing:

- The profit attributable to owners of the Group
- By the weighted average number of equity shares outstanding during the financial year.

2.21.2 Diluted earnings per share

Diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account:

- The after income tax effect of interest and other financing costs associated with dilutive potential equity shares; and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

2.22 Factoring Agreements

The Group utilize factoring arrangements with banks and other financial institutions (each a "factor") as a short-term financing alternative to accelerate monetization of trade receivables. The Group account for transfers of trade receivables as a sale when control over the related assets has been surrendered to the factor. Whether control has been relinquished requires, among other things, an evaluation of relevant legal considerations and an assessment of the nature and extent of our continuing involvement with the assets transferred.

Factoring agreements reported as a sale are accounted for as a reduction of trade receivables and the proceeds are included in cash flows from operating activities in the statements of cash flows. Factoring agreements that do not qualify for sale accounting are reported as collateralized borrowings. If trade accounts receivable do not qualify for sale accounting, the factor is entitled to demand full repayment of the outstanding balance from The Group if the payer of the receivable defaults. Accordingly, the related assets remain on company's balance sheet and continue to be reported and accounted for as if the transfer had not occurred.

2.23 Material events

Events after the reporting period are those events, favourable and unfavourable, that occur between the end of the reporting period and the date when the financial statements are approved by the Board of Directors of the Group. Two types of events are identified by the Group:

(a) those that provide evidence of conditions that existed at the end of the reporting period (adjusting events after the reporting period); and

(b) those that are indicative of conditions that arose after the reporting period (non-adjusting events after the reporting period).

The impact of the material adjusting events occurring after the reporting period are adjusted in the financial statements and the impact of non-adjusting events after the reporting period are disclosed in the financial statements.

2.24 Use of estimates

The preparation of consolidated financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Group to make estimates, judgements and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the consolidated financial statements and the reported amounts of income and expense for the periods presented.

3. Significant accounting judgements, estimates and assumptions

In the application of the Group's accounting policies, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only the period of the revision and future periods if the revision affects both current and future periods.

3.1 Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

3.1.1 Going concern assumption

COVID-19 pandemic has impacted and continues to impact the business operations in many countries due to lockdown, travel bans, quarantines and other emergency measures resulting in disruption of business operations. With respect to the operations of the group, management believes that it has taken into account all the possible impact of known events arising from COVID- 19 pandemic in the preparation of these financial statements. Further, in evaluating the impact of COVID-19 on its ability to continue as a going concern and the possible impact on its financial position, the group has made an assessment of its liquidity position for next one year and assessed the impact of macro-economic conditions on its business in light of the future business projections. Further, during the year, group has a total comprehensive income of Rs.51.61 million (Previous year comprehensive loss of Rs.566.70 million) and has an accumulated losses of Rs.1,258.62 million as at March 31, 2020 (Previous year Rs.1,281.93 million), resulting in erosion of its net worth as on that date. Additionally, the group's current liabilities exceeds its current assets by Rs. 746.04 million (Previous year Rs. 1,343 million). Brightstar Corp., the holding company, which might be impacted due to Covid -19, has confirmed that it would provide continuing financial support to the group until the group is able to meet its obligations on its own. These current conditions may cast a significant doubt on the group's ability to continue as a going concern and realise its assets and discharge its liabilities in the normal course of business, however considering the future business plans of the group and continuing financial support from the holding company, the financial statements have been prepared on a going concern basis.

3.2 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group has based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

3.2.1 Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk volatility and discount rates. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See note 40 for further disclosures.

3.2.2 Income taxes

The Group is subject to income tax laws as applicable in India and Singapore. Significant judgment is required in determining provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

3.2.3 Deferred Taxes

In assessing the realisability of deferred tax assets, management considers whether it is probable, that some portion, or all, of the deferred tax assets will not be realised. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the projected future taxable income and tax planning strategies in making this assessment.

Based on the level of historical taxable income and projections for future taxable incomes over the periods in which the deferred tax assets are deductible, management believes that it is probable that the Group will be able to realise the benefits of those deductible differences in future.

3.2.4 Estimation of defined benefits and compensated leave of absence

The present value of the gratuity, pension and leave encashment obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Further details about gratuity and leave encashment obligations are given in note 35.

3.2.5 Estimation of useful life of tangible and intangible assets

Management reviews the useful lives of depreciable assets at each reporting date. Further, there is no change in the useful lives of other tangible and intangible assets as compared to previous year. However, Management has decided to depreciate all assets up to full value during the current financial year ending March 31, 2020. Depreciation during the year includes Rs. 5.7 Million impact of earlier years due to change in policy.

3.2.6 Leases

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and period covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

4. Property, plant and equipment

(Rs. in Million)

	Description	As at March 31, 2020	As at March 31, 2019
	Carrying amounts of :		
1	Freehold land	44.71	44.71
2	Leasehold improvement	-	-
3	Building	23.49	26.10
4	Plant and machinery	7.69	16.33
5	Furniture and fixture	0.60	0.39
6	Computer and networking	9.38	12.62
	Total	**85.87**	**100.15**

Current Year

(Rs. in Million)

	Gross carrying value				Accumulated depreciation				Carrying amount	
Description	As at April 1, 2019	Additions during the year	Disposal/ adjustment	As at March 31, 2020	As at April 1, 2019	Depreciation during the year	Disposal/ adjustment	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019
1 Freehold land	44.71			44.71	-			-	44.71	44.71
2 Buildings	36.54			36.54	10.44	2.61		13.05	23.49	26.10
3 Leasehold improvement	11.34			11.34	11.34			11.34	-	-
4 Plant and equipment	75.40	0.13	0.81	74.72	59.07	8.75	0.79	67.03	7.69	16.33
5 Furniture and fixtures	3.05	0.45	0.01	3.49	2.66	0.24	0.01	2.89	0.60	0.39
6 Computer and networking	33.12	4.70	0.77	37.05	20.50	7.94	0.77	27.67	9.38	12.62
Total	**204.16**	**5.28**	**1.59**	**207.85**	**104.01**	**19.54**	**1.57**	**121.98**	**85.87**	**100.15**

Previous Year

(Rs. in Million)

	Gross block				Accumulated depreciation				Net block	
Description	As at April 1, 2018	Additions during the year	Disposal/ adjustment	As at March 31, 2019	As at April 1, 2018	Depreciation during the year*	Disposal/ adjustment	As at March 31, 2019	As at March 31, 2019	As at March 31, 2018
1 Freehold land	44.71	-	-	44.71	-	-	-	-	44.71	44.71
2 Buildings	36.54	-	-	36.54	7.83	2.61	-	10.44	26.10	28.71
3 Leasehold improvement	11.34	-	-	11.34	8.88	2.46	-	11.34	-	2.46
4 Plant and equipment	72.44	3.64	0.68	75.40	50.70	8.98	0.61	59.07	16.33	21.74
5 Furniture and fixtures	2.71	0.35	0.01	3.05	2.19	0.48	0.01	2.66	0.39	0.52
6 Computer and networking	22.80	11.94	1.62	33.12	16.48	5.54	1.52	20.50	12.62	6.32
Total	**190.54**	**15.93**	**2.31**	**204.16**	**86.08**	**20.07**	**2.14**	**104.01**	**100.15**	**104.46**

* Includes depreciation amounting to Rs. 0.87 Mn which relates to discontinued business.

Notes:

1. The fixed assets are hypothecated/mortgaged to secure borrowings of the Company. (Refer Note 19)

5. Intangible Assets

(Rs. in Million)

Description	As at March 31, 2020	As at March 31, 2019
Carrying amounts of :		
1 Computer softwares	25.12	26.44
Total	**25.12**	**26.44**

Current Year

(Rs. in Million)

	Gross carrying value				Accumulated depreciation				Carrying amount	
Description	As at April 1, 2019	Additions during the year	Disposal/ adjustment	As at March 31, 2020	As at April 1, 2019	Depreciation during the year	Disposal/ adjustment	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019
1 Computer softwares	51.73	22.13	30.20	43.66	25.29	21.51	28.26	18.54	25.12	26.44
Total	**51.73**	**22.13**	**30.20**	**43.66**	**25.29**	**21.51**	**28.26**	**18.54**	**25.12**	**26.44**

Previous Year

(Rs. in Million)

	Gross carrying value				Accumulated depreciation				Carrying amount	
Description	As at April 1, 2018	Additions during the year	Disposal/ adjustment*	As at March 31, 2019	As at April 1, 2018	Depreciation during the year#	Disposal/ adjustment*	As at March 31, 2019	As at March 31, 2019	As at March 31, 2018
1 Computer softwares	38.44	24.60	11.31	51.73	11.69	17.21	3.61	25.29	26.44	26.75
Total	**38.44**	**24.60**	**11.31**	**51.73**	**11.69**	**17.21**	**3.61**	**25.29**	**26.44**	**26.75**

* Includes impairment of softwares related to discontinued business INR 7.70 Mn (net of amortisation)
# includes amortization pertaining to discontinued operation amounting to Rs. 0.87 Million

6 . Loans

	As at March 31, 2020	As at March 31, 2019
	Rs. in Million	**Rs. in Million**
<u>**Non current**</u>		
Security deposits (Unsecured, considered good)	16.38	15.29
Security deposits (Unsecured, considered doubtful)	0.39	0.39
	16.77	**15.68**
Allowances for credit losses	(0.39)	(0.39)
	16.38	**15.29**

Movement in allowances for credit losses	As at March 31, 2020	As at March 31, 2019
	Rs. in Million	**Rs. in Million**
Balance at the beginning of the year	**0.39**	**0.39**
Movement in allowances for credit losses	-	-
Balance at the end of the year	**0.39**	**0.39**

7. **Other financial assets**

		As at March 31, 2020	As at March 31, 2019
		Rs. in Million	**Rs. in Million**
Non Current			
(a)	Balances in earmarked accounts		
-	Margin money*	6.11	9.61
		6.11	**9.61**
Current			
(a)	Financial assets measured at fair value		
	Forward contracts (refer note 41)	25.41	-
(b)	Interest accrued on bank deposits	0.13	0.13
(c)	Receivables from related parties (Refer note 36)	0.10	1.39
(d)	Vendor incentive receivables	207.29	113.17
(e)	Other receivables	25.34	19.58
		258.27	**134.27**

*Margin money with a carrying amount of Rs. 6.11 Million (March 31, 2019- Rs. 9.61 Million) are hypothecated against the bank guarantee.

8. **Deferred tax assets/(liabilities) (net)***

	As at March 31, 2020	As at March 31, 2019
	Rs. in Million	**Rs. in Million**
Deferred tax assets	43.74	9.72
Deferred tax liabilities	(43.72)	(8.59)
	0.02	**1.13**

Deferred tax balances arise from the following:	As at March 31, 2020	As at March 31, 2019
	Rs. in Million	**Rs. in Million**
Deferred tax liability on account of:		
Property, plant and equipment, right to use asset and intangible assets	43.72	8.59
	43.72	**8.59**
Deferred tax asset on account of:		
Temporary differences#	43.74	9.72
	43.74	9.72
Net deferred tax assets	**0.02**	**1.13**

includes Rs. 0.02Million (March 31, 2019 Rs. 1.13 Million) tax on temporary differences in Company's Subsidiary Brightstar Telecommunications Singapore Private Ltd

* Considering the nature of the Group's operations and history of past tax losses, deferred tax assets are recognized to the extent of Deferred tax liability in line with ICAI guidelines. With respect to recognised deferred tax assets, it is probable that sufficient taxable profit will be generated in future against which such deductible temporary differences will be utilised. It is considered prudent not to recognise deferred tax assets on other temporary differences , unabsorbed depreciation and tax losses of Rs. 579.68 Million (year ended March 31, 2019: Rs. 621.83 Million).

9. Tax assets

	As at March 31, 2020 Rs. in Million	As at March 31, 2019 Rs. in Million
Non current tax assets		
Advance income-tax (net of provision of NIL (March 31, 2019- Rs. Nil Million))	92.59	173.59
	92.59	**173.59**
Current tax assets		
Advance income-tax (net of provision of NIL (March 31, 2019- Rs. Nil Million))	127.20	0.13
	127.20	**0.13**

10. Other assets

	As at March 31, 2020 Rs. in Million	As at March 31, 2019 Rs. in Million
Non-current		
(a) Advances other than capital advances (Unsecured, considered good)		
(i) Balances with government authorities	100.86	170.32
(ii) Deferred expense on security deposit given	-	5.53
(iii) Deferred service cost*	302.87	281.28
	403.73	**457.13**
(b) Advances other than capital advances (Unsecured, considered doubtful)		
(i) Balances with government authorities	6.00	8.52
	6.00	**8.52**
Allowances for credit losses	(6.00)	(8.52)
	403.73	**457.13**
Current		
(a) Advances other than capital advances (Unsecured, considered good)		
(i) Prepaid expenses	29.78	25.81
(ii) Deferred expense on security deposit given	-	1.03
(iii) Balances with government authorities	481.79	967.77
(iv) Loans/Imprest to employee	2.16	1.15
(v) Deferred service cost*	429.33	368.05
(vi) Other	39.37	64.41
	982.43	**1,428.22**

*Effective April 1, 2018, the Group had applied Ind AS 115 Revenue from Contracts with Customers. As per Ind AS 115, revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group had contract with customers where the period between the transfer of the promised services to the customer and payment by the customer over time. As a consequence, the Group had adjusted the transaction price and has deferred the service revenue for contracts along with the related cost of providing those services whose period has not expired as on the reporting period.

11 . Inventories

(valued at lower of cost and net realisable value)

	As at March 31, 2020	As at March 31, 2019
	Rs. in Million	**Rs. in Million**
Raw materials	42.68	59.07
Allowances for obsolete/slow moving stock	(0.15)	(0.48)
	42.53	**58.59**
Work-in-progress	**3.84**	**8.14**
Finished goods	**36.13**	**46.40**
Stock-in-trade	1,737.30	1,550.20
Allowances for obsolete/slow moving stock	(93.81)	(84.49)
	1,643.49	**1,465.71**
Stores and spares	0.47	1.33
Allowances for obsolete/slow moving stock	(0.03)	(0.65)
	0.44	**0.68**
	1,726.43	**1,579.52**

Included above, goods-in-transit:		
(i) Raw materials	10.75	24.96
(ii) Stock-in-trade	146.71	179.49
Total goods-in-transit	**157.46**	**204.45**

(i) The cost of inventories recognised as an expense during the year was Rs. 12,460.49 Million (March 31, 2019: Rs. 13,230.22 Million).

(ii) Refer to Note 19 for information on inventories pledged as security by the company

(iii) The method of valuation of inventories has been stated in note 2.13

12 . Trade receivables

	As at March 31, 2020	As at March 31, 2019
	Rs. in Million	**Rs. in Million**
Current		
Trade receivables*		
(a) Unsecured, considered good	2,101.34	2,680.03
(b) Unsecured considered doubtful	412.88	482.79
	2,514.22	**3,162.82**
Allowance for credit loss	(412.88)	(482.79)
	2,101.34	**2,680.03**

Movement in allowances for credit loss	As at March 31, 2020	As at March 31, 2019
	Rs. in Million	Rs. in Million
Balance at the beginning of the year	**482.79**	**593.75**
Utilised during the year	(5.57)	(62.87)
Arise/(reversed) in allowances for credit loss	(64.34)	(48.09)
Balance at the end of the year	**412.88**	**482.79**

* Includes Rs. 32.49 Million (March 31, 2019- Rs. 29.91 Million) secured against bank guarantees issued by customers, Rs. 1,653.35 Million (March 31, 2019- Rs. 1,889.86 Million) secured against credit insurance and Rs. 172.54 Million (March 31, 2019- Rs. 492.75 Million) secured against letter of credit. Insurance against trade receivables, if any, are available only in case there are no dispute with customers.

* There are Nil Trade receivable which have significant increase in credit risk.

* Trade receivable are generally on terms of 7-90 days from date of invoice.

13. Cash and cash equivalents

	As at March 31, 2020	As at March 31, 2019
	Rs. in Million	Rs. in Million
(i) Cash on hand	0.05	0.03
(ii) Balances with banks:		
(a) In current accounts	242.00	64.70
	242.05	**64.73**

14. Other bank balances

	As at March 31, 2020	As at March 31, 2019
	Rs. in Million	Rs. in Million
(a) In earmarked accounts		
- On current accounts under lien	-	2.53
- Margin money	3.87	3.46
	3.87	**5.99**

15. Equity share capital

	As at March 31, 2020	As at March 31, 2019
	Rs. in Million	Rs. in Million
Authorised share capital		
Equity shares of Rs. 10 each with voting rights	100.00	100.00
March 31, 2020 :- 10,000,000 Shares		
March 31, 2019 :- 10,000,000 Shares		
Issued, subscribed and fully paid		
Equity shares of Rs. 10 each with voting rights	50.92	50.92
March 31, 2020 :- 5,091,607 Shares		
March 31, 2019 :- 5,091,607 Shares		
	50.92	**50.92**

15.1 **Reconciliation of the number of shares outstanding at the beginning and at the end of the year.**	**Number of Shares**	**Share Capital INR**
	In Million	**Rs. in Million**
Balance as at April 01, 2018	5.09	50.92
Add:- Issued during the year	-	-
Balance as at March 31, 2019	5.09	50.92
Add:- Issued during the year	-	-
Balance as at March 31, 2020	**5.09**	**50.92**

15.2 Voting and other rights

The Group has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The Group declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Group, the holders of equity shares will be entitled to receive remaining assets of the Group. The distribution will be in proportion to the number of equity shares held by the shareholders.

15.3 Details of shares held by the holding company.

Fully paid equity shares of Rs. 10 (No. of shares in Million)	**As at March 31, 2020**	**As at March 31, 2019**
Brightstar Logistics Pte. Ltd (Holding Company)	2.59	2.59

15.4 Details of shares held by each shareholder holding more than 5% shares in the company. **(In Million)**

Fully paid equity shares of Rs. 10 each	**As at March 31, 2020**		**As at March 31, 2019**	
	Number of Shares held	**% Holding of Equity Share**	**Number of Shares held**	**% Holding of Equity Share**
Brightstar Logistics Pte. Ltd	2.59	51.00%	2.59	51.00%
Bharti (RM) Holdings Private Limited	0.63	12.36%	0.63	12.36%
Eiesha Bharti Pasricha	1.01	19.78%	1.01	19.78%
Bharti (RBM) Holdings Private Limited	0.63	12.36%	0.63	12.36%

16. Other equity

	As at March 31, 2020	**As at March 31, 2019**
	Rs. in Million	**Rs. in Million**
Capital reserve	2.50	2.50
Securities premium	5.27	5.27
Retained earnings	(1,258.62)	(1,281.93)
Foreign currency translation reserve	48.23	26.30
	(1,202.62)	**(1,247.86)**

16.1 Capital reserve

	As at March 31, 2020 Rs. in Million	As at March 31, 2019 Rs. in Million
Balance at the beginning of the year	2.50	2.50
Movement during the year	-	-
Balance at the end of the year	2.50	2.50

16.2 Securities premium

	As at March 31, 2020 Rs. in Million	As at March 31, 2019 Rs. in Million
Balance at the beginning of the year	5.27	5.27
Movement during the year	-	-
Balance at the end of the year	5.27	5.27

16.3 Retained earnings

	As at March 31, 2020 Rs. in Million	As at March 31, 2019 Rs. in Million
Balance at the beginning of the year	(1,281.93)	(642.69)
Effect of adoption of new Ind AS (Net of deferred tax Rs. Nil)	(6.37)	(53.04)
Loss during the year	11.65	(579.60)
Transferred from general reserve	-	-
Other comprehensive Income/(loss) arising from defined benefit obligation, net of income taxes	18.03	(6.60)
Balance at the end of the year	**(1,258.62)**	**(1,281.93)**

16.4 Foreign currency translation reserve

	As at March 31, 2020 Rs. in Million	As at March 31, 2019 Rs. in Million
Balance at the beginning of the year	26.30	6.80
Loss attributable to owners of the Company	21.93	19.50
Other comprehensive (income)/ losses	-	-
Balance at the end of the year	**48.23**	**26.30**

Nature of reserves

16.1) Capital reserve

The Group recognises profit or loss on purchase, sale, issue or cancellation of Group's own equity instruments to capital reserve.

16.2) Securities premium

The amount received in excess of face value of the equity shares is recognised in securities premium reserve.

16.3) Retained earnings

Retained earnings are the profits that the Group has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

16.4) Foreign currency translation reserve

Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. Rs.) are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve. Gains and losses on derivatives that are designated as hedging instruments for hedges of net investments in foreign operations are included in the foreign currency translation reserve. Exchange differences previously accumulated in the foreign currency translation reserve (in respect of translating both the net assets of foreign operations and hedges of foreign operations) are reclassified to profit or loss on the disposal of the foreign operation.

17. Provisions

	As at March 31, 2020	As at March 31, 2019
	Rs. in Million	**Rs. in Million**
<u>Non current provisions</u>		
(a) Provision for employee benefits		
Provision for compensated absences (Refer Note 35)	21.74	24.58
Provision for other long term employee benefits (Refer Note 35)	0.70	1.79
	22.44	**26.37**
(b) Other provisions		
Provision for litigations (refer Note 17.2)	44.78	242.41
	44.78	242.41
	67.22	**268.78**
<u>Current provisions</u>		
Provision for compensated absences (Refer Note 35)	3.22	3.31
Provision for other long term employee benefits (Refer Note 35)	0.55	2.47
Provision for sales return allowance (Refer Note 17.3)	20.62	38.40
	24.39	**44.18**
(b) Other provisions		
Provision for warranties (Refer Note 17.1)	18.77	17.05
Provision for income-tax	7.38	8.37
	26.15	25.42
	50.54	**69.60**

17.1 Provision for warranties

The Group provides warranty on certain products dealt by it by giving the undertaking to repair/ replace items, which fails to perform satisfactorily during the warranty year. Provision made as at March 31, 2020 represents the amount of the expected cost of meeting such obligations of repair/ replacement. The details are as follows:

Reconciliation of balance at the beginning and at the end of the year	As at March 31, 2020	As at March 31, 2019
	Rs. in Million	Rs. in Million
Balance at the beginning of the year	17.05	42.78
Arising during the year	21.25	88.85
Utilized during the year	(3.66)	(97.37)
Unused amounts reversed	(15.87)	(17.21)
Balance at the end of the year	**18.77**	**17.05**

17.2 Provision for litigations

The Group is contending various matters pertaining to excise duty, sales tax and entry tax and has considered provision for the matters where it is probable that an outflow of resources may be required to settle the obligation. The details are as follows:

Reconciliation of balance at the beginning and at the end of the year	As at March 31, 2020	As at March 31, 2019
	Rs. in Million	Rs. in Million
Balance at the beginning of the year	242.41	42.09
Arising/(reversed) during the year*	(197.63)	200.32
Utilised during the year	-	-
Balance at the end of the year	**44.78**	**242.41**

* Group imports Access Points for Network division which is supplied to different customers. These goods are classified under CTH 8517 62 90 by availing BCD exemption under Notification No.24/2005. This Notification further amended vide Notification No.11/2014 dated 11-07-2014 and BCD exemption was withdrawn to 5 category of products which include Multiple Input/Multiple Output (MIMO) and Long-Term Evolution (LTE) Products. The Group is of the view that these access points are not covered in S.no. (iv) of such exception list because majority of these access points are not having feature of Multiple Input/Multiple Output (MIMO) and Long-Term Evolution (LTE) Products. During the current year, the case has been decided in favour of the Group. On the basis of legal view, management is of the view that the likelihood of any liability devolving on the Group is remote, hence provision has been reversed during the year.

17.3 Provision for sales return allowance

The Group's customer has contractual right to return goods only when authorised by the Group. An estimate is made of goods that will be returned and a liability is recognised based on best estimate available and customer agreements.

Reconciliation of balance at the beginning and at the end of the year	As at March 31, 2020	As at March 31, 2019
	Rs. in Million	Rs. in Million
Balance at the beginning of the year	38.40	0.98
Arising/(reversed)during the year	12.17	48.94
Utilised during the year	(29.95)	(11.52)
Balance at the end of the year	**20.62**	**38.40**

18. Other liabilities

	As at March 31, 2020	As at March 31, 2019
	Rs. in Million	Rs. in Million
Non Current		
(a) Deferred contract revenue*	335.15	318.38
(b) Gratuity obligation (Refer Note 35)	54.60	60.51
	389.75	**378.89**
Current		
(a) Advance received from customer	52.00	75.77
(b) Statutory dues		
- taxes payable (other than income taxes)	48.02	39.43
(c) Gratuity obligation (Refer Note 35)	5.55	6.55
(d) Deferred contract revenue*	482.42	418.80
	587.99	**540.55**

*Effective April 1, 2018, the Group had applied Ind AS 115 Revenue from Contracts with Customers. As per Ind AS 115, revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group had contract with customers where the period between the transfer of the promised services to the customer and payment by the customer over time. As a consequence, the Group has adjusted the transaction price and has deferred the revenue for contracts along with the related cost of providing those services, whose period has not expired as on reporting period.

19. Borrowings

	As at March 31, 2020	As at March 31, 2019
Current Borrowings	Rs. in Million	Rs. in Million
Secured		
a) Cash credit from banks (Refer Note 19.1)	132.00	515.51
b) Working capital demand loan (Refer Note 19.1)	2,520.10	2,930.00
	2,652.10	**3,445.51**
Unsecured		
a) Buyer's credit (Refer Note 19.2)	228.13	146.35
b) Other loan (Refer Note 19.5)	113.45	-
	341.58	146.35
	2,993.68	**3,591.86**
Non-Current Borrowings		
Unsecured		
a) Loan from Related party (Refer Note 19.4)	376.95	-
b) Other loan (Refer Note 19.5)	207.47	-
	584.42	**-**

Note :

19.1 Cash credit and working capital demand loan

a) The cash credit facility carries interest rate of 8.65% to 10.35% p.a. (March 31, 2019: 9.65% to 10.40% p.a) and working capital loan from ANZ Banking Group Ltd is repayable on demand carries interest rate of 7.10% to 8.55% p.a. (March 31, 2019: 8.50% to 8.80% p.a.) and is secured by hypothecation of current, fixed, movable and immovable assets of the Company. Further, the above borrowings from ANZ banking Group Ltd is secured against corporate guarantee from Brightstar Logistics Pte Ltd and Brightstar Logistics Pty Ltd.

b) The cash credit facility carries interest rate of 9.60% to 12.00% p.a. (March, 31, 2019: 8.80% to 10.75% p.a.) and working capital loan from Kotak Mahindra Bank is repayable on demand carries interest rate of 8.25% to 12.00% p.a. (March 31, 2019 : 8.45% to 10.55% p.a.) and is secured by hypothecation of all existing and future receivable/current assets/movable fixed assets of Company and further secured against corporate guarantee from Brightstar Corp.

c) The cash credit facility carries interest rate of 11.60 to 12% p.a. (March 31, 2019 : 9.75% to 12.00%p.a.) and working capital loan from HDFC Bank Ltd is repayable on demand carries interest rate of 11.00% to 12.00% p.a. (March 31, 2019 : 8.20% to 10.75% p.a.) and is secured by hypothecation of stock, book debts and entire fixed assets of Company and further secured against corporate guarantee from Brightstar Corp.

d) Working capital loan from Citi Bank Limited is repayable on demand carries interest rate of 9.00% p.a. and is secured against hypothecation of current and Fixed assets of Company and further secured against corporate guarantee by Brightstar Corp.

19.2 Buyer's credit

a) Buyer's credit carries interest rate of 2.66% to 3.74% p.a. (March 31, 2019 : 2.81% to 3.95% p.a.) from ANZ Banking Group Ltd which is secured by corporate guarantee from Brightstar Logistics Pte Ltd and Brightstar Logistics Pty Ltd.

19.3 Corporate guarantees

a) Since the corporate guarantees given by Brightstar Corp., Brightstar Logistics Pte Ltd and Brightstar Logistics Pty Ltd. are integral to the original borrowings, fair value of financial guarantee is not accounted separately.

19.4 Loan from Related party

USD 5 Mn Intercompany loan for Brightstar Logistics Pte Ltd Singapore for 5 years carrires interest rate of LIBOR+450bps.

19.5 Other loan

Unsecured financing arrangement loan from Hewlett Packard Financial Services (India) Private Limited , repayable in 36 installments and carries interest rate of 10.90%

20. Trade payables

	As at March 31, 2020 **Rs. in Million**	**As at March 31, 2019** **Rs. in Million**
Total outstanding dues of micro enterprises and small enterprises (refer note 44)	23.09	1.68
Total outstanding dues of creditors other than micro enterprises and small enterprises*	2,476.06	2,956.15
	2,499.15	**2,957.83**

* Above trade payables includes payable to one vendor amounting Rs. Nil (March 31, 2019- Rs. 74.75 Million) which will be paid to the vendor only after the Group will receive payment from customers to whom the Group have sold its product.

For related party balances, Refer Note 36.

21. Other financial liabilities

	As at March 31, 2020	As at March 31, 2019
	Rs. in Million	Rs. in Million
Current		
(a) Security deposits received	0.08	0.15
(b) Interest accrued but not due on borrowings	20.14	5.72
(c) Payable to Employees	21.47	56.01
(d) Financial liability measured at fair value		
(i) Forward contracts (Refer Note 41)	-	14.17
	41.69	**76.05**

22. Revenue from operations*

	As at March 31, 2020	As at March 31, 2019
	Rs. in Million	Rs. in Million
(a) Revenue from sale of products	13,064.48	13,825.88
- Finished goods	529.60	563.76
- Traded goods	12,534.88	13,262.12
(b) Revenue from rendering of services	935.46	677.60
(c) Other operating revenue		
- Sale of scrap	4.25	0.43
	14,004.19	**14,503.91**

* Also refer note 39

22.1 Disaggregated revenue information

Set out below is the disaggregation of the Group's revenue from contracts with customers:

(Rs. in Million)

Segment	Year Ended March 31, 2020				Total
	Consumer	Enterprises	Network	Mobile Distribution*	
India	5,133.23	5,053.20	2,475.51	-	12,661.94
Outside India	13.00	906.79	422.46	-	1,342.25
Total Revenue from contracts with customers	**5,146.23**	**5,959.99**	**2,897.97**	**-**	**14,004.19**

(Rs. in Million)

Segment	Year Ended March 31, 2019				Total
	Consumer	Enterprises	Network	Mobile Distribution*	
India	5,180.65	4,521.00	2,721.69	-	12,423.34
Outside India	16.28	1,123.83	940.46	-	2,080.57
Total Revenue from contracts with customers	**5,196.93**	**5,644.83**	**3,662.15**	**-**	**14,503.91**

During the previous year Group had discontinued mobile handset business, pertaining to mobile distribution segment. (Refer note 39 and 42)

22.2 Contract Balances

Particulars	As at March 31, 2020	As at March 31, 2019
	Rs. in Million	Rs. in Million
Trade Receivables	2,101.34	2,680.03
Contract Assets	-	-
Contract Liabilities	52.00	75.77

Set out below is the amount of revenue recognised from:

Particulars	As at March 31, 2020	As at March 31, 2019
	Rs. in Million	Rs. in Million
Amounts included in contract liabilities at the beginning of the year	75.77	84.01
Performance obligations satisfied in previous years	-	-

22.3 Performance obligations and remaining performance obligations

The transaction price allocated to the remaining performance obligations as at 31st March, 2020 is as follows:

Particulars	As at March 31, 2020	As at March 31, 2019
	Rs. in Million	Rs. in Million
Within one year	482.42	418.80
More than one year	335.15	318.38

The remaining performance obligations expected to be recognised in more than one year relates to the performance of services that is to be satisfied within a maximum period of five years. These services relates to products sold by the Company. All the other remaining performance obligations are expected to be recognised within one year.

23. Other income*

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
	Rs. in Million	Rs. in Million
(a) Interest income		
(i) On bank deposits	0.49	0.68
(ii) On security deposits carried at amortised cost	0.93	1.32
(iii) Others	42.83	18.53
(b) Other non operating income		
(i) Liabilities/provisions no longer required written back	4.49	3.17
	48.74	**23.70**

* Also refer note 39

24. Cost of material consumed*

	Year ended March 31, 2020	Year ended March 31, 2019
	Rs. in Million	Rs. in Million
Opening stock	**59.07**	**39.50**
Add: Purchases	277.20	327.39
	336.27	**366.89**
Less: Closing stock	42.68	59.07
Cost of material consumed	**293.59**	**307.82**

* Also refer note 39

25. Purchases*

	Year ended March 31, 2020	Year ended March 31, 2019
	Rs. in Million	Rs. in Million
Purchase of goods and Services	12,339.43	12,904.51
	12,339.43	**12,904.51**

* Also refer note 39

26. Changes in inventories of finished goods, work-in-progress and stock-in-trade*

	Year ended March 31, 2020	Year ended March 31, 2019
	Rs. in Million	Rs. in Million
Inventories at the end of the year:		
Finished goods	36.13	46.40
Work-in-progress	3.84	8.14
Stock-in-trade	1,737.30	1,550.20
	1,777.27	**1,604.74**
Inventories at the beginning of the year:		
Finished goods	46.40	36.34
Work-in-progress	8.14	6.14
Stock-in-trade	1,550.20	1,580.15
	1,604.74	1,622.63
Net (increase)/decrease	**(172.53)**	**17.89**

* Also refer note 39

27. Employee benefit expense*

	Year ended March 31, 2020	Year ended March 31, 2019
	Rs. in Million	Rs. in Million
Salaries and wages	537.75	487.11
Contribution to provident and other funds	45.73	40.25
Staff welfare expenses	20.22	20.65
	603.70	**548.01**

* Also refer note 39

28. Finance cost*

	Year ended March 31, 2020	Year ended March 31, 2019
	Rs. in Million	Rs. in Million
Interest expense		
- On current borrowings	283.25	369.43
- On borrowing from related party (refer note 36)	9.40	-
- On lease liability	15.39	-
	308.04	**369.43**

* Also refer note 39

29. Depreciation and amortisation expense*

	Year ended March 31, 2020	Year ended March 31, 2019
	Rs. in Million	Rs. in Million
Depreciation of property, plant and equipment (Refer Note 4)	19.54	20.07
Amortisation of intangible assets (Refer Note 5)	21.51	16.34
Amortisation of right to use asset (refer note 43)	23.07	-
	64.12	**36.41**

* Also refer note 39

30. Other expenses*

	Year ended March 31, 2020		Year ended March 31, 2019	
		Rs. in Million		Rs. in Million
Advertisement and marketing expense		8.40		7.04
Bad Debts and advances written off	14.42		4.78	
Less: adjusted against provision for doubtful debts	(5.57)	8.85	(0.57)	4.21
Bank charges		12.63		15.30
Charity and donation		0.20		0.20
Commission on sales		15.36		3.29
Communication expenses		8.25		10.29
Consumption of stores and spares		2.23		2.85
Electricity and water charges		3.19		3.37
Exchange rate difference (net)		78.02		60.03
Freight and cartage		86.39		78.81
Insurance charges		51.29		43.38
Legal and professional expenses#		36.05		31.51
Loss on sale of property, plant and equipment (net)/software impairment		1.91		(0.10)
Miscellaneous expenses		30.12		27.37
Power and fuel		10.70		11.79
Printing and stationery		1.02		1.23
Allowances for doubtful debt(net)		(64.41)		3.74

	Year ended March 31, 2020	Year ended March 31, 2019
	Rs. in Million	Rs. in Million
Allowances for obsolete/slow moving stock	8.25	16.07
Recruitment and Staff Development	9.05	15.37
Rates and taxes	4.22	2.55
Rent including lease rentals	3.64	32.68
Repair and maintenance:		
a) Building	0.17	0.21
b) Others	58.21	54.33
Sales promotion and schemes expenses	21.87	44.30
Security charges	4.39	4.03
Service charges	145.29	141.25
Travelling and conveyance	46.89	44.65
Warranty cost	5.39	71.64
	597.57	**731.40**

* Also refer note 39

Payment to Auditor (as included in legal and professional expenses) excluding taxes

	Year ended March 31, 2020	Year ended March 31, 2019
	Rs. in Million	Rs. in Million
As Auditor:		
Audit fee	3.06	3.02
In other capacity:		
Other services (certification and others)	0.65	0.20
Reimbursement of expenses	0.14	0.18
	3.85	**3.40**

31. Income taxes

Income taxes recognised in Statement of Profit and Loss	Year ended March 31, 2020	Year ended March 31, 2019
Current tax	Rs. in Million	Rs. in Million
In respect of the current year	6.94	8.45
In respect of the previous years	(0.72)	(0.31)
	6.22	8.14
Deferred tax		
In respect of the current year	1.14	(1.14)
Adjustments in respect of deferred tax of previous years	-	-
	1.14	**(1.14)**
Total income tax expense recognised in Statement of Profit and Loss	**7.36**	**7.00**

Reconciliation of tax expense with accounting profit for the year as follows:

	Year ended March 31, 2020	Year ended March 31, 2019
	Rs. in Million	Rs. in Million
Profit/ (Loss) before tax	**19.01**	**(572.60)**
Income tax @34.944% (year ended March 31, 2019 @ 34.944%)	6.64	(200.09)
Adjustments in respect of current income tax of previous years	(0.72)	(0.31)
Adjustments in respect of deferred tax of previous years	1.11	-
Adjustment in respect of difference in tax rates of subsidiary company	(9.13)	(8.24)
Deferred tax asset not recognised	9.46	215.64
Net tax expense recognised in profit and loss	**7.36**	**7.00**

The tax rate used for the years 2019-2020 and 2018-2019 reconciliations above is the corporate tax rate payable by corporate entity in India on taxable profits under the Indian tax law.

32. Profit/(Loss) per share

	Year ended March 31, 2020	Year ended March 31, 2019
	Rs. in Million	Rs. in Million
Nominal value of equity shares (Rs.)	10.00	10.00
Profit/(Loss) attributable to equity shareholders from continuing operations for computing basic and dilutive EPS (A) (Rs. million)	11.65	(394.86)
Profit/(Loss) attributable to equity shareholders from discontinued operations for computing basic and dilutive EPS (A) (Rs. million)	-	(184.74)
Weighted average number of equity shares outstanding during the year for computing basic EPS (B)	5.09	5.09
Dilutive effect on weighted average number of equity shares and equity equivalent shares for computing diluted EPS	-	-
Weighted average number of equity shares and equity equivalent shared for computing diluted EPS (C)	5.09	5.09
Basic earnings per share (A/B) continuing operation	**2.29**	**(77.58)**
Basic earnings per share (A/B) discontinuing operation	**-**	**(36.29)**
Diluted earnings per share (A/C) continued operation	**2.29**	**(77.58)**
Diluted earnings per share (A/C) discontinued operation	**-**	**(36.29)**
Basic earnings per share (A/B) Rs.	**2.29**	**(113.87)**
Diluted earnings per share (A/C) Rs.	**2.29**	**(113.87)**

33. Contingent liabilities (to the extent not provided for)

(i) Claims against the Group not acknowledged as debt (excluding cases where the possibility of any outflow in settlement is remote):

Particulars	As at March 31, 2020	As at March 31, 2019
	Rs. in Million	Rs. in Million
Indirect taxes	104.06	103.37
Excise Duty	3.70	3.70
Custom Duty	-	-
Other	2.02	2.09
Total	**109.78**	**109.16**

The Group's pending litigations above pertains to proceedings pending with VAT, excise department, custom department and other authorities. The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities, where applicable, in its financial statements. The Group does not expect the outcome of these proceedings to have a materially adverse effect on its consolidated financial statements.

34. Commitments

(i) Capital commitments

Particulars	As at March 31, 2020	As at March 31, 2019
	Rs. in Million	Rs. in Million
Estimated amount of contracts remaining to be executed on capital account and not provided for*	5.62	1.69
Total	**5.62**	**1.69**

* As of March 31, 2020, Net of capital advance Nil (March 31, 2019- Nil)

The Group has other commitments for the purchase orders which are issued after considering requirements as per operating cycle for purchase goods and services. The Group does not have any long term commitment or material non-cancellable contractual commitments/ contracts which might have a material impact on the consolidated financial statements.

35. Employee benefit plan

35.1 Defined contribution plan

The Group makes provident fund contributions which are defined contribution plans, for qualifying employees. Under the scheme, the Group is required to contribute a specified percentage of the payroll costs to fund the benefits. The Group recognised Rs. 27.10 Million (year ended March 31, 2019 Rs. 26.83 Million) for provident fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Group are at rates specified in the rules of the scheme.

35.2 Defined benefit plans and other employee benefits

Gratuity scheme: The scheme is a defined benefit arrangement providing gratuity benefit expensed in terms of final monthly salary and service. Every employee gets a gratuity on departure at 15 days salary for each completed year of service. However, payment to the employees who have joined prior to April 1, 2008 is subject to a maximum limit of Rs 2,000,000. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

Long term employee benefits: Compensated absences include earned leaves and sick leaves. Compensated absences have been provided on accrual basis based on year end actuarial valuation.

Long term service award: The long term service award ('the program') is governed by Group's long term service policy. The present value of obligation is determined based on Management estimate.

35.3 Description of risk exposures

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such Company is exposed to various risks as follow:

Salary risk (salary escalation)	Actual salary escalation will increase the plan's liability. Escalation in salary increase rate assumption in future valuations will also increase the liability.
Discount rate	Reduction in discount rate in subsequent valuations can increase the plan's liability.
Mortality & disability	Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
Withdrawals	Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact plan's liability.

35.4 The principal assumptions used for the purpose of the actuarial valuations were as follows:

Valuation as at

	March 31, 2020			**March 31, 2019**		
	Gratuity	**Compensated absences**	**Long term service award**	**Gratuity**	**Compensated absences**	**Long term service award**
Discount rate(s)	6.55%	6.55%	-	7.40%	7.40%	-
Expected rate(s) of salary escalation	0% for year 2020-21 and 7% thereafter	0% for year 2020-21 and 7% thereafter	-	10.00%	10.00%	-
Employee turnover	0%-15%	0%-15%	-	0%-17%	0%-17%	-

35.5 Amounts recognised in Statement of Profit and Loss in respect of these defined benefits plans and other long term employee benefits are as follows:

(Rs. in Million)

	Year ended March 31, 2020			**Year ended March 31, 2019**		
	Gratuity	**Compensated absences**	**Long term service award**	**Gratuity**	**Compensated absences**	**Long term service award**
Service cost*						
Current service cost	11.03	5.22		10.37	4.92	0.06
Past Service Cost	-	-		-	-	
Actuarial losses	-	(4.52)	(2.31)	-	2.39	
Net interest expense	4.98	1.98		4.08	1.93	
Components of defined benefit costs recognised in profit or loss	**16.01**	**2.68**	**(2.31)**	**14.45**	**9.24**	**0.06**
Remeasurement on the net defined benefit liability**						
Return on plan assets (excluding amount included in net interest expense)	0.93	-	-	0.32	-	-
Actuarial (gains)/losses	(18.65)	-	-	(0.75)	-	
Actuarial gains and loss arising form experience adjustments	(0.31)	-	-	7.03	-	-
Components of defined benefit cost recognised in other comprehensive income	(18.03)	-	-	6.60	-	-
Total	**(2.02)**	**2.68**	**(2.31)**	**21.05**	**9.24**	**0.06**

* The current service cost and the net interest expense for the year are included in the "Employee Benefit Expense" line item in the Statement of Profit and Loss.

** The remeasurement of the net defined liability is included in Other Comprehensive Income.

35.6 The amount included in the Balance Sheet arising from the entity's obligation in respect of its defined benefit plans and other long term employee benefits is as follows:

(Rs. in Million)

	March 31, 2020			March 31, 2019		
	Gratuity	**Compensated absences**	**Long term service award**	**Gratuity**	**Compensated absences**	**Long term service award**
Present value of defined benefit obligation	83.08	24.96	1.25	95.07	27.89	4.26
Fair value of plan assets	(22.93)	-	-	(28.01)	-	-
Net liability arising from defined benefit obligation	**60.15**	**24.96**	**1.25**	**67.06**	**27.89**	**4.26**
Non current portion	54.60	21.74	0.70	60.51	24.58	1.79
Current portion	5.55	3.22	0.55	6.55	3.31	2.47

Movement in the present value of the defined benefit obligation and other long term employee benefits are as follows:

(Rs. in Million)

	March 31, 2020			March 31, 2019		
	Gratuity	**Compensated absences**	**Long term service award**	**Gratuity**	**Compensated absences**	**Long term service award**
Opening defined benefit obligation	**95.07**	**27.89**	**4.26**	**82.34**	**25.21**	**4.56**
Current service cost	11.03	5.22	-	10.37	4.92	0.06
Past service cost	-	-	-	-	-	-
Interest cost	7.05	1.98	-	6.29	1.93	-
Remeasurement losses						
- Actuarial losses	(18.65)	(4.52)	(2.31)	(0.75)	2.39	-
- Actuarial gains and loss arising form experience adjustments	(0.31)	-	-	7.03	-	-
Benefits paid	(11.11)	(5.61)	(0.70)	(10.21)	(6.56)	(0.36)
Closing defined benefit obligation	**83.08**	**24.96**	**1.25**	**95.07**	**27.89**	**4.26**

Movement in the fair value of the plan assets are as follows:

(Rs. in Million)

	March 31, 2020			March 31, 2019		
	Gratuity	**Compensated absences**	**Long term service award**	**Gratuity**	**Compensated absences**	**Long term service award**
Opening fair value of plan assets	**28.01**	**-**	**-**	**29.03**	**-**	**-**
Interest income	2.07	-	-	2.22	-	-
Remeasurement losses						
- Actual return on plan assets in excess of the expected return	(0.93)	-	-	(0.32)	-	-

(Rs. in Million)

	March 31, 2020			March 31, 2019		
	Gratuity	Compensated absences	Long term service award	Gratuity	Compensated absences	Long term service award
Contributions by employer (including benefit payments recoverable)	2.23	-	-	1.32	-	-
Benefits paid	(8.45)	-	-	(4.24)	-	-
Closing fair value of plan assets	**22.93**	**-**	**-**	**28.01**	**-**	**-**

35.7 Maturity profile of defined benefit obligation of gratuity:

	2020	2019
Within 1 year	7.19	9.40
2 - 5 year	35.11	37.45
6 - 10 year	43.02	50.45
More than 10 years	55.72	82.39

The weighted average duration of the defined benefit obligation is 7 years (March 31, 2019: 7 years).

35.8 Plan assets

The fair value of Company's pension plan asset as of March 31, 2020 and 2019 by category are as follows:

Asset category:	2020	2019
Investment with Insurer	100%	100%

35.9 The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

35.10 Sensitivity analysis

The sensitivity of the defined benefit obligation of gratuity to changes in the weighted principal assumptions is:

Principal assumption	Year	Changes in assumption	Impact on defined benefit obligation	
			Increase	Decrease
Discount rate	2020	(- / + 1%)	(5.52)	6.17
	2019	(- / + 1%)	(7.38)	6.58
Salary escalation rate	2020	(- / + 1%)	6.06	(5.60)
	2019	(- / + 1%)	6.32	(6.90)
Attrition rate	2020	(- / + 50%)	(0.38)	0.59
	2019	(- / + 50%)	(3.98)	2.35
Mortality rate	2020	(- / + 10%)	(0.01)	0.01
	2019	(- / + 10%)	(0.03)	0.04

36. Related Party Transactions

S.No.	Nature of relationship	Name of the party
a.	Ultimate holding company	Softbank Group Corp.
b.	Holding company	Brightstar Corp
c.	Intermediate Holding company	Brightstar Logistics Pte Ltd
d.	Enterprise having substantial interest in the Group	Bharti (RBM) Holdings Private Limited Eiesha Bharti Pasricha (w.e.f March 30, 2019) Bharti (RM) Holdings Private Limited
e.	Fellow subsidiaries and other companies which do not exercise control or significant influence over the Group (with whom the Group has transactions)	Brightstar Logistics Pty Ltd. Brightstar 20:20 Limited Brightstar 20:20 UK Limited
f.	Key management personnel of the Group	**Whole Time Directors:** Sanjeev Chhabra - with effect from July 12, 2018 and Managing Director with effect from January 28, 2019 Mr. Deval Parikh-CEO and Whole time Director till July 12, 2018. Resigned on April 21, 2018 **Others:** Geeta Mathur (Independent Director)- till February 06, 2019 Rajesh Madan (Independent Director) Paul Andrew Ringrose (Director)- resigned w.e.f 30/04/2019 Dharshan Nanayakkara (Director) resigned wef 06/03/2020 Harjeet Singh Kohli (Director)- resigned 08/01/2020 Uma Ajay Relan (Independent Director)- effective August 6, 2019 Stijin Piet N Nijis (Non-Executive Director)- effective May 13, 2019 Luciano Barreto Ferreira (Chief Financial officer)- effective October 22, 2018 Devendra Khanna (Director) effective 26/12/2019 Neeraj Manchanda (Company Secretary) effective January 28, 2019 Neeru Bhalla (Company Secretary)- till October 29, 2018 Lim Puay Chong Vincent (Director)

36.1 Details of transaction between the Group and its related parties are disclosed below:

(Rs. in Million)

Particulars	For the year ended	Holding company	Fellow subsidiaries	Key managerial personnel*
Nature of transactions with related parties				
Expenses incurred by related party on behalf of Group	31-Mar-20	3.71	4.31	-
	31-Mar-19	0.53	4.31	-
Expenses incurred by Group on behalf of related party	31-Mar-20	0.09	0.02	-
	31-Mar-19	0.26	-	-
Marketing Support received	31-Mar-20	0.26	-	-
	31-Mar-19	-	-	-

Management contract fees expenses	31-Mar-20	-	27.12	-
	31-Mar-19	-	32.70	-
Management contract fees income	31-Mar-20	-	-	-
	31-Mar-19	-	0.88	-
Short-term employee benefits	31-Mar-20	-	-	50.33
	31-Mar-19	-	-	51.32
Fee for attending board committee meetings	31-Mar-20	-	-	1.33
	31-Mar-19	-	-	1.75
Loan Received	31-Mar-20	354.50	-	-
	31-Mar-19	-	-	-
Interest Paid on Loan Received	31-Mar-20	9.40	-	-
	31-Mar-19	-	-	-

*The remuneration to the key managerial personnel ('KMP') does not include the provisions made for gratuity, compensated absences as they are determined on an actuarial basis for the Group as a whole. The remuneration is within the limits prescribed under section 197 of the Companies Act, 2013.

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the March 31, 2020 are unsecured and interest free and settlement occurs in cash. For the year ended 31 March 2020, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2019: INR Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

36.2 Balance outstanding at the end of the year

(Rs. in Million)

Nature of balances with related parties	Balance as at	Holding company	Fellow subsidiaries	Key managerial personnel
Trade payables	31-Mar-20	-	30.84	-
	31-Mar-19	-	5.21	-
Loan Payable	31-Mar-20	376.95	-	-
	31-Mar-19	-	-	-
Other receivables	31-Mar-20	0.10	-	-
	31-Mar-19	0.44	0.95	-
Employee related liabilities	31-Mar-20	-	-	-
	31-Mar-19	-	-	4.35

Notes

1. For corporate guarantees given by related party on behalf of the Group, Refer Note 19.

37. Group information

Information about subsidiary

The consolidated financial statements of the Group includes subsidiary listed in the table below:

Name	Principal activities	Country of incorporation	% of equity interest	
			As at March 31, 2020	As at March 31, 2019
Brightstar Telecommunications Singapore Private Limited (Erstwhile known as Beetel Teletech Singapore Private Limited)	Wholesale business of telecommunication equipments	Singapore	100.00	100.00

38. Statutory group information

	Net Assets, i.e., total assets minus total liabilities		Share in profit/(loss)		Share in other comprehensive income/(loss)		Share in total comprehensive income/(loss)	
	As % of consolidated net assets	Rs. in Million	As % of consolidated profit/(loss)	Rs. in Million	As % of consolidated other comprehensive income/(loss)	Rs. in Million	As % of consolidated total comprehensive income/(loss)	Rs. in Million
Parent								
Brightstar Telecommunications India Limited								
Balance as at March 31, 2020	126%	(995.75)	71%	110.65	100%	18.03	74%	128.68
Balance as at March 31, 2019	134%	(1,118.06)	109%	(555.90)	100%	(6.60)	109%	(562.50)
Subsidiaries								
Foreign								
Brightstar Telecommunications Singapore Private Limited								
Balance as at March 31, 2020	-26%	205.26	29%	45.99	0%	-	26%	45.99
Balance as at March 31, 2019	-34%	282.33	-9%	47.77	0%	-	-9%	47.77
Total - 31 March 2020	**100%**	**(790.49)**	**100%**	**156.64**	**100%**	**18.03**	**100%**	**174.67**
Total - 31 March 2019	**100%**	**(835.73)**	**100%**	**(508.13)**	**100%**	**(6.60)**	**100%**	**(514.73)**
a) Adjustment arising out of consolidation								
As at March 31, 2020		(361.21)		(144.99)		21.93		(123.06)
As at March 31, 2019		(361.21)		(71.47)		19.50		(51.97)
b) Minority interest								
Foreign subsidiary								
Brightstar Telecommunications Singapore Private Limited								
Balance as at March 31, 2020		-		-		-		-
Balance as at March 31, 2019		-		-		-		-
Total - 31 March 2020		**-**		**-**		**-**		**-**
Total - 31 March 2019				-		-		-
Consolidated net assets/ profit (loss)								
As at March 31, 2020		**(1,151.70)**		**11.65**		**39.96**		**51.61**
As at March 31, 2019		**(1,196.94)**		**(579.60)**		**12.90**		**(566.70)**

39. During financial year 2018-19, Group had decided to discontinue its mobile handset distribution business and related service offerings due to its inability to maintain the gross margin, consequently Group had not renewed contracts with its vendors related to the Mobile business segment.

Discontinued Operations	Year ended March 31, 2020	Year ended March 31, 2019
	Rs. in Million	**Rs. in Million**
I Revenue from operations	-	4,992.15
II Other income	-	
III Total income (I + II)	**-**	**4,992.15**
IV Expenses		
(a) Cost of materials consumed	-	-
(b) Purchases	-	1,398.13
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	-	3,830.47
(d) Employee benefit expense	-	35.82
(e) Finance cost	-	45.60
(f) epreciation and amortisation expense	-	0.87
(g) Other expenses		
(i) Advertisement and marketing expense	-	7.01
(ii) Amount/debtors written off	-	0.43
(iii) Bank charges	-	0.01
(iv) Communication expenses	-	0.51
(v) Freight and cartage	-	1.50
(vi) Insurance charges	-	6.07
(vii) Legal and professional expenses	-	12.37
(viii) Loss on sale of property, plant and equipment (net)	-	7.70
(ix) Printing and stationery	-	0.01
(x) Allowances for doubtful debt*	-	(51.94)
(xi) Allowances for obsolete/slow moving stock*	-	(131.60)
(xii) Recruitment and Staff Development	-	0.10
(xiii) Sales promotion and schemes expenses	-	-
(xiv) Travelling and conveyance	-	2.70
(xv) Miscellaneous expenses	-	11.13
Total other expenses	**-**	**(134.00)**
Total expenses	**-**	**5,176.89**
V Loss before tax (III - IV)	**-**	**(184.74)**
VI Tax expense/(credit)	**-**	**-**
VII Loss for the year from discontinued operation (V - VI)	**-**	**(184.74)**

* Pertains to reversal of provision created in previous years.

Cash flows from discontinued operations	**For the Period March 31, 2020**	**For the Period March 31, 2019**
	Rs. in Million	**Rs. in Million**
Net Cash flows from/(used in) operating activities	-	3,126.81
Net Cash flows from/(used in) investing activities	-	(0.87)
Net Cash flows from/(used in) financing activities	-	(3,353.26)
Net Cash flows	**-**	**(227.32)**

40. Fair value measurements

40.1 The carrying value of financial instruments by categories as of March 31, 2020 is as follows:

	Measured at fair value through P&L	**Measured at amortised cost**	**Carrying value**
Financial assets:			
Cash and cash equivalents	-	242.05	242.05
Other bank balances	-	3.87	3.87
Trade receivables	-	2,101.34	2,101.34
Loans	-	16.38	16.38
Forward contracts	25.41	-	25.41
Other financial assets	-	238.97	238.97
Total	**25.41**	**2,602.61**	**2,628.02**
Financial liabilities:			
Trade payables	-	2,499.15	2,499.15
Borrowings	-	3,578.10	3,578.10
Forward contracts	-	-	-
Other financial liabilities	-	190.05	190.05
Total	**-**	**6,267.30**	**6,267.30**

40.2 The carrying value of financial instruments by categories as of March 31, 2019 is as follows:

	Measured at fair value through P&L	**Measured at amortised cost**	**Carrying value**
Financial assets:			
Cash and cash equivalents	-	64.73	64.73
Other bank balances	-	5.99	5.99
Trade receivables	-	2,680.03	2,680.03
Loans	-	15.29	15.29
Forward contracts	-	-	-
Other financial assets	-	143.88	143.88
Total	**-**	**2,909.92**	**2,909.92**
Financial liabilities:			
Trade payables	-	2,957.83	2,957.83
Borrowings	-	3,591.86	3,591.86
Forward contracts	14.17		14.17
Other financial liabilities	-	61.88	61.88
Total	**14.17**	**6,611.57**	**6,625.74**

* The carrying value of above financial assets and financial liabilities approximates its fair value.

40.3 Fair Value hierarchy:

Ind AS establishes a fair value hierarchy that prioritises the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under Ind AS are described below:

Level 1 — inputs are based upon quoted prices (unadjusted) in active markets for identical assets or liabilities which are accessible as of the measurement date.

Level 2 — inputs are based upon quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active and model derived valuations for the asset or liability that are derived principally from or corroborated by market data for which the primary inputs are observable, including forward interest rates, yield curves, credit risk and exchange rates.

Level 3 — inputs for the valuations are unobservable and are based on management's estimates of assumptions that market participants would use in pricing the asset or liability. The fair values are therefore determined using model-based techniques such as option pricing models and discounted cash flow models.

The following table summarizes the financial assets and financial liabilities measured at fair value on a recurring basis:

(Rs. in Million)

	Fair value hierarchy		
	Level 1	Level 2	Level 3
At March 31, 2020			
Financial assets	-	25.41	-
Financial liabilities	-	-	-
At March 31, 2019			
Financial assets			-
Financial liabilities	-	14.17	-

The fair value of the Group's financial assets and financial liabilities approximates carrying amount because of the short-term nature of these instruments.

The Group classifies forward contracts in Level 2 as quoted prices can be corroborated based on observable market transactions of spot currency rate, forward currency prices.

The following table summarizes the financial assets and financial liabilities measured at carrying value as at March 31, 2020

(Rs. in Million)

	Level 1	Level 2	Level 3	Total
Financial Assets				
Financial assets at amortised cost:				
Cash and cash equivalents	-	242.05	-	242.05
Other bank balances	-	3.87	-	3.87
Trade receivables	-	2,101.34	-	2,101.34
Loans	-	-	16.38	16.38
Other financial assets	-	238.97	-	238.97
Total	**-**	**2,586.23**	**16.38**	**2,602.61**
Financial liabilites				
Financial liabilities held at amortised cost:				
Trade payables	-	2,499.15	-	2,499.15
Borrowings	-	-	3,578.10	3,578.10
Other financial liabilities	-	190.05	-	190.05
Total	**-**	**2,689.20**	**3,578.10**	**6,267.30**

The following table summarizes the financial assets and financial liabilities measured at carrying value as at March 31, 2019:

(Rs. in Million)

	Level 1	Level 2	Level 3	Total
Financial Assets				
Financial assets at amortised cost:				
Cash and cash equivalents	-	64.73	-	64.73
Other bank balances	-	5.99	-	5.99
Trade receivables	-	2,680.03	-	2,680.03
Loans	-	-	15.29	15.29
Other financial assets	-	143.88	-	143.88
Total		**- 2,894.63**	**15.29**	**2,909.92**
Financial liabilites				
Financial liabilities held at amortised cost:				
Trade payables	-	2,957.83	-	2,957.83
Borrowings	-	-	3,591.86	3,591.86
Other financial liabilities	-	61.88	-	61.88
Total		**- 3,019.71**	**3,591.86**	**6,611.57**

Except as detailed in the above table, the Management consider that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair.

41. Financial instruments

41.1 Capital management

The objective of the Group's capital management structure is to ensure that there remains sufficient liquidity within the Group to carry out business. The Group monitors the long term cash flow requirements of the business in order to assess the requirement for changes to the capital structure to meet that objective and to maintain flexibility.

The Group monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of the statement of financial position.

The Group sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

Debt-to-equity ratio as of March 31, 2020 and March 31, 2019 is as follows:

	As at March 31, 2020	As at March 31, 2019
	Rs. in Million	**Rs. in Million**
Debt	2,993.68	3,591.86
Cash and other bank balances	245.92	70.72
Net debt	**2,747.76**	**3,521.14**
Total equity	**(1,151.70)**	**-1,196.94**
Gearing ratio (%)	-239%	-294%

41.2 Financial risk management framework

In its ordinary operations, the Group's activities expose it to the various types of risks, which are associated with the financial instruments and markets in which it operates. The Group has a risk management policy which covers the foreign exchanges risks and other risks associated with the financial assets and liabilities such as interest rate risks and credit risks. The following is the summary of the main risks:

41.2.1 Credit risk management

"Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. Credit risk is managed by Group's established policy, procedures and control relating to customer credit risk management.

" **Financial assets that potentially exposed the Group to credit risk are listed below:**

	As at March 31, 2020	As at March 31, 2019
	Rs. in Million	Rs. in Million
Loans	16.38	15.29
Trade receivables*	2,101.34	2,680.03
Other financial assets	264.38	143.88
Total	**2,382.10**	**2,839.20**

*Refer Note 12

41.2.2 Liquidity risk management

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they become due. The Group manages liquidity risk by maintaining cash in accounts, establishing adequate banking facilities, and reserve borrowing facilities. The Group actively monitors its actual and forecast cash flows and matches cash requirements with the maturity profile of financial assets and liabilities.

The table below provides details regarding the contractual maturities of financial liabilities as at: (Rs. in Million)

Particulars	As at March 31, 2020			As at March 31, 2019		
	Weighted average effective interest rate	Less than 1 year	1-5 years	Weighted average effective interest rate	Less than 1 year	1-5 years
Financial Liabilities						
Trade payables	-	2,499.15	-	-	2,957.83	-
Borrowings	9.92%	3,578.10	-	10.29%	3,591.86	-
Other financial liabilities	-	190.05	-	-	61.88	-
Forward contracts	-	-	-	-	14.17	-
Total	**-**	**6,267.30**	**-**		**6,625.74**	**-**

41.2.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates (currency risk) and interest rates (interest rate risk) will affect the Group's income or value of it's holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

41.2.3.1 Foreign currency risk management

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Group's exposure to currency risk relates primarily to the Group's operating activities and borrowings when transactions are denominated in a different currency from the Group's functional currency.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

(Amount in Million)

Particulars	Currency	March 31, 2020	March 31, 2019
Trade receivables	USD	1.24	6.11
Trade payables	USD	8.40	18.2
	EUR	1.32	0.01
	SGD	0.03	0.05
	AUD	0.02	0
Other Receivables	USD	0.07	0.09
	EUR	0.53	0.02
Other Payables	USD	-	0.01
	SGD	0.02	0
Borrowings	USD	8.03	2.11

Of the above foreign currency exposures, the following exposures are not hedged by a derivative:

(Amount in Million)

Particulars	Currency	March 31, 2020	March 31, 2019
Trade receivables	USD	1.24	6.11
Trade payables	USD	5.39	10.08
	EUR	0.40	0.01
	SGD	0.03	0.05
Foreign currency sensitivity	AUD	0.02	
Other Receivables	USD	0.07	0.09
	EUR	0.53	0.02
Other Payables	USD	-	0.01
	SGD	0.02	-

The following tables demonstrate the sensitivity to a reasonably possible change in USD, EUR and AUD exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives and embedded derivatives.

(Amount in Million)

Particulars	Currency	Change in rate	Effect on profit before tax
For the year ended March 31, 2020	USD	+5%	(15.41)
	USD	-5%	15.41
	EUR	+5%	(3.71)
	EUR	-5%	3.71
	AUD	+5%	(0.05)
	AUD	-5%	0.05

(Amount in Million)

Particulars	Currency	Change in rate	Effect on profit before tax
For the year ended March 31, 2019	USD	+5%	(13.45)
	USD	-5%	13.45
	EUR	+5%	(0.05)
	EUR	-5%	0.05
	AUD	+5%	0.05
	AUD	-5%	(0.05)

Derivative financial instruments*

The Group holds derivative financial instruments such as foreign currency forward to mitigate the risk of changes in exchange rate on foreign currency exposure. The counterparty for these contracts is generally a Bank or a Financial Institution. These derivative financial instrument are valued based on quoted prices for similar asset and liabilities in active markets or inputs that is directly or indirectly observable in the marketplace.

The following table gives details in respect of outstanding forward contracts:

(Amount in Million)

Currency to Buy	As at March 31, 2020			As at March 31, 2019		
	Coverage (INR)	Outstanding Amount (Foreign Currency)	MTM (INR)	Coverage (INR) (Foreign Currency)	Outstanding Amount	MTM (INR)
USD	813.55	11.03	23.86	727.58	10.24	(14.17)
EUR	74.60	0.92	1.55	-	-	-
	888.15	**11.95**	**25.41**	**727.58**	**10.24**	**(14.17)**

*The outstanding forward contracts are having maturity profile of less than six months.

41.2.3.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations with floating interest rates. The Group's borrowings are primarily short-term, which do not expose it to significant interest rate

42. SEGMENT INFORMATION

42.1 Segment Accounting Policies:

a. <u>Product from which reportable segment derive their revenues.</u>

Based on the nature and class of product and services, their customers and assessment of differential risks and returns and financial reporting results reviewed by chief operating decision maker, the Group has identified the following business segments which comprised:

Consumer Products: Distribution of Harman & other accessories, Landline phones, Modems, information technology periherals.

Enterprises products: Distribution board room solutions, display devices, voice and data products and related Services

Network Products: Distribution of network equipment, servers, Telecom products & related services

b. Geographical segments

In terms of geographical segment, the Group's sales outside India are not material.

c. Segment accounting policies

Segment accounting policies: In addition to the significant accounting policies applicable to the business segment as set out in note 1, the accounting policies in relation to segment accounting are as under:

i. Segment assets and liabilities:

Segment assets include all operating assets used by a segment and consist principally of cash, debtors, inventories and Property, Plant and Equipment including capital work in progress, net of allowances and provisions, which are reported as direct offset in the Balance Sheet. Segment liabilities include all operating liabilities and consist principally of creditors and accrued liabilities.

ii. Segment revenue and expenses:

Joint revenue and expenses of segments are allocated amongst them on reasonable basis. All other segment revenue and expenses are directly attributable to the segments.

iii. Segment results :

Segment results represents the profit before tax earned by each segment without allocation of unallocable central administration costs, other income as well as finance costs. Operating profit amounts are evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance.

42.2 For the year ended March 31, 2020

(Rs. in Million)

Reportable Segments	Consumer	Enterprises	Network	Discontinued	Unallocated	Total
Revenue						
External sales	5,146.23	5,959.99	2,897.97	-	-	14,004.19
Other income	-			-	48.74	48.74
Total revenue	**5,146.23**	**5,959.99**	**2,897.97**	**-**	**48.74**	**14,052.93**
Result						
Profit/(loss) before interest and tax	25.84	130.28	200.79	-	(29.86)	327.05
Interest expense	-	-	-	-	308.04	308.04
Profit/(loss) before tax	**25.84**	**130.28**	**200.79**	**-**	**(337.90)**	**19.01**
Tax expense				-	7.36	7.36
Profit/(loss) after tax	**25.84**	**130.28**	**200.79**	**-**	**(345.26)**	**11.65**
Other information						
Segment assets	1,263.84	2,079.26	1,563.72	-	1,304.28	6,211.10
Segment liabilities	932.10	1,666.28	953.95	-	3,810.47	7,362.80
Capital expenditure	-	-	-	-	17.02	17.02
Depreciation and amortisation	9.65	-	-	-	54.47	64.12
Other non-cash expenditure	50.56	(81.21)	(19.20)	-	20.18	(29.67)

* includes Mobile handset business discontinued during the year

42.3 For the year ended March 31, 2019

(Rs. in Million)

Reportable Segments	Consumer	Enterprises	Network	Discontinued	Unallocated	Total
Revenue						
External sales	5,196.93	5,644.83	3,662.15	4,992.15	-	19,496.06
Other income	-			-	23.70	23.70
Total revenue	**5,196.93**	**5,644.83**	**3,662.15**	**4,992.15**	**23.70**	**19,519.76**
Result						
Profit/(loss) before interest and tax	153.14	1.02	(56.49)	(264.16)	8.92	(157.57)
Interest expense	-			-	415.03	415.03
Profit/(loss) before tax	**153.14**	**1.02**	**(56.49)**	**(264.16)**	**(406.11)**	**(572.60)**
Tax expense	-	-	-	-	7.00	7.00
Profit/(loss) after tax	**153.14**	**1.02**	**(56.49)**	**(264.16)**	**(413.11)**	**(579.60)**
Other information						
Segment assets	1,177.79	2,400.55	1,554.65	-	1,553.63	6,686.62
Segment liabilities	845.56	1,738.09	1,507.01	-	3,792.90	7,883.56
Capital expenditure	-	-	-	-	32.28	32.28
Depreciation and amortisation	10.27	-	-	-	27.01	37.28
Other non-cash expenditure	1.33	3.88	6.18	70.43	-	81.82

* includes Mobile handset business discontinued during the year

42.4 Information about major customers

No Customer contributed for 10% or more to the company's total revenue for the year ended March 31, 2020.

43. Leases

Transition to Ind AS 116

Effective April 1, 2019, the Group adopted Ind AS 116 "Leases" and applied the standard to all Lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Group recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Group's incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included in the audited financial statements for the year ended March 31, 2019.

Group as a lessee:

For transition, the Group has elected not to apply the requirements of Ind AS 116 to leases which are expiring within 12 months from the date of transition by class of asset and leases for which the underlying asset is of low value on a lease-by-lease basis.

The Group has also used the practical expedient provided by the standard when applying Ind AS 116 to leases previously classified as operating leases under Ind AS 17 and therefore, has not reassessed whether a contract, is or contains a lease, at the date of initial application, relied on its assessment of whether leases are onerous, applying Ind AS 37 immediately before the date of initial application as an alternative to performing an impairment review, excluded initial direct costs from measuring the right of use asset at the date of initial application and used hindsight when determining the lease term if the contract contains options to extend or terminate the lease. The Group has used discount rate based on lease to lease basis with similar characteristics. The Group has applied its incremental borrowing rate for lease liabilities recognised in the balance sheet at the date of initial application.

On transition, the Group recognised a lease liability measured at the present value of the remaining lease payments as at April 1, 2019. The right-of-use asset is recognised at its carrying amount as if the standard had been applied since the commencement of the lease, but discounted using the lessee's incremental borrowing rate as at April 1, 2019. Accordingly, a right-of-use asset of Rs. 162.76 Million and a corresponding lease liability of Rs. 162.66 Million has been recognized. The cumulative effect on transition in retained earnings net of taxes is Rs. 6.37 Million.

The principal portion of the lease payments have been disclosed under cash flow from financing activities. The lease payments for operating leases as per Ind AS 17 - Leases, were earlier reported under cash flow from operating activities. The weighted average incremental borrowing rate of 11.45% for 9 year term and 8.45% for 3 year term has been applied to lease liabilities recognised in the balance sheet at the date of initial application. On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-of-use asset, and finance cost for interest accrued on lease liability.

The discounting impact on security deposit paid for Rs. 6.47 Million has been reclassified to Right of use asset on the date of transition.

Group as a lessor:

The Group do not have any leases in which it acts as a lessor. Thus, the Group is not required to make any adjustments on transition to Ind AS 116 for leases.

The impact of Ind AS 116 on the balance sheet line items is as follows:

The changes in the carrying value of ROU assets for the year ended March 31, 2020 are as follows :

Right of Use Assets

Particulars	Rs. in Million
Balance as at April 1, 2019	**162.76**
Additions during the year	-
Disposals during the year	-
Depreciation during the year	(23.07)
Balance as at March 31, 2020	**139.69**

The movement in lease liabilities during the year ended March 31, 2020 and break up of current and non-current lease liabilities as at March 31, 2020 is as follows:

Leasehold Obligation

Particulars	Rs. in Million
Balance as at April 1, 2019	**162.66**
Additions during the year	-
Deletions during the year	-
Interest accrued during the year	15.39
Payment of lease liabilities	(29.69)
Balance as at March 31, 2020	**148.36**
Current	14.58
Non Current	133.78

The details of the contractual maturities of lease liabilities as at March 31, 2020 on an undiscounted basis are as follows:

Particulars	Rs. in Million
Less than one year	30.06
One to five years	111.35
More than five years	14.67
Total	**156.08**

44. Disclosure under Micro, Small and Medium Enterprises Development Act, 2006

Particulars	For the Period March 31, 2020	For the Period March 31, 2019
	Rs. in Million	Rs. in Million
(i) Principal amount remaining unpaid to MSME suppliers as on	23.09	1.68
(ii) Interest due on unpaid principal amount to MSME suppliers as on	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the MSME suppliers beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year (without adding the interest under MSME Development Act)	-	-
(v) The amount of interest accrued and remaining unpaid as on	-	-
(vi) The amount of interest due and payable to be disallowed under Income Tax Act, 1961	-	-

Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. This has been relied upon by the Auditors.

45. Reconciliation of liabilities arising from financing activities

The table below details change in the Group's liabilities arising from financing activities, including both cash and non cash changes. Liabilities arising from financing activities are those for which cash flows where, or future cash flows will be, classified in the Group's statement of cashflows as cashflows from financing activities.

(Rs. in Million)

Particulars	Opening Balance as at April 01, 2019	Interest accrual during the year	Financial Cash Flows	Non Cash Item	Closing Balance as at March 31, 2020
Working Capital Loan From Banks	3,445.51	-	(793.41)	-	2,652.10
Other loan	-	-	320.92	-	320.92
Buyers Credit	146.35	-	72.67	9.11	228.13
loan from related party	-	-	354.50	22.45	376.95
Lease liabilities	162.66	15.39	(29.69)	-	148.36
Interest	5.72	292.65	(278.23)	-	20.14
Total	**3,760.24**	**308.04**	**(353.24)**	**31.56**	**3,746.60**

Particulars	Opening Balance as at April 01, 2018	Interest accrual during the year	Financial Cash Flows	Non Cash Item	Closing Balance as at March 31, 2019
Working Capital Loan From Banks	6,643.54	-	(3,198.03)	-	3,445.51
Buyers Credit	206.65	-	(56.71)	(3.59)	146.35
Interest	18.18	414.88	(427.34)	-	5.72
Total	**6,868.37**	**414.88**	**(3,682.08)**	**(3.59)**	**3,597.58**

46. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

47. In accordance with the provisions of Section 135 of the Companies Act, 2013, the Group has turnover of more than Rs. 100 million which is one of the conditions mentioned in the said section and hence, the Group is liable to spend at least two percent of the average net profits of the Group made during the three immediately preceding financial years. However, the Group has losses from the past three consecutive years, the Group is not required to spend any amount on Corporate Social Responsibility.

48. There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as at March 31, 2020

49. **Approval of financial statements**

The financial statements were approved for issue by the Board of Directors on August 07, 2020.

For and on behalf of Board of Directors of
Brightstar Telecommunications India Limited

Sd/-
Gerard Patrick O'Keeffe
Chairman
(DIN: 08807817)
Place: London, England

Sd/-
Sanjeev Chhabra
Managing Director
(DIN: 08174113)
Place: Gurugram, India

Sd/-
Luciano Barreto Ferreira
Chief Financial Officer
Place: Sao Paulo, Brazil

Sd/-
Neeraj Manchanda
Company Secretary
Place: Gurugram, India

Brightstar Telecommunications India Limited

CIN: U32204HR1999PLC042204
First Floor, B Wing, Plot No.16,Udyog Vihar Phase IV
Gurugram 122015, Haryana
Tel :+91 124 4823500 | Fax :+91 124 4146130
www.brightstarcorp.in