Brightstar™

ANNUAL

REPORT 2018 - 2019

Contents

CORPORATE INFORMATION

BOARD OF DIRECTORS
(in alphabetical order)

Mr. Dharshan Nanayakkara (DIN: 06930415)
Mr. Harjeet Singh Kohli (DIN: 07575784)
Mr. Rajesh Madan (DIN: 02647922)
Mr. Sanjeev Chhabra (DIN: 08174113)
Mr. Stijn Piet N Nijs (DIN: 08383887)
Ms. Uma Ajay Relan (DIN: 07087902)

COMPANY SECRETARY

Mr. Neeraj Manchanda

STATUTORY AUDITORS

Deloitte Haskins & Sells LLP
Gurugram

INTERNAL AUDITORS

Protiviti India Member Private Limited
Gurugram

REGISTRAR & TRANSFER AGENT

MCS Share Transfer Agent Limited
Delhi

COST AUDITORS

K.G. Goyal & Associates
Jaipur

SECRETARIAL AUDITORS

Saurabh Jain & Associates
Delhi

BANKERS

HDFC Bank Limited
Australia & New Zealand Banking Group Limited
Kotak Mahindra Bank Limited

REGISTERED OFFICE

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

WEBSITE

www.brightstarcorp.in

QUERIES/ASSISTANCE

MCS Share Transfer Agent Ltd.,
F-65, Ist Floor,
Okhla Industrial Area, Phase-I,
New Delhi -110020.
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 & KEY MANEGERAIL PERSONNEL – AN INTRODUCTION

Dharshan Nanayakkara, Chairman

Dharshan Nanayakkara is a Non-Executive Director & Chairman of Brightstar Telecommunications India Limited. Presently, he works as Regional President, Rest of World, Brightstar Corp., responsible for operations in Europe, the Middle East, Asia Pacific and Africa. He is also responsible for setting the strategic direction, overall P&L and management of partners, services and customer relationships.

He began working in the mobile industry in 1996 with Ericsson Mobile, where he held roles in Sales as well as Retail. Since joining Brightstar as Director of Strategic Sourcing in Australia, David has held multiple leadership positions within the Company. He previously led the Australian business as the Managing Director and later as the Regional Managing Director of Oceania. He also served as President of Asia Pacific from 2013 to 2018, leading operations in 12 countries with services contracts among many of the leading carriers, retailers and enterprise customers, including Telstra, Maxis, KT Korea, Airtel India and Taiwan Mobile.

Known for his charismatic and motivational leadership style, David is passionate about empowering his employees. He holds a Bachelor of Business- Marketing from Melbourne institute of Technology and MBA from Monash University.

Sanjeev Chhabra, Managing Director

Sanjeev Chhabra is the Managing Director of Brightstar Telecommunications India Limited. Sanjeev is an ICT industry veteran, having a career in Sales & Distribution spanning over 2 decades. In the past, he has worked with several renowned corporates, including Ingram Micro, XO Infotech Ltd., SES Technologies Ltd. and Microtek International Ltd. He has been with Brightstar India (erstwhile Beetel Teletech Ltd) for the last 11 years, and has been one of the core team members in the management.

Known for his result oriented, passionate and committed style of leadership, Sanjeev has been a solid contributor to the business journeying along various life stages of evolution of Brightstar. He has continuously accelerated business growth, increased ROI and enhanced shareholder value. He is an estimable leader and dedicated team player capable of evoking highest levels of team engagement.

Since his joining as a business head, he, in the past 10 years has created path-breaking record in client acquisition across the globe and has closely worked with the management team to bring in operational improvement and strategic growth.

Stijn Piet N Nijs, Non- Executive Director

Stijn Piet N Nijs is an Additional Director (Non-Executive) of Brightstar Telecommunications India Limited. Stijn Nijs is the Chief Financial Officer of EMEA and India region for Brightstar and responsible for operations in India, Europe, the Middle East and Africa.

Stijn is an experienced finance leader with 15 years of experience in multinational environment. Prior to Brightstar, Stijn spent 12 years with Johnson Controls, starting in Internal Audit and progressing on to a series of Finance Director roles which lead him to work across 3 continents (Middle East, Europe and Latin America) as a finance lead over the past 10 years.

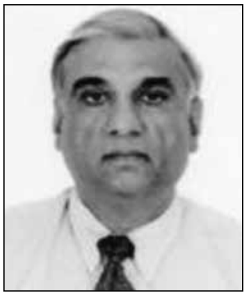
Through his experience, he has acquired extensive experience in (internal) auditing, internal controls/SOX, P&L management, Financial analysis and business partnership, US GAAP, business integration and simplification.

Stijn holds a Master of Law Degree (Katholieke Universiteit Leuven, Belgium), a post-graduate in Economics (Université Libre de Belgique, Belgium) and an MBA from Fundesem – ICADE (Spain).

Harjeet Singh Kohli, Non- Executive Director

Harjeet Singh Kohli is the Non-Executive Director in Brightstar Telecommunications India Limited. Harjeet is currently Group Head - Funding, Risk, Markets and Investors for Bharti Airtel and the Bharti group. Harjeet leads all financing, capital structure & equity raising, currency and interest risk management, investments management, liquidity and working capital management with full ownership of all C2B flows of telecom. He also owns stakeholders' management – across ratings, debt & equity investors for Bharti group including airtel (present in 20 countries). He has 21 years of work experience as a business professional and also a product specialist across financing, flows and markets space, both as a corporate and investment banker to large corporates as also as an issuer /corporate. He is Mechanical Engineer from DCE and Master in Business Administration holder from FMS, Delhi.

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 Ajay Relan is an Independent Director in Brightstar Telecommunications India Limited with effect from 06th August, 2019. 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 40 years of experience. Ms. Uma Ajay Relan holds a bachelor's degree in Commerce and a bachelor's degree in Law.

Luciano Ferreira, Chief Financial Officer

Luciano Ferreira joined Brightstar India as Vice-President & CFO in October 2018. Prior to joining Brightstar, Luciano worked 20 years for Ericsson leading several business areas, including finance, operations, sales and support covering more than 100 countries in 5 continents. With a history of results in turnaround processes, change management and organizational restructuring, Luciano hold senior executive positions in Finance, including VP & Regional CFO for Sub-Saharan Africa region and most recently Group CFO for Ericsson Nikola Tesla Group in Croatia. Luciano's multicultural profile and experience in working in different areas and countries has allowed him to have a comprehensive view about the telecom industry across the globe. Luciano holds a B.Sc. in Telecoms Engineering from Instituto Nacional de Telecomunicações in Brazil. In addition, he has done MBA from UNESA University and Global Perspectives Diploma from Boston University.

Neeraj Manchanda, Company Secretary & Legal Counsel

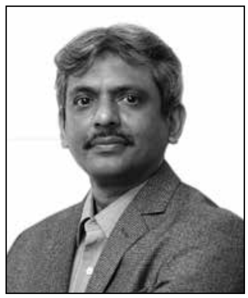
Neeraj Manchanda Joined Brightstar India as the Company Secretary & Legal Counsel in Jan 2019. Prior to joining Brightstar, He worked for about 14 years with organisations ranging from service sector to manufacturing companies. Primarily, he spent 9 years with Indus Towers Limited (a Telecom infrastructure company & Joint venture of Bharti Airtel, Vodafone & Aditya Birla Telecom). Neeraj has expertise of handling matters related to joint ventures, corporate governance, corporate laws, corporate restructuring including due diligence/ merger/ de-merger/ amalgamation etc., Private equity/ investors relations, Initial public offers, foreign direct investment, competition law matters, Consortium funding, contract management, compliance management and other corporate matters including corporate strategic litigations.

Neeraj is a member of the Institute of Company Secretaries of India (ICSI) and law graduate. During his previous stint, his company won "Golden Peacock Award" for "Excellence in Corporate Governance".

LEADERSHIP TEAM

(Apart from Directors and KMPs)

Sanjeev M Patil, Business Unit Head – Network Business



Sanjeev M Patil, heads the Network Solutions Business Unit at Brightstar, India, primarily providing Access Control Network Solutions to customers, including Service Providers and large Enterprise Customers. This BU specializes end to end projects providing networking solutions to customers and deployments on committed SLA timelines. Sanjeev has experience of more than 20 years in Networking and Data Communications Industry.

Rajendra Singh, Business Unit Head – Consumer Business

Rajendra Singh heads the consumer Business Unit at Brightstar, India. He is known for his captivating leadership skills and has commendably accelerated growth and increased ROI. Rajendra is a veteran in the consumer products industry with more than two decades of Industry experience spanning from Consumer Electronics, FMGC, organized retail, ecommerce, and supply chain. He has been in various senior positions at with General Electric, Sony India, Reliance Digital. Prior to joining Brightstar, he led the consumer distribution Business at HCL, where business saw accelerated growth in market share and ROI.

His proven track record showcases his ability to create new opportunities and converting into business revenue. Because of his diverse resume, Rajendra's acumen of business consistently bought success in the regulated environment for large scale business arenas.

Sapna Gupta, Business Unit Head – Enterprises Business

Sapna Gupta heads Enterprises business unit at Brightstar, India. She upholds the responsibility to drive business under Enterprise Business unit. She has more than 21 years of experience with strong knowledge of Sales & Distribution. She has a proven record of managing relationship with vendors and channel partners. She is a passionate leader within depth knowledge of distribution. She also has an extensive knowledge of AV & IT market. Sapna started her carrier with Bhartiya Electronics. Before joining Brightstar India, she worked in Ingram Micro in the sales department.

Rocky Braganza, Business Unit Head – Lifestyle Products Business

Rocky Braganza is heading Lifestyle Products (Gears) business unit at Brightstar, India. Rocky, a gifted Omni-Channel Strategist, has 20 years of proven track record in converting organizational goals into prudent sales strategies. Known for his zeal and diverse marketing capabilities, Rocky has successfully managed and marketed world's powerful brands, such as Microsoft, Samsung, Nokia, HP, Acer, Xerox, etc. in Large Format Retail, Distribution Organizations, Media Groups, eCommerce Start-ups, and MARCOM Agency. His fervour lies in bringing together traditional media and digital media seamlessly to augment business growth, streamline distribution networks, promote innovation, bring in operational excellence, mitigate risks, and boost sustenance year on year. Prior to joining Brightstar, Rocky was a solid growth contributor at Riddhi Ventures Pvt Ltd (Refillers Value Mart). He has worked as a leader and manager in Sakal Media group, Omnipresent Retail (I) Pvt. Ltd, Future Retail (I) Ltd., Ingram Micro India Ltd., Redington India Ltd. etc. His key roles at the enterprise include planning and executing chief strategies across various levels of customer experience, including operations, retail merchandising, customer support & service, CSR initiatives, events and promotions and recruitment.

Arun Verma, Chief Human Resource Officer

Arun Verma heads Human Resources and Administration department at Brightstar, India. He has more than 18 years of experience in Human Resources in the Indian economy with both Indian & multinationals; startups as well as established & progressive organizations. At Brightstar India, he is responsible for People Management and Capability Development through HR strategy, staffing, learning and development, coaching, compensation, employee engagement, and facilities management across the country. He has experience in managing diverse cultures within the same organization; managing various stake holders in complex matrix organizations; and pro-active management of on-going industry challenges - Right Sizing, Organization re-design and Cultural diversity. He has worked across diverse industry sectors such as Technology & Services, Finance, FMCG, and Management consulting/KPO. He also has rich experience in setting up off-shore units like R&D and IT. Prior to joining Brightstar, he was working as Associate Director at Xerox India Ltd. Arun has also worked with McKinsey, Reliance Capital, etc.

Niraj Barkakati, Head – Legal & Regulatory

Niraj heads Legal & Regulatory department at Brightstar, India. He has 18 years of relevant transactional experience in handling Legal & Regulatory affairs of large and complex businesses. He is associated with the telecom industry for more than 13 years. At Brightstar India, he leads and manages compliances, dispute resolution, contracting, secretarial, general legal advisory and regulatory compliances. He has commendable experience in handling critical legal cases and disputes pertaining to several business verticals and different organizational structures. In large organization, he has assumed various roles both national and regional, in Delhi NCR, Kolkata and Bangalore. He possesses acute experience and leadership qualities to work with several cross-functional teams and provide proactive and pragmatic legal assistance and solutions to promote healthy business undertakings. Prior to joining Brightstar, he worked with Bharti Airtel Ltd. for 11 years.

CHAIRMAN'S MESSAGE

Dear Valued Shareholders,

On behalf of the Board of Directors, it is my pleasure to present annual report for the financial year ended on 31st March 2019. It takes a lot of passion, determination and patience to transform ideas into effective solutions and even more to turn those into reality, which contribute to success of an organisation.

It is this passion that has made Brightstar, one of the leading distributors of technology solutions & innovative products.

Core Values - Ethics and integrity

Ethics and integrity underline our core values — customer first, trust, teamwork and excellence. These values make Brightstar one of the most trustworthy names in business and are foundation of our business. We operate in many countries and cultures around the world, connected by our shared mission, vision and values. It is our responsibility to champion these values throughout our business and in the regions where we operate around the globe.

Our Code of Conduct is designed to provide a clear understanding of core values and the standards that govern our business. It lays the groundwork for how we treat our customers, suppliers and each other.

Challenging Operating Environment

To be always ahead of times and up to date, we have been constantly looking for new technologies, innovations that will help us provide new and updated solutions to meet both domestic and international market requirements.

FY 2018-19, posed a challenging environment for the global economy, marked by interest rate hikes, markets fragility and fears of a global growth stagnation. In India also, we faced challenges, when your company suffered losses, due to mobile distribution business and as a business strategy, we decided to dis-continue mobile distribution business. While global stagnation, might have dampened overall sentiments, we are heartened that we have been able to adapt in this ever-changing global marketplace and achieved business growth in other business units/ segments such as networks, enterprises and consumer businesses and successfully added lifestyle business unit as a new ray of success. We entered new global alliances with prestigious brand partners such as Harman Pro, Honeywell, Motorola, Vivotek and Extreme for value added distribution channel. This is a testament to the robustness of the Brightstar's strategy and business model with a far industry reach and strong support from our diversified brand owners & OEM base.

Words of Appreciation

I would like to take the opportunity to express my deepest appreciation to our shareholders, management team, staff, bankers, financers and business associates for their commitment and contribution towards Brightstar success. I would like to thank my fellow directors for their guidance in helping to position Brightstar for long-term progress.

Warm regards,

Dharshan Nanayakkara

Chairman

MANAGING DIRECTOR'S MESSAGE

Dear Shareholders,

Starting with a manufacturing unit in Ludhiana for production of Beetel land line phones, over the years, your company has developed global partnerships with esteemed brands and channels to fulfill the technology requirements and solutions for various industries across multiple geographies and markets.

Your company is a leading provider of premium enterprise, networking and lifestyle solutions, in the information, communication, and technology domains. 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.

Business Performance for FY 2018-19

During our organisational journey, we faced good as well as challenging times, and together, we have been successful in managing all critical situations. We recently faced a challenging environment, when your company suffered losses in mobile distribution business, which was discontinued as a business strategy in view of the market dynamics and customer requirements.

In last FY- 2017-18, annual consolidated revenue recorded was INR 41,821.17 million and out of which, 66% was generated from mobile distribution, which was discontinued by the company in FY 2018-19. In-spite of closure of mobile distribution, your company has recorded an overall, consolidated revenue of INR 19496.06 million for FY 2018-19.

We have enhanced focus on our existing business units i.e. Networks, Enterprises and Consumer and added new brands, products and entered new alliances with global partners for growth of these business units. During Financial Year 2018-19, we also setup new business unit in lifestyle segment and within a short span of less than a year, lifestyle unit is contributing 17% of overall company's revenue. Apart from this, enterprise unit has significantly contributed to revenue with an overall revenue percentage of 29%, followed by networks business, contributing 19% and consumer business contributing 9% of the year's revenue.

Recognitions and Appreciations

During the year, Brightstar India has been recognized as "India's Great Mid- size Workplace" by Great Place to Work. Your company was also awarded as a "Company with Great Mangers" by People Business, powered by Economic Times.

I would like to express my heartfelt gratitude to our esteemed Brand partners, channel partners, clientage, financers, bankers, shareholders and to record my sincere appreciation for the employees who work diligently and deliver to everyone's joy in tough time.

Warm regards,

Sanjeev Chhabra

Managing Director

NOTICE

Notice is hereby given that the Twentieth (20th) 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, 2019 on Wednesday at 11:00 A.M. at RnB Select The Clover, 37A, Sushant Lok-I, Block-B (Behind Starz School), Gurugram-122002 to transact the following businesses:

ORDINARY BUSINESS:

1. To review, consider and adopt financial statements of the Company including the audited Balance Sheet, Cash Flow Statement as on 31st March, 2019, and Statement of Profit & Loss for the year ended on 31st March, 2019 along with notes and schedules, on standalone and consolidated basis, together with the Auditors' and Directors' Report thereon.

2. To appoint director in place of Dharshan Nanayakkara (DIN: - 06930415), who retires by rotation and being eligible, offers himself for appointment.

SPECIAL BUSINESS:

3. To appoint Stijn Piet N Nijs (DIN - 08383887) 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. Stijn Piet N Nijs (DIN- 08383887), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 13th May 2019 and who holds office up to 20th 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, liable to retire by rotation, be and is hereby appointed as a director liable to retire by rotation."

4. To appoint Uma Ajay Relan (DIN - 07087902) as Independent director for a term of 5 years

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 149, 160 and any other applicable provisions of the Companies Act, 2013 ("Act") including The Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act, as amended from time to time, Ms. Uma Ajay Relan (DIN- 07087902), who was appointed as an Additional Independent Director of the Company with effect from 6th August 2019 and who holds office up to 20th Annual General Meeting of the Company in terms of section 161 of the Companies Act, 2013, and in respect of whom a notice in writing has been received under Section 160 of the Companies Act, 2013, proposing her candidature for the office of Independent Director, be and is hereby appointed as a Non-Executive Independent Director, not liable to retire by rotation, for a period of 5 years with effect from 6th August 2019."

5. Borrowing limits of the Company in terms of Section 180 (1) (c) of the Companies Act, 2013 and creation of Charge on assets/ properties of the Company in terms of Section 180 (1) (a) of the Companies Act, 2013

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

"RESOLVED THAT in terms of Section 180 (1) (c) of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and articles of association of the Company, consent of the shareholders be and is hereby accorded to the Board of Directors and/ or any Committee thereof, to borrow money as may be required to be borrowed from time to time, so that the money to be borrowed together with the money already borrowed by the Company shall not exceed Rs. 900.00 Crores (Rupees Nine Hundred Crores Only), notwithstanding that the money so borrowed together with the money already borrowed by the Company, if any, (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up share capital and free reserves of the Company."

"RESOLVED FURTHER THAT pursuant to Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 and articles of association of the Company, consent of shareholders be and is hereby accorded to the Board of Directors of the Company (including any committee thereof) to pledge, mortgage, hypothecate and/or charge all or any part of the moveable or immovable properties of the Company and the whole or part of the undertaking of the Company of every nature and kind whatsoever to or in favour of banks, financial institutions, investors and any other lenders to secure the amount borrowed by the Company or any third party from time to time for the due payment of the principal and/or together with interest, charges, costs, expenses and all other monies payable by the Company or any third party in respect of such borrowings provided that the aggregate indebtedness secured by the assets of the Company does not exceed Rs. 900 Crores (Rupees Nine Hundred Crores only) at any time."

6. **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 2019-20, be paid a remuneration of Rs. 33,000/- (Rupees Thirty-Three Thousand only) per annum, exclusive of taxes and out of pocket expenses incurred, if any."

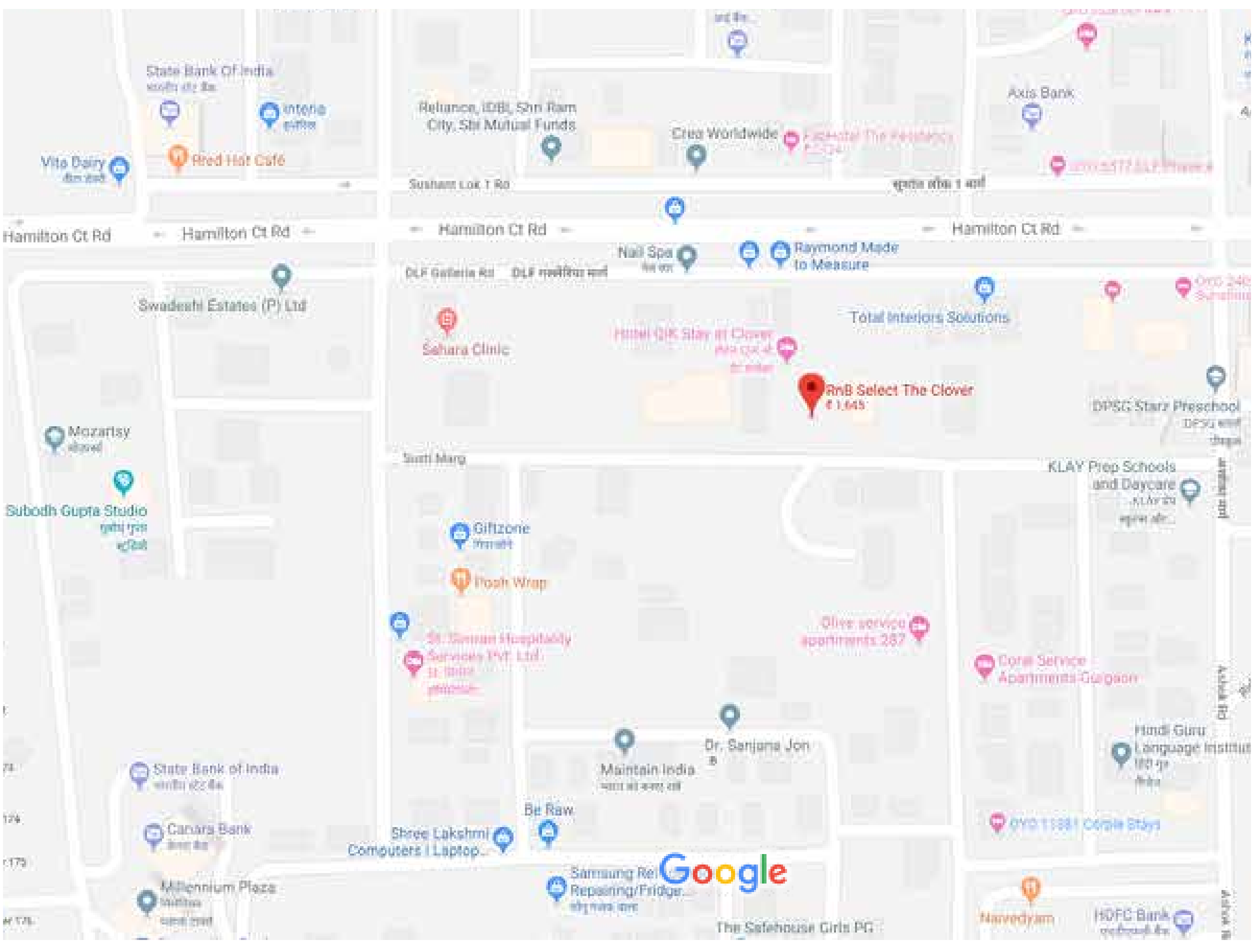
   "RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

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

Sd/-
Neeraj Manchanda
(Company Secretary)
Membership No.: ACS- 20060

Date : 6th August 2019
Place : Gurugram

ROUTE MAP FOR AGM VENUE



VENUE : RnB Select The Clover, 37A, Sushant Lok-I, Block-B (Behind Starz School), Gurugram-122002

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL ON HIS BEHALF AND THE PROXY NEED NOT BE A MEMBER. A PROXY DULY SIGNED AND STAMPED SHOULD BE DELIVERED TO THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING, TO BE EFFECTIVE;**
2. Members/Proxies should bring their attendance slips attached herewith, duly filled-in and signed for attending the Meeting;
3. Corporate members are requested to send to the registered office of the Company a duly certified copy of the board resolution, pursuant to Section 113 of the Companies Act, 2013 authorizing their representatives to attend and vote at the general meeting;
4. An explanatory statement pursuant to Section 102 of the Companies Act, 2013 relating to Special Businesses to be transacted at this meeting is annexed hereto; and
5. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the registered office of the Company during normal business hours (10.00 am to 5.00 pm) on all working days, up to and including the date of the Annual General Meeting of the Company;
6. The Statutory Registers maintained under section 170 of the Companies Act, 2013 will be available at the venue for inspection by members;
7. Members are requested to intimate immediately any change in their address, including e mail addresses to the Company;
8. Route map of the venue of meeting is attached herewith.

PROCEDURE FOR REMOTE E-VOTING

I. 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 members facility to exercise their right to vote at 20th Annual General Meeting ("AGM") by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).

II. 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 along with printed attendance slip and proxy Form can be downloaded from the link https://www.evoting.nsdl.com or www.brightstarcorp.in.

III. The e-voting period commences on 21st September 2019 (9:00 am) and ends on 24th September 2019 (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.

IV. 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 2019. 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 2019, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. The facility for voting through remote e-voting / ballot paper / Poling Paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.

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

Step 1 : Log-in to NSDL e-voting system

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. 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.

4. Your User ID details will be as per details given below :

   a) For Members who hold shares in de-mat 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 de-mat 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 111350 then user ID is 111350001***).

5. 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, your 'initial password' is communicated to you on your postal address.

6. 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 or 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 de-mat account number/folio number, your PAN, your name and your registered address.

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

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

9. 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.

1. 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.

2. 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.

3. Select "EVEN" of the Company, which is 111350.

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

5. 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.

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

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

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

VI. 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 partner@groverahuja.

in with a copy marked to evoting@nsdl.co.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.

VII. Ms. Sanchita Bhardwaj, Practicing Company Secretary on behalf of M/s. GA & Associates, Company Secretaries LLP has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner. Please note that a member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.

VIII. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of ballot paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith. The results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.brightstarcorp.in and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing.

IX. Login 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.

In case of any queries, members may refer to the Frequently Asked Questions (FAQs) for members and e-voting user manual for members available at the Downloads sections of https://www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.

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

ITEM NO. 3:

To appoint Stijn Piet N Nijs (DIN - 08383887) as director liable to retire by rotation.

The Board of Directors of the Company ('the Board') appointed Mr. Stijn Piet N Nijs as an Additional Non-Executive Director of the Company with effect from 13th May 2019.

In terms of Section 161 of the Companies Act, 2013 ('the Act'), Mr. Nijs will hold office up to the ensuing Annual General Meeting. The Board at the meeting held on 6th August 2019, recommended for the approval of the Shareholders, the appointment of Mr. Nijs as a Non-Executive Director of the Company as set out in the Resolution relating to his appointment.

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

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

Mr. Nijs and/ or his relatives are interested in this Resolution. None of the other Directors and Key Managerial Personnel of the Company, or their relatives, is interested in this Resolution.

Additional information in respect of Mr. Nijs, pursuant to the statutory requirements including Secretarial Standards, is given below:

Stijn Piet N Nijs, aged 43 years, is Chief Financial Officer of EMEA and India, region of Brightstar group, responsible for operations in India, Europe, the Middle East and Africa. Mr. Nijs is an experienced finance leader with 15 years of experience in a multinational environment. Prior to Brightstar group, Mr. Nijs spent 12 years with Johnson Controls in various roles and progressed to the role of Finance Director, which lead him to work across 3 (three) continents (Middle East, Europe and Latin America) as a finance lead over the past 10 years.

He has acquired extensive experience in (internal) auditing, internal controls/SOX, P&L management, Financial analysis and business partnership, US GAAP, business integration and simplification.

Mr. Nijs holds a Master of Law Degree (Katholieke Universiteit Leuven, Belgium), a post-graduate in Economics (Université Libre de Belgique, Belgium) and an MBA from Fundesem – ICADE (Spain). He speaks Dutch, French, English and Spanish fluently.

Mr. Nijs is holding director positions in the following body corporates (outside India):

- Brightstar Mobility UK, Ltd.
- Brightstar 20:20 Ltd
- Brightstar Germany GmbH
- Brightstar Mobility Switzerland GmbH
- Brightstar 20:20 UK Ltd
- Brightstar Device Support Services Ltd
- Brightstar Africa Telecom Solutions (Pty) Ltd
- Brightstar Services Africa (Pty) Ltd
- Brightstar FZE

The terms and conditions of the appointment of Mr. Nijs shall be governed by the Remuneration Policy of the Company. Mr. Nijs 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. 4:

To appoint Uma Ajay Relan (DIN - 07087902) as Independent director for a term of 5 years

The Board of Directors of the Company ('the Board') appointed Ms. Uma Ajay Relan an Additional Non-Executive Independent Director of the Company with effect from 6th August 2019.

In terms of Section 161 of the Companies Act, 2013 ('the Act'), Ms. Relan will hold office up to the ensuing Annual General Meeting. The Board at its meeting held on 6th August 2019, has also recommended the appointment of Ms. Relan to shareholders as a Non-Executive Independent Director, not liable to retire by rotation, for a period of 5 years with effect from 6th August 2019.

In the opinion of Nomination & Remuneration Committee and the Board of Directors, Ms. Relan fulfills the conditions specified under Companies Act, 2013 for her appointment as an Independent Director of the Company.

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

Ms. Relan does not hold any share in the Company, either in her individual capacity or on a beneficial basis for any other person.

Ms. Relan and/ or her relatives are interested in this Resolution. None of the other Directors and Key Managerial Personnel of the Company, or their relatives, is interested in this Resolution.

<u>Additional information in respect of Ms. Relan, pursuant to the statutory requirements including Secretarial Standards, is given below:</u>

Ms. Uma Ajay Relan, aged 67 years, is specialised 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 years of experience.

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

Ms. Relan is holding director position in the following body corporates:

- Bharti Axa Life Insurance Company Limited
- Bharti Axa General Insurance Company Limited
- PNB Gilts Limited

The terms and conditions of the appointment of Ms. Relan shall be governed by the Remuneration Policy of the Company. Ms. Relan shall be paid sitting fee as may be determined by the Nomination & Remuneration Committee & Board of Directors from time to time, in her capacity as Non-Executive Independent Director.

The Board recommends this Resolution for your approval.

ITEM NO. 5

Borrowing limits of the Company in terms of Section 180 (1) (c) of the Companies Act, 2013 and creation of Charge on assets/ properties of the Company.

Keeping in view the Company's existing and future financial requirements to support its business operations, the Company needs additional funds. For this purpose, the Company is desirous of raising finance from various Banks and/or Financial Institutions and/or any other lending institutions and/or Bodies Corporate and/or such other persons/

individuals as may be considered fit, which, together with the money already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in ordinary course of business) may exceed the aggregate of the paid-up capital and the free reserves of the Company. Hence it is proposed to increase the maximum borrowing limits upto Rs. 900.00 Crores (Rupees Nine Hundred Crores only). Pursuant to Section 180(1)(c) of the Companies Act, 2013, the Board of Directors are not authorised/ permitted to borrow more than the aggregate amount of the paid-up capital of the Company and its free reserves, at any time, except with the consent of the members of the Company in a general meeting. Considering the financial position of the Company having accumulated losses, it is proposed to authorise Board of Directors/ Committee thereof to borrow funds for business requirements.

In order to facilitate securing the borrowing made by the Company, it would be necessary to create charge on the assets or whole or part of the undertaking of the Company. Section 180(1)(a) of the Companies Act, 2013 provides for the power to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company subject to the approval of members in the General Meeting.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives is concerned or interested in the passing of the Resolution

Accordingly, the Board recommends the Special Resolution for approval of the Members.

ITEM NO. 6

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 2019-20 at a remuneration of Rs. 33,000/- (Rupees Thirty Three Thousand) 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 to the provisions and rules of the act.

Accordingly, Directors recommend the 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.

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

Sd/-
Neeraj Manchanda
(Company Secretary)
Membership No.: ACS- 20060

Date : 6th August 2019
Place : Gurugram

DIRECTORS' REPORT

To

The Members,
Brightstar Telecommunications India Limited

Your Directors are pleased to present the 20th Directors' Report of your Company together with the Audited Statement of Accounts and Auditors' Report thereon for the financial year ended on 31st March 2019.

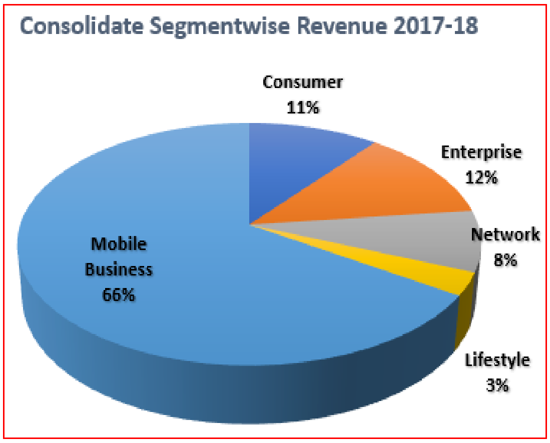
FINANCIAL HIGHLIGHTS

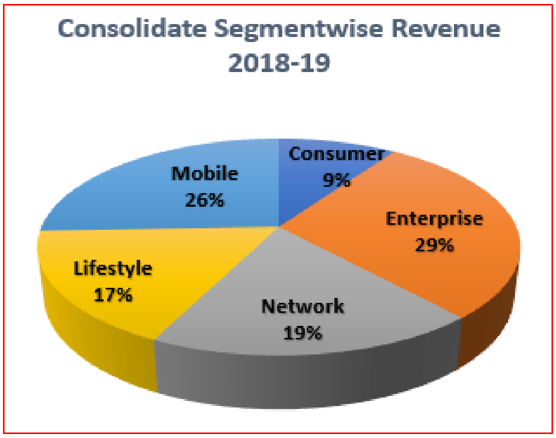
Particulars	Standalone		Consolidated	
	Year Ended 31st March 2019 (INR in Mn.)	Year Ended 31st March 2018 (INR in Mn.)	Year Ended 31st March 2019 (INR in Mn.)	Year Ended 31st March 2018 (INR in Mn.)
Net Sales / Other Operating Revenue	17,657.18	39,730.23	19,496.06	41,821.17
Total Expenditure before Depreciation and Finance Costs (Net of expenditure transferred to capital accounts)	17,873.46	39,896.51	19,640.05	41,880.62
Add: Dividend received and other Income	112.54	28.07	23.70	20.86
Less: Finance Costs	414.88	352.27	415.03	352.36
Loss before Depreciation, Exceptional Items and Tax	(518.62)	(490.48)	(535.32)	(390.95)
Less: Depreciation and Amortization Expense	37.28	37.89	37.28	37.89
Loss before Exceptional Items and Tax	(555.90)	(528.37)	(572.60)	(428.84)
Add: Profit on Sale of Immovable Property	-	-	-	-
Add: Profit on Sale of Non-current Investments	-	-	-	-
Less: Diminution in Value of investment	-	-	-	-
Loss before Tax	(555.90)	(528.37)	(572.60)	(428.84)
Less: Current Tax and deferred tax	-	60.41	7.00	149.12
Loss for the year	(555.90)	(588.78)	(579.60)	(577.96)
Other comprehensive income	(6.60)	(12.54)	12.90	(10.64)
Remeasurements of the defined benefit plans (net of tax)	(6.60)	(12.54)	(6.60)	(12.54)
Exchange difference on translation	-	-	19.50	1.90
Total comprehensive loss for the year	(562.50)	(601.32)	(566.70)	(588.60)
Surplus brought forward	(561.21)	13.61	(635.89)	(73.79)
Transferred from General Reserve to Retained earning	-	26.50	-	26.50
Adjustment in Opening reserve for deferred revenue as on April 1, 2018	(53.04)	-	(53.04)	-
Amount available for appropriation Which the Directors recommend should be appropriated as follows:	(1,176.75)	(561.21)	(1,255.63)	(635.89)
(a) Interim Equity Dividend	-	-	-	-
(b) Proposed Equity Dividend	-	-	-	-
(c) Corporate Dividend Tax	-	-	-	-
(d) Transfer to General Reserve	-	-	-	-
(e) Surplus/(deficit) carried forward	(1,176.75)	(561.21)	(1,255.63)	(635.89)

STATE OF COMPANY'S AFFAIRS AND FUTURE OUTLOOK

In last FY- 2017-18, annual revenue recorded was INR 41,821.17 million, out of which, 66% of the revenue was generated from mobile distribution business, which was discontinued by the company in FY 2018-19. In-spite of closure of mobile distribution business, your company has recorded an overall, revenue of INR 19496.06 million for FY 2018-19, on consolidated basis.

The contribution of different business segments in total revenue in financial year 2017-18 and 2018-19 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.

DIVIDEND

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

CHANGES IN SHAREHOLDING, IF ANY

During the period under review, Bharti (SBM) Holding Private Limited (part of promoter group) has transferred all its equity share holding (1,007,235 equity shares) to Ms. Eiesha Bharti Pasricha. Ms. Eiesha Bharti Pasricha (transferee) is considered as an Affiliate of Bharti (SBM) Holdings Private Limited with effect from May 2019, for the purposes of Shareholders' Agreement dated 1st October 2014.

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 2018-19, total turnover was INR 1838.06 Mn against INR 2,137.91 Mn in the financial year 2017-18.

Except the above, there is no other associate company and 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

During the year 2018-19, the Company has transferred 11,557 Equity shares having nominal amount of Rs. 10/- each aggregating to Rs. 1,15,570/- relating to financial year 2010-11 and unpaid dividend of Rs. 60,362/- for financial year 2010-11 which are pending for more than 7 years to the Investor Education and Protection Fund managed by Ministry of Corporate Affairs, New Delhi as per applicable provisions of Companies Act 2013. Acknowledgement to this regard has been received by the Company.

List of shareholders whose shares & unpaid dividend is transferred to Investor Education and Protection Fund managed by Ministry of Corporate Affairs, New Delhi is uploaded at the web-site of the Company (www.brightstarcorp.in) for reference of shareholders.

MATERIAL CHANGES AND COMMITMENTS

There is no change in the existing businesses of the Company.

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 year under review, Mr. Deval Parikh ceased to be the whole-time director and Mr. Sanjeev Chhabra has been appointed as Whole-Time Director of your Company. Mr. Chhabra has been designated as the Managing Director of your Company with effect from 28th January 2019. During the period under review (FY 2018-19), the following changes have been occurred in the constitution of directors and KMP of the Company:

Nature of Change	Name	Designation	Date of appointment	Date of cessation	Mode of Cessation
Cessation	Deval Parikh	Whole-time Director	06.07.2016	12.07.2018	Resignation
Appointment	Sanjeev Chhabra	Whole-time Director	12.07.2018	NA	NA
Change in Designation	Sanjeev Chhabra	Managing Director	28.01.2019	NA	NA
Appointment	Luciano Barreto Ferreira	Chief Financial Officer	22.10.2018	NA	NA
Cessation	Neeru Bhalla	Company Secretary	11.09.2015	29.10.2018	Resignation
Appointment	Neeraj Manchanda	Company Secretary	28.01.2019	NA	NA
Cessation	Geeta Mathur	Independent Director	30.03.2015	06.02.2019	Resignation

Further, Mr. Paul Andrew Ringrose, director resigned from the Board of Directors of your company with effect from 30th April 2019. The Board of Director of your Company has appointed Mr. Stijn Piet N Nijs as Non-executive Additional Director w.e.f. 13th May 2019, who shall hold office up to the date of the ensuing annual general meeting.

Separate notice u/s 160 of the Companies Act, 2013, proposing candidature of Mr. Stijn Piet N Nijs for the office of director has been received. Mr. Nijs has also provided his consent to act as director along with other disclosures. Board of Directors of your company in its meeting held on 6th August 2019 has recommended to the shareholders the appointment of Mr. Stijn Piet N Nijs as a director liable to retire by rotation.

Mr. Darshan Nanayakkara, Director & Chairman, 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 the re-appointment of Mr. Darshan Nanayakkara as director to the shareholders.

Based on the recommendations of Nomination & Remuneration Committee, Board in its meeting held on 6th August 2019, has appointed Ms. Uma Ajay Relan as an Independent Non-Executive Additional Director. This appointment has been made effective from 6th August 2019 and Ms. Relan shall hold office up to the date of the ensuing annual general meeting.

Board of your company has further recommended the appointment of Ms. Uma Ajay Relan as an independent director of your company for a period of five (5) years.

MEETINGS OF BOARD OF DIRECTORS

During the financial year under review, the Company held 05 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	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.	04.07.2018	To take note of annual disclosures/declaration received from Directors, To consider the proposal for remuneration of M/s. Deloitte Haskins & Sells LLP as Statutory Auditors of the Company for FY 2017-18, To consider proposal for appointment of M/s. Saurabh Jain & Associates as Secretarial Auditor of the Company for FY 2018-19, To consider proposal for appointment of M/s. K.G. Goyal & Associates as Cost Auditor of the Company for FY 2018-19 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 for the internal audit of the Company for FY 2018-19, To consider the remuneration of Deval Parikh as whole time director for the calendar year 2018 and recommendation thereof to shareholders for its approval, To consider and recommend re-appointment of Harjeet Singh Kohli as a Director liable to retire by rotation by shareholders in forthcoming Annual General Meeting, To take note on the evaluation of Board/ Committee/ Directors/Chairman, To re-designate Gabriel Gavin Lindsay as Financial Advisor to the Company with effect from 04th July, 2018, Financial performance for Jan-Mar'18 and Business update, To consider proposal for appointment of M/s. J.C. Bhalla & Co. as the Tax Auditors of the Company for FY 2017-18 and recommendation thereof to the Board of Directors for its approval, Proposal for appointment of Mr. Sanjeev Chhabra as Director of the Company and to apply for DIN	1. Dharshan Nanayakkara; 2. Deval Parikh;* 3. Geeta Mathur;** 4. Harjeet Singh Kohli; 5. Paul Andrew Ringrose; 6. Rajesh Madan	Nil
2.	12.07.2018	To take note of resignation of Deval Parikh as Whole-time Director & Chief Executive Officer of the Company with effect from 12th July, 2018, To approve the appointment of Sanjeev Chhabra as Additional Director of the Company with effect from 12th July, 2018, To supersede the resolution (S. No. 9) passed by the Board of Directors in its meeting held on 04th July, 2018, To approve the appointment of Sanjeev Chhabra as additional director of the company with effect from 12th July, 2018, To approve the appointment of Sanjeev Chhabra as whole-time director for 5 years from the conclusion of forthcoming Annual General Meeting of the Company & his remuneration and recommendation thereof to shareholders for its approval, To revoke powers delegated to Deval Parikh for carrying out the day to day operations of the Company in its ordinary course of business, To delegate the powers to Sanjeev Chhabra for carrying out the day to day operations of the Company in its ordinary course of business on behalf of the Company, To approve the changes in existing authorised signatory list for opening and operating bank accounts on behalf of the Company, To approve the changes in existing authorized signatory list to deal in foreign exchange transactions on behalf of the Company, To approve changes in existing authorised signatory list for signing documents of credit facilities from banks/financial institutions on behalf of the Company, To withdraw the nomination of Deval Parikh as nominee under the Legal Metrology Act, 2009, To nominate Sanjeev Chhabra as Director of the Company under the Legal Metrology Act, 2009, To authorise Mr. Sanjeev Chhabra to obtain DSC under class 3 category, To nominate Sanjeev Chhabra on behalf of the Company to ensure compliance under all laws on behalf of the company.	1. Dharshan Nanayakkara; 2. Deval Parikh; 3. Geeta Mathur; 4. Harjeet Singh Kohli; 5. Paul Andrew Ringrose; 6. Rajesh Madan 7. Sanjeev Chhabra***	Nil

3	23.08.2018	To appoint scrutinizer for 19th Annual General Meeting, To fix the record date for dispatching notice for 19th Annual General Meeting, To approve the dates for the closure of register of members for the purposes of e-voting in 19th Annual General Meeting, fix the cut-off date for determining the eligibility of shareholders for participation in e-voting, fix the e-voting period and appointment of agency for e-voting, To consider and take note of the secretarial audit report for the financial year ended on 31st March 2018, To consider and take note of the cost audit report for the financial year ended on 31st March 2018, To approve the financial statements of the company for the financial year ended on March 31, 2018 and recommendation thereof to the Shareholders for their adoption, To consider the Director's Report for the financial year ended on 31st March 2018 and recommend thereof to the shareholders for their adoption, To consider the proposal to create security on the properties 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, To fix the date, time and venue of the 19th Annual General Meeting of the company, To approve the draft notice for calling of 19th Annual General Meeting of the shareholders of the Company, 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, 2018 and Business update	1. Dharshan Nanayakkara; 2. Sanjeev Chhabra;*** 3. Geeta Mathur;** 4. Harjeet Singh Kohli; 5. Paul Andrew Ringrose; 6. Rajesh Madan	Nil
4.	22.10.2018	To consider and approve the appointment of Luciano Ferreira as Chief Financial Officer of the Company under section 203 of the Companies Act, 2013 with effect from 22nd October 2018, To consider and accept the resignation of Neeru Bhalla as Secretary of the Company with effect from 29th October, 2018, To approve the changes in existing authorised signatory list for opening and operating bank accounts on behalf of the Company, To approve the changes in existing authorized signatory list to deal in foreign exchange transactions on behalf of the Company, To approve changes in existing authorised signatory list for signing documents of credit facilities from banks/financial institutions	1. Dharshan Nanayakkara; 2. Sanjeev Chhabra;*** 3. Geeta Mathur;** 4. Harjeet Singh Kohli; 5. Paul Andrew Ringrose; 6. Rajesh Madan	Nil
5.	28.01.2019	To Appoint Mr. Neeraj Manchanda as a Company Secretary of the company with effect from 28th January 2019, To take note of disclosures/ declaration received from Mr. Dharshan Nanayakkara, To consider change in designation of Mr. Sanjeev Chhabra, whole time director (WTD) from WTD to Managing Director, To consider & approve remuneration of Mr. Sanjeev Chhabra, (appointed as Whole Time Director w.e.f. 25th September 2018 & re-designated as managing director from 28th January 2019) w.e.f. 1st January 2019, To Call & Convene Extra Ordinary General Meeting of the Company for seeking approval of shareholders by way of special resolution on remuneration of MD with effect from 1st January 2019, Financial performance & business update for the quarter ended on 31st December 2018.	1. Dharshan Nanayakkara; 2. Sanjeev Chhabra;*** 3. Harjeet Singh Kohli; 4. Paul Andrew Ringrose; 5. Rajesh Madan	1. Geeta Mathur**

* Reigned w.e.f. 12th July 2018

** Resigned w.e.f. 06th February 2019

***Appointed as WTD w.e.f. 12th July, 2018 and re-designated as Managing Director w.e.f. 28th January 2019

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 Directors who were present	Name of Director(s) to whom leave of absence was granted
1.	04.07.2018	1. Deval Parikh;* 2. Geeta Mathur;** 3. Rajesh Madan	Nil
2.	23.08.2018	1. Sanjeev Chhabra;*** 2. Geeta Mathur;** 3. Rajesh Madan	Nil

S. No.	Date of Meeting	Name of Directors who were present	Name of Director(s) to whom leave of absence was granted
3.	22.10.2018	1. Sanjeev Chhabra;*** 2. Geeta Mathur;** 3. Rajesh Madan	Nil
4.	28.01.2019	1. Sanjeev Chhabra;*** 2. Rajesh Madan	Geeta Mathur**

* Resigned w.e.f. 12th July 2018
** Resigned w.e.f. 06th February 2019
***Appointed w.e.f. 30th July, 2018

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

S. No.	Date of Meeting	Name of Directors who were present	Name of Directors who were absent
1.	04.07.2018	1. Dharshan Nanayakkara; 2. Geeta Mathur;* 3. Harjeet Singh Kohli; 4. Rajesh Madan	Nil
2.	12.07.2018	1. Dharshan Nanayakkara; 2. Geeta Mathur; * 3. Harjeet Singh Kohli; 4. Rajesh Madan	Nil
3.	22.10.2018	1. Dharshan Nanayakkara; 2. Geeta Mathur; * 3. Harjeet Singh Kohli; 4. Rajesh Madan	Nil
4.	28.01.2019	1. Dharshan Nanayakkara; 2. Harjeet Singh Kohli; 3. Rajesh Madan	Geeta Mathur*

* Resigned w.e.f. 06th February 2019.

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, subject to ratification of the appointment by members at every Annual General Meeting at such remuneration as may be fixed by the Audit Committee and/ or Board of Directors of the Company.

The Companies Amendment, 2017 has removed the requirement of annual ratification of appointment of statutory auditors at every Annual General Meeting once the statutory auditors have been appointed for five years. Accordingly, as was done last year, no proposal for ratification of the appointment of statutory auditor is being put up before the shareholders in the forthcoming 20th Annual General Meeting for their approval.

LOANS, GUARANTEES AND INVESTMENTS

During the financial year ended on 31st March 2019, 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 various transactions with related parties as defined under Section 188 of the Companies Act, 2013 and Accounting Standards issued by the Institute of Chartered Accountants of India with reference to related parties.

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 transaction entered with the related parties are attached herewith as **Annexure-3** for your kind perusal and information.

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-19	31-Mar-18
1	Capital	-	-
2	Recurring	0.12	0.05
3	Total	0.12	0.05
4	Total R & D expenditure as a percentage of total turnover	0.0007%	0.0001%

(C) Foreign Exchange Earning and Outgo

(INR in Mn)

Details	31-Mar-19	31-Mar-18
The Foreign Exchange earned in terms of actual inflows during the year	373.58	73.02
The Foreign Exchange outgo during the year in terms of actual outflows	5112.72	7,980.98

RISK MANAGEMENT

Risk management is the process of identifying any potential threat that may occur during the course of 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 taken into account 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

As per Section 135(5) of the Companies Act, 2013 and Rule 8 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 CSR Committee consists of the following –

S. No	Name	Designation
1	Sanjeev Chhabra**	Member
2	Geeta Mathur*	Member
3	Harjeet Singh Kohli	Member
4	Rajesh Madan	Member
5	Uma Ajay Relan (w.e.f. 06th August 2019)	Member

* Resigned w.e.f. 06th February 2019.
** Appointed w.e.f. 30th July 2018.

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, 2019 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. Geeta Mathur were the Independent Directors of the Company as per Section 149(10) of the Companies Act, 2013. Ms. Geeta Mathur had resigned from the Board of Directors of the Company w.e.f. 06th February 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 table sets out the composition of the Committee:

S. no.	Name of the Director	Category of the Director
1	Dharshan Nanayakkara	Non-Executive Non-Independent Director
2	Rajesh Madan	Non-Executive Independent Director
3	Geeta Mathur*	Non-Executive Independent Director
4	Harjeet Singh Kohli	Non-Executive Non-Independent Director
5	Uma Ajay Relan (w.e.f. 06th August 2019)	Non-Executive Non-Independent Director

* Resigned w.e.f. 06th February 2019.

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. Information as per Rule 5 (2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 is enclosed as **Annexure 5**.

STAKEHOLDERS RELATIONSHIP COMMITTEE

As per the section 178 of the Companies Act, 2013, the Company has constituted a Stakeholders Relationship Committee. The table sets out the composition of the Committee:

S. No	Name	Designation
1.	Sanjeev Chhabra*	Managing Director
2.	Dharshan Nanayakkara	Non-Executive Director
3.	Harjeet Singh Kohli	Non-Executive Director

* Appointed w.e.f. 30th July 2018

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 table sets out the composition of the Committee:

S. no.	Name of the Director	Position held in the Committee	Category of the Director
1	Geeta Mathur*	Member, (Elected to Chair all audit committee meeting, except for 28th Jan 2019, when she was unable to attend the meeting)	Non-Executive Independent Director
2	Sanjeev Chhabra**	Member	Executive Non- Independent Director
3	Rajesh Madan	Member (Elected to chair audit committee meeting of 28 Jan 2019)	Non-Executive Independent Director
4	Uma Ajay Relan (w.e.f. 06th August 2019)	Member	Non-Executive Independent Director
5	Harjeet Singh Kohli	Special Invitee	Non-Executive Non-Independent Director

* Resigned w.e.f. 06th February 2019.
**Appointed w.e.f. 30th July 2018.

SECRETARIAL AUDIT REPORT

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

Further 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, 2019 is annexed herewith as **Annexure-6** for your kind perusal and information.

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 the Company for financial year 2018-19. 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 for conducting cost audit of the Company for financial year 2019-20 subject to ratification of their remuneration by the Shareholders in the ensuing 20th Annual General Meeting.

SECRETARIAL STANDARDS OF THE INSTITUTE OF COMPANIES SECRETARIES OF INDIA

Your Company is in compliance 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 2018-19
1	No. of complaints received under the Act.	-
2	No. of complaints disposed-off during the year.	-
3	No. of cases pending for more than 90 days.	-
4	No. of information sessions/seminar organized during the year.	-
5	Information on Action Taken	-

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 whistle blower site on which appropriate action was initiated by the Company and the report thereof placed before the Audit Committee and the Board. It was concluded that there is no impact on the Financial statements.

ORDER OF COURT

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.

ACKNOWLEDGEMENT

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
Dharshan Nanayakkara

Sd/-
Chairman
(DIN : 06930415)

Date : 06.08.2019
Place : Gurugram

Annexure 1

Form AOC-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 joint 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, 2018 to 31st March, 2019.
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 69.297 for balance sheet items and 1 USD = INR 69.946 used for profit and loss items.

6.	Share capital	INR 69
7.	Reserves and surplus	INR 28,23,35,329
8.	Total assets	INR 57,56,25,372
9.	Total Liabilities	INR 29,32,89,975
10.	Investments	Nil
11.	Turnover	INR 183,80,58,765
12.	Profit before taxation	INR 5,47,63,999
13.	Provision for taxation	INR 70,04,145
14.	Profit after taxation	INR 4,77,59,854
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	
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/-
Sanjeev Chhabra
Managing Director
(DIN : 08174113)

Sd/-
Stijn Piet N Nijs
Director
(DIN : 08383887)

Sd/-
Luciano Ferreira
Chief Financial Officer

Sd/-
Neeraj Manchanda
Company Secretary
(M.No. ACS: 20060)

Date : 06.08.2019
Place : Gurugram

Annexure-2

Form No. MGT-9
EXTRACT OF ANNUAL RETURN

As on the Financial Year Ended on 31st March, 2019

[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 99 Day Month Year
Company Name	BRIGHTSTAR TELECOMMUNICATIONS INDIA LIMITED
Category/ Sub-Category of the Company	
Registered Office Address	FIRST FLOOR, PLOT NO. 16, UDYOG VIHAR, PHASE IV GURUGRAM 122015 HARYANA
Telephone With STD	+91 124 4823500 Area Code Number
Fax Number	+91 124 4146130
E Mail	NEERAJ.MANCHANDA@BRIGHTSTARCOR P.IN
Whether listed Company Y - Yes, N - No	N
Name, Address and Contact details of Registrar and Transfer Agent	
Name	MCS SHARE TRANSFER AGENT LTD.
Address	F-65 1ST FLOOR OKHLA INDUSTRIAL AREA DELHI
Telephone With STD	+91 11 41406149 Area Code Number
Fax Number	+91 11 41709881
E Mail	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	5.51%
2	Company's distributed/marketed products of other brands and services	Division 46: Wholesale trade, except of Motor Vehicles and Motor Cycles. – Class 469 – Subclass 46909	94.49%

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.	22,66,277	-	22,66,277	44.510	12,59,042	-	12,59,042	24.728	-19.782
	Banks/FI	-	-	-	-	-	-	-	-	-
	Any Others	-	-	-	-	-	-	-	-	-
	Sub-Total (A) (1)	**22,66,277**	**-**	**22,66,277**	**44.510**	**12,59,042**	**-**	**12,59,042**	**24.728**	**-19.782**
2	**Foreign**									
	NRIs- Individuals	-	-	-	-	-	-	-	-	-
	Other- Individuals	-	-	-		-		-		-
	Bodies Corp.	25,96,720	-	25,96,720	51.000	25,96,720	-	25,96,720	51.000	0.000
	Banks/FI	-	-	-	-	-	-	-	-	-
	Any Others	-	-	-	-	-	-	-	-	-
	Sub-Total (A) (2)	**25,96,720**	**-**	**25,96,720**	**51.000**	**25,96,720**	**-**	**25,96,720**	**51.000**	**0.000**
	Total shareholding of Promoter A =(A)(1)+(A)(2)	**48,62,997**	**-**	**48,62,997**	**95.510**	**38,55,762**	**-**	**38,55,762**	**75.728**	**-19.782**
B.	**Public Shareholding**									
1	**Institutions**									
	Mutual Funds	60	-	60	0.001	60	-	60	0.001	0.000
	Banks/FI	30	-	30	0.001	30	-	30	0.001	0.000
	Central Govt.	34,841	-	34,841	0.684	46,368	-	46,368	0.911	0.226
	State Govt.	-	-	-	-	-	-	-	-	-
	Venture Capital Fund	-	-	-	-	-	-	-	-	-
	Insurance Co	30	-	30	0.001	30	-	30	0.001	0.000
	FIIs	-	-	-	-	-	-	-	-	-
	Foreign Venture Capital Funds	-	-	-	-	-		-	-	-
	Any Others (Company)	-	-	-	-	-	-	-	-	-
	Sub-Total (B) (1)	**34,961**	**-**	**34,961**	**0.687**	**46,488**	**-**	**46,488**	**0.913**	**0.226**

2	**Non Institutions**									
	Bodies Corp. Indian	83,855	427	84,282	1.655	83,780	397	84,177	1.653	-0.002
	Bodies Corp. Overseas	-	-	-	-		-	-	-	-
	Individual shareholders holding nominal share capital upto Rs. 1 lakh	50,692	43,827	94,519	1.856	37242	47605	84,847	1.666	-0.190
	Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
	Any Others	-	-	-	-	-	-	-	-	-
	Trust & Foundations	2,514	-	2,514	0.000	2,514	-	2,514	0.049	0.000
	Non Resident Individual	2,615	9,719	12,334	0.242	1009720	8099	10,17,819	19.990	19.748
	Sub-Total (B) (2)	**1,39,676**	**53,973**	**1,93,649**	**3.803**	**11,33,256**	**56,101**	**11,89,357**	**23.359**	**19.556**
	Total Public shareholding B =(B)(1)+(B)(2)	**1,74,637**	**53,973**	**2,28,610**	**4.490**	**11,79,744**	**56,101**	**12,35,845**	**24.272**	**19.782**
C.	**Shares held by Custodian for GDRs & ADRs**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Grand Total =A+B+C	**50,37,634**	**53,973**	**50,91,607**	**100.000**	**50,35,506**	**56,101**	**50,91,607**	**100.000**	**0.000**

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	% change in share holding during the year
1	Brightstar Logistics PTE Ltd.	25,96,720	51.00	0.00	25,96,720	51.00	0.00	0.00
2	Bharti (SBM) Holdings Private Limited	10,07,235	19.78	0.00	0.00	0.00	0.00	100.00
3	Bharti (RM) Holdings Private Limited	6,29,521	12.36	0.00	6,29,521	12.36	0.00	0.00
4	Bharti (RBM) Holdings Private Limited	6,29,521	12.36	0.00	6,29,521	12.36	0.00	0.00
5	Eiesha Bharti Pasricha	0.00	0.00	0.00	10,07,235	19.78	0.00	100.00

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

S. No	Particulars	Shareholding at the beginning of the year		Date	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.)	Reasons	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
1	Bharti (SBM) Holdings Private Limited	10,07,235	19.78%	30.03.2019	10,07,235	Transfer of shares	Nil	Nil

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	0	0.00	10,07,235	19.78
2	Bharti Enterprises Limited	82182	1.61	82,182	1.61
3	Harsha Hitesh Javeri	8846	0.17	8,846	0.17
4	Rasila Shantilal Mehta	1500	0.03	1,500	0.03
5	Rasila Shantilal Mehta	1026	0.02	1,026	0.02
6	Indrakala Gattani	840	0.02	840	0.02
7	Rajiv Chaudhri	631	0.01	631	0.01
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 A	513	0.01	513	0.01
11	Custodian (Special Court) A/C Rasila S Mehta / Jyoti H Meha	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
Indebtness at the beginning of the year				
Principal Amount	6,643.54	206.65	-	6,850.19
Interest due but not paid	-	-	-	-
Interest accrued but not due	18.19	-	-	18.19
Total	**6,661.73**	**206.65**	**-**	**6,868.38**
Change in Indebtedness during the financial year				
Addition	-	-	-	-
Reduction	(3,210.50)	(60.30)	-	(3,270.80)
Net Change	**(3,210.50)**	**(60.30)**	**-**	**(3,270.80)**
Indebtedness at the end of the financial year				
Principal Amount	3,445.51	146.35	-	3,591.86
Interest due but not paid				
Interest accrued but not due	5.72	-	-	5.72
Total	**3,451.23**	**146.35**	**-**	**3,597.58**

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		Total Amount
		Mr. Deval Parikh (from (01/04/2018 to 12/07/2018)	Mr. Sanjeev Chhabra (12/07/2018 to 31/03/2019)	
1	Gross salary			
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	11.52	8.64	20.16
(b)	Value of perquisites u/s 17(2) of the Income-tax Act, 1961	-	-	-
(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)	11.52	8.64	20.16
	Ceiling as per the Act*	Not Applicable	Not Applicable	

* The ceiling is not applicable upon the Company pursuant to compliance of Rule 7 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

b. Remuneration to other directors

(INR in Mn.)

S. No.	Particulars of Remuneration	Name of Directors		Total Amount
1	Gross salary			
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-
(b)	Value of perquisites u/s 17(2) of the Income-tax Act, 1961	-	-	-
(c)	Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Independent Directors	**Rajesh Madan**	**Geeta Mathur**	
	Fee for attending board / committee meetings	0.98	0.77	1.75
	Commission	-	-	-
	Others, specify…	-	-	-
	Total (1)	0.98	0.77	1.75
4	Other Non-Executive Directors			
	Fee for attending board / committee meetings	-	-	-
	Commission	-	-	-
	Others, specify…	-	-	-
	Total (2)	-	-	-
	Total (B)=(1+2)	0.98	0.77	1.75
	Total Managerial Remuneration	0.98	0.77	1.75
	Overall Ceiling as per the Act	-	-	-

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

(INR in Mn.)

S. No	Particulars of Remuneration	Key Managerial Personnel			Total
		Ms. Neeru Bhalla, Company Secretary (from 01/04/2018 to 29/10/2018)	**Mr. Neeraj Manchanda Company Secretary (from 28/01/2019 to 31/03/2019)**	**Luciano Ferreira, Chief Financial Officer (from 22/10/2018 to 31/03/2019)**	
1	Gross salary				
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2.21	0.65	9.18	12.04
(b)	Value of perquisites u/s 17(2) of the Income-tax Act, 1961	-	-	10.04	10.04
(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)	2.21	0.65	19.22	22.08

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	-	-	-	-	-

Annexure-3

RELATED PARTY TRANSACTION DETAILS

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	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Audit Committee, if any:	Amount paid as advances, if any:
	Brightstar Telecommunications Singapore Pvt Ltd (Erstwhile Beetel Teletech Singapore Private Limited)	Management fees, Share of common expenses/ Scheme, Purchase from Subsidiary, Credit Insurance charges,	Ongoing	335.14	22.03.2018 11.12.2018 28.01.2019 18.03.2019	-
	Brightstar Logistics Pty Ltd. (Australia)	Management fees, BBTI buy back portal upgrade, Development Cost for ECHO Application (To be paid to Inhance Technologies), Consultancy Fee	Ongoing	107.30	22.03.2018 22.10.2018	-
	Brightstar Corp.	Change for access to Saverisk, Protiviti Consulting fee for SOX testing, Reimbursement of relocation admin cost, reimbursement of charges for due diligence, Reimbursement of relocation admin cost	Ongoing	4.52	04.07.2018 28.01.2019 18.03.2019 22.05.2019	-

Related Party Transaction as per Accounting Standard – 18

(As disclosed in note 37 to the Standalone Audited Financials)

Name of Related Party

S. No.	Nature of relationship	Name of the party
a.	Ultimate holding company	Softbank Group
b.	Holding company	Brightstar Corp
c.	Intermediate Holding company	Brightstar Logistics Pte. Ltd.
d.	Enterprise having substantial interest in the Company	Bharti (SBM) Holdings Private Limited (till March 30, 2019)
		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)

S. No.	Nature of relationship	Name of the party
f.	Fellow subsidiaries and other companies which do not exercise control or significant influence over the Company (with whom the Company has transactions)	Brightstar NZ Limited
		Brightstar Supply Chain Services Sdn Bhd
		Brightstar Telecom Services Pvt. Ltd.
		Brightstar Logistics Pty Ltd
		Brightstar 20:20 Ltd.
		Brightstar FZE
g.	Directors and 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
		Other Directors:
		Geeta Mathur (Independent Director)- till February 06, 2019
		Rajesh Madan (Independent Director)
		Paul Andrew Ringrose (Director)
		Dharshan Nanayakkara (Director)
		Harjeet Singh Kohli (Director)
		Uma Ajay Relan (Independent Director) - effective August 6, 2019
		Stijn Piet N Nijs (Non- Executive Director) - effective May 13, 2019
		Luciano Barreto Ferreira (Chief Financial officer)- effective October 22, 2018
		Rohit Gupta (Chief Financial officer)- till March 22, 2018, resigned on March 22, 2018
		Neeraj Manchanda (Company Secretary) effective January 28, 2019
		Neeru Bhalla (Company Secretary)- till October 29, 2018

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

(Rs. in Mn)

Particulars	For the year ended	Ultimate Holding Company	Holding Company	Subsidiary	Fellow Subsidiaries	Key Managerial Personnel*
Nature of transactions with related parties	-					
Purchase of goods	31-Mar-19	-	-	28.45	-	-
	31-Mar-18	-	-	46.97	-	-
Purchase Return	31-Mar-19	-	-	28.19	-	-
	31-Mar-18	-	-	-	-	-
Expenses incurred by related party on behalf of Company	31-Mar-19	-	0.53	-	4.31	-
	31-Mar-18	-	-	-	0.10	-
Expenses incurred by Company on behalf of related party	31-Mar-19		0.26	7.99	-	-
	31-Mar-18			5.56	-	-

Management contract fees expenses	31-Mar-19	-	-	-	32.70	-
	31-Mar-18	-	-	-	28.37	-
Management contract fees income	31-Mar-19	-	-	18.09	0.88	-
	31-Mar-18	-	-	7.25	-	-
Short-term employee benefits	31-Mar-19	-	-	-	-	51.32
	31-Mar-18	-	-	-	-	60.28
Fee for attending board committee meetings	31-Mar-19	-	-	-	-	1.75
	31-Mar-18	-	-	-	-	1.30
Dividend Received	31-Mar-19	-	-	71.12	-	-
	31-Mar-18	-	-	-	-	-

*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 and settlement occurs in cash. For the year ended 31 March 2019, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2018: 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.

Balance outstanding at the end of the year

(Rs. in Mn)

Nature of balances with related parties	Balance as on	Ultimate Holding Company	Holding Company	Subsidiary	Fellow Subsidiaries	Key Managerial Personnel
Trade payables	31-Mar-19	-	-	-	5.21	-
	31-Mar-18	-	-	-	0.30	-
Other receivables	31-Mar-19	-	0.44	-	0.95	-
	31-Mar-18	-	-	-	-	-
Employee related liabilities	31-Mar-19	-	-	-	-	4.35
	31-Mar-18	-	-	-	-	15.10

Notes:

1. For corporate guarantees given by related party on behalf of the Company, Refer Note 19 of Standalone Financial Statements for FY 2018-19.

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

Sd/-
Dharshan Nanayakkara
Chairman
(DIN : 06930415)

Date : 06.08.2019
Place : Gurugram

Annexure 4

CORPORATE SOCIAL RESPONSIBILITY (CSR)

[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 coves 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 as on the date of report:

S. No.	Name of the Member
1	Sanjeev Chhabra**
2	Geeta Mathur*
3	Rajesh Madan
4	Harjeet Singh Kohli
5	Uma Ajay Relan (w.e.f. 06th August 2019)

*Resigned w.e.f. 06th February 2019.
**Appointed w.e.f. 30th July 2018.

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

Financial Year	Net Profit/Net Loss (-) (in Rs.)
F.Y. 15-16	-10,96,82,169
F.Y. 16-17	-54,57,77,368
F.Y. 17-18	-52,83,49,185
Total net profit for 3 years	-1,18,38,08,722
Average net profit of the company for last three financial yeas	-39,46,02,907

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 averange 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)

Date : 06.08.2019
Place : Gurugram

Annexure-5

Information as per Rule 5 (2) of Companies (appointment and remuneration of managerial personnel) Rules 2014

Name of the employee	Designation of the Employee	Remuneration received (Rs. in Mn)	Nature of employment, whether contractual or otherwise	Qualifications and experience of the employee	Date of commencement of employment	The age of such employee	The last employment held by such employee before joining the company	The percentage of equity shares held by the employee in the company and	Whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager
Sanjeev Chhabra	Managing Director	13.57	Permanent	PGDBM (23 years)	19-May-08	45 Y	Microtek International Ltd	-	-
Deval Parikh	CEO & WTD (Resigned w.e.f. 12th July, 2019)	18.60	Permanent	Master of Engineering Management, MBA (24 Years)	06-Jul-16	47 Y	Reliance Jio	-	-
Prabhat Maheshwari	Vice President	12.37	Permanent	BE (Mechanical) MBA (20 Years)	10-Aug-16	45 Y	Snapdeal	-	-
Rajiv Ahlawat	Vice President	12.26	Permanent	B.Com, MS (23 years)	01-Jan-17	47 Y	Partner 4 India	-	-
Luciano Barreto Ferreira	Chief Financial Officer	19.22	Permanent	Electronics and Telecommunications Engineering, Post Graduate in Marketing (23 years)	22-Oct-18	47 Y	Ericssion		

Note:

The board's report shall include a statement showing the name of top ten employee of the Company in terms of remuneration drawn and the name of every employee, who

a. if employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than one crore and two lakh rupees.

b. if employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than Eight lakh and fifty thousand per month.

c. if employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company.

Annexure - 6

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2019

[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, 2019 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, 2019, 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. IPR (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 5 (five) times i.e. on 04th July 2018, 12th July 2018, 23rd August 2018, 22nd October 2018, 28th January 2019 during the year. The committee meeting details are as follows:-

a. Audit Committee met 4 (four) times on 04th July, 2018, 23rd August, 2018, 22nd October 2018, 28th January 2019 during the year;

b. Nomination and Remuneration Committee duly met 4 (four) times on 04th July, 2018, 12th July 2018, 22nd October 2018, 28th January 2019 during the year.

c. Corporate Social Responsibility committee met Nil time during the year and

d. Stakeholder relationship committee met 1(one) time on 04th July 2018 during the year;

IV. That the Annual General Meeting for the financial year ended on 31st March 2018 was held on 25th September 2018;

V. That the one Extra Ordinary General Meeting was held on 29th March 2019 *(change in designation from Whole Time Director to Managing Director and fixation/revision in the remuneration of Mr. Sanjeev Chhabra)* during the financial year;

VI. During the year 2018-19, the Company has transferred 11,557 Equity shares having nominal amount of Rs. 10/- each aggregating to Rs. 1,15,570/- relating to financial year 2010-11 and unpaid dividend of Rs. 60,362/- for financial year 2010-11 which are pending for more than 7 years to the Investor Education and Protection Fund managed by Ministry of Corporate Affairs, New Delhi as per applicable provisions of Companies Act 2013.

Further during FY 2017-18, the Company had transferred Rs, 73,349/- on 21st February, 2018 and associated shares to Investor Education & Protection fund after the due date for transfer of unpaid dividend & shares. After making good the default, Company suo-moto filed a petition before the Regional Director, Northern Region Bench for compounding of the above said delays.

The Compounding Application was dismissed by the Regional Director, vide its Order dated 13th May 2019. Upon dismissal of compounding application, Company is exploring further legal options. Company filed its compounding application on the ground that any delay in transfer of the shares associated with the dividend transferred beyond 30 days is the default of the rule 6(1) of The Investor Education and Protection Fund Authority (Accounting, Audit, transfer and Refund) Rules, 2016, and not a default under section 124(7) of the Act, instead any delay in transfer of unclaimed shares and unpaid dividends would be covered by the general penal provisions prescribed by Section 450 of the Act.;

VII. Mr. Deval Parikh ceased from the designation of whole time Director & Chief Executive Officer of the Company with effect from 12th July,2018;

VIII. Mr. Sanjeev Chhabra was appointed as whole time director for the period of 5 years with effect from 12th July 2018 and the appointment was confirmed by shareholders in its meeting held on 25th September, 2018. Mr. Chhabra was designated as Managing director of the Company with effect from 28th January 2019 and this change in designation was approved by shareholders in its extra ordinary general meeting held on 29th March 2019.;

IX. Mr. Luciano Ferreira was appointed as Chief Financial Officer of the Company with effect from 22nd October 2018;

X. Ms. Neeru Bhalla resigned from the designation of Secretary of the Company with effect from 29th October, 2018;

XI. Mr. Neeraj Manchanda was appointed as a Company Secretary of the company with effect from 28th January 2019;

XII. Ms. Geeta Mathur ceased from the designation of Independent Director of the Company with effect from 06th February, 2019;

XIII. 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, an agreement has been entered between the Company and the Depository initially in the year 1993 and has been amended/revised from time to time; and

XIV. 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 October 2018 to 31st March 2019.

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 board of directors 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/-
Saurabh Jain
Proprietor
Membership No: F9513
Certificate No: 11247

Date : 29.07.2019
Place : Delhi

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/-
Saurabh Jain
Proprietor
Membership No: F9513
Certificate No: 11247

Date : 29.07.2019
Place : Delhi

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 2019, 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 2019, and its loss, total comprehensive loss, 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 has incurred a total comprehensive loss of Rs.562.50 million and has accumulated losses of Rs.1,176.75 million, during the year ended 31st March, 2019 and as of that date, the Company's current liabilities exceeded its current assets by Rs.1,624.55 million. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. However, the standalone financial statements of the Company have been prepared on a going concern basis considering that Brightstar Corp., the holding company, has confirmed that it would provide continuing financial support to the Company until the Company is able to meet its obligations on its own.

Our opinion is not modified in respect of this matter.

Emphasis of Matter

We draw attention to Note 42 of the standalone financial statements, which describes that the company has not renewed a major contract with one of its vendors in the Mobile Business and has decided to discontinue certain other distribution and service offerings under the Mobile Business unit.

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.

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, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 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 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 45 to the standalone financial statements);

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company (Refer Note 47 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: 19094468AAAACQ9906)

Place : Gurugram
Date : August 06, 2019

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, 2019 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, 2019, 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)

Sd/-
Vijay Agarwal
Partner
(Membership No.094468)
(UDIN: 19094468AAAACQ9906)

Place : Gurugram
Date : August 06, 2019

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

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

(i) In respect of the Company's fixed assets:

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

(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 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 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, 2019 for a period of more than six months from the date they became payable.

(c) Details of dues of Sales tax, Customs Duty, Excise Duty and Value Added Tax which have not been deposited as on March 31, 2019 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	1995-96, 2005-06 to 2008-09, 2010-11 to 2015-16, 2016-17	81.44
Sales Tax Laws	Sales Tax	Sales Tax Tribunal	2007-08 to 2012-13	1.39
Sales Tax Laws	Sales Tax	High Court	2000-01, 2005-6 to 2012-13	12.32

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	Central, Excise and Service Tax Appellate Tribunal	1996-97	0.30
Customs Act,1962	Customs Duty	DRI	July'14 to June 18	196.40
Excise Act, 1944	Excise Duty	Central, Excise and Service Tax Appellate Tribunal	1999-2000 to 2001-02	1.05

(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 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 and hence reporting under clause (ix) of the CARO 2016 is not applicable to the Company.

(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)

Sd/-
Vijay Agarwal
Partner
(Membership No.094468)
(UDIN: 19094468AAAACQ9906)

Place : Gurugram
Date : August 06, 2019

STANDALONE BALANCE SHEET as at March 31st, 2019

(Rs. in Million)

Particulars	Notes	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non-current assets			
(a) Property, plant and equipment	4	100.15	104.46
(b) Capital work-in-progress		-	6.67
(c) Intangible assets	5	26.44	26.75
(d) Intangible assets under development		10.39	6.14
(e) Financial assets			
(i) Investment in subsidiary	6	360.86	360.86
(ii) Loans	7	15.29	18.01
(iii) Other financial assets	8	9.61	9.60
(f) Non-current tax assets (net)	9	173.59	220.71
(g) Other non-current assets	10	447.23	163.52
Total non-current assets		**1,143.56**	**916.72**
Current assets			
(a) Inventories	11	1,445.34	5,184.74
(b) Financial assets			
(i) Trade receivables	12	2,387.15	3,199.45
(ii) Cash and cash equivalents	13	0.68	6.31
(iii) Other bank balances	14	2.53	2.35
(iv) Other financial assets	8	121.75	706.94
(c) Other current assets	10	1,371.20	1,392.28
Total current assets		**5,328.65**	**10,492.07**
TOTAL ASSETS		**6,472.21**	**11,408.79**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	15	50.92	50.92
(b) Other equity	16	(1,168.98)	(553.44)
Total equity		**(1,118.06)**	**(502.52)**
Liabilities			
Non-current liabilities			
(a) Other financial liabilities	21	60.51	48.86
(b) Provisions	17	268.78	24.56
(c) Other non current liabilities	18	307.78	-
Total non-current liabilities		**637.07**	**73.42**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	3,591.86	6,850.19
(ii) Trade payables	20		
-total outstanding dues of micro enterprises and small enterprises		1.68	15.92
-total outstanding dues of creditors other than micro enterprises and small enterprises		2,716.23	4,595.67
(iii) Other financial liabilities	21	122.03	163.96
(b) Provisions	17	61.23	91.06
(c) Other current liabilities	18	460.17	121.09
Total current liabilities		**6,953.20**	**11,837.89**
Total liabilities		**7,590.27**	**11,911.31**
TOTAL EQUITY AND LIABILITIES		**6,472.21**	**11,408.79**
The accompanying notes form an integral part of these standalone Ind-AS financial statements.	1-48		

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

Sd/-
Vijay Agarwal
Partner

Place : Gurugram
Date : August 06, 2019

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

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

Sd/-
Stijn Piet N Nijs
Director
(DIN: 08383887)

Sd/-
Luciano Ferreira
Chief Financial Officer

Sd/-
Neeraj Manchanda
Company Secretary
(M.No. ACS 20060)

STANDALONE STATEMENT OF PROFIT AND LOSS for the year ended March 31st, 2019

(Rs. in Million)

Particulars	Notes	Year ended March 31, 2019	Year ended March 31, 2018
Continuing operation			**(Restated)**
I Revenue from operations	22	12,665.03	12,235.21
II Other income	23	112.54	28.07
III Total income (I + II)		**12,777.57**	**12,263.28**
IV Expenses			
(a) Cost of materials consumed	24	307.82	418.57
(b) Purchases	25	11,157.49	11,072.47
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	26	42.61	(595.79)
(d) Excise duty on sale of goods		-	22.22
(e) Employee benefits expense	27	548.01	499.17
(f) Finance costs	28	369.28	172.84
(g) Depreciation and amortisation expense	29	36.41	36.61
(h) Other expenses	30	687.11	625.65
Total expenses		**13,148.73**	**12,251.74**
V Profit/(Loss) before tax (III-IV)		**(371.16)**	**11.54**
VI Tax expense/(credit)			
(a) Current tax	31	-	-
(b) Deferred tax	31	-	60.41
		-	60.41
VII Profit/(Loss) for the year from continuing operation (V-VI)		**(371.16)**	**(48.87)**
Discontinued Operations			
VIII Loss from discontinued operation before tax	42	(184.74)	(539.91)
IX Tax expenses	42	-	-
X Loss for the year from discontinued operation (VIII-IX)		**(184.74)**	**(539.91)**
XI Loss for the year (VII+X)		**(555.90)**	**(588.78)**
XII Other comprehensive income			
Items that will not be reclassified to profit and loss			
(i) Remeasurements of the defined benefit plans		(6.60)	(12.54)
XIII Total comprehensive loss for the year (XI + XII)		**(562.50)**	**(601.32)**
XIV Profit/(Loss) per equity share from continuing operation (face value of share Rs. 10 each)			
(a) Basic (in Rs.)	32	(72.92)	(9.60)
(b) Diluted (in Rs.)	32	(72.92)	(9.60)
XV Profit/(Loss) per equity share from discontinued operation (face value of share Rs. 10 each)			
(a) Basic (in Rs.)	32	(36.29)	(106.07)
(b) Diluted (in Rs.)	32	(36.29)	(106.07)
XVI Profit/(Loss) per equity share from continuing and discontinued operation (face value of share Rs. 10 each)			
(a) Basic (in Rs.)	32	(109.21)	(115.67)
(b) Diluted (in Rs.)	32	(109.21)	(115.67)
The accompanying notes form an integral part of these standalone Ind-AS financial statements.	1-48		

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

Sd/-
Vijay Agarwal
Partner

Place : Gurugram
Date : August 06, 2019

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

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

Sd/-
Stijn Piet N Nijs
Director
(DIN: 08383887)

Sd/-
Luciano Ferreira
Chief Financial Officer

Sd/-
Neeraj Manchanda
Company Secretary
(M.No. ACS 20060)

STANDALONE STATEMENT OF CHANGES IN EQUITY for the year ended March 31st, 2019

Equity share capital (Equity shares of Rs. 10 each issued, subscribed & fully paid up)	**No. in Million**	**Rs. in Million**
Balance as at April 01, 2017	**5.09**	**50.92**
Changes in equity share capital during the year	-	-
Balance as at March 31, 2018	**5.09**	**50.92**
Changes in equity share capital during the year		-
Balance as at March 31, 2019	**5.09**	**50.92**

(Rs. in Million)

Other equity	**Reserves and surplus**				
	General Reserve	**Capital Reserve**	**Securities premium**	**Retained earnings**	**Total**
	(Refer Note 16.1)	(Refer Note 16.2)	(Refer Note 16.3)	(Refer Note 16.4)	
Balance as at April 01, 2017	**26.50**	**2.50**	**5.27**	**13.61**	**47.88**
Loss for the year	-	-	-	(588.78)	(588.78)
Transferred from general reserve to retained earnings	(26.50)	-	-	26.50	-
Other comprehensive loss for the year arising from defined benefit obligation (net of income taxes)	-	-	-	(12.54)	(12.54)
Total movement for the year	**(26.50)**	**-**	**-**	**(574.82)**	**(601.32)**
Balance as at March 31, 2018	**-**	**2.50**	**5.27**	**(561.21)**	**(553.44)**
Effect of adoption of new accounting standard (IndAS 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)**

The accompanying notes are an integral part of these standalone Ind-AS financial statements. 1-48

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

Sd/-
Vijay Agarwal
Partner

Place : Gurugram
Date : August 06, 2019

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

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

Sd/-
Stijn Piet N Nijs
Director
(DIN: 08383887)

Sd/-
Luciano Ferreira
Chief Financial Officer

Sd/-
Neeraj Manchanda
Company Secretary
(M.No. ACS 20060)

STANDALONE CASH FLOW STATEMENT for the year ended March 31st, 2019

(Rs. in Million)

PARTICULARS	Year ended March 31, 2019	Year ended March 31, 2018
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) for the year after tax	**(555.90)**	**(588.78)**
Continuing Operation	(371.16)	(48.87)
Discontinued operation	(184.74)	(539.91)
Adjustments for :		
Income tax expense	-	60.41
Finance cost	414.88	352.27
Interest income	(19.13)	(5.99)
Loss on disposal of property, plant and equipment	(0.10)	0.03
Software impairement	7.70	-
Unrealised exchange loss/(gain) (net)	6.20	12.93
Depreciation and amortisation expense	37.28	37.89
Provision for doubtful debts	(111.95)	510.79
Bad debts/amounts written off	63.35	22.04
Liabilities/provisions no longer required written back	(2.41)	(3.68)
Allowances for obsolete/slow moving stock	(114.86)	124.63
Allowances for doubtful advances	(0.47)	(2.31)
OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES	**(275.41)**	**520.23**
Movements in working capital:		
(Increase)/decrease in trade receivables	853.77	866.33
(Increase)/decrease in inventories	3,854.26	(2,023.69)
(Increase)/decrease in loans	2.72	6.61
(Increase)/decrease in other financial assets	585.19	(615.25)
(Increase)/decrease in other assets	64.75	(580.54)
Increase/(decrease) in trade payables	(1,879.33)	(464.41)
Increase/(decrease) in provisons	207.79	(50.47)
Increase/(decrease) in other financial liabilities	(31.98)	(23.86)
Increase/(decrease) in other liabilities	260.65	(65.35)
CASH USED IN OPERATIONS	**3,642.41**	**(2,430.40)**
Income taxes paid	47.12	(49.58)
NET CASH FLOW FROM/ USED IN OPERATING ACTIVITIES	**3,689.53**	**(2,479.98)**
CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	0.27	0.02
Payments for property, plant and equipment	(3.43)	(19.62)
Payments for intangible assets	(28.85)	(30.80)
Proceeds from deposits	(0.01)	12.73
Repayments for bank balance not considered as cash and cash equivalents	(0.18)	(0.17)
Interest received	19.13	6.01
NET CASH FLOW FROM/USED IN INVESTING ACTIVITIES	**(13.07)**	**(31.83)**
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds/(repayment) of borrowings (Refer Note 44)	(3,254.74)	2,856.45
Interest paid	(427.35)	(343.73)
Dividends paid*	-	(0.07)
NET CASH FLOW FROM/ USED IN FINANCING ACTIVITIES	**(3,682.09)**	**2,512.65**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**(5.63)**	**0.84**
Cash and cash equivalents at the beginning of the year	**6.31**	**5.47**
Cash and cash equivalents at the end of the year	**0.68**	**6.31**
Components of cash and cash equivalents		
Cash in hand	0.03	0.11
Balance with scheduled banks: In current accounts	0.65	6.20
Total cash and cash equivalents as per note 13	0.68	6.31
Cash and cash equivalents at the end of the year	**0.68**	**6.31**

* Dividend paid comprises of amount transferred to Investor Education and Protection Fund.

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 are an integral part of these standalone Ind-AS financial statements. 1-48

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

Sd/-
Vijay Agarwal
Partner

Place : Gurugram
Date : August 06, 2019

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

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

Sd/-
Stijn Piet N Nijs
Director
(DIN: 08383887)

Sd/-
Luciano Ferreira
Chief Financial Officer

Sd/-
Neeraj Manchanda
Company Secretary
(M.No. ACS 20060)

NOTES FORMING PART OF STANDALONE IND AS FINANCIAL STATEMENTS for the year ended March 31st, 2019

1. Corporate information

Brightstar Telecommunications India Limited (Erstwhile Beetel Teletech Limited) ('the Company') was incorporated in India on March 30, 1999. The Company has changed its name from Beetel Teletech Limited to Brightstar Telecommunications India Limited with effect from February 14, 2017. The Company is engaged in trading of landline phones, modems, smart phones, storage devices, accessories, information technology peripherals, network equipment, board room solutions, DTH devices, display devices, voice and data products. The Company is also engaged in manufacturing of landline phones.

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

Effective April 1, 2018, the Company has applied Ind AS 115 Revenue from Contracts with Customers using the cumulative catch-up transition method, applied to contracts that were not completed as on the transition date i.e. 01st April 2018. Accordingly, the comparative information in the statement of Profit & Loss has not been retrospectively adjusted. 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 impact of the adoption of Ind AS 115 on the financial statements of the Company is as follows:

Particulars	Rs. In Million
Revenue from service contract with customers	386.21
Less: Cost of services sold	333.17
Amount adjusted from Retained Earnings	**53.04**

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 as on March 31, 2018.

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

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Company as a Lessee

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognized as operating leases. The Company has ascertained that the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases and therefore, the lease payments are recognized as per terms of the lease agreement in the Statement of Profit and Loss.

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 scheme launched during the year are provided for based on actuarial valuation. The present value of the obligation is determined based on 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.

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. Property, Plant and Equipment (other than Building, Moulds and Computer software) are depreciated to the extent of 95% of their gross value. 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 Leasehold improvement Building-factory	Not Depreciated Over the period of lease 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. 5,000 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 of finished goods includes excise duty. 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 the Mobile distribution and IT distribution as business segments.

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 <u>Diluted earnings per share</u>

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 <u>Material events</u>

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.

2.22 <u>Use of estimates</u>

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.

2.23 <u>Recent accounting pronouncement issued but not yet effective upto the date of issuance of financial statements</u>

(i) Ind AS 116 'Leases': On March 30, 2019, the Ministry of Corporate Affairs notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 containing Ind AS 116 – Leases and related amendments to other Ind ASs. Ind AS 116 replaces Ind AS 17 'Leases' and related interpretation and guidance. The standard sets out principles for recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of profit and loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements as per Ind AS 17. Ind AS 116 is effective for annual periods beginning on or after April 1, 2019.

(ii) Amendment to Ind AS 19 'Employee Benefits': On March 30, 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 19 'Employee Benefits' in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. The amendment will come into force for accounting periods beginning on or after April 1, 2019, though early application is permitted.

(iii) Amendment to Ind AS 12 'Income Taxes': On March 30, 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 12 'Income Taxes'. The amendments require an entity to recognise the income tax consequences of dividends as defined in Ind AS 109 when it recognises a liability to pay a dividend. The income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The amendment will come into force for accounting periods beginning on or after April 1, 2019.

(iv) Appendix C to Ind AS 12 'Uncertainty over Income Tax Treatments': On March 30, 2019, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 containing Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments which clarifies the application and measurement requirements in Ind AS 12 when there is uncertainty over income tax treatments. The current and deferred tax asset or liability shall be recognized and measured by applying the requirements in Ind AS 12 based on the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates determined by applying this appendix. The amendment is effective for annual periods beginning on or after April 1, 2019.

The Company is in the process of evaluating the effect of the above on its standalone financial statements.

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

The Company has incurred total comprehensive loss of Rs. 562.50 Million for the year ended March 31, 2019 (Previous year Rs. 601.32 Million) and has accumulated losses of Rs. 1,176.75 Million as at March 31, 2019 (Previous year accumulated loss of Rs. 561.21 Million), resulting in erosion of its net worth as on March 31, 2019. Further the Company's current liabilities exceeds its current assets by Rs. 1,624.55 Million. Though the conditions may cast significant doubt on the Company's ability to continue as a going concern on a standalone basis and realise its assets and discharge its liabilities in the normal course of business, but considering that Brightstar Corp., the holding company, has confirmed that it would provide continuing financial support to the Company until the Company is able to meet its obligations on its own, 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.

4. Property, plant and equipment

(Rs. in Million)

Description	As at March 31, 2019	As at March 31, 2018
Carrying amounts of :		
1 Freehold land	44.71	44.71
2 Leasehold improvement	-	2.46
3 Building	26.10	28.71
4 Plant and machinery	16.33	21.74
5 Furniture and fixture	0.39	0.52
6 Computer and networking	12.62	6.32
Total	**100.15**	**104.46**

Current Year

(Rs. in Million)

	Description	Gross Carrying Value				Accumulated depreciation				Caryying Amount	
		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**

Previous Year

(Rs. in Million)

	Description	Gross Carrying Value				Accumulated depreciation				Carrying Amount	
		As at April 1, 2017	Additions during the year	Disposal/ adjustment	As at March 31, 2018	As at April 1, 2017	Depreciation during the year*	Disposal/ adjustment	As at March 31, 2018	As at March 31, 2018	As at March 31, 2017
1	Freehold land	44.71	-	-	**44.71**	-	-	-	-	**44.71**	44.71
2	Building	36.54	-	-	**36.54**	5.22	2.61	-	**7.83**	**28.71**	31.32
3	Leasehold improvement	10.63	0.71	-	**11.34**	5.86	3.02	-	**8.88**	**2.46**	4.77
4	Plant and machinery	68.06	4.56	0.18	**72.44**	30.29	20.54	0.13	**50.70**	**21.74**	37.77
5	Furniture and fixture	1.66	1.05	-	**2.71**	0.37	1.82	-	**2.19**	**0.52**	1.29
6	Computer and networking	19.80	3.08	0.08	**22.80**	10.02	6.54	0.08	**16.48**	**6.32**	9.78
	Total	**181.40**	**9.40**	**0.26**	**190.54**	**51.76**	**34.53**	**0.21**	**86.08**	**104.46**	**129.64**

* Includes depreciation amounting to Rs. 0.87 Mn (Previous Year: Rs. 1.28 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, 2019	As at March 31, 2018
Carrying amounts of :		
1 Computer software	26.44	26.75
Total	**26.44**	**26.75**

Current 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 software	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**

Previous Year (Rs. in Million)

	Gross Carrying Value				Accumulated depreciation				Carrying Amount	
Description	As at April 1, 2017	Additions during the year	Disposal/ adjustment	As at March 31, 2018	As at April 1, 2017	Depreciation during the year#	Disposal/ adjustment	As at March 31, 2018	As at March 31, 2018	As at March 31, 2017
1 Computer software	13.78	24.66	-	**38.44**	8.33	3.36	-	**11.69**	**26.75**	5.45
Total	**13.78**	**24.66**	**-**	**38.44**	**8.33**	**3.36**	**-**	**11.69**	**26.75**	**5.45**

* Includes impairment of softwares related to discontinued business INR 7.70Mn (net of amortisation)
# Includes amortization pertaining to discontinued operation amounting to Rs. 0.87 Million (year ended March 31, 2018 : Rs. 1.28 Million)

6. Investment in subsidiary

	As at March 31, 2019	As at March 31, 2018
Non-current	Rs. in Million	Rs. in Million
(a) Investment in equity shares fully paid up (Unquoted)		
1 (March 31, 2018 - 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, 2019	As at March 31, 2018
	Rs. in Million	Rs. in Million
Non current		
Security deposits (Unsecured, considered good)	15.29	18.01
Security deposits (Unsecured, considered doubtful)	0.39	0.39
	15.68	**18.40**
Allowances for credit losses	(0.39)	(0.39)
	15.29	**18.01**

Movement in allowances for credit losses	As at March 31, 2019	As at March 31, 2018
	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**

8. Other financial assets

	As at March 31, 2019	As at March 31, 2018
	Rs. in Million	Rs. in Million
Non Current		
(a) Balances in earmarked accounts		
-Margin money*	9.61	9.60
	9.61	**9.60**
Current		
(a) Financial assets measured at fair value		
Forward contracts	-	2.63
(b) Interest accrued on bank deposits	0.07	0.07
(c) Receivables from related parties (Refer note 37)	1.39	-
(d) Vendor Incentive receivables	100.72	686.78
(e) Other receivables	19.57	17.46
	121.75	**706.94**

*Margin money with a carrying amount of Rs. 9.61 Million (March 31, 2018- Rs. 9.60 Million) are hypothecated against the bank guarantee.

9. Non Current Tax Assets

	As at March 31, 2019	As at March 31, 2018
	Rs. in Million	Rs. in Million
Advance income-tax (net of provision of Rs. Nil (March 31, 2018- Rs. 19.25 Million))	173.59	220.71
	173.59	**220.71**

10. Other assets

	As at March 31, 2019 Rs. in Million	As at March 31, 2018 Rs. in Million
Non-current		
(a) Advances other than capital advances (Unsecured, considered good)		
(i) Balances with government authorities (other than income taxes)	170.32	162.66
(ii) Deferred expense on security deposit given	5.53	0.86
(iii) Deferred service cost*	271.38	-
	447.23	**163.52**
(b) Advances other than capital advances (Unsecured, considered doubtful)		
(i) Balances with government authorities (other than income taxes)	8.52	8.99
	8.52	**8.99**
Allowances for credit losses	(8.52)	(8.99)
	447.23	**163.52**
Current		
(a) Capital advances (Unsecured, considered good)	-	5.83
(b) Advances other than capital advances (Unsecured, considered good)		
(i) Prepaid expenses	25.80	21.73
(ii) Deferred expense on security deposit given	1.03	0.99
(iii) Balances with government authorities (other than income taxes)	963.62	1,317.14
(iv) Loans/Imprest to employees	1.15	0.93
(v) Deferred service cost*	347.32	-
(vi) Other	32.28	45.66
	1,371.20	**1,392.28**

*Effective April 1, 2018, the Company has 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 has 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 service revenue for contracts along with the related cost of providing those services whose period has not expired as on March 31, 2019.

11. Inventories

(valued at lower of cost and net realisable value)

	As at March 31, 2019 Rs. in Million	As at March 31, 2018 Rs. in Million
Raw materials	59.07	39.50
Allowances for obsolete/slow moving stock	(0.48)	(0.51)
	58.59	**38.99**
Work-in-progress	**8.14**	**6.14**
Finished goods	46.40	36.34

	As at March 31, 2019	As at March 31, 2018
	Rs. in Million	Rs. in Million
Allowances for obsolete/slow moving stock	-	(1.98)
	46.40	**34.36**
Stock-in-trade	1,411.56	5,296.70
Less: Allowances for obsolete/slow moving stock	(80.03)	(192.48)
	1,331.53	**5,104.22**
Stores and spares	1.33	2.08
Allowances for obsolete/slow moving stock	(0.65)	(1.05)
	0.68	1.03
	1,445.34	**5,184.74**

Included above, goods-in-transit:		
(i) Raw materials	24.96	8.84
(ii) Stock-in-trade	145.27	286.56
Total goods-in-transit	**170.23**	**295.40**

(i) The cost of inventories recognised as an expense during the year was Rs. 11,507.92 Million (March 31, 2018: Rs. 10,895.25 Million) for continuing operations and Rs. 5,228.60 (March 31, 2018: Rs. 27,084.24 Million) for discontinued operations.

(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, 2019	As at March 31, 2018
	Rs. in Million	Rs. in Million
Current		
Trade receivables*		
(a) Unsecured, considered good	2,387.15	3,199.45
(b) Unsecured, considered doubtful	479.91	591.86
	2,867.06	**3,791.31**
Allowance for credit loss	(479.91)	(591.86)
	2,387.15	**3,199.45**

Movement in allowances for credit loss	As at March 31, 2019	As at March 31, 2018
	Rs. in Million	Rs. in Million
Balance at the beginning of the year	591.86	81.07
Utilised during the year	(62.87)	(18.84)
Arise/(reversed) of allowances for credit loss	(49.08)	529.63
Balance at the end of the year	**479.91**	**591.86**

* Includes Rs. 29.91 Million (March 31, 2018- Rs. 359.21Million) secured against bank guarantees issued by customers, Rs. 1,697.96 Million (March 31, 2018- Rs. 2,324.90 Million) secured against credit insurance and Rs. 492.75 Million (March 31, 2018- Rs. 20.52 Million) secured against letter of credit.

* 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, 2019	As at March 31, 2018
	Rs. in Million	**Rs. in Million**
(i) Cash on hand	0.03	0.11
(ii) Balances with banks:		
(a) In current accounts	0.65	6.20
	0.68	**6.31**

14. Other bank balances

	As at March 31, 2019	As at March 31, 2018
	Rs. in Million	**Rs. in Million**
(a) In earmarked accounts		
- On current accounts under lien	2.53	2.29
- On unpaid dividend account	-	0.06
	2.53	**2.35**

15. Equity share capital

	As at March 31, 2019	As at March 31, 2018
	Rs. in Million	**Rs. in Million**
Authorised share capital		
Equity shares of Rs. 10 each with voting rights	100.00	100.00
March 31, 2019 :- 10,000,000 Shares		
March 31, 2018 :- 10,000,000 Shares		
Issued, subscribed and fully paid		
Equity shares of Rs. 10 each with voting rights	50.92	50.92
March 31, 2019 :- 5,091,607 Shares		
March 31, 2018 :- 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, 2017	5.09	50.92
Add:- Issued during the year	-	-
Balance as at March 31, 2018	5.09	50.92
Add:- Issued during the year	-	-
Balance as at March 31, 2019	**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, 2019	As at March 31, 2018
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)

	As at March 31, 2019		As at March 31, 2018	
Fully paid equity shares of Rs. 10 each	**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%
Bharti (SBM) Holdings Private Limited	-	0.00%	1.01	19.78%
Eiesha Bharti Pasricha	1.01	19.78%	-	0.00%
Bharti (RBM) Holdings Private Limited	0.63	12.36%	0.63	12.36%

16. Other equity

	As at March 31, 2019	As at March 31, 2018
	Rs. in Million	**Rs. in Million**
General reserve	-	-
Capital reserve	2.50	2.50
Securities premium	5.27	5.27
Retained earnings	(1,176.75)	(561.21)
	(1,168.98)	**(553.44)**

16.1 General reserve	As at March 31, 2019	As at March 31, 2018
	Rs. in Million	**Rs. in Million**
Balance at the beginning of the year	-	26.50
Transferred to Retained earning	-	(26.50)
Balance at the end of the year	**-**	**-**

16.2 Capital reserve	As at March 31, 2019	As at March 31, 2018
	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

16.3	**Securities premium**	**As at March 31, 2019**	**As at March 31, 2018**
		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**

16.4	**Retained earnings**	**As at March 31, 2019**	**As at March 31, 2018**
		Rs. in Million	**Rs. in Million**
	Balance at the beginning of the year	(561.21)	13.61
	Effect of adoption of new accounting standard (IndAS 115) (Net of deferred tax Rs. Nil)	(53.04)	-
	Loss during the year	(555.90)	(588.78)
	Transferred from general reserve	-	26.50
	Other comprehensive loss arising from defined benefit obligation, net of income taxes	(6.60)	(12.54)
	Balance at the end of the year	**(1,176.75)**	**(561.21)**

Nature of reserves

16.1) General reserve

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income.

16.2) Capital reserve

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

16.3) Securities premium

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

16.4) 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, 2019	**As at March 31, 2018**
	Rs. in Million	**Rs. in Million**
Non current provisions		
(a) Provision for employee benefits		
Provision for compensated absences (Refer Note 36)	24.58	21.93
Provision for other long term employee benefits (Refer Note 36)	1.79	2.63
	26.37	**24.56**
(b) Other provisions		
Provision for litigations (Refer Note 17.2)	242.41	-
	242.41	**-**
	268.78	**24.56**

	As at March 31, 2019	As at March 31, 2018
	Rs. in Million	Rs. in Million
Current provisions		
(a) Provision for employee benefits		
Provision for compensated absences (Refer Note 36)	3.31	3.28
Provision for other long term employee benefits (Refer Note 36)	2.47	1.93
Provision for sales return allowance (Refer Note 17.3)	38.40	0.98
	44.18	**6.19**
(b) Other provisions		
Provision for warranties (Refer Note 17.1)	17.05	42.78
Provision for litigations (Refer Note 17.2)	-	42.09
	17.05	**84.87**
	61.23	**91.06**

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, 2019 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, 2019	As at March 31, 2018
	Rs. in Million	Rs. in Million
Balance at the beginning of the year	42.78	30.35
Arising during the year	88.85	33.58
Utilized during the year	(97.37)	(20.60)
Unused amounts reversed	(17.21)	(0.55)
Balance at the end of the year	**17.05**	**42.78**

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, 2019	As at March 31, 2018
	Rs. in Million	Rs. in Million
Balance at the beginning of the year	42.09	118.56
Arising during the year*	200.32	12.78
Utilised during the year	-	(89.25)
Balance at the end of the year	**242.41**	**42.09**

* 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. On the basis of legal opinion taken by the Company, management is of the view that the likelihood of any liability devolving on the Company is 'Probable'.

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, 2019**	**As at March 31, 2018**
	Rs. in Million	**Rs. in Million**
Balance at the beginning of the year	0.98	-
Arising during the year	48.94	0.98
Utilised during the year	(11.52)	-
Balance at the end of the year	**38.40**	**0.98**

18. Other liabilities

	As at March 31, 2019	**As at March 31, 2018**
	Rs. in Million	**Rs. in Million**
Non Current		
(a) Deferred contract revenue*	307.78	-
	307.78	**-**
Current		
(a) Advance received from customer	63.25	120.97
(b) Guarantee liability	-	0.12
(c) Deferred contract revenue*	396.92	-
	460.17	**121.09**

*Effective April 1, 2018, the Company has 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 has 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 as on March 31, 2019.

19. Current borrowings

	As at March 31, 2019	**As at March 31, 2018**
	Rs. in Million	**Rs. in Million**
Secured		
a) Cash credit from banks (Refer Note 19.1)	515.51	723.54
b) Working capital demand loan (Refer Note 19.1)	2,930.00	5,920.00
	3,445.51	**6,643.54**
Unsecured		
a) Buyer's credit (Refer Note 19.2)	146.35	206.65
	3,591.86	**6,850.19**

Note :

19.1 Cash credit and working capital demand loan

a) The cash credit facility carries interest rate of 9.65% to 10.40% p.a. (March 31, 2018: 9.65% to 10% p.a) and working capital loan from ANZ Banking Group Ltd is repayable on demand carries interest rate of 8.80% to 8.50% p.a. (March 31, 2018: 7.50% to 8.50% 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 8.80% to 10.75% p.a. (March, 31, 2018: 8.80% to 9.70% p.a.) and working capital loan from Kotak Mahindra Bank is repayable on demand carries interest rate of 8.45% to 10.55% p.a. (March 31, 2018 : 7.70% to 9.00% 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 9.75 to 12% p.a. (March 31, 2018 : 9.75% p.a.) and working capital loan from HDFC Bank Ltd is repayable on demand carries interest rate of 8.20% to 10.75% p.a. (March 31, 2018 : 7.80% to 8.10% 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 Indusind Bank Limited is repayable on demand carries interest rate of 8.75% p.a. and is secured against hypothecation of immoveable assets, land and building at Ludhiana factory and present and future current assets, moveable fixed assets of Company and further secured against corporate guarantee by Brightstar Corp. Facility is paid during the year 2018-2019.

19.2 Buyer's credit

a) Buyer's credit carries interest rate of 2.81% to 3.95% p.a. (March 31, 2018 : 2.20% to 3.49% 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.

20. Trade payables

	As at March 31, 2019	As at March 31, 2018
	Rs. in Million	**Rs. in Million**
Total outstanding dues of micro enterprises and small enterprises (Refer note 43)	1.68	15.92
Total outstanding dues of creditors other than micro enterprises and small enterprises*	2,716.23	4,595.67
	2,717.91	**4,611.59**

* Above trade payables includes payable to one vendor amounting Rs. 74.75 Million (March 31, 2018- Rs. 85.71 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, 2019	As at March 31, 2018
	Rs. in Million	**Rs. in Million**
Non Current		
(a) Gratuity obligation (Refer Note 36)	60.51	48.86
	60.51	**48.86**
Current		
(a) Security deposits received	0.15	0.65
(b) Interest accrued but not due on borrowings	5.72	18.18
(c) Payable to Employees	56.01	87.68
(d) Financial liability measured at fair value		
(i) Forward contracts	14.17	-
(e) Statutory dues		
- taxes payable (other than income taxes)	39.43	52.94
(f) Investor education and protection fund*	-	0.06
(g) Gratuity obligation (Refer Note 36)	6.55	4.45
	122.03	**163.96**

* Will be credited from unpaid dividend bank account as and when due.

22. Revenue from operations*

		Year ended March 31, 2019	Year ended March 31, 2018
		Rs. in Million	Rs. in Million
			(Restated)
(a)	Revenue from sale of products		
	-Finished goods (including excise duty)	563.76	758.16
	-Traded goods	11,433.70	10,897.13
(b)	Revenue from rendering of services	667.14	579.40
(c)	Other operating revenue		
	-Sale of scrap	0.43	0.52
		12,665.03	12,235.21

* Also refer note 42

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, 2019		Total
	IT Products	Mobile Distribution	
Type of goods or services			
Sale of IT Products	9,316.87	-	9,316.87
Mobile Distribution	-	3,348.16	3,348.16
Total Revenue from contracts with customers	**9,316.87**	**3,348.16**	**12,665.03**
India	9,076.04	3,348.16	12,424.20
Outside India	240.83	-	240.83
Total Revenue from contracts with customers	**9,316.87**	**3,348.16**	**12,665.03**

(Rs. in Million)

Segment	Year Ended March 31, 2018		Total
	IT Products	Mobile Distribution	
Type of goods or services			
Sale of IT Products	10,984.94	-	10,984.94
Mobile Distribution	-	1,250.27	1,250.27
Total Revenue from contracts with customers	**10,984.94**	**1,250.27**	**12,235.21**
India	10,935.53	1,250.27	12,185.80
Outside India	49.41	-	49.41
Total Revenue from contracts with customers	**10,984.94**	**1,250.27**	**12,235.21**

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

Set out below, is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information related to continuing operation (Note 40):

(Rs. in Million)

Particulars	Year Ended March 31, 2019		Year Ended March 31, 2018	
	IT Products	Mobile Distribution	IT Products	Mobile Distribution
Revenue				
External Customer	9,316.87	3,348.16	10,984.94	1,250.27
Total Revenue from contracts with customers	**9,316.87**	**3,348.16**	**10,984.94**	**1,250.27**

22.2 Contract Balances

(Rs. in Million)

Particulars	As at March 31, 2019	As at March 31, 2018
Trade Receivables	2,387.15	3,199.45
Contract Assets	-	-
Contract Liabilities	63.25	120.97

Set out below is the amount of revenue recognised from:

(Rs. in Million)

Particulars	As at March 31, 2019	As at March 31, 2018
Amounts included in contract liabilities at the beginning of the year	76.81	96.62
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, 2019 is as follows:

(Rs. in Million)

Particulars	As at March 31, 2019
Within one year	396.92
More than one year	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 three 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, 2019	Year ended March 31, 2018
	Rs. in Million	Rs. in Million
(a) Interest income		**(Restated)**
(i) On bank deposits	0.60	0.80
(ii) On security deposits carried at amortised cost	1.32	3.04
(iii) Others	18.53	5.19
(b) Other non operating income		
(i) Liabilities/provisions no longer required written back	2.88	5.99
(ii) Miscellaneous income	18.09	13.05
(iii) Dividend Income	71.12	-
	112.54	**28.07**

* Also refer note 42

24. Cost of materials consumed*

Particulars	**Year ended March 31, 2019**	**Year ended March 31, 2018**
	Rs. in Million	**Rs. in Million**
		(Restated)
Opening stock	39.50	48.94
Add: Purchases	327.39	409.13
	366.89	**458.07**
Less: Closing stock	59.07	39.50
Cost of material consumed	**307.82**	**418.57**

* Also refer note 42

25. Purchases*

Particulars	**Year ended March 31, 2019**	**Year ended March 31, 2018**
	Rs. in Million	**Rs. in Million**
		(Restated)
Purchase of goods/Services	11,157.49	11,072.47
	11,157.49	**11,072.47**

* Also refer note 42

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

Particulars	**Year ended March 31, 2019**	**Year ended March 31, 2018**
	Rs. in Million	**Rs. in Million**
Inventories at the end of the year:		**(Restated)**
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**
Inventories at the beginning of the year:		
Finished goods	36.34	29.23
Work-in-progress	6.14	6.99
Stock-in-trade	1,466.23	876.70
	1,508.71	**912.92**
Net (increase)/decrease	**42.61**	**(595.79)**

* Also refer note 42

27. Employee benefit expense*

	Year ended March 31, 2019	**Year ended March 31, 2018**
	Rs. in Million	**Rs. in Million**
		(Restated)
Salaries and wages	487.11	448.51
Contribution to provident and other funds	40.25	34.49
Staff welfare expenses	20.65	16.17
	548.01	**499.17**

* Also refer note 42

28. Finance cost*

	Year ended March 31, 2019	Year ended March 31, 2018
	Rs. in Million	Rs. in Million
		(Restated)
Interest expenses		
- On current borrowings	369.28	172.84
	369.28	**172.84**

* Also refer note 42

29. Depreciation and amortisation expense*

	Year ended March 31, 2019	Year ended March 31, 2018
	Rs. in Million	Rs. in Million
		(Restated)
Depreciation of property, plant and equipment (Refer Note 4)	20.07	34.53
Amortisation of intangible assets (Refer Note 5)	16.34	2.08
	36.41	**36.61**

* Also refer note 42

30. Other expenses*

	Year ended March 31, 2019		Year ended March 31, 2018	
	Rs. in Million		Rs. in Million	
				(Restated)
Advertisement and marketing expense		7.04		2.14
Bad Debts and advances written off	0.62		8.33	
Less: adjusted against provision for doubtful debts	(0.57)	0.05	(5.19)	3.14
Bank charges		11.76		8.90
Charity and donation		0.20		0.20
Commission on sales		2.22		3.47
Communication expenses		10.25		12.28
Consumption of stores and spares		2.85		3.72
Electricity and water charges		3.37		3.13
Exchange rate difference (net)		59.78		45.25
Excise duty on account of (increase)/decrease in stock of finished goods		-		(0.20)
Freight and cartage		69.38		67.01
Insurance charges		40.28		16.87
Legal and professional expenses#		25.40		48.74
Loss on sale of property, plant and equipment (net)		(0.10)		0.01
Power and fuel		11.79		13.47
Printing and stationery		1.23		1.37

	Year ended March 31, 2019	Year ended March 31, 2018
	Rs. in Million	**Rs. in Million**
Allowances for doubtful debt	2.86	29.88
Allowances for obsolete/slow moving stock	16.74	19.89
Recruitment and Staff Development	15.37	10.05
Rates and taxes	2.55	8.76
Rent including lease rentals	32.67	32.05
Repair and maintenance:		
a) Building	0.21	0.24
b) Others	54.33	51.98
Sales promotion and schemes expenses	34.15	35.86
Security charges	4.03	3.93
Service charges	135.04	111.79
Travelling and conveyance	44.65	38.87
Warranty cost	71.64	33.84
Miscellaneous expenses	27.37	19.01
	687.11	**625.65**

* Also refer note 42

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

	Year ended March 31, 2019	Year ended March 31, 2018
	Rs. in Million	**Rs. in Million**
As Auditor:		
Audit fee	2.50	5.00
In other capacity:		
Other services (certification and others)	0.20	1.65
Reimbursement of expenses	0.18	0.25
	2.88	**6.90**

31. Income taxes

Income taxes recognised in Statement of Profit and Loss	Year ended March 31, 2019	Year ended March 31, 2018
	Rs. in Million	**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	-	60.41
	-	60.41
Total income tax expense recognised in Statement of Profit and Loss	**-**	**60.41**

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

	Year ended March 31, 2019	Year ended March 31, 2018
	Rs. in Million	Rs. in Million
Loss before tax	(555.90)	(528.37)
Income tax @34.944% (year ended March 31, 2018 @ 34.944%)	(194.25)	(184.63)
Adjustments in respect of deferred tax of previous years		60.41
Deferred tax asset not recognised	194.25	184.63
Net tax expense recognised in profit and loss	**-**	**60.41**

The tax rate used for the years 2018-2019 and 2017-2018 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, 2019	Year ended March 31, 2018
	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)	(371.16)	(48.87)
Profit/(Loss) attributable to equity shareholders from discontinued operations for computing basic and dilutive EPS (A) (Rs. million)	(184.74)	(539.91)
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	**(72.92)**	**(9.60)**
Basic earnings per share (A/B) discontinuing operation	**(36.29)**	**(106.07)**
Diluted earnings per share (A/C) continued operation	**(72.92)**	**(9.60)**
Diluted earnings per share (A/C) discontinued operation	**(36.29)**	**(106.07)**
Basic earnings per share (A/B) Rs.	**(109.21)**	**(115.67)**
Diluted earnings per share (A/C) Rs.	**(109.21)**	**(115.67)**

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

	As at March 31, 2019	As at March 31, 2018
	Rs. in Million	Rs. in Million
Deferred tax assets	80.76	80.78
Deferred tax liabilities	(80.76)	(80.78)
Net deferred tax assets	**-**	**-**

Deferred tax relates to the following:	**As at March 31, 2019**	**As at March 31, 2018**
	Rs. in Million	**Rs. in Million**
Deferred tax liability on account of:		
Property, plant and equipment and intangible assets	8.59	8.61
Investment in subsidiary	72.17	72.17
	80.76	**80.78**
Deferred tax asset on account of:		
Temporary differences	80.76	80.78
	80.76	**80.78**
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. 621.83 Million (year ended March 31, 2018: Rs. 409.64 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, 2019**	**As at March 31, 2018**
Sales Tax	103.37	101.64
Excise Duty	3.70	3.70
Custom Duty	-	161.47
Other	2.09	2.09
Total	**109.16**	**268.90**

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, 2019**	**As at March 31, 2018**
Estimated amount of contracts remaining to be executed on capital account and not provided for*	1.69	5.07
Total	**1.69**	**5.07**

* As of March 31, 2019, Net of capital advance Nil (March 31, 2018- Rs. 5.8 Million)

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.

(ii) Leases

The Company has taken certain office and warehouse space on operating lease. Rental expense towards such leases charged to Statement of Profit and Loss amounting to Rs. 28.98 Million (year ended March 31, 2018 Rs. 32.05 Million).

Details of non-cancellable operating lease commitments are as under:

* Gurgaon head office having lease agreement for 9 years with three buckets of 3 years each. After every 3 years the company has the option to terminate the lease.

** Mumbai office having lock-in-period for 4 years.

(Rs. in Million)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Not later than one year	33.70	21.05
Later than one year but not later than five years	52.67	26.01
Total	**86.37**	**47.06**

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. 26.83 Million (year ended March 31, 2018 Rs. 25.22 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. In the recent case of The Regional Provident fund Commissioner (II) West Bengal vs. Vivekananda Vidyamandir and Other, Supreme Court has ruled that special allowances paid by an establishment to its employees would fall within the expression "basic wages" under Sectrion2(b) (ii) read with section 6 of the Act for computation of contribution towards Provident Fund. As legally advised, the Group has applied the ruling prospectively from 1st March, 2019.

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 actuarial valuation using projected unit credit method (PUC). The program liability is the actuarial present value of the projected accrued benefits as of the beginning and end of the period for active members.

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, 2019			March 31, 2018		
	Gratuity	**Compensated absences**	**Long term service award**	**Gratuity**	**Compensated absences**	**Long term service award**
Discount rate(s)	7.40%	7.40%	7.40%	7.65%	7.65%	7.65%
Expected rate(s) of salary escalation	10.00%	10.00%	N/A	10.00%	10.00%	N/A
Employee turnover	0%-17%	0%-17%	0%-17%	0%-10%	0%-10%	0%-10%

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, 2019			Year ended March 31, 2018		
	Gratuity	**Compensated absences**	**Long term service award**	**Gratuity**	**Compensated absences**	**Long term service award**
Service cost*						
Current service cost	10.37	4.92	0.06	9.07	5.55	1.07
Past Service Cost	-	-		1.19	-	-
Actuarial losses	-	2.39		-	3.78	-
Net interest expense	4.08	1.93		2.22	1.23	-
Components of defined benefit costs recognised in profit or loss	**14.45**	**9.24**	**0.06**	**12.48**	**10.56**	**1.07**
Remeasurement on the net defined benefit liability**						
Return on plan assets (excluding amount included in net interest expense)	0.32			0.19	-	-
Actuarial (gains)/losses	(0.75)			9.71	-	
Actuarial gains and loss arising form experience adjustments	7.03			2.64	-	-
Components of defined benefit cost recognised in other comprehensive income	**6.60**	**-**	**-**	**12.54**	**-**	**-**
Total	**21.05**	**9.24**	**0.06**	**25.02**	**10.56**	**1.07**

* 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, 2019			March 31, 2018		
	Gratuity	**Compensated absences**	**Long term service award**	**Gratuity**	**Compensated absences**	**Long term service award**
Present value of defined benefit obligation	95.07	27.89	4.26	82.34	25.21	4.56
Fair value of plan assets	(28.01)	-	-	(29.03)	-	-
Net liability arising from defined benefit obligation	**67.06**	**27.89**	**4.26**	**53.31**	**25.21**	**4.56**
Non current portion	60.51	24.58	1.79	48.86	21.93	2.63
Current portion	6.55	3.31	2.47	4.45	3.28	1.93

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

(Rs. in Million)

	March 31, 2019			March 31, 2018		
	Gratuity	Compensated absences	Long term service award	Gratuity	Compensated absences	Long term service award
Opening defined benefit obligation	**82.34**	**25.21**	**4.56**	**58.45**	**17.28**	**3.50**
Current service cost	10.37	4.92	0.06	9.07	5.55	1.06
Past service cost	-	-	-	1.19	-	-
Interest cost	6.29	1.93	-	4.14	1.23	-
Remeasurement losses						
-Actuarial losses	(0.75)	2.39	-	9.71	3.77	-
-Actuarial gains and loss arising form experience adjustments	7.03	-	-	2.64	-	-
Benefits paid	(10.21)	(6.56)	(0.36)	(2.86)	(2.62)	-
Closing defined benefit obligation	**95.07**	**27.89**	**4.26**	**82.34**	**25.21**	**4.56**

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

(Rs. in Million)

	March 31, 2019			March 31, 2018		
	Gratuity	Compensated absences	Long term service award	Gratuity	Compensated absences	Long term service award
Opening fair value of plan assets	**29.03**	**-**	**-**	**27.23**	**-**	**-**
Interest income	2.22	-	-	1.93	-	-
Remeasurement losses						
-Actual return on plan assets in excess of the expected return	(0.32)	-	-	(0.19)	-	-
Contributions by employer (including benefit payments recoverable)	1.32	-	-	0.73	-	-
Benefits paid	(4.24)	-	-	(0.67)	-	-
Closing fair value of plan assets	**28.01**	**-**	**-**	**29.03**	**-**	**-**

36.7 Maturity profile of defined benefit obligation of gratuity:

(Rs. in Million)

	2019	2018
Within 1 year	9.40	6.91
2 - 5 year	37.45	25.84
6 - 10 year	50.45	40.75
More than 10 years	82.39	108.14

The weighted average duration of the defined benefit obligation is 7 years (March 31, 2018: 8 years).

36.8 Plan assets

The fair value of Company's pension plan asset as of March 31, 2019 and 2018 by category are as follows:

Asset category:	2019	2018
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	2019	(- / + 1%)	(7.38)	6.58
	2018	(- / + 1%)	(6.72)	7.66
Salary escalation rate	2019	(- / + 1%)	6.32	6.90
	2018	(- / + 1%)	7.15	(6.49)
Attrition rate	2019	(- / + 50%)	(3.98)	2.35
	2018	(- / + 50%)	(0.08)	2.73
Mortality rate	2019	(- / + 10%)	(0.03)	0.04
	2018	(- / + 10%)	(0.03)	0.04

37 Related party transactions

S. No.	Nature of relationship	Name of the party
a.	Ultimate holding company	Softbank Group
b.	Holding company	Brightstar Corp
c.	Intermediate Holding company	Brightstar Logistics Pte Ltd
d.	Enterprise having substantial interest in the Company	Bharti (SBM) Holdings Private Limited (till March 30, 2019) 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 NZ Limited Brightstar Supply Chain Services Sdn Bhd Brightstar Telecom Services Pvt. Ltd. Brightstar Logistics Pty Ltd Brightstar 20:20 Limited Brightstar FZE
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

S. No.	Nature of relationship	Name of the party
		Others:
		Geeta Mathur (Independent Director)- till February 06, 2019
		Rajesh Madan (Independent Director)
		Paul Andrew Ringrose (Director)
		Dharshan Nanayakkara (Director)
		Harjeet Singh Kohli (Director)
		Uma Ajay Relan (Independent Director) - effective August 6, 2019
		Stijin Piet N Nijis (Executive Director) - effective May 13, 2019
		Luciano Barreto Ferreira (Chief Financial officer)- effective October 22, 2018
		Rohit Gupta (Chief Financial officer)- till March 22, 2018, resigned on March 22, 2018
		Neeraj Manchanda (Company Secretary) effective January 28, 2019
		Neeru Bhalla (Company Secretary)- till October 29, 2018

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

(Rs. in Million)

Particulars	For the year ended	Ultimate Holding Company	Holding Company	Subsidiary	Fellow Subsidiaries	Key Managerial Personnel*
Nature of transactions with related parties						
Purchase of goods	31-Mar-19	-	-	28.45	-	-
	31-Mar-18	-	-	46.97	-	-
Purchase Return	31-Mar-19	-	-	28.19	-	-
	31-Mar-18	-	-	-	-	-
Expenses incurred by related party on behalf of Company	31-Mar-19	-	0.53	-	4.31	-
	31-Mar-18	-	-	-	0.10	-
Expenses incurred by Company on behalf of related party	31-Mar-19		0.26	7.99	-	-
	31-Mar-18			5.56	-	-
Management contract fees expenses	31-Mar-19	-	-	-	32.70	-
	31-Mar-18	-	-	-	28.37	-
Management contract fees income	31-Mar-19	-	-	18.09	0.88	-
	31-Mar-18	-	-	7.25	-	-
Short-term employee benefits	31-Mar-19	-	-	-	-	51.32
	31-Mar-18	-	-	-	-	60.28
Fee for attending board committee meetings	31-Mar-19	-	-	-	-	1.75
	31-Mar-18	-	-	-	-	1.30
Dividend Received	31-Mar-19	-	-	71.12	-	-
	31-Mar-18	-	-	-	-	-

*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 and settlement occurs in cash. For the year ended 31 March 2019, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2018: 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 on	Ultimate Holding Company	Holding Company	Subsidiary	Fellow Subsidiaries	Key Managerial Personnel
Trade payables	31-Mar-19	-	-	-	5.21	-
	31-Mar-18	-	-	-	0.30	-
Other receivables	31-Mar-19	-	0.44	-	0.95	-
	31-Mar-18	-	-	-	-	-
Employee related liabilities	31-Mar-19	-	-	-	-	4.35
	31-Mar-18	-	-	-	-	15.10

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, 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
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	-	168.37	168.37
Total	**14.17**	**6,478.14**	**6,492.31**

38.2 The carrying value of financial instruments by categories as of March 31, 2018 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	-	6.31	6.31
Other bank balances	-	2.35	2.35
Trade receivables	-	3,199.45	3,199.45
Loans	-	18.01	18.01
Forward contracts	2.63	-	2.63
Other financial assets	-	713.91	713.91
Total	**2.63**	**3,940.03**	**3,942.66**
Financial liabilities:			
Trade payables	-	4,611.59	4,611.59
Borrowings	-	6,850.19	6,850.19
Other financial liabilities	-	212.82	212.82
Total	**-**	**11,674.60**	**11,674.60**

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, 2019			
Financial assets	-	-	-
Financial liabilities	-	14.17	-
At March 31, 2018			
Financial assets	-	2.63	-
Financial liabilities	-	-	-

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 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.

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, 2019 and March 31, 2018 is as follows:

(Rs. in Million)

	As at March 31, 2019	**As at March 31, 2018**
Debt	3,591.86	6,850.19
Cash and other bank balances	3.21	8.66
Net debt	**3,588.65**	**6,841.53**
Total equity	**(1,118.06)**	**(502.52)**
Gearing ratio (%)	-321%	-1361%

Refer note 3.1.1 for going concern

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, 2019	**As at March 31, 2018**
Loan	15.29	18.01
Trade receivables*	2,387.15	3,199.45
Other financial assets	131.36	716.54
Total	**2,533.80**	**3,934.00**

*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, 2019**			**As at March 31, 2018**		
	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	-	2,717.91	-	-	4,611.59	-
Borrowings	10.24%	3,591.86	-	5.14%	6,850.19	-
Other financial liabilities	-	168.37	-	-	212.82	-
Forward contracts	-	14.17	-	-	-	-
Total		**6,492.31**	**-**		**11,674.60**	**-**

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, 2019**	**March 31, 2018**
Trade receivables	USD	6.11	0.17
Trade payables	USD	18.20	22.5
	EUR	0.01	-
	AUD	-	0.22
Other Receivables	USD	0.09	
	EUR	0.02	
Other Payables	USD	0.01	
Borrowings	USD	2.11	3.17

Of the above foreign currency exposures, the following exposures are not hedged by a derivative:

(Amount in Million)

Particulars	**Currency**	**March 31, 2019**	**March 31, 2018**
Trade receivables	USD	6.11	0.17
Trade payables*	USD	10.08	10.93
	EUR	0.01	-
	AUD	-	0.22
Other Receivables	USD	0.09	
	EUR	0.02	
Other Payables	USD	0.01	

* Trade Payable of Nil (March 31, 2018- USD 6.91 Million) are not hedged through derivative contracts as exchange risk is beared by customer on such balances.

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, 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)
For the year ended March 31, 2018	USD	+5%	(11.01)
	USD	-5%	11.01
	EUR	+5%	0.00
	EUR	-5%	0.00
	AUD	+5%	(0.56)
	AUD	-5%	0.56

*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:

(Amount in Million)

	As at March 31, 2019			**As at March 31, 2018**		
Currency to Buy	**Coverage (INR)**	**Outstanding Amount (Foreign Currency)**	**MTM (INR)**	**Coverage (INR)**	**Outstanding Amount (Foreign Currency)**	**MTM (INR)**
USD	727.58	10.24	(14.17)	963.37	14.74	2.63
	727.58	**10.24**	**(14.17)**	**963.37**	**14.74**	**2.63**

*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 Company has identified the following business segments which comprised:

Mobile distribution: Distribution of Harman & other accessories, Mobile handset business*

IT products: Distribution of landline phones, modems, storage devices, information technology peripherals, network equipment, board room solutions, DTH devices, display devices, voice and data products.

*Mobile handset business was discontinued in the current year.

b. Geographical segments

In terms of geographical segment, the Company'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 from continuing operations 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, 2019 (Rs. in Million)

Reportable Segments	IT Products	Mobile Distribution*	Unallocated	Total
Revenue				
External sales	9,316.87	8,340.31	-	17,657.18
Other income	-	-	112.54	112.54
Total revenue	**9,316.87**	**8,340.31**	**112.54**	**17,769.72**
Result				
Profit/(loss) before interest and tax	(16.58)	(214.61)	90.17	(141.02)
Interest expense	-	-	414.88	414.88
Profit/(loss) before tax	**(16.58)**	**(214.61)**	**(324.71)**	**(555.90)**
Tax expense	-	-	-	-
Profit/(loss) after tax	**(16.58)**	**(214.61)**	**(324.71)**	**(555.90)**
Other information				
Segment assets	3,781.12	849.57	1,841.52	6,472.21

Reportable Segments	IT Products	Mobile Distribution*	Unallocated	Total
Segment liabilities	3,216.19	589.54	3,784.54	7,590.27
Capital expenditure	-	-	32.28	32.28
Depreciation and amortisation	2.61	-	34.67	37.28
Other non-cash expenditure	6.82	70.43	-	77.25

* includes mobile handset business discontinued during the year

40.3 For the year ended March 31, 2018 (Rs. in Million)

Reportable Segments	IT Products	Mobile Distribution*	Unallocated	Total
Revenue				
External sales	10,984.94	28,745.29	-	39,730.23
Other income	-	-	28.07	28.07
Total revenue	**10,984.94**	**28,745.29**	**28.07**	**39,758.30**
Result				
Profit/(loss) before interest and tax	308.04	(477.34)	(6.80)	(176.10)
Interest expense	-	-	352.27	352.27
Profit/(loss) before tax	**308.04**	**(477.34)**	**(359.07)**	**(528.37)**
Tax expense	-	-	60.41	60.41
Profit/(loss) after tax	**308.04**	**(477.34)**	**(419.48)**	**(588.78)**
Other information				
Segment assets	3,560.81	7,190.22	657.76	11,408.79
Segment liabilities	2,409.48	2,597.27	6,904.56	11,911.31
Capital expenditure	2.26	-	31.80	34.06
Depreciation and amortisation	10.98	-	26.91	37.89
Other non-cash expenditure	52.91	604.55	-	657.46

* 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, 2019.

41 Details of sales tax, customs duty and excise duty which have not been deposited as on March 31, 2019 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	1995-96, 2005-06 to 2008-09, 2010-11 to 2015-16, 2016-17	81.44
Sales Tax Laws	Sales Tax	Sales Tax Tribunal	2007-08 to 2012-13	1.39
Sales Tax Laws	Sales Tax	High Court	2000-01, 2005-6 to 2012-13	12.32
Customs Act, 1962	Customs Duty	Central, Excise and Service Tax Appellate Tribunal	1996-97	0.30
Customs Act, 1962	Customs Duty	DRI	July'14 to June 18	196.40
Excise Act, 1944	Excise Duty	Central, Excise and Service Tax Appellate Tribunal	1999-2000 to 2001-02	1.05
Total				**292.90**

42 During the year ended March 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.

The same has been considered as discontinued operation and the comparative results and cash flows from discontinued operations have been reinstated to present as if these operations were discontinued in the prior year as well.

Discontinued Operations	**Year ended March 31, 2019**	**Year ended March 31, 2018**
	Rs. in Million	**Rs. in Million**
I Revenue from operations	4,992.15	27,495.02
II Other income	-	-
III Total income (I + II)	**4,992.15**	**27,495.02**
IV Expenses		
(a) Cost of materials consumed	-	-
(b) Purchases	1,398.13	28,521.64
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	3,830.47	(1,437.40)
(d) Employee benefit expense	35.82	95.05
(e) Finance cost	45.60	179.43
(f) Depreciation and amortisation expense	0.87	1.28
(g) **Other Expenses**		
(i) Advertisement and marketing expense	7.01	0.07
(ii) Amount/debtors written off	0.43	0.06
(iii) Bank charges	0.01	0.40
(iv) Communication expenses	0.51	1.24
(v) Freight and cartage	1.50	14.29
(vi) Insurance charges	6.07	27.92
(vii) Legal and professional expenses	12.37	1.19
(viii) Loss on sale of property, plant and equipment (net)	7.70	0.02
(ix) Printing and stationery	0.01	0.07
(x) Allowances for doubtful debt*	(51.94)	499.75
(xi) Allowances for obsolete/slow moving stock*	(131.60)	104.74
(xii) Recruitment and Staff Development	0.10	1.90
(xiii) Sales promotion and schemes expenses	-	0.02
(xiv) Travelling and conveyance	2.70	6.07
(xv) Miscellaneous expenses	11.13	17.19
Total other expenses	**(134.00)**	**674.93**
Total expenses	**5,176.89**	**28,034.93**
Loss before tax	**(184.74)**	**(539.91)**
Tax expense/(credit)	**-**	**-**
Loss for the year from discontinued operation	**(184.74)**	**(539.91)**

* Pertains to reversal of provision created in previous years.

Cash flows from discontinued operations	**For the year March 31, 2019**	**For the year March 31, 2018**
	Rs. in Million	**Rs. in Million**
Net Cash flows from/(used in) operating activities	3,126.81	(1,116.18)
Net Cash flows from/(used in) investing activities	(0.87)	(4.85)
Net Cash flows from/(used in) financing activities	(3,353.26)	319.51
Net cash flows	**(227.32)**	**(801.52)**

43 Disclosure under Micro, Small and Medium Enterprises Development Act, 2006

Particulars		**March 31, 2019**	**March 31, 2018**
		Rs. in Million	**Rs. in Million**
(i)	Principal amount remaining unpaid to MSME suppliers as on	1.68	15.92
(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.

44 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, 2018**	**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
Total	**6,850.19**	**(3,254.74)**	**(3.59)**	**3,591.86**

Particulars	**Opening Balance as at April 01, 2017**	**Financial Cash Flows**	**Non Cash Item**	**Closing Balance as at March 31, 2018**
Working Capital Loan From Banks	3,925.38	2,718.16	-	6,643.54
Buyers Credit	65.53	138.29	2.83	206.65
Total	**3,990.91**	**2,856.45**	**2.83**	**6,850.19**

45 The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

46 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 is making losses from the past three consecutive years, the Company is not required to spend any amount on Corporate Social Responsibility.

47 There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as at March 31, 2019.

48 Approval of financial statements

The financial statements were approved for issue by the Board of Directors on August 06, 2019.

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

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

Sd/-
Stijn Piet N Nijs
Director
(DIN: 08383887)

Sd/-
Luciano Ferreira
Chief Financial Officer

Sd/-
Neeraj Manchanda
Company Secretary
(M. No. ACS 20060)

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 2019, 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 2019, and their consolidated loss, their consolidated total comprehensive loss, 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 Matter 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 has incurred a total comprehensive loss of Rs.566.70 million and has accumulated losses of Rs.1,281.93 million during the year ended 31st March, 2019 and, as of that date, the Group's current liabilities exceeded its current assets by Rs.1,343 million. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. However, the consolidated financial statements of the Group have been prepared on a going concern basis considering that Brightstar Corp., the holding company, has confirmed that it would provide continuing financial support to the Company until the Company is able to meet its obligations on its own.

Our opinion is not modified in respect of this matter.

Emphasis of Matter

We draw attention to Note 39 of the consolidated financial statements, which describes that the company has not renewed a major contract with one of its vendors in the Mobile Business and has decided to discontinue certain other distribution and service offerings under the Mobile Business unit.

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 Matter

We did not audit the financial statements of one subsidiary, viz., Brightstar Telecommunications Singapore Private Limited whose financial statements reflect total assets of INR 575.63 Mn as at 31st March, 2019, total revenues of INR 1,838.06 Mn and net cash outflows amounting to Rs. 56.40 Mn 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 and the financial statements certified by the management.

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 Matter 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, 2019 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, 2019 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 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 45 to the consolidated financial statements);

   iii) There has been no delay in transferring amounts, 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 47 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: 19094468AAAACR5130)

Place : Gurugram
Date : August 06, 2019

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, 2019, 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, 2019, 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: 19094468AAAACR5130)

Place : Gurugram
Date : August 06, 2019

CONSOLIDATED BALANCE SHEET as at March 31st, 2019

(Rs. in Million)

Particulars	Notes	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non-current assets			
(a) Property, plant and equipment	4	100.15	104.46
(b Capital work-in-progress		-	6.67
(c) Intangible assets	5	26.44	26.75
(d) Intangible assets under development		10.39	6.14
(e) Financial assets			
i) Loans	6	15.29	18.01
(ii) Other financial assets	7	9.61	9.60
(f) Deferred tax assets (net)	8	1.13	-
(g) Non-current tax assets (net)	9	173.59	220.71
(h) Other non-current assets	10	457.13	163.52
Total non-current assets		**793.73**	**555.86**
Current assets			
(a) Inventories	11	1,579.52	5,293.84
(b) Financial assets			
(i) Trade receivables	12	2,680.03	3,634.58
(ii) Cash and cash equivalents	13	64.73	119.30
(iii) Other bank balances	14	5.99	5.65
(iv) Other financial assets	7	134.27	715.65
(c) Current tax assets (net)	9	0.13	0.55
(d) Other current assets	10	1,428.22	1,397.56
Total current assets		**5,892.89**	**11,167.13**
TOTAL ASSETS		**6,686.62**	**11,722.99**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	15	50.92	50.92
(b) Other equity	16	(1,247.86)	(628.12)
Total equity		**(1,196.94)**	**(577.20)**
Liabilities			
Non-current liabilities			
(a) Other financial liabilities	21	60.51	48.86
(b) Provisions	17	268.78	24.56
(c) Other non current liabilities	18	318.38	-
Total non-current liabilities		**647.67**	**73.42**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	3,591.86	6,850.19
(ii) Trade payables			
- total outstanding dues of micro enterprises and small enterprises	20	1.68	15.92
- total outstanding dues of creditors other than micro enterprises and small enterprises	20	2,956.15	4,960.35
(iii) Other financial liabilities	21	122.03	164.08
(b) Provisions	17	69.60	107.57
(c) Other current liabilities	18	494.57	128.66
Total current liabilities		**7,235.89**	**12,226.77**
Total liabilities		**7,883.56**	**12,300.19**
TOTAL EQUITY AND LIABILITIES		**6,686.62**	**11,722.99**
The accompanying notes form an integral part of these consolidated Ind AS financial statements.	1-48		

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

Sd/-
Vijay Agarwal
Partner

Place : Gurugram
Date : August 06, 2019

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

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

Sd/-
Stijn Piet N Nijs
Director
(DIN: 08383887)

Sd/-
Luciano Ferreira
Chief Financial Officer

Sd/-
Neeraj Manchanda
Company Secretary
(M.No. ACS 20060)

CONSOLIDATED STATEMENT OF PROFIT AND LOSS for the year ended March 31st, 2019

(Rs. in Million)

Particulars			Notes	Year ended March 31, 2019	Year ended March 31, 2018 (Restated)
Continuing operation					
I	Revenue from operations		22	14,503.91	14,326.15
II	Other income		23	23.70	20.86
III	Total income (I + II)			**14,527.61**	**14,347.01**
IV	**Expenses**				
	(a)	Cost of materials consumed	24	307.82	418.57
	(b)	Purchases	25	12,904.51	13,011.40
	(c)	Changes in inventories of finished goods, work-in-progress and stock-in-trade	26	17.89	(594.95)
	(d)	Excise duty on sale of goods		-	22.22
	(e)	Employee benefit expense	27	548.01	499.17
	(f)	Finance cost	28	369.43	172.93
	(g)	Depreciation and amortisation expense	29	36.41	36.61
	(h)	Other expenses	30	731.40	669.99
Total expenses				**14,915.47**	**14,235.94**
V	**Profit/(Loss) before tax (III-IV)**			**(387.86)**	**111.07**
VI	**Tax expense/(credit)**				
	(a)	Current tax	31	8.14	16.54
	(b)	Deferred tax	31	(1.14)	132.58
				7.00	**149.12**
VII	**Profit/(Loss) for the year from continuing operation (V-VI)**			**(394.86)**	**(38.05)**
Discontinued Operations					
VIII	Loss from discontinued operation before tax			(184.74)	(539.91)
IX	Tax expenses			-	-
X	**Loss for the year from discontinued operation (VIII-IX)**			**(184.74)**	**(539.91)**
XI	**Loss for the year (VII+X)**			**(579.60)**	**(577.96)**
XII	**Other comprehensive income**				
	Items that will not be reclassified to profit and loss				
	Remeasurements of defined benefit plans			(6.60)	(12.54)
	Exchange difference on translation			19.50	1.90
	Net other comprehensive loss not to be reclassified to profit or loss in subsequent periods			**12.90**	**(10.64)**
XIII	**Total comprehensive loss for the year (XI+XII)**			**(566.70)**	**(588.60)**
XIV	**Loss for the year attributable to Owners of the company**			(579.60)	(577.96)
XV	Other comprehensive Profit/(loss) for the year attributable to Owners of the company			12.90	(10.64)
XVI	**Total comprehensive loss for the year attributable to Owners of the company**			(566.70)	(588.60)
XVII	**Profit/(Loss) per equity share from continuing operation (face value of share Rs. 10 each)**				
	(a)	Basic (in Rs.)	32	(77.58)	(7.48)
	(b)	Diluted (in Rs.)	32	(77.58)	(7.48)
XVIII	**Profit/(Loss) per equity share from discontinued operation (face value of share Rs. 10 each)**				
	(a)	Basic (in Rs.)	32	(36.29)	(106.07)
	(b)	Diluted (in Rs.)	32	(36.29)	(106.07)
XIX	**Profit/(Loss) per equity share from continuing and discontinued operation (face value of share Rs. 10 each)**				
	(a)	Basic (in Rs.)	32	(113.87)	(113.55)
	(b)	Diluted (in Rs.)	32	(113.87)	(113.55)

The accompanying notes form an integral part of these consolidated Ind AS Financial statements 1-48

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

Sd/-
Vijay Agarwal
Partner

Place : Gurugram
Date : August 06, 2019

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

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

Sd/-
Stijn Piet N Nijs
Director
(DIN: 08383887)

Sd/-
Luciano Ferreira
Chief Financial Officer

Sd/-
Neeraj Manchanda
Company Secretary
(M.No. ACS 20060)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY for the year ended March 31st, 2019

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, 2017	5.09	**50.92**
Changes in equity share capital during the year	-	-
Balance as at March 31, 2018	5.09	**50.92**
Changes in equity share capital during the year	-	-
Balance as at March 31, 2019	5.09	**50.92**

(Rs. in Million)

Other equity	**Reserves and surplus**				**Items of other comprehensive income**	**Total**
	General Reserve	**Capital Reserve**	**Securities premium**	**Retained earnings***	**Foreign currency transalation reserve**	
	(Refer Note 16.1)	**(Refer Note 16.2)**	**(Refer Note 16.3)**	**(Refer Note 16.4)**	**(Refer Note 16.5)**	
Balance as at April 1, 2017	**26.50**	**2.50**	**5.27**	**(78.69)**	**4.90**	**(39.52)**
Loss for the year	-	-	-	(577.96)	-	(577.96)
Transferred from general reserve to retained earnings	(26.50)	-	-	26.50	-	-
Other comprehensive loss for the year arising from defined benefit obligation(net of income taxes)	-	-	-	(12.54)	-	(12.54)
Effects of exchange difference on translation	-	-	-	-	1.90	1.90
Total movement for the year	**(26.50)**	**-**	**-**	**(564.00)**	**1.90**	**(588.60)**
Balance as at March 31, 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)**

The accompanying notes form an integral part of these consolidated Ind AS financial 1-48

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

Sd/-
Vijay Agarwal
Partner

Place : Gurugram
Date : August 06, 2019

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

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

Sd/-
Stijn Piet N Nijs
Director
(DIN: 08383887)

Sd/-
Luciano Ferreira
Chief Financial Officer

Sd/-
Neeraj Manchanda
Company Secretary
(M.No. ACS 20060)

Brightstar™

CONSOLIDATED CASH FLOW STATEMENT for the year ended March 31st, 2019

(Rs. in Million)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) for the year after tax	**(579.60)**	**(577.96)**
Continuing Operation	(394.86)	(38.05)
Discontinued operation	(184.74)	(539.91)
Adjustments for :		
Income tax expense	7.00	149.12
Finance cost	415.03	352.36
Interest income	(19.21)	(6.03)
Loss on disposal of property, plant and equipment	(0.10)	0.03
Software Impairment	7.70	-
Unrealised exchange loss/(gain) (net)	6.61	13.00
Depreciation and amortisation expense	37.28	37.89
Provision for doubtful debts	(111.07)	512.66
Bad debts/amounts written off	67.51	22.04
Liabilities/provisions no longer required written back	(2.70)	(3.68)
Allowances for obsolete/slow moving stock	(115.53)	129.12
Allowances for doubtful advances	(0.47)	(2.31)
OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES	**(287.55)**	**626.24**
Movements in working capital:		
(Increase)/decrease in trade receivables	990.88	582.68
(Increase)/decrease in inventories	3,829.54	(2,022.85)
(Increase)/decrease in loans	2.72	6.61
(Increase)/decrease in other financial assets	581.40	(619.33)
(Increase)/decrease in other assets	3.11	(555.97)
Increase/(decrease) in trade payables	(2,003.79)	(376.38)
Increase/(decrease) in provisions	207.79	(97.83)
Increase/(decrease) in other financial liabilities	(32.11)	170.25
Increase/(decrease) in other liabilities	298.08	(118.24)
NET CASH FLOW FROM/ USED IN OPERATING ACTIVITIES	**3,590.07**	**(2,404.82)**
Income taxes paid	31.26	(60.33)
NET CASH USED IN OPERATING ACTIVITIES	**3,621.33**	**(2,465.15)**
CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	0.27	0.02
Payments for property, plant and equipment	(3.43)	(19.61)
Payments for intangible assets	(28.85)	(30.80)
Proceeds from/(payment to) deposits	(0.01)	12.73
Repayments for bank balance not considered as cash and cash equivalents	(0.34)	(0.22)
Interest received	19.19	6.05
NET CASH FLOW FROM/USED IN INVESTING ACTIVITIES	**(13.17)**	**(31.83)**
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds/(repayment) of borrowings (Refer Note 44)	(3,254.74)	2,856.45
Interest paid	(427.49)	(343.82)
Dividends paid*	-	(0.13)
NET CASH FLOW FROM/ USED IN FINANCING ACTIVITIES	**(3,682.23)**	**2,512.50**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**(74.07)**	**15.52**
Impact of cash flow on account of foreign currency translation	**19.50**	**1.90**
Cash and cash equivalents at the beginning of the year	**119.30**	**101.88**
Cash and cash equivalents at the end of the year	**64.73**	**119.30**
Components of cash and cash equivalents		
Cash in hand	0.03	0.11
Balance with scheduled banks: In current accounts	64.70	119.19
Total cash and cash equivalents as per note 13	64.73	119.30
Cash and cash equivalents at the end of the year	64.73	119.30

* Dividend paid comprises of amount transferred to Investor Education and Protection Fund.

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 are an integral part of these consolidated Ind AS financial statements. 1-48

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

Sd/-
Vijay Agarwal
Partner

Place : Gurugram
Date : August 06, 2019

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

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

Sd/-
Stijn Piet N Nijs
Director
(DIN: 08383887)

Sd/-
Luciano Ferreira
Chief Financial Officer

Sd/-
Neeraj Manchanda
Company Secretary
(M.No. ACS 20060)

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31st, 2019

1. Corporate information

Brightstar Telecommunications India Limited (Erstwhile Beetel Teletech Limited) ('the Company') and its subsidiary (Brightstar Telecommunications Singapore Private Limited) (collectively referred to as 'the Group') is engaged in trading of landline phones, modems, smart phones, storage devices, information technology peripherals, network equipment, board room solutions, DTH devices, display devices, voice and data products and manufacturing of landline phones.

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

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, 2019	Shareholding as at March 31, 2018
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, 2019.

2.6 Revenue recognition

Effective April 1, 2018, the Group has applied Ind AS 115 Revenue from Contracts with Customers using the cumulative catch-up transition method, applied to contracts that were not completed as on the transition date i.e. 01st April 2018. Accordingly, the comparative information in the statement of Profit & Loss has not been retrospectively adjusted. 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 impact of the adoption of Ind AS 115 on the financial statements of the Group is as follows:

Particulars	**Rs. in Million**
Revenue from service contract with customers	386.21
Less: Cost of services sold	333.17
Amount adjusted from opening Equity	**53.04**

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, 2018.

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

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Group as a Lessee

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. The Group has ascertained that the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases and therefore, the lease payments are recognised as per terms of the lease agreement in the Statement of Profit and Loss.

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 scheme launched during the year are provided for based on actuarial valuation. The present value of the obligation is determined based on 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.

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. Property, Plant and Equipment (other than Building, Moulds and Computer software) are depreciated to the extent of 95% of their gross value. 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. 5,000 are being fully depreciated in the year of acquisition.

*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 of finished goods includes excise duty. 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 the Mobile distribution and IT distribution as business segments.

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 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.

2.23 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.

2.24 **<u>Recent accounting pronouncement issued but not yet effective upto the date of issuance of financial statements</u>**

(i) **Ind AS 116 'Leases':** On March 30, 2019, the Ministry of Corporate Affairs notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 containing Ind AS 116 – Leases and related amendments to other Ind ASs. Ind AS 116 replaces Ind AS 17 'Leases' and related interpretation and guidance. The standard sets out principles for recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.

Currently, operating lease expenses are charged to the statement of profit and loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements as per Ind AS 17. Ind AS 116 is effective for annual periods beginning on or after April 1, 2019.

(ii) **Amendment to Ind AS 19 'Employee Benefits':** On March 30, 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 19 'Employee Benefits' in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. The amendment will come into force for accounting periods beginning on or after April 1, 2019, though early application is permitted.

(iii) **Amendment to Ind AS 12 'Income Taxes':** On March 30, 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 12 'Income Taxes'. The amendments require an entity to recognise the income tax consequences of dividends as defined in Ind AS 109 when it recognises a liability to pay a dividend. The income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The amendment will come into force for accounting periods beginning on or after April 1, 2019.

(iv) **Appendix C to Ind AS 12 'Uncertainty over Income Tax Treatments':** On March 30, 2019, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 containing Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments which clarifies the application and measurement requirements in Ind AS 12 when there is uncertainty over income tax treatments. The current and deferred tax asset or liability shall be recognized and measured by applying the requirements in Ind AS 12 based on the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates determined by applying this appendix. The amendment is effective for annual periods beginning on or after April 1, 2019.

The Group is in the process of evaluating the effect of above on its consolidated financial statements.

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 **<u>Judgements</u>**

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 **<u>Going concern assumption</u>**

The Group has incurred total comprehensive loss of Rs. 566.70 million for the year ended March 31, 2019 (Previous year Rs. 588.60 million) and has accumulated losses of Rs. 1,281.93 million as at March 31, 2019 (Previous year Rs. 642.69 million), resulting in erosion of its net worth as on that date. Further the Group's current liabilities exceeds its current assets by Rs. 1,343.00 Million. Though the conditions may cast 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, but considering the business plans of the Group, the financial statements have been prepared on a going concern basis. Furthermore, Brightstar Corp., the holding company, has confirmed that it would provide continuing financial support to the Group until the Group is able to meet its obligations on its own.

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.

4. Property, plant and equipment

(Rs. in Million)

	Description	As at March 31, 2019	As at March 31, 2018
	Carrying amounts of :		
1	Freehold land	44.71	44.71
2	Leasehold improvement	-	2.46
3	Building	26.10	28.71
4	Plant and machinery	16.33	21.74
5	Furniture and fixture	0.39	0.52
6	Computer and networking	12.62	6.32
	Total	**100.15**	**104.46**

Current Year

(Rs. in Million)

	Description	Gross Carrying Value				Accumulated Depreciation				Carrying Amount	
		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 April 1, 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**

Previous Year

(Rs. in Million)

	Description	Gross Block				Accumulated Depreciation				Carrying Amount	
		As at April 1, 2017	Additions during the year	Disposal/ adjustment	As at March 31, 2018	As at April 1, 2017	Depreciation during the year*	Disposal/ adjustment	As at March 31, 2018	As at March 31, 2018	As at April 1, 2017
1	Freehold land	44.71	-	-	**44.71**	-	-	-	-	**44.71**	44.71
2	Building	36.54	-	-	**36.54**	5.22	2.61	-	**7.83**	**28.71**	31.32
3	Leasehold improvement	10.63	0.71	-	**11.34**	5.86	3.02	-	**8.88**	**2.46**	4.77
4	Plant and machinery	68.06	4.56	0.18	**72.44**	30.29	20.54	0.13	**50.70**	**21.74**	37.77
5	Furniture and fixture	1.66	1.05	-	**2.71**	0.37	1.82	-	**2.19**	**0.52**	1.29
6	Computer and networking	19.80	3.08	0.08	**22.80**	10.02	6.54	0.08	**16.48**	**6.32**	9.78
	Total	**181.40**	**9.40**	**0.26**	**190.54**	**51.76**	**34.53**	**0.21**	**86.08**	**104.46**	**129.64**

* Includes depreciation amounting to Rs. 0.87 Mn (Previous Year: Rs. 1.28 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, 2019	As at March 31, 2018
	Carrying amounts of :		
1	Computer software	26.44	26.75
	Total	**26.44**	**26.75**

Current Year (Rs. in Million)

Description	Gross Carrying Value				Accumulated Depreciation				Carrying Amount	
	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 April 1, 2018
1 Computer software	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**

Previous Year (Rs. in Million)

Description	Gross Carrying Value				Accumulated Depreciation				Carrying Amount	
	As at April 1, 2017	Additions during the year	Disposal/ adjustment	As at March 31, 2018	As at April 1, 2017	Depreciation during the year#	Disposal/ adjustment	As at March 31, 2018	As at March 31, 2018	As at April 1, 2017
1 Computer software	13.78	24.66	-	38.44	8.33	3.36	-	11.69	26.75	5.45
Total	**13.78**	**24.66**	**-**	**38.44**	**8.33**	**3.36**	**-**	**11.69**	**26.75**	**5.45**

* Includes impairment of softwares related to discontinued business INR 7.70 Million (net of amortisation)
# Includes Depreciation pertaining to discontinued operation amounting to Rs. 0.87 Million (year ended March 31, 2018 : Rs. 1.28 Million)

6 . Loans

	As at March 31, 2019	As at March 31, 2018
	Rs. in Million	Rs. in Million
Non current		
Security deposits (Unsecured, considered good)	15.29	18.01
Security deposits (Unsecured, considered doubtful)	0.39	0.39
	15.68	**18.40**
Allowances for credit losses	(0.39)	(0.39)
	15.29	**18.01**

Movement in allowances for credit losses	As at March 31, 2019	As at March 31, 2018
	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, 2019	As at March 31, 2018
	Rs. in Million	Rs. in Million
Non Current		
(a) Balances in earmarked accounts		
-Margin money*	9.61	9.60
	9.61	**9.60**
Current		
(a) Financial assets measured at fair value Forward contracts	-	2.63
(b) Interest accrued on bank deposits	0.13	0.11
(c) Receivables from related parties (Refer note 36)	1.39	-
(d) Vendor incentive receivables	113.17	695.45
(e) Other receivables	19.58	17.46
	134.27	**715.65**

*Margin money with a carrying amount of Rs. 9.61 Million (March 31, 2018- Rs. 9.60 Million) are hypothecated against the bank guarantee.

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

	As at March 31, 2019	As at March 31, 2018
	Rs. in Million	Rs. in Million
Deferred tax assets	9.72	8.61
Deferred tax liabilities	(8.59)	(8.61)
	1.13	**-**

Deferred tax balances arise from the following:	As at March 31, 2019	As at March 31, 2018
	Rs. in Million	Rs. in Million
Deferred tax liability on account of:		
Property, plant and equipment and intangible assets	8.59	8.61
	8.59	**8.61**
Deferred tax asset on account of:		
Temporary differences#	9.72	8.61
	9.72	8.61
Net deferred tax assets	**1.13**	**-**

includes 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. 621.83 Million (year ended March 31, 2018: Rs. 409.64 Million).

9. Tax assets

	As at March 31, 2019	As at March 31, 2018
	Rs. in Million	Rs. in Million
Non current tax assets		
Advance income-tax (net of provision of NIL (March 31, 2018- Rs. 19.25 Million))	173.59	220.71
	173.59	**220.71**
Current tax assets		
Advance income-tax	0.13	0.55
	0.13	**0.55**

10. Other assets

	As at March 31, 2019	As at March 31, 2018
	Rs. in Million	Rs. in Million
Non-current		
(a) Advances other than capital advances (Unsecured, considered good)		
(i) Balances with government authorities (other than income taxes)	170.32	162.66
(ii) Deferred expense on security deposit given	5.53	0.86
(iii) Deferred service cost*	281.28	-
	457.13	**163.52**
(b) Advances other than capital advances (Unsecured, considered doubtful)		
(i) Balances with government authorities (other than income taxes)	8.52	8.99
	8.52	**8.99**
Allowances for credit losses	(8.52)	(8.99)
	457.13	**163.52**
Current		
(a) Capital advances (Unsecured, considered good)	-	5.83
(b) Advances other than capital advances (Unsecured, considered good)		
(i) Prepaid expenses	25.81	21.73
(ii) Deferred expense on security deposit given	1.03	0.99
(iii) Balances with government authorities (other than income taxes)	967.77	1,317.14
(iv) Loans/Imprest to employees	1.15	0.93
(v) Deferred service cost*	368.05	-
(vi) Other	64.41	50.94
	1,428.22	**1,397.56**

*Effective April 1, 2018, the Group has 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 has 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 has deferred the revenue for contracts along with the related cost of providing those services, whose period has not expired as on March 31, 2019.

11. Inventories

(valued at lower of cost and net realisable value)

	As at March 31, 2019	As at March 31, 2018
	Rs. in Million	**Rs. in Million**
Raw materials	59.07	39.50
Allowances for obsolete/slow moving stock	(0.48)	(0.51)
	58.59	**38.99**
Work-in-progress	**8.14**	**6.14**
Finished goods	46.40	36.34
Allowances for obsolete/slow moving stock	-	(1.98)
	46.40	**34.36**
Stock-in-trade	1,550.20	5,410.62
Allowances for obsolete/slow moving stock	(84.49)	(197.30)
	1,465.71	**5,213.32**
Stores and spares	1.33	2.08
Allowances for obsolete/slow moving stock	(0.65)	(1.05)
	0.68	**1.03**
	1,579.52	**5,293.84**

Included above, goods-in-transit:		
(i) Raw materials	24.96	18.99
(ii) Stock-in-trade	179.49	156.82
Total goods-in-transit	**204.45**	**175.81**

(i) The cost of inventories recognised as an expense during the year was Rs. 13,230.22 Million (March 31, 2018: Rs. 12,835.02 Million) from continuing operations and Rs. 5,228.60 (March 31, 2018: Rs. 27,084.24 Million) for discontinued operations.

(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, 2019	As at March 31, 2018
	Rs. in Million	**Rs. in Million**
Current		
Trade receivables*		
(a) Unsecured, considered good	2,680.03	3,634.58
(b) Unsecured considered doubtful	482.79	593.75
	3,162.82	**4,228.33**
Allowance for credit loss	(482.79)	(593.75)
	2,680.03	**3,634.58**

Movement in allowances for credit loss	**As at March 31, 2019**	**As at March 31, 2018**
	Rs. in Million	**Rs. in Million**
Balance at the beginning of the year	593.75	15.19
Utilised during the year	(62.87)	(18.84)
Arise/(reversed) in allowances for credit loss	(48.09)	597.40
Balance at the end of the year	**482.79**	**593.75**

* Includes Rs. 29.91 Million (March 31, 2018- Rs. 359.21 Million) secured against bank guarantees issued by customers, Rs. 1,889.86 Million (March 31, 2018- Rs. 2,633.34 Million) secured against credit insurance and Rs. 492.75 Million (March 31, 2018- Rs. 54.28 Million) secured against letter of credit.

* 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, 2019	**As at March 31, 2018**
	Rs. in Million	**Rs. in Million**
(i) Cash on hand	0.03	0.11
(ii) Balances with banks:		
(a) In current accounts	64.70	119.19
	64.73	**119.30**

14. Other bank balances

	As at March 31, 2019	**As at March 31, 2018**
	Rs. in Million	**Rs. in Million**
(a) In earmarked accounts		
- On current accounts under lien	2.53	2.29
- On unpaid dividend account	-	0.06
- Margin money	3.46	3.30
	5.99	**5.65**

15. Equity share capital

	As at March 31, 2019	**As at March 31, 2018**
	Rs. in Million	**Rs. in Million**
Authorised share capital		
Equity shares of Rs. 10 each with voting rights	100.00	100.00
March 31, 2019 :- 10,000,000 Shares		
March 31, 2018 :- 10,000,000 Shares		
Issued, subscribed and fully paid		
Equity shares of Rs. 10 each with voting rights	50.92	50.92
March 31, 2019 :- 5,091,607 Shares		
March 31, 2018 :- 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	In Million
Balance as at April 01, 2017	5.09	50.92
Add:- Issued during the year	-	-
Balance as at March 31, 2018	5.09	50.92
Add:- Issued during the year	-	-
Balance as at March 31, 2019	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, 2019	As at March 31, 2018
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)

	As at March 31, 2019		As at March 31, 2018	
Fully paid equity shares of Rs. 10 each	**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%	-	0.00%
Bharti (SBM) Holdings Private Limited	-	0.00%	1.01	19.78%
Bharti (RBM) Holdings Private Limited	0.63	12.36%	0.63	12.36%

16. Other equity

	As at March 31, 2019	As at March 31, 2018
	Rs. in Million	Rs. in Million
General reserve	-	-
Capital reserve	2.50	2.50
Securities premium	5.27	5.27
Retained earnings	(1,281.93)	(642.69)
Foreign currency translation reserve	26.30	6.80
	(1,247.86)	**(628.12)**

16.1	**General reserve**	**As at March 31, 2019**	**As at March 31, 2018**
		Rs. in Million	**Rs. in Million**
	Balance at the beginning of the year	-	26.50
	Transferred to Retained earning	-	(26.50)
	Balance at the end of the year	**-**	**-**

16.2	**Capital reserve**	**As at March 31, 2019**	**As at March 31, 2018**
		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**

16.3	**Securities premium**	**As at March 31, 2019**	**As at March 31, 2018**
		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**

16.4	**Retained earnings**	**As at March 31, 2019**	**As at March 31, 2018**
		Rs. in Million	**Rs. in Million**
	Balance at the beginning of the year	(642.69)	(78.69)
	Effect of adoption of new accounting standard (Net of deferred tax Rs. Nil)	(53.04)	-
	Loss during the year	(579.60)	(577.96)
	Transferred from general reserve	-	26.50
	Other comprehensive loss arising from defined benefit obligation, net of income taxes	(6.60)	(12.54)
	Balance at the end of the year	**(1,281.93)**	**(642.69)**

16.5	**Foreign currency translation reserve**	**As at March 31, 2019**	**As at March 31, 2018**
		Rs. in Million	**Rs. in Million**
	Balance at the beginning of the year	6.80	4.90
	Loss attributable to owners of the Company	19.50	1.90
	Other comprehensive (income)/ losses	-	-
	Balance at the end of the year	**26.30**	**6.80**

Nature of reserves

16.1) General reserve

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income.

16.2) Capital reserve

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

16.3) Securities premium

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

16.4) 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.

16.5) 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, 2019	As at March 31, 2018
Non current provisions	**Rs. in Million**	**Rs. in Million**
(a) Provision for employee benefits		
Provision for compensated absences (Refer Note 35)	24.58	21.93
Provision for other long term employee benefits (Refer Note 35)	1.79	2.63
	26.37	**24.56**
(b) Other provisions		
Provision for contingent liabilities	242.41	-
	242.41	**-**
	268.78	**24.56**
Current provisions		
(a) Provision for employee benefits		
Provision for compensated absences (Refer Note 35)	3.31	3.28
Provision for other long term employee benefits (Refer Note 35)	2.47	1.93
Provision for sales return allowance (Refer Note 17.3)	38.40	0.98
	44.18	**6.19**
(b) Other provisions		
Provision for warranties (Refer Note 17.1)	17.05	42.78
Provision for litigations (Refer Note 17.2)	-	42.09
Provision for income-tax	8.37	16.51
	25.42	**101.38**
	69.60	**107.57**

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, 2019 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, 2019	As at March 31, 2018
	Rs. in Million	Rs. in Million
Balance at the beginning of the year	42.78	30.35
Arising during the year	88.85	33.58
Utilized during the year	(97.37)	(20.60)
Unused amounts reversed	(17.21)	(0.55)
Balance at the end of the year	**17.05**	**42.78**

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, 2019	As at March 31, 2018
	Rs. in Million	Rs. in Million
Balance at the beginning of the year	42.09	118.56
Arising during the year*	200.32	12.78
Utilised during the year	-	(89.25)
Balance at the end of the year	**242.41**	**42.09**

* 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. On the basis of legal opinion taken by the Group, management is of the view that the likelihood of any liability devolving on the Group is 'Probable'.

17.3 Provision for sales return allowance

The Group'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, 2019	As at March 31, 2018
	Rs. in Million	Rs. in Million
Balance at the beginning of the year	0.98	-
Arising during the year	48.94	0.98
Utilised during the year	(11.52)	-
Balance at the end of the year	**38.40**	**0.98**

18. Other liabilities

	As at March 31, 2019	As at March 31, 2018
	Rs. in Million	Rs. in Million
<u>**Non Current**</u>		
(a) Deferred contract revenue*	318.38	-
	318.38	**-**
<u>**Current**</u>		
(a) Advance received from customer	75.77	128.54
(b) Guarantee liability	-	0.12
(c) Deferred contract revenue*	418.80	-
	494.57	**128.66**

**Effective April 1, 2018, the Group has 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 has 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, 2019.

19. Current borrowings

	As at March 31, 2019	As at March 31, 2018
	Rs. in Million	Rs. in Million
Secured		
a) Cash credit from banks (Refer Note 19.1)	515.51	723.54
b) Working capital demand loan (Refer Note 19.1)	2,930.00	5,920.00
	3,445.51	**6,643.54**
Unsecured		
a) Buyer's credit (Refer Note 19.2)	146.35	206.65
	3,591.86	**6,850.19**

Note :

19.1 <u>Cash credit and working capital demand loan</u>

a) The cash credit facility carries interest rate of 9.65% to 10.40% p.a. (March 31, 2018: 9.65% to 10.00% p.a) and working capital loan from ANZ Banking Group Ltd is repayable on demand carries interest rate of 8.80% to 8.50% p.a. (March 31, 2018: 7.50% to 8.50% 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 8.80% to 10.75% p.a. (March, 31, 2018: 8.80% to 9.70% p.a.) and working capital loan from Kotak Mahindra Bank is repayable on demand carries interest rate of 8.45% to 10.55% p.a. (March 31, 2018 : 7.70% to 9.00% 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 9.75 to 12% p.a. (March 31, 2018 : 9.75% p.a.) and working capital loan from HDFC Bank Ltd is repayable on demand carries interest rate of 8.20% to 10.75% p.a. (March 31, 2018 : 7.80% to 8.10% 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 Indusind Bank Limited is repayable on demand carries interest rate of 8.75% p.a. and is secured against hypothecation of immoveable assets, land and building at Ludhiana factory and present and future current assets, moveable fixed assets of Company and further secured against corporate guarantee by Brightstar Corp. Facility is paid during the year 2018-2019.

19.2 Buyer's credit

a) Buyer's credit carries interest rate of 2.81% to 3.95% p.a. (March 31, 2018 : 2.20% to 3.49% 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.

20. Trade payables

	As at March 31, 2019	As at March 31, 2018
	Rs. in Million	**Rs. in Million**
Total outstanding dues of micro enterprises and small enterprises (refer note 43)	1.68	15.92
Total outstanding dues of creditors other than micro enterprises and small enterprises*	2,956.15	4,960.35
	2,957.83	**4,976.27**

* Above trade payables includes payable to one vendor amounting Rs. 74.75 Million (March 31, 2018- Rs. 85.71 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, 2019	As at March 31, 2018
	Rs. in Million	**Rs. in Million**
Non Current		
(a) Gratuity obligation (Refer Note 35)	60.51	48.86
	60.51	**48.86**
Current		
(a) Security deposits received	0.15	0.65
(b) Interest accrued but not due on borrowings	5.72	18.18
(c) Payable to Employees	56.01	87.68
(d) Financial liability measured at fair value		
(i) Forward contracts	14.17	-
(e) Statutory dues		
- taxes payable (other than income taxes)	39.43	53.06
(f) Investor education and protection fund*	-	0.06
(g) Gratuity obligation (Refer Note 35)	6.55	4.45
	122.03	**164.08**

* Will be credited from unpaid dividend bank account as and when due

22. Revenue from operations

	Year ended March 31, 2019	Year ended March 31, 2018
	Rs. in Million	Rs. in Million
		(Restated)
(a) Revenue from sale of products	13,836.34	13,746.23
-Finished goods (including excise duty)	563.76	758.16
-Traded goods	13,272.58	12,988.07
(b) Revenue from rendering of services	667.14	579.40
(c) Other operating revenue		
-Sale of scrap	0.43	0.52
	14,503.91	**14,326.15**

* 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, 2019		Total
	IT Products	Mobile Distribution	
Type of goods or services			
Sale of IT Products	11,155.75	-	**11,155.75**
Mobile Distribution	-	3,348.16	**3,348.16**
Total Revenue from contracts with customers	**11,155.75**	**3,348.16**	**14,503.91**
India	9,076.00	3,348.16	**12,424.16**
Outside India	2,079.75	-	**2,079.75**
Total Revenue from contracts with customers	**11,155.75**	**3,348.16**	**14,503.91**

(Rs. in Million)

Segment	Year Ended March 31, 2018		Total
	IT Products	Mobile Distribution	
Type of goods or services			
Sale of IT Products	13,075.88	-	13,075.88
Mobile Distribution	-	1,250.27	1,250.27
Total Revenue from contracts with customers	**13,075.88**	**1,250.27**	**14,326.15**
India	10,935.53	1,250.27	12,185.80
Outside India	2,140.35	-	2,140.35
Total Revenue from contracts with customers	**13,075.88**	**1,250.27**	**14,326.15**

During the year Group has discontinued mobile handset business, pertaining to mobile distribution segment. (Refer note 39 and 42)

Set out below, is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information related to continuing operation (Note 42):

(Rs. in Million)

Particulars	**Year ended March 31, 2019**		**Year ended March 31, 2018**	
	IT Products	**Mobile Distribution**	**IT Products**	**Mobile Distribution**
Revenue				
External Customer	11,155.75	3,348.16	13,075.88	1,250.27
Total Revenue from contracts with customers	**11,155.75**	**3,348.16**	**13,075.88**	**1,250.27**

22.2 Contract Balances

(Rs. in Million)

Particulars	**As at March 31, 2019**	**As at March 31, 2018**
Trade Receivables	2,680.03	3,634.58
Contract Assets	-	-
Contract Liabilities	75.77	128.54

Set out below is the amount of revenue recognised from:

(Rs. in Million)

Particulars	**As at March 31, 2019**	**As at March 31, 2018**
Amounts included in contract liabilities at the beginning of the year	84.01	103.13
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, 2019 is as follows:

(Rs. in Million)

Particulars	**As at March 31, 2019**
Within one year	418.80
More than one year	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 three 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, 2019	**Year ended March 31, 2018**
	Rs. in Million	**Rs. in Million**
(a) Interest income		**(Restated)**
(i) On bank deposits	0.68	0.84
(ii) On security deposits carried at amortised cost	1.32	3.04
(iii) Others	18.53	5.19
(b) Other non operating income		
(i) Liabilities/provisions no longer required written back	3.17	5.99
(ii) Miscellaneous Income	-	5.80
	23.70	**20.86**

* Also refer note 39

24. Cost of material consumed*

	Year ended March 31, 2019	Year ended March 31, 2018
	Rs. in Million	Rs. in Million
		(Restated)
Opening stock	39.50	48.94
Add: Purchases	327.39	409.13
	366.89	**458.07**
Less: Closing stock	59.07	39.50
Cost of material consumed	**307.82**	**418.57**

* Also refer note 39

25. Purchases*

	Year ended March 31, 2019	Year ended March 31, 2018
	Rs. in Million	Rs. in Million
		(Restated)
Purchase of goods and Services	12,904.51	13,011.40
	12,904.51	**13,011.40**

* Also refer note 39

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

	Year ended March 31, 2019	Year ended March 31, 2018
	Rs. in Million	Rs. in Million
Inventories at the end of the year:		(Restated)
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**
Inventories at the beginning of the year:		
Finished goods	36.34	29.23
Work-in-progress	6.14	6.99
Stock-in-trade	1,580.15	991.46
	1,622.63	**1,027.68**
Net (increase)/decrease	**17.89**	**(594.95)**

* Also refer note 39

27. Employee benefit expense*

	Year ended March 31, 2019	Year ended March 31, 2018
	Rs. in Million	Rs. in Million
		(Restated)
Salaries and wages	487.11	449.94
Contribution to provident and other funds	40.25	33.06
Staff welfare expenses	20.65	16.17
	548.01	**499.17**

* Also refer note 39

28. Finance cost*

	Year ended March 31, 2019	Year ended March 31, 2018
	Rs. in Million	**Rs. in Million**
		(Restated)
Interest expense		
-On current borrowings	369.43	172.93
	369.43	**172.93**

* Also refer note 39

29. Depreciation and amortisation expense*

	Year ended March 31, 2019	Year ended March 31, 2018
	Rs. in Million	**Rs. in Million**
		(Restated)
Depreciation of property, plant and equipment (Refer Note 4)	20.07	34.53
Amortisation of intangible assets (Refer Note 5)	16.34	2.08
	36.41	**36.61**

* Also refer note 39

30. Other expenses*

	Year ended March 31, 2019		Year ended March 31, 2018	
	Rs. in Million		**Rs. in Million**	
				(Restated)
Advertisement and marketing expense		7.04		2.14
Bad Debts and advances written off	4.78		8.33	
Less: adjusted against provision for doubtful debts	(0.57)	4.21	(5.19)	3.14
Bank charges		15.30		12.11
Charity and donation		0.20		0.20
Commission on sales		3.29		8.94
Communication expenses		10.29		12.28
Consumption of stores and spares		2.85		3.72
Electricity and water charges		3.37		3.13
Exchange rate difference (net)		60.03		46.70
Excise duty on account of (increase)/decrease in stock of finished goods		-		(0.20)
Freight and cartage		78.81		74.55
Insurance charges		43.38		19.18
Legal and professional expenses#		31.51		54.32
Loss on sale of property, plant and equipment (net)		(0.10)		0.01
Miscellaneous expenses		27.37		19.07
Power and fuel		11.79		13.47

	Year ended March 31, 2019	Year ended March 31, 2018
	Rs. in Million	**Rs. in Million**
Printing and stationery	1.23	1.37
Allowances for doubtful debt	3.74	31.75
Allowances for obsolete/slow moving stock	16.07	24.38
Recruitment and Staff Development	15.37	10.05
Rates and taxes	2.55	8.76
Rent including lease rentals	32.68	32.05
Repair and maintenance:		
a) Building	0.21	0.24
b) Others	54.33	51.99
Sales promotion and schemes expenses	44.30	44.09
Security charges	4.03	3.93
Service charges	141.26	115.91
Travelling and conveyance	44.65	38.87
Warranty cost	71.64	33.84
	731.40	**669.99**

* Also refer note 39

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

	Year ended March 31, 2019	Year ended March 31, 2018
	Rs. in Million	**Rs. in Million**
As Auditor:		
Audit fee	3.02	5.43
In other capacity:		
Other services (certification and others)	0.20	1.65
Reimbursement of expenses	0.18	0.25
	3.40	**7.33**

31. Income taxes

Income taxes recognised in Statement of Profit and Loss	Year ended March 31, 2019	Year ended March 31, 2018
	Rs. in Million	**Rs. in Million**
Current tax		
In respect of the current year	8.45	16.34
In respect of the previous years	(0.31)	0.20
	8.14	**16.54**
Deferred tax		
In respect of the current year	(1.14)	-
Adjustments in respect of deferred tax of previous years	-	132.58
	(1.14)	**132.58**
Total income tax expense recognised in Statement of Profit and Loss	**7.00**	**149.12**

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

	Year ended March 31, 2019 Rs. in Million	Year ended March 31, 2018 Rs. in Million
Loss before tax	**(572.60)**	**(428.84)**
Income tax @34.944% (year ended March 31, 2018 @ 34.944%)	(200.09)	(149.85)
Adjustments in respect of current income tax of previous years	(0.31)	0.20
Adjustments in respect of deferred tax of previous years	-	132.58
Adjustment in respect of difference in tax rates of subsidiary company	(8.24)	(18.44)
Deferred tax asset not recognised	215.64	184.63
Net tax expense recognised in profit and loss	**7.00**	**149.12**

The tax rate used for the years 2018-2019 and 2017-2018 reconciliations above is the corporate tax rate payable by corporate entity in India on taxable profits under the Indian tax law.

32. Loss per share

	Year ended March 31, 2019	Year ended March 31, 2018
	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)	(394.86)	(38.05)
Profit/(Loss) attributable to equity shareholders from discontinued operations for computing basic and dilutive EPS (A) (Rs. million)	(184.74)	(539.91)
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	**(77.58)**	**(7.48)**
Basic earnings per share (A/B) discontinuing operation	**(36.29)**	**(106.07)**
Diluted earnings per share (A/C) continued operation	**(77.58)**	**(7.48)**
Diluted earnings per share (A/C) discontinued operation	**(36.29)**	**(106.07)**
Basic earnings per share (A/B) Rs.	**(113.87)**	**(113.55)**
Diluted earnings per share (A/C) Rs.	**(113.87)**	**(113.55)**

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):

(Rs. in Million)

Particulars	As at March 31, 2019	As at March 31, 2018
Indirect taxes	103.37	101.64
Excise Duty	3.70	3.70
Custom Duty	-	161.47
Other	2.09	2.09
Total	**109.16**	**268.90**

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

(Rs. in Million)

Particulars	As at March 31, 2019	As at March 31, 2018
Estimated amount of contracts remaining to be executed on capital account and not provided for*	1.69	5.07
Total	**1.69**	**5.07**

* As of March 31, 2019, Net of capital advance Nil (March 31, 2018- Rs. 5.8 Million)

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.

(ii) Leases

The Group has taken certain office and warehouse space on operating lease. Rental expense towards such leases charged to Statement of Profit and loss amounting to Rs. 32.68 Million (year ended March 31, 2018 Rs. 32.05 Million).

Details of non-cancellable operating lease commitments are as under:

* Gurgaon head office having lease agreement for 9 years with three buckets of 3 years each. After every 3 years the Group has the option to terminate the lease.

** Mumbai office having lock-in-period for 4 years.

(Rs. in Million)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
not later than one year	33.70	21.05
later than one year but not later than five years	52.67	26.01
Total	**86.37**	**47.06**

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. 26.83 Mn (year ended March 31, 2018 Rs. 25.22 Mn) 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. In the recent case of The Regional Provident fund Commissioner (II) West Bengal vs. Vivekananda Vidyamandir and Other, Supreme Court has ruled that special allowances paid by an establishment to its employees would fall within the expression "basic wages" under Sectrion2(b) (ii) read with section 6 of the Act for computation of contribution towards Provident Fund. As legally advised, the Group has applied the ruling prospectively from 1st March, 2019.

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 actuarial valuation using projected unit credit method (PUC). The program liability is the actuarial present value of the projected accrued benefits as of the beginning and end of the period for active members.

35.3 Description of risk exposures

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such Group 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, 2019			March 31, 2018		
	Gratuity	Compensated absences	Long term service award	Gratuity	Compensated absences	Long term service award
Discount rate(s)	7.40%	7.40%	7.40%	7.65%	7.65%	7.65%
Expected rate(s) of salary escalation	10.00%	10.00%	N/A	10.00%	10.00%	N/A
Employee turnover	0%-17%	0%-17%	0%-17%	0%-10%	0%-10%	0%-10%

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, 2019			Year ended March 31, 2018		
	Gratuity	Compensated absences	Long term service award	Gratuity	Compensated absences	Long term service award
Service cost*						
Current service cost	10.37	4.92	0.06	9.07	5.55	1.07
Past Service Cost	-	-	-	1.19	-	-
Actuarial losses	-	2.39	-	-	3.78	-
Net interest expense	4.08	1.93	-	2.22	1.23	-
Components of defined benefit costs recognised in profit or loss	**14.45**	**9.24**	**0.06**	**12.48**	**10.56**	**1.07**
Remeasurement on the net defined benefit liability**						
Return on plan assets (excluding amount included in net interest expense)	0.32	-	-	0.19	-	-
Actuarial (gains)/losses	(0.75)	-	-	9.71	-	
Actuarial gains and loss arising form experience adjustments	7.03	-	-	2.64	-	-
Components of defined benefit cost recognised in other comprehensive income	**6.60**	**-**	**-**	**12.54**	**-**	**-**
Total	**21.05**	**9.24**	**0.06**	**25.02**	**10.56**	**1.07**

* 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, 2019			March 31, 2018		
	Gratuity	Compensated absences	Long term service award	Gratuity	Compensated absences	Long term service award
Present value of defined benefit obligation	95.07	27.89	4.26	82.34	25.21	4.56
Fair value of plan assets	(28.01)	-	-	(29.03)	-	-
Net liability arising from defined benefit obligation	**67.06**	**27.89**	**4.26**	**53.31**	**25.21**	**4.56**
Non current portion	60.51	24.58	1.79	48.86	21.93	2.63
Current portion	6.55	3.31	2.47	4.45	3.28	1.93

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

(Rs. in Million)

	March 31, 2019			March 31, 2018		
	Gratuity	Compensated absences	Long term service award	Gratuity	Compensated absences	Long term service award
Opening defined benefit obligation	**82.34**	**25.21**	**4.56**	**58.45**	**17.28**	**3.50**
Current service cost	10.37	4.92	0.06	9.07	5.55	1.06
Past service cost	-	-	-	1.19	-	-
Interest cost	6.29	1.93	-	4.14	1.23	-
Remeasurement losses						
-Actuarial losses	(0.75)	2.39	-	9.71	3.77	-
-Actuarial gains and loss arising form experience adjustments	7.03	-	-	2.64	-	-
Benefits paid	(10.21)	(6.56)	(0.36)	(2.86)	(2.62)	-
Closing defined benefit obligation	**95.07**	**27.89**	**4.26**	**82.34**	**25.21**	**4.56**

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

(Rs. in Million)

	March 31, 2019			March 31, 2018		
	Gratuity	Compensated absences	Long term service award	Gratuity	Compensated absences	Long term service award
Opening fair value of plan assets	**29.03**	**-**	**-**	**27.23**	**-**	**-**
Interest income	2.22	-	-	1.93	-	-
Remeasurement losses						
-Actual return on plan assets in excess of the expected return	(0.32)	-	-	(0.19)	-	-
Contributions by employer (including benefit payments recoverable)	1.32	-	-	0.73	-	-
Benefits paid	(4.24)	-	-	(0.67)	-	-
Closing fair value of plan assets	**28.01**	**-**	**-**	**29.03**	**-**	**-**

35.7 Maturity profile of defined benefit obligation of gratuity:

(Rs. in Million)

	2019	**2018**
Within 1 year	9.40	6.91
2 - 5 year	37.45	25.84
6 - 10 year	50.45	40.75
More than 10 years	82.39	108.14

The weighted average duration of the defined benefit obligation is 7 years.

35.8 Plan assets

The fair value of Company's pension plan asset as of March 31, 2019 and 2018 by category are as follows:

Asset category:	2019	2018
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:

(Rs. in Million)

Principal assumption	Year	Changes in assumption	Impact on defined benefit obligation	
			Increase	**Decrease**
Discount rate	2019	(- / + 1%)	(7.38)	6.58
	2018	(- / + 1%)	(6.72)	7.66
Salary escalation rate	2019	(- / + 1%)	6.32	6.90
	2018	(- / + 1%)	7.15	(6.49)
Attrition rate	2019	(- / + 50%)	(3.98)	2.35
	2018	(- / + 50%)	(0.08)	2.73
Mortality rate	2019	(- / + 10%)	(0.03)	0.04
	2018	(- / + 10%)	(0.03)	0.04

36 Related Party Transactions

S. No.	Nature of relationship	Name of the party
a.	Ultimate holding company	Softbank Group
b.	Holding company	Brightstar Corp
c.	Intermediate Holding company	Brightstar Logistics Pte Ltd
d.	Enterprise having substantial interest in the Group	Bharti (SBM) Holdings Private Limited (till March 30, 2019) 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 NZ Limited Brightstar Supply Chain Services Sdn Bhd Brightstar Telecom Services Pvt. Ltd. Brightstar Logistics Pty Ltd Brightstar 20:20 Limited Brightstar FZE
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 with effect from July 6, 2016 and Whole Time Director since September 20, 2016 till July 12, 2018. Resigned on April 21, 2018

S. No.	Nature of relationship	Name of the party
		Others:
		Geeta Mathur (Independent Director)-till February 06, 2019
		Rajesh Madan (Independent Director)
		Paul Andrew Ringrose (Director)
		Dharshan Nanayakkara (Director)
		Harjeet Singh Kohli (Director)
		Lim Puay Chong Vincent (Director)
		Uma Ajay Relan (Independent Director) - effective August 6, 2019
		Stijin Piet N Nijis (Executive Director) - effective May 13, 2019
		Luciano Barreto Ferreira (Chief Financial officer)- effective October 22, 2018
		Rohit Gupta (CFO till March 22, 2018), resigned on March 22, 2018
		Neeraj Manchanda (Company Secretary) effective January 28, 2019
		Neeru Bhalla (Company Secretary)- till October 29, 2018

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

(Rs. in Million)

Particulars	For the year ended	Ultimate holding company	Holding company	Fellow subsidiaries	Key managerial personnel*
Nature of transactions with related parties					
Expenses incurred by related party on behalf of Group	31-Mar-19	-	0.53	4.31	-
	31-Mar-18	-	-	0.10	-
Expenses incurred by Group on behalf of related party	31-Mar-19	-	0.26	-	-
	31-Mar-18	-	-	-	-
Management contract fees expenses	31-Mar-19	-	-	32.70	-
	31-Mar-18	-	-	28.37	-
Management contract fees income	31-Mar-19	-	-	0.88	-
	31-Mar-18	-	-	-	-
Short-term employee benefits	31-Mar-19	-	-	-	51.32
	31-Mar-18	-	-	-	60.28
Fee for attending board committee meetings	31-Mar-19	-	-	-	1.75
	31-Mar-18	-	-	-	1.30

*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, 2019 are unsecured and interest free and settlement occurs in cash. For the year ended 31 March 2019, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2018: 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	Ultimate holding company	Holding company	Fellow subsidiaries	Key managerial personnel
Trade payables	31-Mar-19	-	-	5.21	-
	31-Mar-18	-	-	0.30	-
Other receivables	31-Mar-19	-	0.44	0.95	-
	31-Mar-18	-	-	-	-
Employee related liabilities	31-Mar-19	-	-	-	4.35
	31-Mar-18	-	-	-	15.10

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, 2019	As at March 31, 2018
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

Name of the entity in the group	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, 2019	134%	(1,118.06)	109%	(555.90)	100%	(6.60)	109%	(562.50)
Balance as at March 31, 2018	232%	(502.52)	116%	(588.78)	100%	(12.54)	116%	(601.32)
Subsidiaries								
Foreign								
Brightstar Telecommunications Singapore Private Limited								
Balance as at March 31, 2019	-34%	282.33	-9%	47.77	0%	-	-9%	47.77
Balance as at March 31, 2018	-132%	286.18	-16%	82.99	0%	-	-16%	82.99
Total - 31 March 2019	**100%**	**(835.73)**	**100%**	**(508.13)**	**100%**	**(6.60)**	**100%**	**(514.73)**
Total - 31 March 2018	**100%**	**(216.34)**	**100%**	**(505.79)**	**100%**	**(12.54)**	**100%**	**(518.33)**
a) Adjustment arising out of consolidation								
As at March 31, 2019		(361.21)		(71.47)		19.50		(51.97)
As at March 31, 2018		(360.86)		(72.17)		1.90		(70.27)

Name of the entity in the group	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
b) Minority interest								
Foreign subsidiary								
Brightstar Telecommunications Singapore Private Limited								
Balance as at March 31, 2019		-		-		-		-
Balance as at March 31, 2018		-		-		-		-
Total - March 31, 2019		**-**		**-**		**-**		**-**
Total - March 31, 2018				**-**		**-**		**-**
Consolidated net assets/ profit (loss)								
As at March 31, 2019		**(1,196.94)**		**(579.60)**		**12.90**		**(566.70)**
As at March 31, 2018		**(577.20)**		**(577.96)**		**(10.64)**		**(588.60)**

39 During the year ended March 2019, Group 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.

The same has been considered as discontinue operation and the comparative results and cash flows from discontinued operations have be reinstated to present as if these operations were discontinued in the prior year as well. Previous year figures have been regrouped/reclassified where necessary to this year's classification.

Discontinued Operations	Year ended March 31, 2019	Year ended March 31, 2018
	Rs. in Million	**Rs. in Million**
I Revenue from operations	4,992.15	27,495.02
II Other income	-	-
III **Total income (I + II)**	**4,992.15**	**27,495.02**
IV **Expenses**		
(a) Cost of materials consumed	-	-
(b) Purchases	1,398.13	28,521.64
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	3,830.47	(1,437.40)
(d) Employee benefit expense	35.82	95.05
(e) Finance cost	45.60	179.43
(f) Depreciation and amortisation expense	0.87	1.28
(g) Other expenses		
(i) Advertisement and marketing expense	7.01	0.07
(ii) Amount/debtors written off	0.43	0.06
(iii) Bank charges	0.01	0.40
(iv) Communication expenses	0.51	1.24
(v) Freight and cartage	1.50	14.29
(vi) Insurance charges	6.07	27.92
(vii) Legal and professional expenses	12.37	1.19

Discontinued Operations	Year ended March 31, 2019	Year ended March 31, 2018
	Rs. in Million	Rs. in Million
(viii) Loss on sale of property, plant and equipment (net)	7.70	0.02
(ix) Printing and stationery	0.01	0.07
(x) Allowances for doubtful debt*	(51.94)	499.75
(xi) Allowances for obsolete/slow moving stock*	(131.60)	104.74
(xii) Recruitment and Staff Development	0.10	1.90
(xiii) Sales promotion and schemes expenses	-	0.02
(xiv) Travelling and conveyance	2.70	6.07
(xv) Miscellaneous expenses	11.13	17.19
Total other expenses	**(134.00)**	**674.93**
Total expenses	**5,176.89**	**28,034.93**
V Loss before tax (III - IV)	**(184.74)**	**(539.91)**
VI Tax expense/(credit)	**-**	**-**
VII Loss for the year from discontinued operation (V - VI)	**(184.74)**	**(539.91)**

* Pertains to reversal of provision created in previous years.

Cash flows from discontinued operations	For the year March 31, 2019	For the year March 31, 2018
	Rs. in Million	Rs. in Million
Net Cash flows from/(used in) operating activities	3,126.81	(1,116.18)
Net Cash flows from/(used in) investing activities	(0.87)	(4.85)
Net Cash flows from/(used in) financing activities	(3,353.26)	319.51
Net Cash flows	**(227.32)**	**(801.52)**

40. Fair value measurements

40.1 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	-	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	**-**	**2,909.92**	**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	-	168.37	168.37
Total	**14.17**	**6,718.06**	**6,732.23**

40.2 The carrying value of financial instruments by categories as of March 31, 2018 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	-	119.30	119.30
Other bank balances	-	5.65	5.65
Trade receivables	-	3,634.58	3,634.58
Loans	-	18.01	18.01
Forward contracts	2.63	-	2.63
Other financial assets	-	725.25	725.25
Total	**2.63**	**4,502.79**	**4,505.42**
Financial liabilities:			
Trade payables	-	4,976.27	4,976.27
Borrowings	-	6,850.19	6,850.19
	-	164.08	164.08
Total	**-**	**11,990.54**	**11,990.54**

* 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:

	Fair value hierarchy		
	Level 1	**Level 2**	**Level 3**
At March 31, 2019			
Financial assets	-	-	-
Financial liabilities	-	14.17	-
At March 31, 2018			
Financial assets	-	2.63	-
Financial liabilities	-	-	-

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.

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, 2019 and March 31, 2018 is as follows:

(Rs. in Million)

	As at March 31, 2019	As at March 31, 2018
Debt	3,591.86	6,850.19
Cash and other bank balances	70.72	124.95
Net debt	**3,521.14**	**6,725.24**
Total equity	**(1,196.94)**	**(577.20)**
Gearing ratio (%)	-294%	-1165%

Refer note 3.1.1 for going concern

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:

(Rs. in Million)

	As at March 31, 2019	As at March 31, 2018
Loans	15.29	18.01
Trade receivables*	2,680.03	3,634.58
Other financial assets	143.88	725.25
Total	**2,839.20**	**4,377.84**

*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, 2019			As at March 31, 2018		
	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	-	2,957.83	-	-	4,976.27	-
Borrowings	10.29%	3,591.86	-	2.52%	6,850.19	-
Other financial liabilities	-	107.86	-	-	164.08	-
Forward contracts	-	14.17	-	-	-	-
Total		**6,671.72**	**-**		**11,990.54**	**-**

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, 2019	March 31, 2018
Trade receivables	USD	6.11	0.17
Trade payables	USD	18.20	22.5
	EUR	0.01	-
	SGD	0.05	0.08
	AUD	-	0.22
Other Receivables	USD	0.09	-
	EUR	0.02	-
Other Payables	USD	0.01	-
Borrowings	USD	2.11	3.17

Of the above foreign currency exposures, the following exposures are not hedged by a derivative:

(Amount in Million)

Particulars	Currency	March 31, 2019	March 31, 2018
Trade receivables	USD	6.11	0.17
Trade payables*	USD	10.08	10.93
	EUR	0.01	-
	SGD	0.05	0.08
	AUD	-	0.22
Other Receivables	USD	0.09	-
	EUR	0.02	-
Other Payables	USD	0.01	-

* Trade Payable of NIL (March 31, 2018- USD 6.91 Million) are not hedged through derivative contracts as exchange risk is beared by customer on such balances.

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 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.

Particulars	Currency	Change in rate	Effect on profit before tax
			Rs. in Million
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)
For the year ended March 31, 2018	USD	+5%	(11.01)
	USD	-5%	11.01
	SGD	+5%	(0.19)
	SGD	-5%	0.19
	AUD	+5%	(0.56)
	AUD	-5%	0.56

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, 2019			As at March 31, 2018		
	Coverage (INR)	Outstanding Amount (Foreign Currency)	MTM (INR)	Coverage (INR)	Outstanding Amount (Foreign Currency)	MTM (INR)
USD	727.58	10.24	(14.17)	963.37	14.74	2.63
	727.58	**10.24**	**(14.17)**	**963.37**	**14.74**	**2.63**

*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 risk.

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:

Mobile distribution: Distribution of Harman and other accessories, Mobile handset business*

IT products: Distribution of landline phones, modems, storage devices, information technology peripherals, network equipment, board room solutions, DTH devices, display devices, voice and data products.

*Mobile handset business was discontinued in the current year.

b. <u>Geographical segments</u>

In terms of geographical segment, the Group's sales outside India are not material.

c. <u>Segment accounting policies</u>

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, 2019

(Rs. in Million)

Reportable Segments	IT Products	Mobile Distribution*	Unallocated	Total
Revenue				
External sales	11,155.75	8,340.31	-	19,496.06
Other income	-	-	23.70	23.70
Total revenue	**11,155.75**	**8,340.31**	**23.70**	**19,519.76**
Result				
Profit/(loss) before interest and tax	37.99	(214.61)	19.05	(157.57)
Interest expense	-	-	415.03	415.03
Profit/(loss) before tax	**37.99**	**(214.61)**	**(395.98)**	**(572.60)**
Tax expense	7.00	-	-	7.00
Profit/(loss) after tax	**30.99**	**(214.61)**	**(395.98)**	**(579.60)**
Other information				
Segment assets	3,995.53	849.57	1,841.52	**6,686.62**
Segment liabilities	3,509.48	589.54	3,784.54	**7,883.56**
Capital expenditure	-	-	32.28	**32.28**
Depreciation and amortisation	2.61	-	34.67	**37.28**
Other non-cash expenditure	11.39	70.43	-	**81.82**

* includes Mobile handset business discontinued during the year

42.3 For the year ended March 31, 2018

(Rs. in Million)

Reportable Segments	IT Products	Mobile Distribution*	Unallocated	Total
Revenue				
External sales	13,075.88	28,745.29	-	41,821.17
Other income	-	-	20.86	20.86
Total revenue	**13,075.88**	**28,745.29**	**20.86**	**41,842.03**
Result				
Profit/(loss) before interest and tax	407.66	(477.34)	(6.80)	(76.48)
Interest expense	-	-	352.36	352.36
Profit/(loss) before tax	**407.66**	**(477.34)**	**(359.16)**	**(428.84)**
Tax expense	16.54	-	132.58	149.12
Profit/(loss) after tax	**391.12**	**(477.34)**	**(491.74)**	**(577.96)**
Other information				
Segment assets	3,875.01	7,190.22	657.76	**11,722.99**
Segment liabilities	2,798.36	2,597.27	6,904.56	**12,300.19**
Capital expenditure	2.26	-	31.80	**34.06**
Depreciation and amortisation	10.98	-	26.91	**37.89**
Other non-cash expenditure	59.27	604.55	-	**663.82**

* 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, 2019.

43 Disclosure under Micro, Small and Medium Enterprises Development Act, 2006

Particulars	March 31, 2019	March 31, 2018
	Rs. in Million	**Rs. in Million**
(i) Principal amount remaining unpaid to MSME suppliers as on	1.68	15.92
(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) he 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.

44 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.

Particulars	Opening Balance as at April 01, 2018	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
Total	**6,850.19**	**(3,254.74)**	**(3.59)**	**3,591.86**

Particulars	Opening Balance as at April 01, 2017	Financial Cash Flows	Non Cash Item	Closing Balance as at March 31, 2018
Working Capital Loan From Banks	3,925.38	2,718.16	-	6,643.54
Buyers Credit	65.53	138.29	2.83	206.65
Total	**3,990.91**	**2,856.45**	**2.83**	**6,850.19**

45 The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

46 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 is making losses from the past three consecutive years, the Group is not required to spend any amount on Corporate Social Responsibility.

47 There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as at March 31, 2019

48 Approval of financial statements

The financial statements were approved for issue by the Board of Directors on August 06, 2019

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

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

Sd/-
Stijn Piet N Nijs
Director
(DIN: 08383887)

Sd/-
Luciano Ferreira
Chief Financial Officer

Sd/-
Neeraj Manchanda
Company Secretary
(M. No. ACS 20060)

Brightstar™

Brightstar Telecommunications India Limited
(Erstwhile Beetel Teletech Limited)

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