BEETEL

# ANNUAL REPORT 2020-21

## CONTANTS

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

Mr. Devendra Khanna (DIN: 01996768)
Mr. Sanjeev Chhabra (DIN: 08174113)
Mr. Sanjay Dua (DIN: 00008381)
Ms. Neha Sharma (DIN: 02647445)

## OTHER KEY MANAGERIAL PERSONNEL

Mr. Ankur Agrawal, Chief Financial Officer
Mr. Neeraj Manchanda,Company Secretary

## STATUTORY AUDITORS

Deloitte Haskins & Sells LLP
Gurugram

## COST AUDITORS

K.G. Goyal & Associates
Jaipur

## SECRETARIAL AUDITORS

Saurabh Jain & Associates
Delhi

## BANKERS

HDFC Bank Limited
Axis Bank Limited
Kotak Mahindra Bank Limited
Citi Bank N.A

## REGISTERED OFFICE

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

## WEBSITE

www.beetel.in

## REGISTRAR & TRANSFER AGENT

MCS Share Transfer Agent Limited
Delhi

## QUERIES/ASSISTANCE

MCS Share Transfer Agent Limited,
F-65, Ist Floor,
Okhla Industrial Area, Phase-I,
New Delhi -1100 20.
Ph: +91 11 4140 6149
Fax: +91 11 4170 9881

**Secretarial Department**
Beetel Teletech Limited
(Erstwhile Brightstar Telecommunications India Limited)
First Floor, Plot No.16,
Udyog Vihar, Phase-IV,
Gurugram-122015 (Haryana)
Ph.: +91 124 4823500
Fax: +91 124 4146130

# NOTICE

Notice is hereby given that the Twenty Second (22nd) Annual General Meeting of the members of Beetel Teletech Limited, erstwhile Brightstar Telecommunications India Limited (hereinafter to be referred as the "Company") will be held on 23rd September, 2021 at 3:30 P.M. (IST) through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"), to transact the following businesses:

## ORDINARY BUSINESS:

1. **To receive, consider and adopt the audited standalone and consolidated financial statements of the Company for the financial year ended March 31, 2021 together with the reports of the Auditors and Board of Directors thereon**

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

   "**RESOLVED THAT** the audited standalone and consolidated financial statements of the Company for the financial year ended March 31, 2021, together with the reports of the Auditors and Board of Directors thereon be and are hereby received, considered and adopted."

2. **To appoint director in place of Mr. Devendra Khanna (DIN: - 01996768), who retires by rotation and being eligible, offers himself for re-appointment**

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

   **"RESOLVED THAT** Mr. Devendra Khanna (DIN: 01996768), Director of the Company, who is liable to retire by rotation and being eligible for re-appointment, be and is hereby re-appointed as Director of the Company, liable to retire by rotation."

**SPECIAL BUSINESS:**

3. **To appoint Mr. Sanjay Dua (DIN - 00008381) as Non-executive Independent Director of the Company for a period 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, 150, 152, 160 and any other applicable provisions of the Companies Act, 2013 ("Act") and Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act, as amended from time to time, Mr. Sanjay Dua (DIN - 00008381), who was appointed as an Additional Non-executive Independent Director of the Company with effect from 30th December 2020 and in respect of whom the Company has received a notice in writing proposing his candidature for the office of Independent Director pursuant to Section 160 of the Companies Act, 2013 and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and whose appointment as an Independent Director is recommended by the Nomination and Remuneration Committee and the Board of Directors of the Company, be and is hereby appointed as an Independent Director of the Company for a period of five years with effect from 30th December 2020 and the term shall not be subject to retirement by rotation."

4. **To appoint Ms. Neha Sharma (DIN - 02647445) as Non-executive Independent Director of the Company for a period of 5 years**

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

   "**RESOLVED THAT** pursuant to the provisions of Section 149, 150, 152, 160 and any other applicable provisions of the Companies Act, 2013 ("Act") and Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act, as amended from time to time, Ms. Neha Sharma (DIN - 02647445), who was appointed as an Additional Non-executive Independent Director of the Company with effect from 30th December 2020 and in respect of whom the Company has received a notice in writing proposing her candidature for the office of independent director pursuant to Section 160 of the Companies Act, 2013 and who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and whose appointment as an Independent Director is recommended by the Nomination and Remuneration Committee and the Board of Directors of the Company be and is hereby appointed as an Independent Director of the Company for a period of five years with effect from 30th December 2020 and the term shall not be subject to retirement by rotation."

5. **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 2021-22, be paid a remuneration of Rs. 33000/- (Rupees Thirty-Three Thousand Only) per annum, exclusive of taxes and out of pocket expenses incurred, if any as approved by the Board of directors and the Audit Committee"

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

For and on behalf of the Board of Directors
**Beetel Teletech Limited**

Sd/-
Date: 19th August 2021 **Neeraj Manchanda**
Place: Gurugram (Company Secretary)

**NOTES:**

1. In view of the outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs ("MCA") Circular No. 20/2020 dated May 05, 2020 followed by Circular No. 02/2021 dated January 13, 2021 ("MCA Circulars"), Annual General Meeting (AGM) is allowed to be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members may attend and participate in the ensuing AGM through VC/OAVM. The deemed venue for the AGM shall be the Registered Office of the Company situated at 1st Floor, Plot No. 16, Udyog Vihar, Phase-IV, Gurugram, Haryana - 122015.

2. Pursuant to MCA Circulars, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, pursuant to the provisions of Sections 112 and 113 of the Companies Act, 2013 the Body Corporates and others eligible to appoint authorised representatives are still entitled to appoint authorised representatives to attend the AGM through VC/ OAVM and participate thereat and cast their votes through e-voting.

3. Since the AGM is being held through VC, physical attendance of the Members has been dispensed with. Accordingly, the facility for appointment of proxies by Members is not available, as provided in the MCA Circulars and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

4. The Members may join the AGM in the VC/OAVM mode which will remain open for participation 15 minutes before the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

5. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

6. An explanatory statement pursuant to Section 102 of the Companies Act, 2013 is annexed hereto.

7. Members are requested to intimate immediately any change in their address, including e mail addresses to the Company.

8. Since the AGM will be held through VC/ OAVM, the route map of the venue of the Meeting is not annexed hereto.

9. The recorded transcript of this meeting, shall as soon as possible, be made available on the website of the Company.

10. Institutional shareholders are encouraged to attend and vote at the AGM.

11. 22nd Annual General Meeting has been convened through VC or OAVM in Compliance with applicable provisions of the Companies Act, 2013 read with MCA Circulars.

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

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

13. In compliance with the aforesaid MCA Circulars, Notice of the AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2020-21 will also be available on the Company's website www.beetel.in and on the website of NSDL https://www.evoting.nsdl.com.

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

15. Please note that updation/ registration of email addresses on the basis of the above scanned documents will be only for the purpose of sending the notice of 22nd AGM and Annual Report 2020-21 and thereafter shall be disabled from the records of the RTA immediately after the 22nd AGM. The Member(s) will therefore be required to send the email ID updation request along with hard copies of the aforesaid documents to RTA for actual registration in the records to receive all the future communications including Annual Reports, Notices, Circulars, etc. from the Company electronically.

"Members who still hold share certificates in physical form are advised to dematerialise their shareholding to avail the benefits of dematerialisation, which include easy liquidity, since trading is permitted in dematerialised form only, electronic transfer, savings in stamp duty and elimination of any possibility of loss of documents and bad deliveries."

**PROCESS TO PROCURE USER ID & PASSWORD FOR E-VOTING/ REMOTE E-VOTING & JOINING OF AGM FOR THOSE SHAREHOLDERS WHOSE EMAIL IDS ARE NOT REGISTERED:**

16. (a) The shareholders whose email ids are not registered with the depositories / company can procure user id and password and register the email ids for e-voting/ remote e-voting on the resolutions set out in this notice and also joining the AGM. In case shares are held in physical mode shareholders are requested to provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), self-attested scanned copy of PAN and AADHAR by email to admin@mcsregistrars.com and/ or legal.secretarial@beetel.in. In case shares are held in demat mode, shareholders are requested to provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, self attested copy of PAN & AADHAR to admin@mcsregistrars.com; and/ or legal.secretarial@beetel.in. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.

    (b) Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.

    (c) Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

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

17. As the AGM is being conducted through VC / OAVM, for smooth conduct of proceedings of the AGM, Members are encouraged to express their views / send their queries in advance mentioning their name, demat account no. / folio no., email id, mobile no. at legal.secretarial@beetel.in. Questions/ queries received by the Company by 21st September, 2021 till 5:00 P.M. shall be considered and responded during AGM.

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

**PROCEDURE FOR REMOTE E-VOTING:**

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

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

21. The e-voting period commences on 20th September 2021 (9:00 am) and ends on 22nd September 2021 (5:00 pm). During this period shareholders of the Company, may cast their vote electronically. The e-voting module shall also be disabled for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

22. The voting rights of members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date of 16th September 2021. 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. 16th September 2021, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. In addition, the facility for voting through electronic voting system shall also be made available during the AGM. Members attending the AGM who have not cast their votes by remote e-voting shall be eligible to cast their votes through e-voting during the AGM. In case of voting by both the modes, vote cast through remote e-voting will be considered final and e-voting at AGM will not be considered. Members who have voted through remote e-voting shall be eligible to attend the AGM, however, they shall not be eligible to vote at the meeting. Members holding shares in physical form are requested to access the remote e-voting facility provided by the Company through NSDL e-voting system at https://www.evoting.nsdl.com/.

23. **Procedure to vote electronically using NSDL e-Voting system**

    The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

**Step 1: Access to NSDL e-Voting system**

**A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

| Type of shareholders | Login Method |
|---|---|
| Individual Shareholders holding securities in demat mode with NSDL. | 1. Existing **IDeAS** user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "**Beneficial Owner**" icon under "**Login**" which is available under '**IDeAS**' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "**Access to e-Voting**" under e-Voting services and you will be able to see e-Voting page. Click on company name or **e-Voting service provider** i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & e-voting during the meeting.<br>2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp<br>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.<br>4. Shareholders/Members can also download NSDL Mobile App "**NSDL Speede**" facility by scanning the QR code mentioned below for seamless voting experience<br>**NSDL Mobile App is available on**<br>App Store Google Play |
| Individual Shareholders holding securities in demat mode with CDSL | 1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi.<br>2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of **e-Voting service provider i.e. NSDL**. Click on **NSDL** to cast your vote. |

| | |
|---|---|
| | 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration<br>4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress. |
| Individual Shareholders (holding securities in demat mode) login through their depository participants | You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/ CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL:

| Login type | Helpdesk details |
|---|---|
| Individual Shareholders holding securities in demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30. |
| Individual Shareholders holding securities in demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 or 022-23058542-43. |

**B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**<u>Procedure to Log-in to NSDL e-Voting website</u>**

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

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

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

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

iv) Your User ID details are given below :

| Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical | Your User ID is: |
|---|---|
| a) For Members who hold shares in demat account with NSDL. | 8 Character DP ID followed by 8 Digit Client ID<br>For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******. |
| b) For Members who hold shares in demat account with CDSL. | 16 Digit Beneficiary ID<br>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<br>For example if folio number is 001*** and EVEN is 117172 then user ID is 117172 001*** |

v) Password details for shareholders other than Individual shareholders are given below:

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

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

c) How to retrieve your 'initial password'?

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

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

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

a) Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL 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 demat account number/folio number, your PAN, your name and your registered address.

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

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

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

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

**Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

i) After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.

ii) Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".

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

iv) 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.

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

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

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

24. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to Sanjaygrover7@gmail.com with a copy marked to evoting@nsdl.co.in; and legal.secretarial@beetel.in. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

25. The Board of Directors has appointed Mr. Devesh Kumar Vasisht (FCS-8488; C.P. No. 13700), Partner, of M/s. Sanjay Grover & Associates, Company Secretaries, and failing him, Ms. Priyanka, (FCS-10898, C.P. NO.: 16187) Partner, of M/s. Sanjay Grover & Associates, Company Secretaries has been appointed as the Scrutinizer to scrutinize the entire e-voting process in a fair and transparent manner.

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

27. Login id and password can be used by members exclusively for e-voting/remote e-voting on the resolutions and joining of General Meeting of the Companies in which members are the shareholders. It is strongly recommended to the members not to share their password with any other person and take utmost care to keep it confidential.

28. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-1020-990 or 1800 22 44 30 or send a request to at

evoting@nsdl.co.in or contact Ms. Pallavi Mhatre, Manager or Ms. Soni Singh, Asst. Manager, National Securities Depository Limited, Trade World, 'A' Wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013, at the designated email id – pallavid@nsdl.co.in or SoniS@nsdl.co.in or at telephone nos.:- +91 22 24994545, +91 22 24994559.

**INSTRUCTIONS FOR JOINING THE AGM THROUGH VC / OAVM:**

29. Members will be provided with a facility to attend the AGM through VC / OAVM through the NSDL e-voting system. Members may access the AGM by following the steps mentioned in Step 1 of Note No. 23 "Access to NSDL e-Voting system". After successful login, you can see link of "VC/OAVM link" placed under "**Join General Meeting**" menu against the company name. You are requested to click on "VC/OAVM link" placed under Join General Meeting menu. The link for VC / OAVM will be available in Shareholder/Members login where the EVEN of Company will be displayed. Please note that the Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the notice to avoid last minute rush.
30. Members are encouraged to join the meeting through Laptops for better experience.
31. Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
32. Please note that participants connecting from Mobile devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio / Video loss due to fluctuations in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches

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

33. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
34. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
35. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
36. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

**PROCEDURE FOR INSPECTION OF DOCUMENTS:**

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

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

**ITEM NO. 3:**

**To appoint Mr. Sanjay Dua (DIN - 00008381) as Non-executive Independent Director of the Company for a period of 5 years**

The Board of Directors of the Company ('the Board') appointed Mr. Sanjay Dua as an Additional Non-Executive Independent Director of the Company with effect from 30th December 2020 for a period of 5 years.

In terms of Section 161 of the Companies Act, 2013 ('the Act'), Mr. Dua will hold office up to the ensuing Annual General Meeting of the Company. The Board of Directors and Nomination and Remuneration Committee in their meeting held on 19th August 2021, have also recommended the appointment of Mr. Dua to shareholders as Non-executive Independent Director, not liable to retire by rotation, for a period of 5 years with effect from 30th December 2020.

In the opinion of Nomination & Remuneration Committee and the Board of Directors, Mr. Dua fulfills the conditions specified under Companies Act, 2013 for his appointment as a Non-executive Independent Director of the Company.

A copy of the draft letter of appointment of Mr. Sanjay Dua setting out the terms and conditions is available for inspection in the electronic mode.

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

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

Except Mr. Dua being appointed as Non – executive Independent Director himself, none of the director or Key managerial personnel or their relatives have any personal interest in the item.

<u>Additional information in respect of Mr. Sanjay Dua, pursuant to the statutory requirements including Secretarial Standard-2, is given below:</u>

Mr. Sanjay Dua, aged 47 years, was appointed as a Non-executive Independent Director of the Company with effect from

30th December 2020. He is having immense knowledge and wide experience of more than two decades in the field of finance, management, corporate laws which will help the Company for its growth prospects.

Mr. Sanjay Dua has completed his Bachelors in Commerce (Hons) from Rajasthan University.

Mr. Dua does not hold directorship in any company / body corporates, however he holds the position of designated partner in the following Limited Liability Partnerships:

1. Dua Corpadvisors LLP
2. Sitrans Control LLP

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

Mr. Dua attended all Board Meetings of the Company held after his appointment as a Non-executive Independent Director during the FY 2020-2021.

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

The Board recommends this Resolution for your approval.

**ITEM NO. 4:**

**To appoint Ms. Neha Sharma (DIN - 02647445) as Non-executive Independent Director of the Company for a period of 5 years**

The Board of Directors of the Company ('the Board') appointed Ms. Neha Sharma as an Additional Non-Executive Independent Director of the Company with effect from 30th December 2020 for a period of 5 years.

In terms of Section 161 of the Companies Act, 2013 ('the Act'), Ms. Sharma will hold office up to the ensuing Annual General Meeting of the Company. The Board of Directors and Nomination & Remuneration Committee at their meeting held on 19th August 2021, have also recommended the appointment of Ms. Sharma to shareholders as a Non-Executive Independent Director, not liable to retire by rotation, for a period of 5 years with effect from 30th December 2020.

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

A copy of the draft letter of appointment of Ms. Neha Sharma setting out the terms and conditions is available for inspection in the electronic mode.

In terms of Section 160 of the Companies Act 2013, the Company has received a notice proposing her candidature as Non-executive Independent Director. The Company has also received consent to act as Non-executive Independent Director from Ms. Sharma along with other disclosures and declaration of independence.

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

Except Ms. Sharma being appointed as Independent director herself, none of the director or Key managerial personnel or their relatives have any personal interest in the item.

<u>Additional information in respect of Ms. Neha Sharma, pursuant to the statutory requirements including Secretarial Standard-2, is given below</u>:

Ms. Neha Sharma, aged 38 years, was appointed as a Non-executive Independent Director of the Company with effect from 30th December 2020. She is having over 13 years of immense knowledge and wide experience of leading HR in High Growth, Strategic Development as well as Transformation contexts.

Ms. Neha Sharma has completed her MA Industrial Relations and Personnel Management from University of Warwick (2006), UK. She is also a certified Hogan Personality Assessor from ThreeFish Consulting (2018) and a Hay Job Evaluator from Aon Hewitt Consulting.

Ms. Sharma is holding directorship in the following entities/ body corporates:

1. Harshil Estates Pvt. Limited
2. Talawali Palms Pvt. Limited
3. Telesonic Networks Limited
4. Bharti Airtel Services Limited
5. Bharti Realty Limited
6. Mehrauli Realty and Consultants Limited
7. Airtel Digital Limited (formerly known as Wynk Limited)
8. Bharti Hexacom Limited
9. Nettle Infrastructure Investments Limited
10. Bharti Assist Global Private Limited
11. Bharti Real Estates Limited

Ms. Sharma is holding committee membership/chairmanship in following other public companies :

| Name of the Company(ies) | Name of Committee | Status |
|---|---|---|
| Bharti Hexacom Limited | Committee of directors | Chairperson |
| | CSR Committee | |

Ms. Sharma attended 01 Board Meeting of the Company out of 03 Board Meetings held after her appointment as a Non-executive Independent Director during the FY 2020-2021.

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

The Board recommends this Resolution for your approval.

**ITEM NO. 5:**

**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 2021-22 at a remuneration of Rs. 33,000/- (Rupees Thirty Three Thousand only) per annum, exclusive of taxes and all out of pocket expenses incurred, if any, in connection with the cost audit.

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

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

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

**ANNEXURE TO ITEM 2**

Details of Directors seeking appointment and re-appointment at the forthcoming Annual General Meeting [Pursuant to Secretarial Standard 2 on General Meetings]

| | |
|---|---|
| Name of the Director | Mr. Devendra Khanna |
| Age | 61 years |
| Qualification | Member of Institute of Chartered Accountants of India (ICAI) |
| Experience | 34 years |
| Date of first appointment | 26th December 2019 |
| Shareholding in the Company | Nil |
| Relationship with other Directors, Manager and other Key Managerial Personnel of the company | None |
| Number of Meetings of the Board attended during the year | 05 |
| Other Directorships, Membership/ Chairmanship of Committees of other boards | Directorship in companies/ body corporates:<br>1. Bharti Telecom Limited<br>2. Gourmet Investment Private Limited<br>3. Centum Learning Limited<br>4. Bharti Telemedia Limited<br>5. Bharti (SBM) Holdings Private Limited<br>6. Satya Bharti Foundation<br>7. Bharti Enterprises (Holding) Private Limited<br>8. Nettle Infrastructure Investments Limited<br>9. Centum Workskills India Limited<br>10. Bharti Hexacom Limited<br>11. Bharti Airtel International (Mauritius) Limited<br>12. Bharti Airtel (Hong Kong) Limited<br>13. Bharti Airtel (USA) Limited<br>**Committee membership /chairmanship in companies:**<br>**1. Bharti Haxacom Limited**<br>• Audit Committee – Chairman<br>• Corporate Social Responsibility Committee – Member<br>**2. Bharti Telemedia Limited**<br>• Corporate Social Responsibility Committee – Chairman |

| | |
|---|---|
| | **3. Bharti Telecom Limited**<br>• Stakeholders Relationship Committee - Member<br>• Asset Liability Committee – Member<br>• Risk Management Committee – Member<br>• Corporate Social Responsibility Committee – Member<br>• BTL Committee of Directors – Member<br>**4. Centum Learning Limited**<br>• Audit Committee - Chairman<br>• Nomination & Remuneration Committee - Chairman<br>• Corporate Social Responsibility Committee – Chairman<br>**5. Bharti Enterprises (Holding) Private Limited**<br>• Corporate Social Responsibility Committee – Member |

For and on behalf of the Board of Directors
**Beetel Teletech Limited**

Sd/-
**Neeraj Manchanda**
(Company Secretary)

Date: 19th August 2021
Place: Gurugram

# BOARD'S REPORT

To

The Members,
**Beetel Teletech Limited**
**(Formerly known as Brightstar Telecommunications India Limited)**

Your directors are pleased to present the 22nd Board's Report of your Company together with the Audited Financial Statement and Auditors' Report thereon for the financial year ended on 31st March 2021.

**FINANCIAL HIGHLIGHTS** **(INR in Mn)**

| Particulars | Standalone | | Consolidated | |
|---|---|---|---|---|
| | Year Ended 31st March 2021 | Year Ended 31st March 2020 | Year Ended 31st March 2021 | Year Ended 31st March 2020 |
| Net Sales / Other Operating Revenue | 7,820.77 | 12,697.74 | 8,260.77 | 14,004.19 |
| Total Expenditure before Depreciation, Finance Costs & Exceptional Item (Net of expenditure transferred to capital accounts) | 7,793.47 | 12,447.67 | 8,229.43 | 13,661.76 |
| Add: Dividend and other Income | 34.84 | 232.71 | 10.97 | 48.74 |
| Less: Finance Costs | 246.30 | 308.01 | 246.31 | 308.04 |
| Profit/(Loss) before Depreciation, Exceptional Items and Tax | (184.16) | 174.77 | (204.00) | 83.13 |
| Less: Depreciation and Amortization Expense | 49.41 | 64.12 | 49.41 | 64.12 |
| Profit/(Loss) before Exceptional Items and Tax | (233.57) | 110.65 | (253.41) | 19.01 |
| Less: Exceptional Item Expense/(Income) | 27.48 | - | 27.48 | - |
| Profit/(Loss) before Tax | (261.05) | 110.65 | (280.89) | 19.01 |
| Less: Current Tax and deferred tax | - | - | (3.08) | 7.36 |
| Profit/(Loss) for the year | (261.05) | 110.65 | (277.81) | 11.65 |
| Other comprehensive income | (10.74) | 18.03 | (16.68) | 39.96 |
| Remeasurements of the defined benefit plans (net of tax) | (10.74) | 18.03 | (10.74) | 18.03 |
| Exchange difference on translation | - | - | (5.94) | 21.93 |
| Total comprehensive Income/(loss) for the year | (271.79) | 128.68 | (294.49) | 51.61 |
| Surplus / (deficit) brought forward | (1054.44) | (1176.75) | (1210.39) | (1255.63) |
| Transferred from General Reserve to Retained earning | - | - | - | - |
| Adjustment in Opening reserve for adoption of new "IND AS" | - | (6.37) | - | (6.37) |
| Amount available for appropriation which the Directors recommend should be appropriated as follows: | (1326.23) | (1,054.44) | (1504.88) | (1210.39) |
| (a) Interim Equity Dividend | - | - | - | - |
| (b) Proposed Equity Dividend | - | - | - | - |
| (c) Corporate Dividend Tax | - | - | - | - |
| (d) Transfer to General Reserve | - | - | - | - |
| (e) Surplus/(deficit) carried forward | (1326.23) | (1,054.44) | (1504.88) | (1,210.39) |

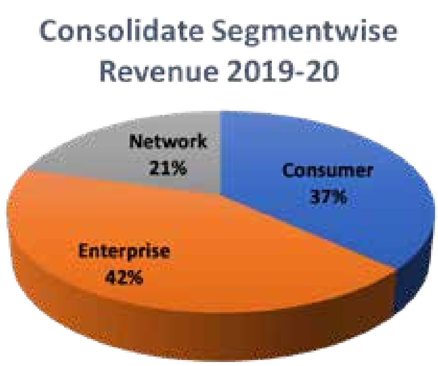
**CHANGE IN NAME OF THE COMPANY**

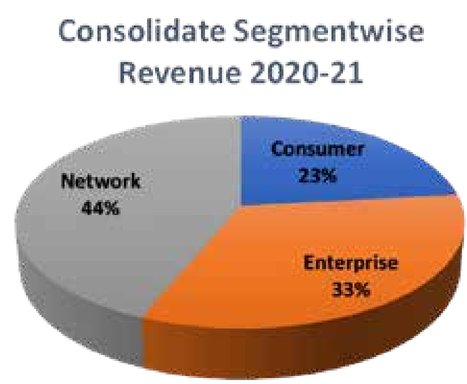
With the exit of Brightstar Logistics Pte. Ltd./ Brightstar group from the Company, the name of Company has been changed from "Brightstar Telecommunications India Limited" to "Beetel Teletech Limited", w.e.f. February 16, 2021, and fresh certificate of incorporation pursuant to change of name has been issued by Registrar of Companies, Ministry of Corporate Affairs, Government of India.

**STATE OF COMPANY'S AFFAIRS AND FUTURE OUTLOOK**

Your company has recorded an overall revenue of INR 8260.77 million during the FY 2020-21, on consolidated basis. In the last FY 2019-20, the overall revenue recorded by the company was INR 14,004.19 million on consolidated basis.

The contribution of different business segments in total revenue in financial year 2019-20 and 2020-2021 are shown below:




During the year under review, your Company has launched new 'Made in India' brand – "FLiX" in consumer accessories and despite of launch in COVID-19 times, FLiX has shown good response from consumers and performed well on online platforms as well as conventional marketplace. Your Company has also collaborated with reputed global brands such as Philips, Celly, Radware, Skylo, Headspin and Black Box for distribution of products and shall continue to explore more brands in this segment.

**CHANGE IN NATURE OF BUSINESS, IF ANY**

During the period under review, there was 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 SHARE CAPITAL, IF ANY**

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

**TRANSFER TO RESERVES**

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

**INFORMATION ABOUT SUBSIDIARY/ JOINT VENTURE/ ASSOCIATE COMPANY**

Below is the detail of wholly owned subsidiary of Beetel Teletech 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 | Beetel Teletech Singapore Private Limited (Formerly known as Brightstar Telecommunications Singapore Private Limited) | Subsidiary | 21/12/2011 | Not Applicable |

With respect to your Company's wholly owned subsidiary (Beetel Teletech Singapore Private Limited), it is pertinent to note that during the financial year 2020-21, total turnover of subsidiary company was INR 644.92 Mn against INR 1651.85 Mn in the financial year 2019-20.

Except the above, there is no other subsidiary company or associate company or joint venture of Beetel Teletech Limited.

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

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

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

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

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

**MATERIAL CHANGES AND COMMITMENTS**

There were no material changes and commitments affecting the financial position of the Company, which have occurred between the end of the financial year 2020-21 and the date of the Board's report.

COVID-19 pandemic has impacted and continues to impact the business operations in many countries due to lockdown, travel bans, quarantines and other emergency measures resulting in disruption of business operations due to impact on macro-economic conditions globally.

**ANNUAL RETURN**

In terms of section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, Annual return of the Company in the prescribed format is available at https://www.beetel.in/investor-relations/.

**DIRECTORS AND KMP**

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

| Nature of Change | Name | Designation | Date of appointment | Date of cessation* | Mode of Cessation |
|---|---|---|---|---|---|
| Cessation | Mr. Stijn Piet N Nijs | Director | 13.05.2019 | 09.07.2020 | Resignation |
| Cessation | Mr. Luciano Barreto Ferreira | Chief Financial Officer | 22.10.2018 | 07.08.2020 | Resignation |
| Cessation | Ms. Uma Ajay Relan | Director | 06.08.2019 | 04.12.2020 | Resignation |
| Appointment & Cessation | Mr. Gerard Patrick O'Keeffe | Director & Chairman | 31.07.2020 | 30.12.2020 | Resignation |
| Cessation | Mr. Rajesh Madan | Director | 31.03.2015 | 30.12.2020 | Resignation |
| Appointment | Mr. Ankur Agrawal | Chief Financial Officer | 08.08.2020 | NA | NA |
| Appointment | Mr. Sanjay Dua | Director | 30.12.2020 | NA | NA |
| Appointment | Ms. Neha Sharma | Director | 30.12.2020 | NA | NA |

*Close of business hours.

The Board of Directors of your Company has appointed Mr. Sanjay Dua and Ms. Neha Sharma as Non-Executive Additional Independent Director of the Company for a period of 5 years with effect from 30th December 2020, who shall hold office up to the date of the ensuing annual general meeting, unless appointed by shareholders in the ensuing annual general meeting. In the opinion of the Board, proposed Independent Directors are persons of integrity and possesses relevant industrial expertise and experience.

Separate notices u/s 160 of the Companies Act, 2013, proposing candidature of Mr. Sanjay Dua and Ms. Neha Sharma for the office of Non-Executive Independent directors have been received by the Company. Mr. Sanjay Dua and Ms. Neha Sharma have also provided their consent to act as Independent director of the Company along with other disclosures. The Board of Directors of your Company in their meeting held on $19^{th}$ August 2021 has recommended to the shareholders the appointment of Mr. Sanjay Dua and Ms. Neha Sharma as Independent directors of the Company for a period of 5 years w.e.f. $30^{th}$ December 2020, who shall not be liable to retire by rotation.

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

**MEETINGS OF BOARD OF DIRECTORS/BOARD COMMITTEES**

During the financial year under review, the Company held 05 meetings of the board of directors as per Section 173 of Companies Act, 2013. The provisions of Companies Act, 2013 read with rules made/ circulars issued thereunder were adhered to while considering the time gap between two meetings

| S.No. | Date of Meeting | Name of the Director who attended the meeting | Name of the director(s) to whom the leave of absence was granted |
|---|---|---|---|
| 1. | 07.08.2020 | 1. Mr. Gerard Patrick O'Keeffe*<br>2. Mr. Sanjeev Chhabra<br>3. Mr. Devendra Khanna<br>4. Mr. Rajesh Madan*<br>5. Ms. Uma Ajay Relan** | Nil |
| 2. | 04.12.2020 | 1. Mr. Gerard Patrick O'Keeffe*<br>2. Mr. Sanjeev Chhabra<br>3. Mr. Devendra Khanna<br>4. Mr. Rajesh Madan*<br>5. Ms. Uma Ajay Relan** | Nil |
| 3. | 31.12.2020 | 1. Mr. Devendra Khanna<br>2. Mr. Sanjeev Chhabra<br>3. Mr. Sanjay Dua#<br>4. Ms. Neha Sharma# | Nil |
| 4. | 05.01.2021 | 1. Mr. Devendra Khanna<br>2. Mr. Sanjeev Chhabra<br>3. Mr. Sanjay Dua# | Ms. Neha Sharma# |
| 5. | 07.01.2021 | 1. Mr. Devendra Khanna<br>2. Mr. Sanjeev Chhabra<br>3. Mr. Sanjay Dua# | Ms. Neha Sharma# |

* Resigned w.e.f. $30^{th}$ December 2020.

**Resigned w.e.f. $4^{th}$ December 2020.

#Appointed w.e.f. $30^{th}$ December 2020.

During the financial year under review, 02 meetings of Audit Committee were held, details of which are as follows:

| S.No. | Date of Meeting | Name of committee member(s) | Name of committee member(s) to whom leave of absence was granted |
|---|---|---|---|
| 1. | 07.08.2020 | 1. Mr. Sanjeev Chhabra<br>2. Ms. Uma Ajay Relan*<br>3. Mr. Rajesh Madan**<br>4. Mr. Devendra Khanna (Regular invitee) | Nil |
| 2. | 04.12.2020 | 1. Mr. Sanjeev Chhabra<br>2. Ms. Uma Ajay Relan*<br>3. Mr. Rajesh Madan**<br>4. Mr. Devendra Khanna (Regular invitee) | Nil |

*Resigned w.e.f. 4th December 2020.

**Resigned w.e.f. 30th December 2020.

During the financial year under review, following committee meetings were held, details of which are as follows:

| S.No. | Name of Committee | Date of Meeting | Name of committee member(s) who were present | Name of committee member(s) to whom leave of absence was granted |
|---|---|---|---|---|
| 1. | Nomination & Remuneration Committee | 07.08.2020 | 1. Mr. Gerard Patrick O'Keeffe#<br>2. Ms. Uma Ajay Relan*<br>3. Mr. Rajesh Madan# | Mr. Devendra Khanna |
| 2. | Corporate Social Responsibility Committee | 07.08.2020 | 1. Mr. Rajesh Madan#<br>2. Ms. Uma Ajay Relan*<br>3. Mr. Sanjeev Chhabra | Mr. Devendra Khanna |

*Resigned w.e.f. 4th December 2020.

#Resigned w.e.f. 30th December 2020.

During the financial year under review, no meeting of Stakeholders Relationship Committee was held.

**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(ca) 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 have been appointed as the Statutory Auditors of the Company for a period of five years from the conclusion of 21st Annual General Meeting until the conclusion of 26th Annual General Meeting at such remuneration as may be fixed by the Audit Committee and/ or Board of Directors of the Company.

There are no qualifications made in the Auditors' report for the FY 2020-21 issued by Statutory Auditor. Financial Statements have been prepared on going concern basis and point regarding this is self-explanatory in auditors' report.

**LOANS, GUARANTEES AND INVESTMENTS**

During the financial year ended on 31st March 2021, 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**

During the FY 2020-21, the Company has entered into the contracts/arrangements/ transactions with the related parties as defined under Section 188 of the Companies Act, 2013. All these transactions were carried out by the Company in the ordinary course of its business and on arm's length basis. Further all necessary details of the related party transactions are annexed herewith in AOC-2 as **Annexure-2** for your kind information.

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

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO**

**(A) Conservation of Energy**

Your Company considers latest 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.

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 continued 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, Consumer Accessories etc. based on the requirements of end users and telecom companies. Your Company is having constant endeavor to improve efficiency, and productivity levels in cost effective manner, especially for the manufacturing facility.

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.

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

(INR in Mn)

| S.No. | Details | 31-Mar-2021 | 31-Mar-2020 |
|---|---|---|---|
| 1. | Capital | - | - |
| 2. | Recurring | 0.19 | 0.20 |
| 3. | Total | 0.19 | 0.20 |
| 4. | Total R & D expenditure as a percentage of total turnover | 0.0025% | 0.0016% |

**(C) Foreign Exchange Earning and Outgo**

(INR in Mn)

| S.No. | Details | 31-Mar-2021 | 31-Mar-2020 |
|---|---|---|---|
| 1. | The Foreign Exchange earned in terms of actual inflows during the year | 633.97 | 880.06 |
| 2. | The Foreign Exchange outgo during the year in terms of actual outflows | 3254.58 | 4481.81 |

**RISK MANAGEMENT**

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

**DEPOSITS**

The Company has not accepted any deposits during the financial year.

**CORPORATE SOCIAL RESPONSIBILITY (CSR)**

As per Section 135 of the Companies Act, 2013 the Company has constituted a Corporate Social Responsibility Committee.

The composition of CSR Committee is as follows –

| S.No. | Name of committee member(s) | Category of the member(s) |
|---|---|---|
| 1. | Mr. Sanjeev Chhabra | Executive Non-Independent Director |
| 2. | Ms. Neha Sharma* | Non-executive Independent Director |
| 3. | Mr. Sanjay Dua* | Non-executive Independent Director |
| 4. | Mr. Rajesh Madan (Till 30th December 2020) | Non-executive Independent Director |
| 5. | Ms. Uma Ajay Relan (Till 4th December 2020) | Non-executive Independent Director |

* Member w.e.f. 7th January 2021.

An Annual Report on Corporate Social Responsibility Activities for the financial year ended on 31st March, 2021 is annexed herewith as **Annexure–3** 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.

**INDEPENDENT DIRECTORS AND DECLARATION**

During the period under review, Ms. Uma Ajay Relan, Mr. Rajesh Madan, Mr. Sanjay Dua and Ms. Neha Sharma were the Independent Directors of the Company as per Section 149(10) of the Companies Act, 2013. Ms. Uma Ajay Relan and Mr. Rajesh Madan resigned as Independent Directors from the Board of Directors of the Company w.e.f. closing business hours of 4th December 2020 and 30th December 2020, respectively. Mr. Sanjay Dua and Ms. Neha Sharma have been appointed as Additional Independent Directors on the Board of Directors of the Company w.e.f. 30th December 2020.

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

**NOMINATION AND REMUNERATION COMMITTEE**

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

| S.No. | Name of committee member(s) | Category of the member(s) |
|---|---|---|
| 1. | Ms. Neha Sharma* | Non-Executive Independent Director |
| 2. | Mr. Sanjay Dua* | Non-Executive Independent Director |
| 3. | Mr. Devendra Khanna | Non-Executive Non-Independent Director |
| 4. | Mr. Sanjeev Chhabra# | Regular Invitee (Executive Non-Independent Director) |
| 5. | Mr. Gerard Patrick O' Keeffe (Till 30th December 2020) | Non-Executive Non-Independent Director |
| 6. | Mr. Rajesh Madan (Till 30th December 2020) | Non-Executive Independent Director |
| 7. | Ms. Uma Ajay Relan (Till 4th December 2020) | Non-Executive Independent Director |

*Member w.e.f. 7th January 2021.
#w.e.f. 7th January 2021

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 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 attending Board/Committee meeting, as may be decided by Board of Directors from time to time.

**STAKEHOLDERS RELATIONSHIP COMMITTEE**

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

| S.No. | Name of committee member(s) | Category of the member(s) |
|---|---|---|
| 1. | Mr. Sanjeev Chhabra | Executive Non-Independent Director |
| 2. | Ms. Neha Sharma* | Non-Executive Independent Director |
| 3. | Mr. Sanjay Dua* | Non-Executive Independent Director |
| 4. | Mr. Devendra Khanna (Till 7th January 2021) | Non-Executive Non-Independent Director |
| 5. | Mr. Gerard Patrick O' Keeffe (Till 30th December 2020) | Non-Executive Non-Independent Director |

*Member w.e.f. 7th January 2021.

**AUDIT COMMITTEE**

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

| S.No. | Name of committee member(s) | Position held in the Committee | Category of the member(s) |
|---|---|---|---|
| 1. | Mr. Sanjeev Chhabra | Member | Executive Non- Independent Director |
| 2. | Mr. Sanjay Dua* | Member | Non-Executive Independent Director |
| 3. | Ms. Neha Sharma* | Member | Non-Executive Independent Director |
| 4. | Mr. Devendra Khanna | Regular Invitee | Non-Executive Non-Independent Director |
| 5. | Mr. Uma Ajay Relan (Till 4th December 2020) | Member | Non-Executive Independent Director |
| 6. | Mr. Rajesh Madan (Till 30th December 2020) | Member | Non-Executive Independent Director |

*Member w.e.f. 7th January 2021.

**SECRETARIAL AUDIT REPORT**

The Secretarial Audit Report as provided by Mr. Saurabh Jain, practicing company secretary C/o. M/s. Saurabh Jain & Associates, company secretaries, for the financial year ended, 31st March 2021 is enclosed as **Annexure–4** for your kind perusal and information.

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

M/s. Saurabh Jain & Associates, company secretaries, has been appointed as Secretarial Auditors of the Company to conduct secretarial audit for financial year 2021-22.

**COST AUDIT**

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

M/s. K.G. Goyal & Associates has conducted the cost audit of cost records maintained by the Company for the financial year 2020-21. There are no qualifications or adverse remarks in the cost audit report which require any clarification/ explanations.

M/s. K.G. Goyal & Associates, Cost Accountants has been appointed as cost auditors of the Company to conduct cost audit for financial year 2021-22 subject to ratification of their remuneration by the Shareholders in the ensuing 22nd Annual General Meeting.

**SECRETARIAL STANDARDS OF THE INSTITUTE OF COMPANIES SECRETARIES OF INDIA**

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

**HEARING AND RESOLVING CONCERNS AND ISSUES**

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

The Company received no complaint under the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act 2013 during the FY 2020-21.

## 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's Code of Conduct 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 contact details of Ombudsperson with necessary guidance have been provided in the Group's Code of Conduct.

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

## STATUTORY DISCLOSURES

During the FY 2020-21 :

a. No application was made or any proceeding was pending under the Insolvency and Bankruptcy Code, 2016.

b. No settlements have been done with banks or financial institutions.

c. 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. Your Company is following all these policies and procedures in true spirit and essence.

## 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
**Beetel Teletech Limited**

| | |
|---|---|
| Sd/- | Sd/- |
| **Devendra Khanna** | **Sanjeev Chhabra** |
| Chairman | Managing Director & CEO |
| (DIN : 01996768) | (DIN : 08174113) |
| Place : Delhi, India | Place : Gurugram, India |

Date : 19th August 2021

**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: Beetel Teletech Singapore Private Limited (Formerly known as Brightstar Telecommunications Singapore Private Limited)
3. The date since when subsidiary was acquired: 21/12/2011.
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, 2020 to 31st March, 2021.
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 73.1150 for balance sheet items and 1 USD = INR 74.2341 used for profit and loss items.

| | | |
|---|---|---|
| 6. | Share capital | INR 73.12 |
| 7. | Reserves and surplus | INR 18,22,09,074.47 |
| 8. | Total assets | INR 46,42,84,363.63 |
| 9. | Total Liabilities | INR 28,20,75,216.04 |
| 10. | Investments | Nil |
| 11. | Turnover | INR 64,49,18,290.49 |
| 12. | Profit/(Loss) before taxation | INR (2,02,01,487.04) |
| 13. | Provision for taxation | INR (30,85,676.03) |
| 14. | Profit/(Loss) after taxation | INR (1,71,15,811.01) |
| 15. | Proposed Dividend | NA |

16. Extent of shareholding (in percentage):100% owned by Beetel Teletech Limited (Formerly known as 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.

BEETEL

## Part B Associates and Joint Ventures

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

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

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

For and on behalf of the Board of Directors
**Beetel Teletech Limited**

Sd/-
**Devendra Khanna**
Chairman
(DIN : 01996768)
Place : Delhi, India

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

Sd/-
**Ankur Agrawal**
Chief Financial Officer
Place: Gurugram, India

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

Date : 19th August 2021

**Annexure - 2**

## FORM NO. AOC - 2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto**

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

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

2. **Details of material contracts or arrangement or transactions at arm's length basis** (INR in Mn)

| S.No.. | Name(s) of the related party and nature of relationship | Nature of contracts/ arrangements/ transactions | Duration of the contracts/ arrangements/ transactions | Value of contract or arrangements and other terms, if any: | Date(s) of approval by the Audit Committee, if any: | Amount paid as advances, if any: |
|---|---|---|---|---|---|---|
| 1. | Beetel Teletech Singapore Private Limited (Formerly known as Brightstar Telecommunications Singapore Pvt. Ltd.) | Management fees | FY 2020-21 | 45.10 | 13.02.2020<br>07.08.2020<br>24.12.2020 | - |
| | | Share of common expenses, Purchase of goods, Credit Insurance charges, Transfer of Backend pass thru rebate | FY 2020-21 | 777.45 | | |
| 2. | Brightstar Logistics Pty Ltd. AU | Management fees | FY 2020-21 | 4.73 | 13.02.2020 | - |
| 3. | Brightstar Corp. | Harman GPF global allocation Administrative and Legal expenses | FY 2020-21 | 2.13 | 13.02.2020<br>07.08.2020 | - |
| 4. | Brightstar 2020 UK Ltd. | Management fee | FY 2020-21 | 21.09 | 13.02.2020 | - |

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

For and on behalf of the Board of Directors
**Beetel Teletech Limited**

Sd/-
**Devendra Khanna**
Chairman
(DIN : 01996768)
Place : Delhi, India

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

Date : 19th August 2021

**Annexure -3**

## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY PURSUANT TO RULE 8 OF COMPANIES (CORPORATE SOCIAL RESPONSIBILITY POLICY) RULES, 2014

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

2. The Composition of the CSR Committee:

| S.No. | Name of director | Designation/ Nature of Directorship | Number of meetings of CSR Committee held during the year - 01 |
|---|---|---|---|
| | | | **Attendance in CSR Committee meeting held on 07th August 2020** |
| 1. | Sanjeev Chhabra | Managing Director, Member | ✓ |
| 2. | Uma Relan (Till 4th December 2020) | Independent Director, Member | ✓ |
| 3. | Rajesh Madan (Till 30th December 2020) | Independent Director, Member | ✓ |
| 4. | Neha Sharma (with effect from 7th January 2021) | Independent Director, Member | NA |
| 5. | Sanjay Dua (with effect from 7th January 2021) | Independent Director, Member | NA |

Members of the Committee are authorised to elect Chairman of the Committee, amongst themselves, in terms of the provisions of the Companies Act, 2013.

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company. : https://www.beetel.in/investor-relations/

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report) : Not applicable for financial year 2020-21

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

| S.No. | Financial Year | Amount available for set-off from preceding financial years (in Rs. Lakhs) | Amount required to be setoff for the financial year, if any (in Rs. Lakhs) |
|---|---|---|---|
| NIL | | | |

6 Average net profit of the Company as per Section 135(5) – Rs. (32,12,96,072)

7 (a) Two percent of average net profit of the company as per section 135(5) – Rs. (64,25,921.44)

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years – Nil

(c) Amount required to be set off for the financial year, if any – Nil

(d) Total CSR obligation for the financial year (7a + 7b + 7c) – Nil

8 (a) CSR amount spent or unspent for the financial year:

| Total Amount Spent for the Financial Year (in Rs. Crore) | Amount Unspent (in Rs. Crore) | | | | |
|---|---|---|---|---|---|
| | Total Amount transferred to Unspent CSR Account as per section 135 (6) | | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5) | | |
| | Amount (in Rs.) | Date of transfer | Name of Fund | Amount | Date of transfer |
| Nil | | | | | |

(b) Details of CSR amount spent against ongoing projects for the financial year:

| (1) | (2) | (3) | (4) | (5) | | (6) | (7) | (8) | (9) | (10) | (11) | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| S. No. | Name of the Project | Item from the list of activities in Schedule VII to the Act | Local area (Yes/No) | Location of the project | | Project duration | Amount allocated for the project (in Rs.) | Amount spent in the current financial Year (in Rs.) | Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.) | Mode of Implementa tion - Direct (Yes/No) | Mode of Implementation - Through Implementing Agency | |
| | | | | State | District | | | | | | Name | CSR Registration number |
| Nil | | | | | | | | | | | | |

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

| (1) | (2) | (3) | (4) | (5) | | (6) | (7) | (8) | |
|---|---|---|---|---|---|---|---|---|---|
| S. No. | Name of the Project | Item from the list of activities in Schedule VII to the Act | Local area (Yes/No) | Location of the project | | Amount spent for The project (in Rs.) | Mode of Implementation - Direct (Yes/No) | Mode of Implementation - Through Implementing Agency | |
| | | | | State | District | | | Name | CSR Registration number |
| Nil | | | | | | | | | |

(d) Amount spent in Administrative Overheads - Nil

(e) Amount spent on Impact Assessment, if applicable - Nil

(f) Total amount spent for Financial Year (8b+8c+8d+8e) - Nil

(g) Excess amount for set off, if any

| S.No. | Particular | Amount (in Rs. Lakhs) |
|---|---|---|
| i. | Two percent of average net profit of the company as per section 135(5) | (64.26) |
| ii. | Total amount spent for the Financial Year | Nil |
| iii. | Excess amount spent for the financial year [(ii)-(i)] | Nil |
| iv. | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | Nil |
| v. | Amount available for set off in succeeding financial years [(iii)-(iv)] | Nil |

9 (a) Details of Unspent CSR amount for the preceding three financial years:

| S.No. | Preceding Financial Year | Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.) | Amount spent in the reporting Financial Year (in Rs.) | Amount transferred to any fund specified under Schedule VII as per section 135(6), if any | | | Amount remaining to be spent in succeeding financial years (in Rs.) |
|---|---|---|---|---|---|---|---|
| | | | | Name of the Fund | Amount (in Rs) | Date of transfer | |
| Not applicable | | | | | | | |

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
|---|---|---|---|---|---|---|---|---|
| S. No. | Project ID | Name of the Project | Financial Year in which the project was commenced | Project duration | Total amount allocated for the project (in Rs.) | Amount spent on the project in the reporting Financial Year (in Rs.) | Cumulative amount spent at the end of reporting Financial Year. (in Rs.) | Status of the project - Completed /Ongoing |
| Not applicable | | | | | | | | |

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset - wise details)

| | |
|---|---|
| (a) Date of creation or acquisition of the capital asset(s). | Nil |
| (b) Amount of CSR spent for creation or acquisition of capital asset. | Nil |
| (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. | Nil |
| (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). | Nil |

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): Not applicable.

For and on behalf of the Board of Directors
**Beetel Teletech Limited**

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

Sd/-
**Neha Sharma**
Chairman, CSR Committee
(DIN: 02647445)

Place : Gurugram, India
Date : 19th August, 2021

**Annexure-4**

## Form No. MR-3

## SECRETARIAL AUDIT REPORT

**FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2021**

**[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,
Beetel Teletech Limited (Erstwhile Brightstar Telecommunications India 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, Beetel Teletech Limited (erstwhile Brightstar Telecommunications India 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, 2021 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, 2021, 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, Air (Prevention And Control Of Pollution) Act, 1981 Extended Producer Responsibility (EPR)- Authorization under E-waste (Management) Rules, 2016.

c. **Financial Laws** such as Income Tax Act, 1961, Goods and Service Tax Act, 2017, 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 05 (Four) times on 07th August 2020, 04th December 2020, 31st December 2020, 05th January 2021 and 07th January 2021 during the year. The committee meeting details are as follows:-

a. Audit Committee met 02 (Two) times on 07th August 2020 and 04th December 2020 during the year;

b. Nomination and Remuneration Committee duly met 01 (One) time on 07th August 2020 during the year;

c. Corporate Social Responsibility committee met 01 (One) time on 07th August 2020 during the year.

IV. That the Annual General Meeting for the financial year ended on 31st March 2020 was held on 25th September 2020;

V. That the Extra Ordinary General Meeting was held on 05th February 2021 (Change in name of the company from Brightstar Telecommunications India Limited to Beetel Teletech Limited);

VI. That Mr. Stijn Piet N Nijs ceased from the Directorship of the Company with effect from 09th July 2020;

VII. That Mr. Luciano Barreto Ferreira ceased from the designation of CFO of the Company with effect from 08th August 2020 i.e. to serve till 07th August 2020;

VIII. That Mr. Ankur Agarwal was appointed as CFO of the Company with effect from 08th August 2020;

IX. That Mr. Devendra Khanna was re-appointed as director in the Annual General Meeting held on 25th September 2020;

X. That Ms. Uma A. Relan ceased from the Directorship of the Company with effect from 04th December 2020;

XI. That Mr. Rajesh Madan was re-appointed as an Independent Director of the Company, for a period of 5 years, in the Annual General Meeting held on 25th September 2020 who ceased to be Director with effect from 30th December 2020;

XII. That Mr. Gerard Patrick O'keeffe who was appointed as an Additional Director of the Company with effect from 31st July 2020 and re-appointed as director in the Annual General Meeting held on 25th September 2020, ceased to be director with effect from 30th December 2020;

XIII. That Ms. Neha Sharma was appointed as an Independent Director (Additional Director) of the Company for a period of 5 years with effect from 30th December 2020;

XIV. That Mr. Sanjay Dua was appointed as an Independent Director (Additional Director) of the Company with effect for a period of 5 years from 30th December 2020;

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

XVI. That the Company has taken Reconciliation of Share Capital Audit Report issued by a Practicing Company Secretary with respect to the reconciliation of shares in accordance with Rule 9A of the Companies (Prospectus and Allotment of Securities) Rules 2014 read with applicable provisions of Companies Act 2013 for the period 01st April 2020 to September 2020 and 01st October 2020 to 31st March 2021.

**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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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** there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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

**FOR SAURABH JAIN & ASSOCIATES**
COMPANY SECRETARIES

Sd/-
PROPRIETOR
**SAURABH JAIN**
MEMBERSHIP NO: F9513
C P NO.: 11247
UDIN: F009513C000750385
Date: 07.08.2021
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,**
**Beetel Teletech Limited (Erstwhile Brightstar Telecommunications India Limited)**
**First Floor, Plot No. 16,**
**Udyog Vihar, Phase IV,**
**Gurgaon (HR) - 122015**

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

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

**FOR SAURABH JAIN & ASSOCIATES**
COMPANY SECRETARIES

Sd/-
PROPRIETOR
**SAURABH JAIN**
MEMBERSHIP NO: F9513
C P NO.: 11247
UDIN: F009513C000750385
Date: 07.08.2021
Place: Delhi

# INDEPENDENT AUDITOR'S REPORT

**To The Members of Beetel Teletech Limited (formerly Brightstar Telecommunications India Limited)**

**Report on the Audit of the Standalone Financial Statements**

**Opinion**

We have audited the accompanying standalone financial statements of Beetel Teletech Limited (formerly Brightstar Telecommunications India Limited) ("the Company"), which comprise the Balance Sheet as at 31st March 2021, 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 2021, 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.

**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) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

   In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended in our opinion and to the best of our information and according to the explanations given to us:

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

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

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

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

Sd/-
**Vijay Agarwal**
(Partner)
(Membership No.094468)
UDIN: 21094468AAAAHF5776

Place: Gurugram
Date: August 19, 2021

# ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the internal financial controls over financial reporting of Beetel Teletech Limited (formerly Brightstar Telecommunications India Limited) ("the Company") as of March 31, 2021 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, 2021, 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: 21094468AAAAHF5776

Place: Gurugram
Date: August 19, 2021

# ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

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

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

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

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

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

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

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

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

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

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

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

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

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Goods and Services tax, Income-tax, Customs Duty, cess and other material statutory dues in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.

(c) Details of dues of Sales tax and Customs Duty which have not been deposited as on March 31, 2021 on account of disputes are given below:

| Name of Statute* | Nature of Dues | Forum where Dispute is Pending | Period to which the Amount Relates | Amount Unpaid (Rs. in million) |
|---|---|---|---|---|
| Sales Tax Laws | Sales Tax | Appellate Authority | 2005-06, 2007-08 to 2008-09, 2010-11 to 2015-16 | 36.78 |
| Sales Tax Laws | Sales Tax | Sales Tax Tribunal | 2007-08 to 2012-13 | 1.39 |
| Sales Tax Laws | Sales Tax | High Court | 2005-06 to Dec 2008 | 5.53 |
| Customs Act,1962 | Customs Duty | DGFT | 2008-09 | 27.48 |

*There are no dues of Income-tax and Excise Duty as on March 31, 2021 on account of disputes.

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

(ix) In our opinion and according to the information and explanations given to us, money raised by way of term loans have been applied by the Company during the year for the purposes for which they were raised. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year.

(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: 21094468AAAAHF5776

Place: Gurugram
Date: August 19, 2021

# STANDALONE BALANCE SHEET As At March 31, 2021

(Rs. in Million)

| Particulars | Notes | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| (a) Property, plant and equipment | 4 | 78.76 | 85.87 |
| (b) Capital work-in-progress | | 3.99 | - |
| (c) Right to use assets | 43 | 116.69 | 139.69 |
| (d) Intangible assets | 5 | 25.46 | 25.12 |
| (e) Financial assets | | | |
| (i) Investment in subsidiary | 6 | 360.86 | 360.86 |
| (ii) Loans | 7 | 15.62 | 16.38 |
| (iii) Other financial assets | 8 | - | 6.11 |
| (f) Non-current tax assets (net) | 9 | 6.73 | 92.59 |
| (g) Other non-current assets | 10 | 304.82 | 396.48 |
| **Total non-current assets** | | **912.93** | **1,123.10** |
| **Current assets** | | | |
| (a) Inventories | 11 | 641.05 | 1,682.16 |
| (b) Financial assets | | | |
| (i) Trade receivables | 12 | 1,497.38 | 1,937.87 |
| (ii) Cash and cash equivalents | 13 | 113.75 | 105.08 |
| (iii) Other bank balances | 14 | 22.00 | - |
| (iv) Other financial assets | 8 | 36.36 | 244.97 |
| (c) Current tax assets (net) | 9 | 23.50 | 127.20 |
| (d) Other current assets | 10 | 553.58 | 958.92 |
| **Total current assets** | | **2,887.62** | **5,056.20** |
| **TOTAL ASSETS** | | **3,800.55** | **6,179.30** |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| (a) Equity share capital | 15 | 50.92 | 50.92 |
| (b) Other equity | 16 | (1,318.46) | (1,046.67) |
| **Total equity** | | **(1,267.54)** | **(995.75)** |
| **Liabilities** | | | |
| **Non-current liabilities** | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 19 | 1,015.89 | 584.42 |
| (ii) Lease liability | 43 | 116.20 | 133.78 |
| (b) Provisions | 17 | 68.79 | 67.22 |
| (c) Other non current liabilities | 18 | 337.56 | 382.05 |
| **Total non-current liabilities** | | **1,538.44** | **1,167.47** |
| **Current liabilities** | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 19 | 1,606.16 | 2,993.68 |
| (ii) Trade payables | 20 | | |
| - total outstanding dues of micro enterprises and small enterprises | | 18.70 | 23.09 |
| - total outstanding dues of creditors other than micro enterprises and small enterprises | | 1,309.51 | 2,326.37 |
| (iii) Lease liability | 43 | 17.59 | 14.58 |
| (iv) Other financial liabilities | 21 | 41.24 | 41.69 |
| (b) Provisions | 17 | 46.96 | 43.16 |
| (c) Other current liabilities | 18 | 489.49 | 565.01 |
| **Total current liabilities** | | **3,529.65** | **6,007.58** |
| **Total liabilities** | | **5,068.09** | **7,175.05** |
| **TOTAL EQUITY AND LIABILITIES** | | **3,800.55** | **6,179.30** |

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

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

Sd/-
**Vijay Agarwal**
Partner

Place: Gurugram
Date: August 19, 2021

For and on behalf of Board of Directors of
**Beetel Teletech Limited (formerly Known as Brightstar Telecommunications India Limited)**

Sd/-
**Devendra Khanna**
Chairman
(DIN: 01996768)
Place: Delhi, India

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

Sd/-
**Ankur Agrawal**
Chief Financial Officer
Place: Gurugram, India

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

## STANDALONE STATEMENT OF PROFIT AND LOSS for the year ended March 31, 2021

(Rs. in Million)

| Particulars | | | Notes | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|---|---|---|---|---|
| I | Revenue from operations | | 22 | 7,820.77 | 12,697.74 |
| II | Other income | | 23 | 34.84 | 232.71 |
| III | **Total income (I + II)** | | | **7,855.61** | **12,930.45** |
| IV | **Expenses** | | | | |
| | (a) | Cost of materials consumed | 24 | 268.57 | 293.59 |
| | (b) | Purchases | 25 | 5,505.48 | 11,237.93 |
| | (c) | Changes in inventories of finished goods, work-in-progress and stock-in-trade | 26 | 1,146.36 | (266.80) |
| | (d) | Employee benefits expense | 27 | 499.69 | 603.70 |
| | (e) | Finance costs | 28 | 246.30 | 308.01 |
| | (f) | Depreciation and amortisation expense | 29 | 49.41 | 64.12 |
| | (g) | Other expenses | 30 | 373.37 | 579.25 |
| | (h) | Exceptional & Extraordinary Item(refer note 17.2) | | 27.48 | - |
| | **Total expenses** | | | **8,116.66** | **12,819.80** |
| V | **Profit/(Loss) before tax (III-IV)** | | | **(261.05)** | **110.65** |
| VI | **Tax expense/(credit)** | | | | |
| | (a) | Current tax | 31 | - | |
| | (b) | Deferred tax | 31 | - | |
| | | | | - | - |
| VII | **Profit/(Loss) for the year (V-VI)** | | | **(261.05)** | **110.65** |
| VIII | **Other comprehensive income** | | | | |
| | **Items that will not be reclassified to profit and loss** | | | | |
| | (i) | Remeasurements of the defined benefit plans | | (10.74) | 18.03 |
| | (ii) | Income tax relating to these items | | - | - |
| | | **Net other comprehensive income/(loss) not to be reclassified to profit or loss** | | **(10.74)** | **18.03** |
| IX | **Total comprehensive Income/(loss) for the year (VII+VIII)** | | | **(271.79)** | **128.68** |
| X | **Profit/(Loss) per equity share (face value of share Rs. 10 each)** | | | | |
| | (a) | Basic (in Rs.) | 32 | (51.27) | 21.74 |
| | (b) | Diluted (in Rs.) | 32 | (51.27) | 21.74 |

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

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

Sd/-
**Vijay Agarwal**
Partner

Place: Gurugram
Date: August 19, 2021

For and on behalf of Board of Directors of
**Beetel Teletech Limited (formerly Known as Brightstar Telecommunications India Limited)**

Sd/-
**Devendra Khanna**
Chairman
(DIN: 01996768)
Place: Delhi, India

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

Sd/-
**Ankur Agrawal**
Chief Financial Officer
Place: Gurugram, India

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

## STANDALONE STATEMENT OF CHANGES IN EQUITY for the year ended March 31, 2021

| **Equity share capital (Equity shares of Rs. 10 each issued, subscribed & fully paid up)** | **Numbers** | **(Rs. in Million)** |
|---|---|---|
| **Balance as at April 01, 2019** | **5,091,607** | **50.92** |
| Changes in equity share capital during the year | - | - |
| **Balance as at March 31, 2020** | **5,091,607** | **50.92** |
| Changes in equity share capital during the year | - | - |
| **Balance as at March 31, 2021** | **5,091,607** | **50.92** |

(Rs. in Million)

| **Other equity** | **Reserves and surplus** | | | **Total** |
|---|---|---|---|---|
| | **Capital Reserve (Refer Note 16.1)** | **Securities premium (Refer Note 16.2)** | **Retained earnings (Refer Note 16.3)** | |
| **Balance as at April 01, 2019** | **2.50** | **5.27** | **(1,176.75)** | **(1,168.98)** |
| Effect of adoption of Ind AS 116 (Net of deferred tax Rs. Nil) | | | (6.37) | (6.37) |
| Profit/(Loss) for the year | - | - | 110.65 | 110.65 |
| Other comprehensive Income/(loss) for the year arising from defined benefit obligation (net of income taxes) | - | - | 18.03 | 18.03 |
| **Total movement for the year** | **-** | **-** | **122.31** | **122.31** |
| **Balance as at March 31, 2020** | **2.50** | **5.27** | **(1,054.44)** | **(1,046.67)** |
| Profit/(Loss) for the year | - | - | (261.05) | (261.05) |
| Other comprehensive income/ (loss) for the year arising from defined benefit obligation(net of income taxes) | - | - | (10.74) | (10.74) |
| **Total movement for the year** | **-** | **-** | **(271.79)** | **(271.79)** |
| **Balance as at March 31, 2021** | **2.50** | **5.27** | **(1,326.23)** | **(1,318.46)** |

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

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

Sd/-
**Vijay Agarwal**
Partner

Place: Gurugram
Date: August 19, 2021

For and on behalf of Board of Directors of
**Beetel Teletech Limited (formerly Known as Brightstar Telecommunications India Limited)**

Sd/-
**Devendra Khanna**
Chairman
(DIN: 01996768)
Place: Delhi, India

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

Sd/-
**Ankur Agrawal**
Chief Financial Officer
Place: Gurugram, India

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

## STANDALONE CASH FLOW STATEMENT for the year ended March 31, 2021

(Rs. in Million)

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|---|---|
| **CASH FLOW FROM OPERATING ACTIVITIES** | | |
| Profit/(Loss) for the year after tax | **(261.05)** | **110.65** |
| **Adjustments for :** | | |
| Finance cost | 246.30 | 308.01 |
| Interest income | (7.53) | (42.22) |
| Dividend Income | - | (144.99) |
| Loss on disposal of property, plant and equipment | - | (0.03) |
| Software impairment | - | 1.94 |
| Unrealised exchange loss/(gain) (net) | (22.29) | 19.90 |
| Depreciation and amortisation expense | 49.41 | 64.12 |
| Provision for doubtful debts | 59.26 | (61.46) |
| Bad debts/amounts written off | 0.46 | 8.84 |
| Liabilities/provisions no longer required written back | (3.41) | (3.94) |
| Allowances for obsolete/slow moving stock | (74.94) | 12.72 |
| **OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES** | **(13.79)** | **273.54** |
| **Movements in working capital:** | | |
| (Increase)/decrease in trade receivables | 381.52 | 506.33 |
| (Increase)/decrease in inventories | 1,116.05 | (249.55) |
| (Increase)/decrease in loans | 1.69 | (1.09) |
| (Increase)/decrease in other financial assets | 208.85 | (97.80) |
| (Increase)/decrease in other assets | 497.96 | 456.56 |
| Increase/(decrease) in trade payables | (1,016.78) | (382.68) |
| Increase/(decrease) in provisions | (5.37) | (201.60) |
| Increase/(decrease) in other financial liabilities | 10.05 | (48.78) |
| Increase/(decrease) in other liabilities | (120.01) | 72.62 |
| **CASH GENERATED FROM OPERATING ACTIVITIES** | **1,060.17** | **327.55** |
| Income taxes paid | 189.56 | (46.20) |
| **NET CASH INFLOW FROM OPERATING ACTIVITIES** | **1,249.73** | **281.35** |
| **CASH FLOW FROM INVESTING ACTIVITIES** | | |
| Proceeds from disposal of property, plant and equipment | 0.13 | 0.05 |
| Payments for property, plant and equipment | (9.81) | (5.28) |
| Payments for intangible assets | (14.91) | (11.74) |
| (Deposit)/Proceeds from deposits with Bank | (15.89) | 3.50 |
| Dividend Income | - | 144.99 |
| Repayments for bank balance not considered as cash and cash equivalents | - | 2.53 |
| Interest received | 6.36 | 42.21 |
| **NET CASH INFLOW FROM INVESTING ACTIVITIES** | **(34.12)** | **176.26** |
| **CASH FLOW FROM FINANCING ACTIVITIES** | | |
| Proceeds/(repayment) of borrowings (Refer Note 45) | (935.57) | (45.32) |
| Repayment of lease liability (Refer Note 43) | (30.06) | (29.69) |
| Interest paid (refer note 45) | (241.31) | (278.20) |
| **NET CASH OUTFLOW FINANCING ACTIVITIES** | **(1,206.94)** | **(353.21)** |
| **NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS** | **8.67** | **104.40** |
| **Cash and cash equivalents at the beginning of the year** | **105.08** | **0.68** |
| **Cash and cash equivalents at the end of the year** | **113.75** | **105.08** |
| **Components of cash and cash equivalents** | | |
| Cash in hand | 0.04 | 0.05 |
| **Balance with scheduled banks: In current accounts** | 113.71 | 105.03 |
| **Total cash and cash equivalents as per note 13** | 113.75 | 105.08 |
| **Cash and cash equivalents at the end of the year** | **113.75** | **105.08** |

**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.**

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

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

Sd/-
**Vijay Agarwal**
Partner

Place: Gurugram
Date: August 19, 2021

For and on behalf of Board of Directors of
**Beetel Teletech Limited (formerly Known as Brightstar Telecommunications India Limited)**

Sd/-
**Devendra Khanna**
Chairman
(DIN: 01996768)
Place: Delhi, India

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

Sd/-
**Ankur Agrawal**
Chief Financial Officer
Place: Gurugram, India

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

## NOTES FORMING PART OF STANDALONE IND AS FINANCIAL STATEMENTS for the year ended March 31, 2021

1. **Corporate information**

   Beetel Teletech Limited ('the Company') was incorporated in India on March 30, 1999. The Company has changed its name from Brightstar Telecommunications India Limited to Beetel Teletech Limited with effect from February 16, 2021. The Company is a leading provider of premium enterprise, networking, and lifestyle solutions, in the information, communication, and technology domains for customers across all industry verticals. Company holds a commendable market share in telecom and allied products. The Company also have own line of products, including landlines and IoT solutions, under iconic brand, Beetel.

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

2. **Significant accounting policies**

   **2.1 Statement of compliance**

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

   **2.2 Basis of preparation and presentation**

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

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

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

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

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

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

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

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

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

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

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

   **2.3 Basis of measurement**

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

**2.4 Current versus non-current classification**

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

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

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

b) It is held primarily for the purpose of trading

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

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

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

**2.5 Revenue recognition**

**2.5.1. Sale of goods**

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

**2.5.2 Rendering of services**

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

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

**2.5.3 Dividend and interest income**

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

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

**2.6 Leasing**

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

<u>Company as a lessee</u>

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

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

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

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

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

Company as a lessor

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

**2.7 Foreign currencies**

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

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

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

**2.8 Employee benefits**

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

**2.8.1 Defined benefit plans**

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

**2.8.2 Defined contribution plans**

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

**2.8.3 Short-term and other long-term employee benefits**

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

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

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

**2.9 Taxation**

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

**2.9.1 Current tax**

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

**2.9.2 Deferred tax**

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

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

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

**2.9.3 Current and deferred tax for the year**

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

**2.10 Property, plant and equipment**

Property, plant and equipment (PPE) are carried at cost less accumulated depreciation and impairment losses, if any. The cost of PPE comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use.

Upon transition to IND AS, the Company has elected to measure all of its property, plant and equipment on fair value as of transition date as calculated under Ind AS and used that fair value as the deemed cost of the property, plant and equipment as on transition date.

**Capital work-in-progress:**

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

**Depreciation:**

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

Estimated useful lives of the assets are as follows:

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

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

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

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

**Intangible assets**

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

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

**2.11 Impairment**

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

**2.12 Inventories**

**Raw materials, stores and spare parts**

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

**Work-in-progress and finished goods**

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

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

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

**2.13 Provisions**

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

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

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

Warranty provisions

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

**2.14 Financial instruments**

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

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

**2.15 Financial assets**

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

**2.15.1 Classification of financial assets**

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

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

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

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

All other financial assets are subsequently measured at fair value.

**2.15.2 Effective interest method**

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

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

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

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

### 2.15.4 Derecognition of financial assets

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

### 2.15.5 Impairment of financial assets

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

## 2.16 Financial Liabilities and Equity Instruments

### 2.16.1 Equity instruments

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

### 2.16.2 Financial liabilities

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

#### 2.16.2.1 Financial Liabilities at fair value through profit or loss

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

A financial liability is classified as held for trading if:

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

#### 2.16.2.2 Financial liabilities subsequently measured at amortised cost

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

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

#### 2.16.2.3 Derecognition of financial liabilities

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

**2.16.2.4 Financial guarantee contract**

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

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

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

**2.16.2.5 Derivatives contract**

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

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

**2.17 Contingent Liabilities**

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

**2.18 Cash and cash equivalents**

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

**2.18.1 Cash Flow Statement**

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

**2.19 Segment reporting**

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

**2.20 Earnings per share**

**2.20.1 Basic earnings per share**

Basic earnings per share is calculated by dividing:

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

**2.20.2 Diluted earnings per share**

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

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

### 2.21 Factoring Agreements

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

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

### 2.22 Material events

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

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

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

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

### 2.23 Use of estimates

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

### 2.24 Recent accounting pronouncement issued but not yet effective up to the date of issuance of financial statements

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021.

The company is evaluating the effect of the amendments on its 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

COVID-19 pandemic has impacted and continues to impact the business operations due to lockdown, travel bans, quarantines and other emergency measures resulting in disruption of business operations. With respect to the operations of the Company, management believes that it has taken into account all the possible impact of known events arising from COVID- 19 pandemic in the preparation of these financial statements. Further, in evaluating the impact of COVID-19 on its ability to continue as a going concern and the possible impact on its financial position, the Company has made an assessment of its liquidity position for next one year and assessed the impact of macro-economic conditions on its business in light of the future business projections.

Further, during the year, Company has a total comprehensive loss of Rs.271.79 million (Previous year comprehensive income of Rs.128.68 million) and has an accumulated losses of Rs.1,326.23 million as at March 31, 2021 (Previous year Rs.1,054.44 million), resulting in erosion of its net worth as on that date. Additionally, the Company's current liabilities exceeds its current assets by Rs.642.03 million (Previous year Rs.945.27 million).

Company's ability to continue as a going concern is essentially dependent on its future business and funding plans, generation of cash flows from its operations and continued financial support and negotiation with bankers and shareholders of the Company as and when required. Considering above, the financial statements have been prepared on 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.

### 3.2.6 Leases

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

**4. Property, plant and equipment** (Rs. in Million)

| Description | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Carrying amounts of:** | | |
| 1 Freehold land | 44.71 | 44.71 |
| 2 Leasehold improvement | - | - |
| 3 Building | 20.88 | 23.49 |
| 4 Plant and machinery | 6.72 | 7.69 |
| 5 Furniture and fixture | 0.44 | 0.60 |
| 6 Computer and networking | 6.01 | 9.38 |
| **Total** | **78.76** | **85.87** |

**Current Year** (Rs. in Million)

| | Description | Gross carrying value | | | | Accumulated depreciation | | | | Carrying amount | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | As at April 1, 2020 | Additions during the year | Disposal/ adjustment | As at March 31, 2021 | As at April 1, 2020 | Depreciation during the year | Disposal/ adjustment | As at March 31, 2021 | As at March 31, 2021 | As at March 31, 2020 |
| 1 | Freehold land | 44.71 | | | 44.71 | - | - | | - | 44.71 | 44.71 |
| 2 | Buildings | 36.54 | | | 36.54 | 13.05 | 2.61 | | 15.66 | 20.88 | 23.49 |
| 3 | Leasehold improvement | 11.34 | | | 11.34 | 11.34 | - | | 11.34 | - | - |
| 4 | Plant and equipment | 74.72 | 1.99 | 0.37 | 76.34 | 67.03 | 2.86 | 0.27 | 69.62 | 6.72 | 7.69 |
| 5 | Furniture and fixtures | 3.49 | | - | 3.49 | 2.89 | 0.16 | - | 3.05 | 0.44 | 0.60 |
| 6 | Computer and networking | 37.05 | 2.87 | 0.73 | 39.19 | 27.67 | 6.21 | 0.70 | 33.18 | 6.01 | 9.38 |
| | **Total** | **207.85** | **4.86** | **1.10** | **211.61** | **121.98** | **11.84** | **0.97** | **132.85** | **78.76** | **85.87** |

**Previous Year** (Rs. in Million)

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

**Notes:**

1. The fixed assets are hypothecated/mortgaged to secure borrowings of the Company. (Refer Note 19)
2. Title Deeds of immovable properties are in the name of company

## 5. Intangible assets

(Rs. in Million)

| Description | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Carrying amounts of:** | | |
| 1 Computer softwares | 25.46 | 25.12 |
| **Total** | **25.46** | **25.12** |

### Current Year

(Rs. in Million)

| Description | Gross carrying value | | | | Accumulated depreciation | | | | Carrying amount | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at April 1, 2020 | Additions during the year | Disposal/ adjustment | As at March 31, 2021 | As at April 1, 2020 | Depreciation during the year | Disposal/ adjustment | As at March 31, 2021 | As at March 31, 2021 | As at March 31, 2020 |
| 1 Computer softwares | 43.66 | 14.91 | 0.93 | 57.64 | 18.54 | 14.57 | 0.93 | 32.18 | 25.46 | 25.12 |
| **Total** | **43.66** | **14.91** | **0.93** | **57.64** | **18.54** | **14.57** | **0.93** | **32.18** | **25.46** | **25.12** |

### Previous Year

(Rs. in Million)

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

## 6. Investment in subsidiary

(Rs. in Million)

| | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Non-current** | | |
| (a) Investment in equity shares fully paid up (Unquoted) | | |
| 1 (March 31, 2020 - 1) equity share of Beetel Teletech Singapore Private Limited (Formerly known as Brightstar Telecommunications 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 diminution as these are long-term investments and no impairment is considered necessary at this stage.

**7. Loans** (Rs. in Million)

| | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Non-current** | | |
| Security deposits (Unsecured, considered good) | 15.62 | 16.38 |
| Security deposits (Unsecured, considered doubtful) | 0.39 | 0.39 |
| | **16.01** | **16.77** |
| Allowances for credit losses | **(0.39)** | **(0.39)** |
| | **15.62** | **16.38** |

| Movement in allowances for credit losses | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| 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** (Rs. in Million)

| | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Non-Current** | | |
| (a) Balances in earmarked accounts | | |
| -Margin money* | - | 6.11 |
| | **-** | **6.11** |
| **Current** | | |
| (a) Financial assets measured at fair value | | |
| Forward contracts (Refer note 39) | - | 25.41 |
| (b) Interest accrued on bank deposits | 0.32 | 0.08 |
| (c) Receivables from related parties (Refer note 37) | - | 0.10 |
| (d) Vendor Incentive receivables | 35.93 | 194.04 |
| (e) Other receivables | 0.11 | 25.34 |
| | **36.36** | **244.97** |

*Fixed Deposit carrying amount of Rs. Nil (March 31, 2020- Rs. 6.11 million) are hypothecated against the bank guarantee/ Government authority.

**9. Tax Assets** (Rs. in Million)

| | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Non current tax assets** | | |
| Advance income-tax (net of provision of Rs. Nil (March 31, 2020- Nil) | 6.73 | 92.59 |
| | **6.73** | **92.59** |
| **Current tax assets** | | |
| Advance income-tax (net of provision of Rs. Nil (March 31, 2020- Nil) | 23.50 | 127.20 |
| | **23.50** | **127.20** |

**10. Other assets** (Rs. in Million)

| | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Non-current** | | |
| (a) Capital advances (Unsecured, considered good) | 0.96 | - |
| (b) Advances other than capital advances (Unsecured, considered good) | | |
| (i) Balances with government authorities | 61.46 | 100.86 |
| (ii) Deferred contract cost* | 242.40 | 295.62 |
| | **304.82** | **396.48** |
| (c) Advances other than capital advances (Unsecured, considered doubtful) | | |
| (i) Balances with government authorities | 6.00 | 6.00 |
| | **6.00** | **6.00** |
| Allowances for credit losses | (6.00) | (6.00) |
| | **304.82** | **396.48** |
| **Current** | | |
| (a) Advances other than capital advances (Unsecured, considered good) | | |
| (i) Prepaid expenses | 20.19 | 28.91 |
| (ii) Balances with government authorities | 146.08 | 481.79 |
| (iii) Loans/Imprest to employees | 0.05 | 2.16 |
| (iv) Deferred contract cost* | 372.33 | 411.64 |
| (v) Other | 14.93 | 34.42 |
| | **553.58** | **958.92** |

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

**11. Inventories**

**(valued at lower of cost and net realisable value)** (Rs. in Million)

| | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Raw materials** | 73.01 | 42.68 |
| Allowances for obsolete/slow moving stock | (0.44) | (0.15) |
| | **72.57** | **42.53** |
| **Work-in-progress** | **6.12** | **3.84** |
| **Finished goods** | **31.90** | **36.13** |
| Allowances for obsolete/slow moving stock | (0.18) | - |
| | **31.72** | **36.13** |
| **Stock-in-trade** | 548.52 | 1,692.93 |
| Allowances for obsolete/slow moving stock | (18.30) | (93.71) |
| | **530.22** | **1,599.22** |
| **Stores and spares** | 0.45 | 0.47 |
| Allowances for obsolete/slow moving stock | (0.03) | (0.03) |
| | **0.42** | **0.44** |
| | **641.05** | **1,682.16** |

(Rs. in Million)

| | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Included above, goods-in-transit:** | | |
| (i) Raw materials | 19.07 | 10.75 |
| (ii) Stock-in-trade | 55.06 | 139.27 |
| **Total goods-in-transit** | **74.13** | **150.02** |

(i) The cost of inventories recognised as an expense during the year was Rs. 6,920.41 Million (March 31, 2020: Rs. 11,264.72 Million).
(ii) Refer to Note 19 for information on inventories pledged as security by the company
(iii) The method of valuation of inventories has been stated in note 2.12

**12. Trade receivables**

(Rs. in Million)

| | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Current** | | |
| Trade receivables* | | |
| (a) Unsecured, considered good | 1,497.38 | 1,937.87 |
| (b) Unsecured, considered doubtful | 466.12 | 412.88 |
| | **1,963.50** | **2,350.75** |
| Allowance for credit loss | (466.12) | (412.88) |
| | **1,497.38** | **1,937.87** |

| **Movement in allowances for credit loss** | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Balance at the beginning of the year** | 412.88 | 479.91 |
| Utilised during the year | (6.02) | (5.57) |
| Arise/(reversed) of allowances for credit loss | 59.26 | (61.46) |
| **Balance at the end of the year** | **466.12** | **412.88** |

* Includes Rs. 29.67 Million (March 31, 2020- Rs. 32.49Million) secured against bank guarantees issued by customers, Rs. 1,510.42 Million (March 31, 2020- Rs. 1,618.79 Million) secured against credit insurance and Rs. 168.73 Million (March 31, 2020- Rs. 169.86 Million) secured against letter of credit. Insurance against trade receivables, if any, are available only in case there are no dispute with customers.

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

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

**13. Cash and cash equivalents**

(Rs. in Million)

| | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| (i) Cash on hand | 0.04 | 0.05 |
| (ii) Balances with banks: | | |
| (a) In current accounts | 113.71 | 105.03 |
| | **113.75** | **105.08** |

## 14. Other bank balances

(Rs. in Million)

| | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| (a) In earmarked accounts | | |
| - in Fixed Deposit with Banks | 22.00 | - |
| | **22.00** | **-** |

*Fixed Deposit carrying amount of Rs. 22.00 million (March 31, 2020- Nil) are hypothecated against the bank guarantee/ Government authority.

## 15. Equity share capital

(Rs. in Million)

| | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Authorised share capital** | | |
| Equity shares of Rs. 10 each with voting rights | 100.00 | 100.00 |
| March 31, 2021 :- 10,000,000 Shares | | |
| March 31, 2020 :- 10,000,000 Shares | | |
| **Issued, subscribed and fully paid** | | |
| Equity shares of Rs. 10 each with voting rights | 50.92 | 50.92 |
| March 31, 2021 :- 5,091,607 Shares | | |
| March 31, 2020 :- 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 (Rs. in Million) |
|---|---|---|
| **Balance as at March 31, 2019** | 5,091,607 | 50.92 |
| Add:- Issued during the year | - | - |
| **Balance as at March 31, 2020** | 5,091,607 | 50.92 |
| Add:- Issued during the year | - | - |
| **Balance as at March 31, 2021** | **5,091,607** | **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)** | **As at March 31, 2021** | **As at March 31, 2020** |
|---|---|---|
| Brightstar Logistics Pte. Ltd | - | 2,596,720 |
| Eiesha Limited | 2,596,720 | - |
| (Holding has been transferred from Brightstar Logistics Pte. Ltd to Eiesha Limited and Eiesha Limited is now Holding and ultimate holding company) | | |

**15.4 Details of shares held by each shareholder holding more than 5% shares in the company.**

| **Fully paid equity shares of Rs. 10 each** | **As at March 31, 2021** | **As at March 31, 2021** | **As at March 31, 2020** | **As at March 31, 2020** |
|---|---|---|---|---|
| | **Number of shares held** | **% holding of equity shares** | **Number of shares held** | **% holding of equity shares** |
| Brightstar Logistics Pte. Ltd | - | - | 2,596,720 | 51.00% |
| Eiesha Ltd | 2,596,720 | 51.00% | - | - |
| Bharti (RM) Holdings Private Limited | 629,521 | 12.36% | 629,521 | 12.36% |
| Eiesha Bharti Pasricha | 1,007,235 | 19.78% | 1,007,235 | 19.78% |
| Bharti (RBM) Holdings Private Limited | 629,521 | 12.36% | 629,521 | 12.36% |

**16. Other equity** (Rs. in Million)

| | **As at March 31, 2021** | **As at March 31, 2020** |
|---|---|---|
| Capital reserve | 2.50 | 2.50 |
| Securities premium | 5.27 | 5.27 |
| Retained earnings | (1,326.23) | (1,054.44) |
| | **(1,318.46)** | **(1,046.67)** |

**16.1 Capital reserve** (Rs. in Million)

| | **As at March 31, 2021** | **As at March 31, 2020** |
|---|---|---|
| Balance at the beginning of the year | 2.50 | 2.50 |
| Movement during the year | - | - |
| **Balance at the end of the year** | **2.50** | **2.50** |

**16.2 Security Premium** (Rs. in Million)

| | **As at March 31, 2021** | **As at March 31, 2020** |
|---|---|---|
| Balance at the beginning of the year | 5.27 | 5.27 |
| Movement during the year | - | - |
| **Balance at the end of the year** | **5.27** | **5.27** |

**16.3 Retained earnings** (Rs. in Million)

| | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Balance at the beginning of the year | (1,054.44) | (1,176.75) |
| Effect of adoption of new Ind AS (Net of deferred tax Rs. Nil) | - | (6.37) |
| Profit/(Loss) during the year | (261.05) | 110.65 |
| Other comprehensive Income/(loss) arising from defined benefit obligation, net of income taxes | (10.74) | 18.03 |
| **Balance at the end of the year** | **(1,326.23)** | **(1,054.44)** |

**Nature of reserves**

**16.1 Capital reserve**

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

**16.2 Securities premium**

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

**16.3 Retained earnings**

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

**17. Provisions** (Rs. in Million)

| | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Non current provisions** | | |
| **(a) Provision for employee benefits** | | |
| Provision for compensated absences (Refer Note 36) | 27.96 | 21.74 |
| Provision for other long term employee benefits (Refer Note 36) | - | 0.70 |
| | **27.96** | **22.44** |
| **(b) Other provisions** | | |
| Provision for litigations (Refer Note 17.2) | 40.83 | 44.78 |
| | **40.83** | **44.78** |
| | **68.79** | **67.22** |
| **Current provisions** | | |
| **(a) Provision for employee benefits** | | |
| Provision for compensated absences (Refer Note 36) | 1.48 | 3.22 |
| Provision for other long term employee benefits (Refer Note 36) | - | 0.55 |
| | **1.48** | **3.77** |
| **(b) Other provisions** | | |
| Provision for warranties (Refer Note 17.1) | 13.25 | 18.77 |
| Provision for sales return allowance (Refer Note 17.3) | 4.75 | 20.62 |
| Provision for litigations (Refer Note 17.2)* | 27.48 | - |
| | **45.48** | **39.39** |
| | **46.96** | **43.16** |

**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, 2021 represents the amount of the expected cost of meeting such obligations of repair/ replacement. The details are as follows:

(Rs. in Million)

| Reconciliation of balance at the beginning and at the end of the year | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Balance at the beginning of the year | 18.77 | 17.05 |
| Arising during the year | 15.80 | 21.25 |
| Utilized during the year | (17.34) | (3.66) |
| Unused amounts reversed | (3.98) | (15.87) |
| **Balance at the end of the year** | **13.25** | **18.77** |

**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:

(Rs. in Million)

| Reconciliation of balance at the beginning and at the end of the year | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Balance at the beginning of the year | 44.78 | 242.41 |
| Arising/(reversed) during the year* | 27.37 | (197.63) |
| Utilised/recovered during the year | (3.84) | - |
| **Balance at the end of the year** | **68.31** | **44.78** |

*Due to non-fulfilment of export obligation stated in the EPCG license availed in 2008-09, management is of the view that likelihood of liability towards customer duty concession received on import of capital goods is probable, hence provision has been created during the year ended March 31, 2021 for Rs. 27.48 million through Profit & Loss account in exceptional & extraordinary item

**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.

(Rs. in Million)

| Reconciliation of balance at the beginning and at the end of the year | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Balance at the beginning of the year | 20.62 | 38.40 |
| Arise/(reverse) during the year | (15.87) | 12.17 |
| Utilised during the year | - | (29.95) |
| **Balance at the end of the year** | **4.75** | **20.62** |

**18. Other liabilities** (Rs. in Million)

| | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Non Current** | | |
| (a) Deferred contract revenue* | 267.77 | 327.45 |
| (b) Gratuity obligation (Refer Note 36) | 69.79 | 54.60 |
| | **337.56** | **382.05** |
| **Current** | | |
| (a) Advance received from customer | 29.31 | 47.73 |
| (b) Statutory dues | | |
| - taxes payable (other than income taxes) | 40.94 | 48.02 |
| (c) Gratuity obligation (Refer Note 36) | 8.13 | 5.55 |
| (d) Deferred contract revenue* | 411.11 | 463.71 |
| | **489.49** | **565.01** |

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

**19. Borrowings** (Rs. in Million)

| **Current Borrowings** | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Secured** | | |
| a) Cash credit from banks (Refer Note 19.1) | 50.82 | 132.00 |
| b) Working capital demand loan (Refer Note 19.1) | 1,384.96 | 2,520.10 |
| | **1,435.78** | **2,652.10** |
| **Unsecured** | | |
| a) Buyer's credit (Refer Note 19.2) | - | 228.13 |
| b) Other loan (Refer Note 19.5) | 170.38 | 113.45 |
| | **170.38** | **341.58** |
| | **1,606.16** | **2,993.68** |
| **Non-Current Borrowings** | | |
| **Secured** | | |
| a) Working Capital term Loan from banks (Refer note 19.3) | 527.00 | - |
| | **527.00** | **-** |
| **Unsecured** | | |
| a) Loan from Related party (Refer Note 19.4) | 365.58 | 376.95 |
| b) Other loan (Refer Note 19.5) | 123.31 | 207.47 |
| | **488.89** | **584.42** |
| | **1,015.89** | **584.42** |

**Note :**

**19.1 Cash credit and working capital demand loan**

a) The cash credit facility carries interest rate of 8.65% (March 31, 2020: 8.65% to 10.35% p.a) and working capital loan from ANZ Banking Group Ltd is repayable on demand carries interest rate of 6.50% to 8.50% p.a. (March 31, 2020: 7.10% to 8.55% p.a.). The Facility from ANZ Banking Group Ltd was paid in 2020-21

b) The cash credit facility carries interest rate of 9.60% p.a. (March, 31, 2020: 9.60% to 12.00% p.a.) and working capital loan from Kotak Mahindra Bank is repayable on demand carries interest rate of 8.25% to 11.00% p.a. (March 31, 2020 : 8.25% to 12.00% p.a.) and is secured by hypothecation of all existing and future receivable/current assets/movable fixed assets of Company.

c) The cash credit facility carries interest rate of 11.60% p.a. (March 31, 2020 : 11.60% to 12.00%p.a.) and working capital loan from HDFC Bank Ltd is repayable on demand carries interest rate of 11.60% p.a. (March 31, 2020 : 11.00% to 12.00% p.a.) and is secured by hypothecation of stock, book debts and entire fixed assets of Company.

d) Working capital loan from Citi Bank Limited is repayable on demand carries interest rate of 7.60% to 9.00% ( March 31, 2020 : 9.00% p.a) and is secured against hypothecation of current and Fixed assets of Company

e) The cash credit facility carries interest rate of 8.35% p.a. and working capital loan repayable on demand from Axis bank Limited carries interest rate of 8.10% and is secured by hypothecation of stock, book debts and fixed assets of Company.

**19.2 Buyer's credit**

a) Buyer's credit carries interest rate of 2.66% to 2.96% p.a. (March 31, 2020 : 2.66% to 3.74% p.a.) from ANZ Banking Group Ltd. This facility was fully paid in 2020-21.

**19.3 Working Capital Term Loan**

a) Working Capital Term loan from Kotak Mahindra bank Ltd is obtained under emergency credit line scheme(ECLGS) and carries Interest rate of 7.45%, repayable in 48 equated monthly instalments ( after one year moratorium period for principal amount) and secured by Hypothecation of Current and Fixed Assets of company ( 2nd charge).

**19.4 Loan from Related party**

External currency borrowing has been taken for 5 years and carries interest rate of LIBOR+450bps. Loan is novated from Brightstar Logistics Pte Ltd to Eiesha Limited due to change in shareholding as on 30th Dec 2020. The loan is repayable in financial year 2024-25.

**19.5 Other loan**

Unsecured financing arrangement loan from Hewlett Packard Financial Services (India) Private Limited, repayable in 0-3 years and carries interest rate of 10.90%

**20. Trade payables** (Rs. in Million)

| | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Total outstanding dues of micro enterprises and small enterprises (Refer note 44) | 18.70 | 23.09 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises* | 1,309.51 | 2,326.37 |
| | **1,328.21** | **2,349.46** |

*For related party balances, Refer Note 37.

**21. Other financial liabilities** (Rs. in Million)

| | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Current** | | |
| (a) Security deposits received | 0.08 | 0.08 |
| (b) Interest accrued but not due on bank borrowings | 5.36 | 20.14 |
| (c) Payable to Employees | 29.05 | 21.47 |
| (d) Financial liability measured at fair value | | |
| (i) Forward contracts (refer note 39) | 2.47 | - |
| (e) Interest accrued but not due (I/C) (refer note 37) | 4.28 | - |
| | **41.24** | **41.69** |

**22. Revenue from operation** (Rs. in Million)

| | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|---|---|
| (a) Revenue from sale of products | | |
| -Finished goods | 480.61 | 529.60 |
| -Traded goods | 6,389.08 | 11,274.94 |
| (b) Revenue from rendering of services | 948.26 | 888.95 |
| (c) Other operating revenue | | |
| -Sale of scrap | 2.82 | 4.25 |
| | **7,820.77** | **12,697.74** |

**22.1 Disaggregated revenue information**

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

| Segment | Year Ended March 31, 2021 | | | Total |
|---|---|---|---|---|
| | Consumer | Enterprises | Network | |
| India | 1,910.30 | 2,339.17 | 3,550.54 | 7,800.01 |
| Outside India | 11.96 | 8.80 | - | 20.76 |
| **Total Revenue from contracts with customers** | **1,922.26** | **2,347.97** | **3,550.54** | **7,820.77** |

(Rs. in Million)

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

**22.2 Contract Balances** (Rs. in Million)

| **Particulars** | **As at March 31, 2021** | **As at March 31, 2020** |
|---|---|---|
| Trade Receivables | 1,497.38 | 1,937.87 |
| Contract Assets | - | - |
| Contract Liabilities | 29.31 | 47.73 |

Set out below is the amount of revenue recognised from:

(Rs. in Million)

| **Particulars** | **As at March 31, 2021** | **As at March 31, 2020** |
|---|---|---|
| Amounts included in contract liabilities at the beginning of the year | 47.73 | 63.25 |
| Performance obligations satisfied in previous years | - | - |

**22.3 Performance obligations and remaining performance obligations**

The transaction price allocated to the remaining performance obligations are as follows: (Rs. in Million)

| **Particulars** | **As at March 31, 2021** | **As at March 31, 2020** |
|---|---|---|
| Within one year | 411.11 | 463.71 |
| More than one year | 267.77 | 327.45 |

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

**23. Other income** (Rs. in Million)

| | **Year ended March 31, 2021** | **Year ended March 31, 2020** |
|---|---|---|
| **(a) Interest income** | | |
| (i) On bank deposits | 1.42 | 0.42 |
| (ii) On security deposits carried at amortised cost | 0.93 | 0.93 |
| (iii) Others | 5.18 | 41.80 |
| **(b) Other non operating income** | | |
| (i) Liabilities/provisions no longer required written back | 3.41 | 3.94 |
| (ii) Miscellaneous income | 23.90 | 40.63 |
| (iii) Dividend Income | - | 144.99 |
| | **34.84** | **232.71** |

## 24. Cost of materials consumed

(Rs. in Million)

| | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|---|---|
| **Opening stock** | 42.68 | 59.07 |
| Add: Purchases | 298.90 | 277.20 |
| | **341.58** | **336.27** |
| Less: Closing stock | 73.01 | 42.68 |
| **Cost of material consumed** | 268.57 | 293.59 |

## 25. Purchases

(Rs. in Million)

| | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|---|---|
| Purchase of goods/Services | 5,505.48 | 11,237.93 |
| | **5,505.48** | **11,237.93** |

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

(Rs. in Million)

| | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|---|---|
| **Inventories at the end of the year:** | | |
| Finished goods | 31.90 | 36.13 |
| Work-in-progress | 6.12 | 3.84 |
| Stock-in-trade | 548.52 | 1,692.93 |
| | **586.54** | **1,732.90** |
| **Inventories at the beginning of the year:** | | |
| Finished goods | 36.13 | 46.40 |
| Work-in-progress | 3.84 | 8.14 |
| Stock-in-trade | 1,692.93 | 1,411.56 |
| | **1,732.90** | **1,466.10** |
| **Net (increase)/decrease** | **1,146.36** | **(266.80)** |

## 27. Employee benefit expense

(Rs. in Million)

| | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|---|---|
| Salaries and wages | 449.87 | 537.75 |
| Contribution to provident and other funds | 36.47 | 45.73 |
| Staff welfare expenses | 13.35 | 20.22 |
| | **499.69** | **603.70** |

## 28. Finance cost

(Rs. in Million)

| | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|---|---|
| Interest expenses | | |
| - On current borrowings | 211.94 | 283.22 |
| - On borrowings from related party (refer note 37) | 18.87 | 9.40 |
| - On Lease liability (refer note 43) | 15.49 | 15.39 |
| | **246.30** | **308.01** |

**29. Depreciation and amortisation expense** (Rs. in Million)

| | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|---|---|
| Depreciation of property, plant and equipment (Refer note 4) | 11.84 | 19.54 |
| Amortisation of intangible assets (Refer note 5) | 14.57 | 21.51 |
| Amortisation of right of use asset (Refer note 43) | 23.00 | 23.07 |
| | **49.41** | **64.12** |

**30. Other expenses** (Rs. in Million)

| | Year Ended March 31, 2021 | | Year Ended March 31, 2020 | |
|---|---|---|---|---|
| Advertisement and marketing expense | | 12.18 | | 8.40 |
| Bad debts and advances written off | 6.48 | | 14.41 | |
| Less: adjusted against provision for doubtful debts | (6.02) | 0.46 | (5.57) | 8.84 |
| Bank charges | | 10.42 | | 9.41 |
| Charity and donation | | 0.16 | | 0.20 |
| Commission on sales | | 4.08 | | 11.78 |
| Communication expenses | | 6.52 | | 8.25 |
| Consumption of stores and spares | | 2.14 | | 2.23 |
| Electricity and water charges | | 2.06 | | 3.19 |
| Exchange rate difference (net) | | 58.48 | | 77.63 |
| Freight and cartage | | 33.40 | | 84.60 |
| Insurance charges | | 26.38 | | 47.93 |
| Legal and professional expenses# | | 25.30 | | 30.11 |
| Loss on sale of property, plant and equipment (net)/ Software Impairment | | - | | 1.91 |
| Power and fuel | | 9.41 | | 10.70 |
| Printing and stationery | | 0.48 | | 1.02 |
| Allowances for doubtful debt (net)* | | 59.26 | | (61.46) |
| Allowances for obsolete/slow moving stock* | | (74.94) | | 12.72 |
| Recruitment and staff development | | 2.25 | | 9.05 |
| Rates and taxes | | 29.85 | | 4.22 |
| Rent expenses | | 1.44 | | 3.64 |
| Repair and maintenance: | | | | |
| a) Building | | 0.27 | | 0.17 |
| b) Others | | 48.27 | | 58.21 |
| Sales promotion and schemes expenses* | | (18.80) | | 20.89 |
| Security charges | | 4.35 | | 4.39 |
| Service charges | | 114.32 | | 138.82 |
| Travelling and conveyance | | 8.49 | | 46.89 |
| Warranty cost | | 11.82 | | 5.39 |
| Miscellaneous expenses* | | (4.68) | | 30.12 |
| | | **373.37** | | **579.25** |

*Negative amounts indicate reversals/amounts net off written back

**# Payment to Auditor (as included in legal and professional expenses) excluding taxes** (Rs. in Million)

| | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|---|---|
| **As Auditor:** | | |
| Audit fee | 2.63 | 2.63 |
| **In other capacity:** | | |
| Other services (certification and others) | 0.09 | 0.65 |
| Reimbursement of expenses | - | 0.14 |
| | **2.72** | **3.42** |

## 31. Income taxes

(Rs. in Million)

| **Income taxes recognised in Statement of Profit and Loss** | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|---|---|
| **Current tax** | | |
| In respect of the current year | - | - |
| In respect of the previous years | - | - |
| | - | - |
| **Deferred tax** | | |
| In respect of the current year | - | - |
| Adjustments in respect of deferred tax of previous years | - | - |
| | - | - |
| **Total income tax expense recognised in Statement of Profit and Loss** | - | - |

**Reconciliation of tax expense with accounting profit for the year as follows:** (Rs. in Million)

| | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|---|---|
| Profit/ (Loss) before tax | (261.05) | 110.65 |
| Income tax @34.944% (year ended March 31, 2020 @ 34.944%) | (91.22) | 38.67 |
| Adjustments in respect of deferred tax of previous years | - | - |
| **Deferred tax asset not recognised** | 91.22 | (38.67) |
| **Net tax expense recognised in profit and loss** | - | - |

The tax rate used for the years 2020-21 and 2019-20 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, 2021 | Year ended March 31, 2020 |
|---|---|---|
| Nominal value of equity shares (Rs.) | 10 | 10 |
| Profit/(Loss) attributable to equity shareholders for computing basic and dilutive EPS (A) (Rs. million) | (261.05) | 110.65 |
| Weighted average number of equity shares outstanding during the year for computing Basic EPS (B) | 5091607 | 5091607 |
| 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) | 5091607 | 5091607 |
| **Basic earnings per share (A/B) Rs.** | **(51.27)** | **21.74** |
| **Diluted earnings per share (A/C) Rs.** | **(51.27)** | **21.74** |

33. **Deferred tax assets/(liabilities) (net)*** (Rs. in Million)

| | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Deferred tax assets | 112.47 | 115.89 |
| Deferred tax liabilities | (112.47) | (115.89) |
| **Net deferred tax assets** | - | - |

| **Deferred tax relates to the following:** | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Deferred tax liability on account of:** | | |
| Property, plant and equipment, right to use assets and intangible assets | 40.30 | 43.72 |
| Investment in subsidiary | 72.17 | 72.17 |
| | **112.47** | **115.89** |
| **Deferred tax asset on account of:** | | |
| Temporary differences | 112.47 | 115.89 |
| **Net deferred tax assets** | **112.47** | **115.89** |

* 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. 286.09 Million (year ended March 31, 2020: Rs. 579.68 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, 2021 | As at March 31, 2020 |
|---|---|---|
| Sales Tax | 85.68 | 104.06 |
| Excise Duty | - | 3.70 |
| Other | 1.54 | 2.02 |
| **Total** | 87.22 | 109.78 |

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.

Amount assessed as contingent liability includes interest and penalty as demanded by various authorities and interest liability that could claimed by authorities in case of unfavourable orders. Further, show cause notices relating to the Direct and Indirect taxes have neither been acknowledged as claims nor considered as contingent liabilities.

**35. Commitments:**

**Capital commitments** (Rs. in Million)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Estimated amount of contracts remaining to be executed on capital account and not provided for* | 6.35 | 5.62 |
| **Total** | 6.35 | 5.62 |

* As of March 31, 2021, Net of capital advance Rs. 0.96 (March 31, 2020- Nil)

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

**36 Employee benefit plan**

**36.1 Defined contribution plan**

The Company makes provident fund contributions which are defined contribution plans, for qualifying employees. Under the scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs. 20.83 Million (year ended March 31, 2020 Rs. 27.10 Million) for provident fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the scheme.

**36.2 Defined benefit plans and other employee benefits**

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

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

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

**36.3 Description of risk exposures**

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

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

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

| | Valuation as at | | | | | |
|---|---|---|---|---|---|---|
| | **March 31, 2021** | | | **March 31, 2020** | | |
| | **Gratuity** | **Compensated absences** | **Long term service award** | **Gratuity** | **Compensated absences** | **Long term service award** |
| Discount rate(s) | 6.35% | 6.35% | | 6.55% | 6.55% | |
| Expected rate(s) of salary escalation | 8.00% | 8.00% | | 0% for year 2020-21 and 7% thereafter | 0% for year 2020-21 and 7% thereafter | |
| Employee turnover | 0%-15% | 0%-15% | | 0%-15% | 0%-15% | |

**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, 2021** | | | **Year ended March 31, 2020** | | |
|---|---|---|---|---|---|---|
| | **Gratuity** | **Compensated absences** | **Long term service award** | **Gratuity** | **Compensated absences** | **Long term service award** |
| **Service cost*** | | | | | | |
| Current service cost | 8.40 | 3.22 | | 11.03 | 5.22 | |
| Past Service Cost | - | - | | - | - | |
| Actuarial losses | - | 4.60 | - | - | (4.52) | (2.31) |
| Net interest expense | 3.94 | 1.55 | | 4.98 | 1.98 | |
| **Components of defined benefit costs recognised in profit or loss** | **12.34** | **9.37** | **-** | **16.01** | **2.68** | **(2.31)** |
| **Remeasurement on the net defined benefit liability**** | | | | | | |
| Return on plan assets (excluding amount included in net interest expense) | 0.55 | | | 0.93 | | |
| Actuarial (gains)/losses | 7.33 | | | (18.65) | | |
| Actuarial gains and loss arising form experience adjustments | 2.86 | | | (0.31) | | |
| **Components of defined benefit cost recognised in other comprehensive income** | **10.74** | **-** | **-** | **(18.03)** | **-** | **-** |
| **Total** | **23.08** | **9.37** | **-** | **(2.02)** | **2.68** | **(2.31)** |

*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)

| | Year ended March 31, 2021 | | | Year ended March 31, 2020 | | |
|---|---|---|---|---|---|---|
| | Gratuity | Compensated absences | Long term service award | Gratuity | Compensated absences | Long term service award |
| Present value of defined benefit obligation | 98.03 | 29.44 | - | 83.08 | 24.96 | 1.25 |
| Fair value of plan assets | (20.11) | - | - | (22.93) | - | - |
| **Net liability arising from defined benefit obligation** | **77.92** | **29.44** | **-** | **60.15** | **24.96** | **1.25** |
| Non current portion | 69.79 | 27.96 | - | 54.60 | 21.74 | 0.70 |
| Current portion | 8.13 | 1.48 | - | 5.55 | 3.22 | 0.55 |

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

(Rs. in Million)

| | Year ended March 31, 2021 | | | Year ended March 31, 2020 | | |
|---|---|---|---|---|---|---|
| | Gratuity | Compensated absences | Long term service award | Gratuity | Compensated absences | Long term service award |
| **Opening defined benefit obligation** | **83.08** | **24.96** | **1.25** | **95.07** | **27.89** | **4.26** |
| Current service cost | 8.40 | 3.22 | - | 11.03 | 5.22 | - |
| Past service cost | - | - | - | - | - | - |
| Interest cost | 5.44 | 1.55 | - | 7.05 | 1.98 | - |
| Remeasurement losses | | | | | | |
| - Actuarial losses | 7.33 | 3.55 | - | (18.65) | (4.52) | (2.31) |
| - Actuarial gains and loss arising form experience adjustments | 2.86 | 1.05 | - | (0.31) | - | - |
| Benefits paid | (9.08) | (4.89) | (1.25) | (11.11) | (5.61) | (0.70) |
| **Closing defined benefit obligation** | **98.03** | **29.44** | **-** | **83.08** | **24.96** | **1.25** |

**Movement in the fair value of the plan assets are as follows:** (Rs. in Million)

| | Year ended March 31, 2021 | | | Year ended March 31, 2020 | | |
|---|---|---|---|---|---|---|
| | Gratuity | Compensated absences | Long term service award | Gratuity | Compensated absences | Long term service award |
| **Opening fair value of plan assets** | **22.93** | - | - | **28.01** | - | - |
| Interest income | 1.50 | - | - | 2.07 | - | - |
| Remeasurement losses | | | | | | |
| - Actual return on plan assets in excess of the expected return | (0.55) | - | - | (0.93) | - | - |
| Contributions by employer (including benefit payments recoverable) | 2.33 | - | - | 2.23 | - | - |
| Benefits paid | (6.10) | - | - | (8.45) | - | - |
| **Closing fair value of plan assets** | **20.11** | - | - | **22.93** | - | - |

**36.7 Maturity profile of defined benefit obligation of gratuity:** (Rs. in Million)

| | 2021 | 2020 |
|---|---|---|
| Within 1 year | 10.09 | 7.19 |
| 2 - 5 year | 40.06 | 35.11 |
| 6 - 10 year | 49.97 | 43.02 |
| **More than 10 years** | 61.21 | 55.72 |

The weighted average duration of the defined benefit obligation is 7 years (March 31, 2020: 7 years).

**36.8 Plan assets**

The fair value of Company's pension plan asset as of March 31, 2021 and as on March 31, 2020 by category are as follows:

| Asset category: | 2021 | 2020 |
|---|---|---|
| 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 | 2021 | (- / + 1%) | (6.36) | 7.10 |
| | 2020 | (- / + 1%) | (5.52) | 6.17 |
| Salary escalation rate | 2021 | (- / + 1%) | 6.69 | (6.18) |
| | 2020 | (- / + 1%) | 6.06 | (5.60) |
| Attrition rate | 2021 | (- / + 50%) | (1.50) | 2.36 |
| | 2020 | (- / + 50%) | (0.38) | 0.59 |
| Mortality rate | 2021 | (- / + 10%) | (0.02) | 0.02 |
| | 2020 | (- / + 10%) | (0.01) | 0.01 |

37 Related party transactions

| S.No. | Nature of relationship | Name of the party |
|---|---|---|
| a. | Ultimate holding company | **Foreign** |
| | | Softbank Group Japan (till October 22, 2020) |
| | | Brightstar Capital Partners, NewYork (effective October 22, 2020 till December 30, 2020) |
| | | Eiesha Ltd. (effective December 30, 2020) |
| b. | Holding company | **Foreign** |
| | | Brightstar Corp (till December 30, 2020) |
| | | Eiesha Ltd. (effective December 30, 2020) |
| c. | Intermediate Holding company | **Foreign** |
| | | Brightstar Logistics Pte Ltd( till December 30, 2020) |
| d. | Enterprise having substantial interest in the Company | **Foreign** |
| | | Eiesha Bharti Pasricha |
| | | **Indian** |
| | | Bharti (RBM) Holdings Private Limited |
| | | Bharti (RM) Holdings Private Limited |

| S.No. | Nature of relationship | Name of the party |
|---|---|---|
| e. | Subsidiary company (Wholly owned) | **Foreign**<br>Beetel Teletech Singapore Private Limited(Formerly Known as Brightstar Telecommunications 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) | **Foreign**<br>Brightstar Logistics Pty Ltd (till December 30, 2020)<br>Brightstar 20:20 Limited(till December 30, 2020)<br>Brightstar 20:20 UK Limited(till December 30, 2020) |
| g. | Key management personnel of the Company | **Whole Time Directors:**<br>Sanjeev Chhabra (Managing Director and CEO)<br>**Others:**<br>Gerard Patrick O'Keeffe - appointed effective July 31, 2020 and resigned effective December 30, 2020<br>Rajesh Madan (Independent Director)- resigned effective December 30, 2020<br>Uma Ajay Relan (Independent Director)- resigned effective December 04, 2020<br>Stijin Piet N Nijis (Non-Executive Director)- resigned July 09, 2020<br>Luciano Barreto Ferreira (Chief Financial officer)- resigned effective August 7, 2020<br>Ankur Agrawal (chief Financial officer)- effective August 8, 2020<br>Devendra Khanna (Director)<br>Neeraj Manchanda (Company Secretary)<br>Sanjay Dua (Independent Director) -appointed effective December 30,2020<br>Neha Sharma (Independent Director)-appointed effective December 30,2020 |
| h | Other Related Party* | Bharti Airtel Limited<br>Airtel Digital Limited<br>Bharti Airtel Services Limited<br>Bharti Axa General Insurance Company Limited<br>Bharti Foundation<br>Bharti Hexacom Limited<br>Bharti Land Limited<br>Bharti Reality Limited<br>Nxtra Data Limited<br>Telesonic Networks Limited |

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

**37.1 Details of transaction between the Company and its related parties are disclosed below:** (Rs. in Million)

| Particulars | For the year ended | Holding Company | Subsidiary | Fellow Subsid-iaries | Key Managerial Personnel* | Other Related Party |
|---|---|---|---|---|---|---|
| **Nature of transactions with related parties** | | | | | | |
| Purchase of goods and services | 31-Mar-21 | - | 200.28 | - | - | 661.70 |
| | 31-Mar-20 | - | 347.62 | - | - | - |
| Sales of Goods and services | 31-Mar-21 | - | - | - | - | 649.60 |
| | 31-Mar-20 | - | - | - | - | - |
| Rent and Maintenance services paid | 31-Mar-21 | - | - | - | - | 29.22 |
| | 31-Mar-20 | - | - | - | - | - |
| Expenses incurred by related party on behalf of Company | 31-Mar-21 | 0.16 | - | - | - | - |
| | 31-Mar-20 | 3.71 | - | - | - | - |
| Expenses incurred by Company on behalf of related party | 31-Mar-21 | - | 12.79 | - | - | - |
| | 31-Mar-20 | 0.09 | 11.09 | 0.02 | - | - |
| Marketing Support Received | 31-Mar-21 | 0.05 | - | - | - | - |
| | 31-Mar-20 | 0.26 | - | - | - | - |
| Management contract fees expenses** | 31-Mar-21 | - | - | (5.39) | - | - |
| | 31-Mar-20 | - | - | 27.12 | - | - |
| Management contract fees income | 31-Mar-21 | - | 23.90 | - | - | - |
| | 31-Mar-20 | - | 40.63 | - | - | - |
| Short-term employee benefits* | 31-Mar-21 | - | - | - | 32.13 | - |
| | 31-Mar-20 | - | - | - | 50.33 | - |
| Fee for attending board committee meetings | 31-Mar-21 | - | - | - | 0.84 | - |
| | 31-Mar-20 | - | - | - | 1.33 | - |
| Loan Received | 31-Mar-21 | - | - | - | - | - |
| | 31-Mar-20 | 354.50 | - | - | - | - |
| Interest Paid on Loan Received | 31-Mar-21 | 18.87 | - | - | - | - |
| | 31-Mar-20 | 9.40 | - | - | - | - |
| Dividend Received | 31-Mar-21 | - | - | - | - | - |
| | 31-Mar-20 | - | 144.99 | - | - | - |

*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.

** Negative amounts indicate reversal during the year

**Terms and conditions of transactions with related parties**

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm’s length transactions. Outstanding balances at the year-end are unsecured and interest free except Loan taken from Related party and settlement occurs in cash. For the year ended 31 March 2021, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2020: 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 | Holding Company | Subsidiary | Fellow Subsidiaries | Key Managerial Personnel | Other Related Party |
|---|---|---|---|---|---|---|
| Trade payables | 31-Mar-21 | - | 201.82 | - | - | 129.95 |
| | 31-Mar-20 | - | 111.95 | 30.84 | - | - |
| Loan Payable | 31-Mar-21 | 365.58 | - | - | - | - |
| | 31-Mar-20 | 376.95 | - | - | - | - |
| Interest Payable on loan | 31-Mar-21 | 4.28 | - | - | - | - |
| | 31-Mar-20 | - | - | - | - | - |
| Trade Receivables | 31-Mar-21 | - | - | - | - | 220.77 |
| | 31-Mar-20 | 0.10 | - | - | - | - |
| Employee related liabilities | 31-Mar-21 | - | - | - | 2.35 | - |
| | 31-Mar-20 | - | - | - | - | - |

## 38. Fair value measurements

**38.1** The carrying value of financial instruments by categories as of March 31, 2021 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 | - | 113.75 | 113.75 |
| Other bank balances | - | 22.00 | 22.00 |
| Trade receivables | - | 1,497.38 | 1,497.38 |
| Loans | - | 15.62 | 15.62 |
| Forward contracts | - | - | - |
| Other financial assets | - | 36.36 | 36.36 |
| **Total** | **-** | **1,685.11** | **1,685.11** |
| **Financial liabilities:** | | | |
| Trade payables | - | 1,328.21 | 1,328.21 |
| Borrowings | - | 2,622.05 | 2,622.05 |
| Forward contracts | 2.47 | - | 2.47 |
| Other financial liabilities | - | 172.56 | 172.56 |
| **Total** | **2.47** | **4,122.82** | **4,125.29** |

**38.2** The carrying value of financial instruments by categories as of March 31, 2020 is as follows: (Rs. in Million)

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

**38.3 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, 2021** | | | |
| Financial assets | - | - | - |
| Financial liabilities | - | 2.47 | - |
| **At March 31, 2020** | | | |
| Financial assets | - | 25.41 | - |
| Financial liabilities | - | - | - |

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

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

The following table summarizes the financial assets and financial liabilities measured at carrying value as at March 31, 2021.

(Rs. in Million)

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| **Financial Assets** | | | | |
| Financial assets at amortised cost: | | | | |
| Cash and cash equivalents | - | 113.75 | - | 113.75 |
| Other Bank balances | - | 22.00 | - | 22.00 |
| Trade receivables | - | 1,497.38 | - | 1,497.38 |
| Loans | - | - | 15.62 | 15.62 |
| Other financial assets | - | 36.36 | - | 36.36 |
| **Total** | **-** | **1,669.49** | **15.62** | **1,685.11** |
| **Financial liabilities** | | | | |
| Financial liabilities held at amortised cost: | | | | |
| Trade payables | - | 1,328.21 | - | 1,328.21 |
| Borrowings | - | - | 2,622.05 | 2,622.05 |
| Other financial liabilities | - | 172.56 | - | 172.56 |
| **Total** | **-** | **1,500.77** | **2,622.05** | **4,122.82** |

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

(Rs. in Million)

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

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

**39 Financial instruments**

**39.1 Capital management**

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

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

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

**Gearing ratio as of March 31, 2021 and March 31, 2020 is as follows:** (Rs. in Million)

| | **As at March 31, 2021** | **As at March 31, 2020** |
|---|---|---|
| Debt | 1,606.16 | 2,993.68 |
| Cash and other bank balances | 135.75 | 105.08 |
| **Net debt** | **1,470.41** | **2,888.60** |
| **Total equity** | **(1,267.54)** | **(995.75)** |
| **Gearing ratio (%)** | (116%) | (290%) |

**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, 2021** | **As at March 31, 2020** |
|---|---|---|
| Loan | 15.62 | 16.38 |
| Trade receivables* | 1,497.38 | 1,937.87 |
| Other financial assets | **36.36** | **251.08** |
| **Total** | **1,549.36** | **2,205.33** |

*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, 2021 | | | As at March 31, 2020 | | |
|---|---|---|---|---|---|---|
| | 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 | - | 1,328.21 | - | - | 2,349.46 | - |
| Borrowings | 9.39% | 1,606.16 | 1,015.89 | 9.92% | 2,993.68 | 584.42 |
| Other financial liabilities | - | 56.36 | 116.20 | - | 56.27 | 133.78 |
| Forward contracts | - | 2.47 | - | - | - | - |
| **Total** | | **2,993.20** | **1,132.09** | | **5,399.41** | **718.20** |

### 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, 2021 | March 31, 2020 |
|---|---|---|---|
| Trade receivables | USD | 2.76 | 1.24 |
| Trade payables | USD | 7.41 | 8.40 |
| | EUR | 2.34 | 1.32 |
| | AUD | - | 0.02 |
| Other Receivables | USD | 0.38 | 0.07 |
| | EUR | | 0.43 |
| Other Payables | USD | 0.04 | - |
| Borrowings | USD | 5.00 | 8.03 |

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

(Amount in Million)

| Particulars | Currency | March 31, 2021 | March 31, 2020 |
|---|---|---|---|
| Trade receivables | USD | 2.76 | 1.24 |
| Trade payables | USD | 1.30 | 5.39 |
| | EUR | 1.14 | 0.40 |
| | AUD | - | 0.02 |
| Other Receivables | USD | 0.38 | 0.07 |
| | EUR | - | 0.43 |
| Other Payables | USD | 0.04 | - |

***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.

(Amount in Million)

| **Particulars** | **Currency** | **Change in rate** | **Effect on profit before tax** |
|---|---|---|---|
| **For the year ended March 31, 2021** | USD | +5% | 6.57 |
| | USD | -5% | (6.57) |
| | EUR | +5% | (4.88) |
| | EUR | -5% | 4.88 |
| **For the year ended March 31, 2020** | USD | +5% | (15.41) |
| | USD | -5% | 15.41 |
| | EUR | +5% | (3.27) |
| | EUR | -5% | 3.27 |
| | AUD | +5% | (0.05) |
| | AUD | -5% | 0.05 |

***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)

| **Currency to Buy** | **As at March 31, 2021** | | | **As at March 31, 2020** | | |
|---|---|---|---|---|---|---|
| | **Coverage (INR)** | **Outstanding Amount (Foreign Currency)**** | **MTM (INR)** | **Coverage (INR)** | **Outstanding Amount (Foreign Currency)** | **MTM (INR)** |
| USD | 1,548.30 | 21.18 | (0.50) | 813.55 | 11.03 | 23.86 |
| EUR | 103.38 | 1.21 | (1.97) | 74.60 | 0.92 | 1.55 |
| | **1,651.68** | **22.39** | **(2.47)** | **888.15** | **11.95** | **25.41** |

*The outstanding forward contracts are having maturity profile of less than six months.

** The outstanding forward cover of USD 10million against Open purchase orders issued to vendors

**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:

| | |
|---|---|
| Consumer Products: | Distribution of Harman & other accessories, Landline phones, Modems, information technology peripherals & Cloud Cameras |
| Enterprises products: | Distribution board room solutions, display devices, voice and data products and related Services |
| Network Products: | Distribution of network equipment, servers, Telecom products & related services |

**b. Geographical segments**

In terms of geographical segment, the 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 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, 2021** (Rs. in Million)

| Reportable Segments | Consumer | Enterprises | Network | Unallocated | Total |
|---|---|---|---|---|---|
| **Revenue** | | | | | |
| External sales | 1,922.26 | 2,347.97 | 3,550.54 | - | 7,820.77 |
| Other income | - | - | - | 34.84 | 34.84 |
| **Total revenue** | **1,922.26** | **2,347.97** | **3,550.54** | **34.84** | **7,855.61** |
| **Result** | | | | | |
| Profit/(loss) before Exceptional item, interest and tax | 132.16 | (25.12) | (54.55) | (39.76) | 12.73 |
| Exceptional and Extraordinary expense | 27.48 | - | - | - | 27.48 |
| Interest expense | - | - | - | 246.30 | 246.30 |
| **Profit/(loss) before tax** | **104.68** | **(25.12)** | **(54.55)** | **(286.06)** | **(261.05)** |
| Tax expense | - | | | - | - |
| **Profit/(loss) after tax** | **104.68** | **(25.12)** | **(54.55)** | **(286.06)** | **(261.05)** |
| **Other information** | | | | | |
| Segment assets | 357.58 | 1,271.65 | 1,269.85 | 901.47 | 3,800.55 |
| Segment liabilities | 236.47 | 824.12 | 1,157.78 | 2,849.72 | 5,068.09 |
| Capital expenditure | 6.06 | | | 18.66 | 24.72 |
| Depreciation and amortisation | 4.08 | | | 45.33 | 49.41 |
| Other non-cash expenditure | (63.73) | (5.47) | 31.70 | (3.42) | (40.92) |

**40.3 For the year ended March 31, 2020** (Rs. in Million)

| Reportable Segments | Consumer | Enterprises | Network | Unallocated | Total |
|---|---|---|---|---|---|
| **Revenue** | | | | | |
| External sales | 5,145.58 | 5,075.33 | 2,476.83 | - | 12,697.74 |
| Other income | - | - | - | 232.71 | 232.71 |
| **Total revenue** | **5,145.58** | **5,075.33** | **2,476.83** | **232.71** | **12,930.45** |
| **Result** | | | | | |
| Profit/(loss) before interest and tax | 25.76 | 99.23 | 139.78 | 153.89 | 418.66 |
| Interest expense | - | - | - | 308.01 | 308.01 |
| Profit/(loss) before tax | 25.76 | 99.23 | 139.78 | (154.12) | 110.65 |
| **Tax expense** | - | | | - | - |
| Profit/(loss) after tax | 25.76 | 99.23 | 139.78 | (154.12) | 110.65 |
| **Other information** | | | | | |
| Segment assets | 1,263.84 | 1,923.51 | 1,467.73 | 1,524.22 | 6,179.30 |
| Segment liabilities | 932.10 | 1,561.32 | 878.53 | 3,803.10 | 7,175.05 |
| Capital expenditure | - | - | - | 17.02 | 17.02 |
| Depreciation and amortisation | 9.65 | | | 54.47 | 64.12 |
| Other non-cash expenditure | 50.56 | (76.75) | (16.27) | 20.42 | (22.04) |

**40.4 Information about major customers**

No Customer contributed for 10% or more to the company's total revenue for the year ended March 31, 2021.

**41 Details of sales tax, customs duty and excise duty which have not been deposited as on March 31, 2021 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 | 2005-06,<br>2007-08 to 2008-09,<br>2010-11 to 2015-16 | 36.78 |
| Sales Tax Laws | Sales Tax | Sales Tax Tribunal | 2007-08 to 2012-13 | 1.39 |
| Sales Tax Laws | Sales Tax | High Court | 2005-06 to Dec 2008 | 5.53 |
| Customs Act, 1962 | Customs Duty | DGFT | 2008-09 | 27.48 |
| | | **Total** | | **71.18** |

**42** The Code on Social Security, 2020 ('code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited the suggestions from stakeholders. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

## 43 Leases

Effective April 1, 2019, the Company adopted Ind AS 116 “Leases” and applied the standard to all Lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Company’s incremental borrowing rate at the date of initial application.

Due to the implementation of Ind AS 116, the nature of expense has been changed from operating lease rent to depreciation cost for the right of use assets and finance cost for interest accrued on lease liability.

**Right of Use Assets** (Rs. in Million)

| Particulars | March 31, 2021 | March 31, 2020 |
|---|---|---|
| Opening Balance | 139.69 | 162.76 |
| Additions during the year | - | - |
| Disposals during the year | - | - |
| Depreciation during the year | (23.00) | (23.07) |
| **Closing Balance** | **116.69** | **139.69** |

The movement in lease liabilities during the year ended March 31, 2021 and break up of current and non-current lease liabilities as at March 31, 2021 is as follows:

**Leasehold Obligation** (Rs. in Million)

| Particulars | March 31, 2021 | March 31, 2020 |
|---|---|---|
| Opening Balance | 148.36 | 162.66 |
| Additions during the year | - | - |
| Deletions during the year | - | - |
| Interest accrued during the year | 15.49 | 15.39 |
| Payment of lease liabilities | (30.06) | (29.69) |
| **Closing Balance** | **133.79** | **148.36** |
| Current | 17.59 | 14.58 |
| Non Current | 116.20 | 133.78 |

The details of the contractual maturities of lease liabilities as at March 31, 2021 on an undiscounted basis are as follows:

| Particulars | Rs. in Million |
|---|---|
| Less than one year | 17.59 |
| One to five years | 73.52 |
| More than five years | 42.68 |
| **Total** | **133.79** |

**44 Disclosure under Micro, Small and Medium Enterprises Development Act, 2006** (Rs. in Million)

| Particulars | March 31, 2021 | March 31, 2020 |
|---|---|---|
| (i) Principal amount remaining unpaid to MSME suppliers as on | 18.70 | 23.09 |
| (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 | 0.01 | - |
| (vi) The amount of interest due and payable to be disallowed under Income Tax Act, 1961 | - | - |

Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. This has been relied upon by the Auditors.

**45 Reconciliation of liabilities arising from financing activities**

The table below details change in the Company's liabilities arising from financing activities, including both cash and non cash changes. Liabilities arising from financing activities are those for which cash flows where, or future cash flows will be, classified in the Company's statement of cashflows as cashflows from financing activities.

(Rs. in Million)

| Particulars | Opening Balance as at April 01, 2020 | Interest Accrual during year | Financial Cash Flows | Non Cash Item | Closing Balance as at March 31, 2021 |
|---|---|---|---|---|---|
| Working Capital Loan From Banks | 2,652.10 | | (689.32) | - | 1,962.78 |
| Other loan | 320.92 | | (27.23) | - | 293.69 |
| Buyers Credit from Banks | 228.13 | | (219.02) | (9.11) | - |
| Loan from related party | 376.95 | | | (11.37) | 365.58 |
| Lease liabilities | 148.36 | 15.49 | (30.06) | - | 133.79 |
| Interest | 20.14 | 230.81 | (241.31) | - | 9.64 |
| **Total** | **3,746.60** | **246.30** | **(1,206.94)** | **(20.48 )** | **2,765.48** |

| Particulars | Opening Balance as at April 01, 2019 | Interest Accrual during year | Financial Cash Flows | Non Cash Item | Closing Balance as at March 31, 2020 |
|---|---|---|---|---|---|
| Working Capital Loan From Banks | 3,445.51 | | (793.41 ) | - | 2,652.10 |
| Other loan | - | | 320.92 | - | 320.92 |
| Buyers Credit from Banks | 146.35 | | 72.67 | 9.11 | 228.13 |
| Loan from related party | - | | 354.50 | 22.45 | 376.95 |
| Lease liabilities | 162.66 | 15.39 | (29.69) | - | 148.36 |
| Interest | 5.72 | 292.62 | (278.20) | - | 20.14 |
| **Total** | **3,760.24** | **308.01** | **(353.21)** | **31.56** | **3,746.60** |

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

**47** In accordance with the provisions of Section 135 of the Companies Act, 2013, the Company has turnover of more than Rs. 100 million which is one of the conditions mentioned in the said section and hence, the Company is liable to spend at least two percent of the average net profits of the Company made during the three immediately preceding financial years. However, the Company has losses from the past three consecutive years, the Company is not required to spend any amount on Corporate Social Responsibility.

**48** There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as at March 31, 2021.

**49** **Approval of financial statements**

The financial statements were approved for issue by the Board of Directors on August 19, 2021.

For and on behalf of Board of Directors of
**Beetel Teletech Limited (formerly Known as**
**Brightstar Telecommunications India Limited)**

| | |
|---|---|
| Sd/- | Sd/- |
| **Devendra Khanna** | **Sanjeev Chhabra** |
| Chairman | Managing Director |
| (DIN: 01996768) | (DIN: 08174113) |
| Place: Delhi, India | Place: Gurugram, India |
| Sd/- | Sd/- |
| **Ankur Agrawal** | **Neeraj Manchanda** |
| Chief Financial Officer | Company Secretary |
| Place: Gurugram, India | Place: Gurugram, India |

# INDEPENDENT AUDITOR'S REPORT

**To The Members of Beetel Teletech Limited (formerly Brightstar Telecommunications India Limited)**

**Report on the Audit of the Consolidated Financial Statements**

**Opinion**

We have audited the accompanying consolidated financial statements of Beetel Teletech Limited (formerly 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 2021, 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 Matter 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 2021, 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.

**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., Beetel Teletech Singapore Private Limited (formerly Brightstar Telecommunications Singapore Private Limited) whose financial statements reflect total assets of Rs.464.28 million as at 31st March, 2021, total revenues of Rs.644.92 million and net cash outflows amounting to Rs.1.68 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose report have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the report of the other auditor. Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the report of the other auditor.

**Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditor on the separate financial statements of the subsidiary referred to in the Other 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) On the basis of the written representations received from the directors of the Parent as on 31st March, 2021 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, 2021 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.

   f) 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.

   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

      In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent to its directors during the year is in accordance with the provisions of section 197 of the Act.

   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended in our opinion and to the best of our information and according to the explanations given to us:

      i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group (Refer Note 17.2 and 33 to the consolidated financial statements);

      ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts (Refer Note 46 to the consolidated financial statements);

      iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Parent. The Parent has a subsidiary company incorporated outside India, hence there were no amounts which were required to be transferred to the Investor Education and Protection Fund by its subsidiary company (Refer Note 48 to the consolidated financial statements).

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

Sd/-
**Vijay Agarwal**
(Partner)
(Membership No.094468)
UDIN: 21094468AAAAHG7102

Place: Gurugram
Date: August 19, 2021

# ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

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

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2021, 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, 2021, 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: 21094468AAAAHG7102

Place: Gurugram
Date: August 19, 2021

# CONSOLIDATED BALANCE SHEET As At March 31, 2021

(Rs. in Million)

| Particulars | Notes | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| (a) Property, plant and equipment | 4 | 78.76 | 85.87 |
| (b) Capital work-in-progress | | 3.99 | - |
| (c) Right to use assets | 43 | 116.69 | 139.69 |
| (d) Intangible assets | 5 | 25.46 | 25.12 |
| (e) Financial assets | | | |
| (i) Loans | 6 | 15.62 | 16.38 |
| (ii) Other financial assets | 7 | - | 6.11 |
| (f) Deferred tax assets (net) | 8 | 3.02 | 0.02 |
| (g) Non-current tax assets (net) | 9 | 6.73 | 92.59 |
| (h) Other non-current assets | 10 | 313.74 | 403.73 |
| **Total non-current assets** | | **564.01** | **769.51** |
| **Current assets** | | | |
| (a) Inventories | 11 | 675.44 | 1,726.43 |
| (b) Financial assets | | | |
| (i) Trade receivables | 12 | 1,557.84 | 2,101.34 |
| (ii) Cash and cash equivalents | 13 | 243.10 | 242.05 |
| (iii) Other bank balances | 14 | 25.82 | 3.87 |
| (iv) Other financial assets | 7 | 41.42 | 258.27 |
| (c) Current tax assets (net) | 9 | 23.50 | 127.20 |
| (d) Other current assets | 10 | 571.02 | 982.43 |
| **Total current assets** | | **3,138.14** | **5,441.59** |
| **TOTAL ASSETS** | | **3,702.15** | **6,211.10** |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| (a) Equity share capital | 15 | 50.92 | 50.92 |
| (b) Other equity | 16 | (1,497.11) | (1,202.62) |
| **Total equity** | | **(1,446.19)** | **(1,151.70)** |
| **Liabilities** | | | |
| **Non-current liabilities** | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 19 | 1,015.89 | 584.42 |
| (ii) Lease liability | 43 | 116.20 | 133.78 |
| (b) Provisions | 17 | 68.79 | 67.22 |
| (c) Other non current liabilities | 18 | 347.03 | 389.75 |
| **Total non-current liabilities** | | **1,547.91** | **1,175.17** |
| **Current liabilities** | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 19 | 1,606.16 | 2,993.68 |
| (ii) Trade payables | 20 | | |
| - total outstanding dues of micro enterprises and small enterprises | | 18.70 | 23.09 |
| - total outstanding dues of creditors other than micro enterprises and small enterprises | | 1,362.95 | 2,476.06 |
| (iii) Lease liability | 43 | 17.59 | 14.58 |
| (iv) Other financial liabilities | 21 | 41.24 | 41.69 |
| (b) Provisions | 17 | 46.96 | 50.54 |
| (c) Other current liabilities | 18 | 506.83 | 587.99 |
| **Total current liabilities** | | **3,600.43** | **6,187.63** |
| **Total liabilities** | | **5,148.34** | **7,362.80** |
| **TOTAL EQUITY AND LIABILITIES** | | **3,702.15** | **6,211.10** |

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

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

Sd/-
**Vijay Agarwal**
Partner

Place: Gurugram
Date: August 19, 2021

For and on behalf of Board of Directors of
**Beetel Teletech Limited (formerly Known as Brightstar Telecommunications India Limited)**

Sd/-
**Devendra Khanna**
Chairman
(DIN: 01996768)
Place: Delhi, India

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

Sd/-
**Ankur Agrawal**
Chief Financial Officer
Place: Gurugram, India

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

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS for the year ended March 31, 2021

(Rs. in Million)

| | Particulars | Notes | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|---|---|---|---|
| I | Revenue from operations | 22 | 8,260.77 | 14,004.19 |
| II | Other income | 23 | 10.97 | 48.74 |
| III | **Total income (I + II)** | | **8,271.74** | **14,052.93** |
| IV | **Expenses** | | | |
| | (a) Cost of materials consumed | 24 | 268.57 | 293.59 |
| | (b) Purchases | 25 | 5,905.99 | 12,339.43 |
| | (c) Changes in inventories of finished goods, work-in-progress and stock-in-trade | 26 | 1,153.96 | (172.53) |
| | (d) Employee benefits expense | 27 | 499.69 | 603.70 |
| | (e) Finance costs | 28 | 246.31 | 308.04 |
| | (f) Depreciation and amortisation expense | 29 | 49.41 | 64.12 |
| | (g) Other expenses | 30 | 401.22 | 597.57 |
| | (h) Exceptional & Extraordinary Item(refer note 17.2) | | 27.48 | - |
| | **Total expenses** | | **8,552.63** | **14,033.92** |
| V | **Profit/(Loss) before tax (III-IV)** | | **(280.89)** | **19.01** |
| VI | **Tax expense/(credit)** | | | |
| | (a) Current tax | 31 | (0.03) | 6.22 |
| | (b) Deferred tax | 31 | (3.05) | 1.14 |
| | | | (3.08) | 7.36 |
| VII | **Profit/(Loss) for the year (V-VI)** | | **(277.81)** | **11.65** |
| VIII | **Other comprehensive income** | | | |
| | **Items that will not be reclassified to profit and loss** | | | |
| | (i) Remeasurements of the defined benefit plans | | (10.74) | 18.03 |
| | (ii) Exchange difference on translation | | (5.94) | 21.93 |
| | **Net other comprehensive income/(loss) not to be reclassified to profit or loss** | | **(16.68)** | **39.96** |
| IX | **Total comprehensive Income/(loss) for the year (VII+VIII)** | | **(294.49)** | **51.61** |
| X | **Income / (Loss) for the year attributable to** | | | |
| | Owners of the company | | (277.81) | 11.65 |
| XI | **Other comprehensive income/loss for the year attributable to** | | | |
| | Owners of the company | | (16.68) | 39.96 |
| XII | **Total comprehensiveincome/ (loss) for the year attributable to** | | | |
| | Owners of the company | | (294.49) | 51.61 |
| XIII | **Profit/(Loss) per equity share (face value of share Rs. 10 each)** | | | |
| | (a) Basic (in Rs.) | 32 | (54.56) | 2.29 |
| | (b) Diluted (in Rs.) | 32 | (54.56) | 2.29 |

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

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

Sd/-
**Vijay Agarwal**
Partner

Place: Gurugram
Date: August 19, 2021

For and on behalf of Board of Directors of
**Beetel Teletech Limited (formerly Known as Brightstar Telecommunications India Limited)**

Sd/-
**Devendra Khanna**
Chairman
(DIN: 01996768)
Place: Delhi, India

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

Sd/-
**Ankur Agrawal**
Chief Financial Officer
Place: Gurugram, India

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

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY for the year ended March 31, 2021

| Equity share capital (Equity shares of Rs. 10 each issued, subscribed & fully paid up) | Numbers | (Rs. in Million) |
|---|---|---|
| **Balance as at April 01, 2019** | **50,91,607** | **50.92** |
| Changes in equity share capital during the year | - | - |
| **Balance as at March 31, 2020** | **5,091,607** | **50.92** |
| Changes in equity share capital during the year | - | - |
| **Balance as at March 31, 2021** | **5,091,607** | **50.92** |

(Rs. in Million)

| Other equity | Reserve and surplus | | | Items of other comprehensive income | Total |
|---|---|---|---|---|---|
| | Capital Reserve | Securities premium | Retained earnings | Foreign currency translation reserve | |
| | (Refer Note 16.1) | (Refer Note 16.2) | (Refer Note 16.3) | (Refer Note 16.4) | |
| **Balance as at April 01, 2019** | **2.50** | **5.27** | **(1,281.93)** | **26.30** | **(1,247.86)** |
| Effect of adoption of new accounting standard (IndAS 116) (Net of deferred tax Rs. Nil) | | | (6.37) | - | (6.37) |
| Profit/(Loss) for the year | - | - | 11.65 | - | 11.65 |
| Other comprehensive Income/(loss) for the year arising from defined benefit obligation (net of income taxes) | - | - | 18.03 | - | 18.03 |
| Effects of exchange difference on translation | - | - | | 21.93 | 21.93 |
| **Total movement for the year** | **-** | **-** | **23.31** | **21.93** | **45.24** |
| **Balance as at March 31, 2020** | **2.50** | **5.27** | **(1,258.62)** | **48.23** | **(1,202.62)** |
| Profit/(Loss) for the year | - | - | (277.81) | - | (277.81) |
| Other comprehensive income/ (loss) for the year arising from defined benefit obligation(net of income taxes) | - | - | (10.74) | - | (10.74) |
| Effects of exchange difference on translation | - | - | | (5.94) | (5.94) |
| **Total movement for the year** | **-** | **-** | **(288.55)** | **(5.94)** | **(294.49)** |
| **Balance as at March 31, 2021** | **2.50** | **5.27** | **(1,547.17)** | **42.29** | **(1,497.11)** |

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

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

Sd/-
**Vijay Agarwal**
Partner

Place: Gurugram
Date: August 19, 2021

For and on behalf of Board of Directors of
**Beetel Teletech Limited (formerly Known as Brightstar Telecommunications India Limited)**

Sd/-
**Devendra Khanna**
Chairman
(DIN: 01996768)
Place: Delhi, India

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

Sd/-
**Ankur Agrawal**
Chief Financial Officer
Place: Gurugram, India

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

## CONSOLIDATED CASH FLOW STATEMENT for the year ended March 31, 2021

(Rs. in Million)

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|---|---|
| **CASH FLOW FROM OPERATING ACTIVITIES** | | |
| **Profit/(Loss) for the year after tax** | **(277.81)** | **11.65** |
| **Adjustments for :** | | |
| Income tax expense | (3.08) | 7.36 |
| Finance cost | 246.31 | 308.04 |
| Interest income | (7.56) | (43.32) |
| Loss on disposal of property, plant and equipment | - | (0.03) |
| Software Impairment | - | 1.94 |
| Unrealised exchange loss/(gain) (net) | (24.22) | 14.64 |
| Depreciation and amortisation expense | 49.41 | 64.12 |
| Provision for doubtful debts | 69.71 | (64.41) |
| Bad debts/amounts written off | 0.46 | 14.42 |
| Liabilities/provisions no longer required written back | (3.41) | (4.49) |
| Allowances for obsolete/slow moving stock | (72.63) | 8.25 |
| **OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES** | **(22.82)** | **318.17** |
| **Movements in working capital:** | | |
| (Increase)/decrease in trade receivables | 474.24 | 638.61 |
| (Increase)/decrease in inventories | 1,123.65 | (155.28) |
| (Increase)/decrease in loans | 1.69 | (1.09) |
| (Increase)/decrease in other financial assets | 217.05 | (98.59) |
| (Increase)/decrease in other assets | 502.39 | 492.72 |
| Increase/(decrease) in trade payables | (1,111.28) | (472.52) |
| Increase/(decrease) in provisions | (5.37) | (201.60) |
| Increase/(decrease) in other financial liabilities | 10.05 | (48.78) |
| Increase/(decrease) in other liabilities | (123.88) | 58.30 |
| **CASH GENERATED FROM OPERATING ACTIVITIES** | **1,065.72** | **529.94** |
| Income taxes paid | 182.21 | (53.28) |
| **NET CASH INFLOW FROM/ USED OPERATING ACTIVITIES** | **1,247.93** | **476.66** |
| **CASH FLOW FROM INVESTING ACTIVITIES** | | |
| Proceeds from disposal of property, plant and equipment | 0.13 | 0.05 |
| Payments for property, plant and equipment | (9.81) | (5.28) |
| Payments for intangible assets | (14.91) | (11.74) |
| Proceeds from/(payment for) deposits | (15.84) | 3.50 |
| Repayments for bank balance not considered as cash and cash equivalents | - | 2.12 |
| Interest received | 6.43 | 43.32 |
| **NET CASH INFLOW FROM/USED INVESTING ACTIVITIES** | **(34.00)** | **31.97** |
| **CASH FLOW FROM FINANCING ACTIVITIES** | | |
| Proceeds/(repayment) of borrowings (Refer Note 45) | (935.57) | (45.32) |
| Repayment of lease liability (Refer Note 43) | (30.06) | (29.69) |
| Interest paid (refer note 45) | (241.31) | (278.23) |
| **NET CASH OUTFLOW FINANCING ACTIVITIES** | **(1,206.94)** | **(353.24)** |
| **NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS** | **6.99** | **155.39** |
| **Impact of cash flow on account of foreign currency translation** | **(5.94)** | **21.93** |
| **Cash and cash equivalents at the beginning of the year** | **242.05** | **64.73** |
| **Cash and cash equivalents at the end of the year** | **243.10** | **242.05** |
| **Components of cash and cash equivalents** | | |
| Cash in hand | 0.04 | 0.05 |
| **Balance with scheduled banks: In current accounts** | 243.06 | 242.00 |
| **Total cash and cash equivalents as per note 13** | 243.10 | 242.05 |
| **Cash and cash equivalents at the end of the year** | **243.10** | **242.05** |

**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.**

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

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

Sd/-
**Vijay Agarwal**
Partner

Place: Gurugram
Date: August 19, 2021

For and on behalf of Board of Directors of
**Beetel Teletech Limited (formerly Known as Brightstar Telecommunications India Limited)**

Sd/-
**Devendra Khanna**
Chairman
(DIN: 01996768)
Place: Delhi, India

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

Sd/-
**Ankur Agrawal**
Chief Financial Officer
Place: Gurugram, India

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

## NOTES FORMING PART OF CONSOLIDATED IND AS FINANCIAL STATEMENTS for the year ended March 31, 2021

### 1. Corporate information

Beetel Teletech Limited (Formerly Known as Brightstar Telecommunications India Limited) ('the Company') and its subsidiary (Beetel Teletech Singapore Private Limited (Formerly Known as Brightstar Telecommunications Singapore Private Limited)) (collectively referred to as 'the Group') is a leading provider of premium enterprise, networking, and lifestyle solutions, in the information, communication, and technology domains for customers across all industry verticals. Company holds a commendable market share in telecom and allied products. The Group also have own line of products, including landlines and IoT solutions, under iconic brand, Beetel.

The registered address of the Company is First Floor, Plot No. 16, Udyog Vihar, Phase IV, Gurugram-122015, Haryana, 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, 2021 | Shareholding As at March 31, 2020 |
|---|---|---|---|---|---|
| Beetel Teletech Singapore Private Limited (formerly 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 Beetel Teletech 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 up to the same reporting date as that of the Company i.e. March 31, 2021.

**2.6 Revenue recognition**

**2.6.1 Sale of goods**

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

### 2.6.2 Rendering of services

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

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

### 2.6.3 Dividend and interest income

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

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

## 2.7 Leasing

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

**Group as a lessee**

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

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

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

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

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

**Group as a lessor**

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

### 2.8 Foreign currencies

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

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

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

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Indian Rupees using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation, all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Group are reclassified to profit or loss.

### 2.9 Employee benefits

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

#### 2.9.1 Defined benefit plans

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

#### 2.9.2 Defined contribution plans

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

#### 2.9.3 Short-term and other long-term employee benefits

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

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

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

### 2.10 Taxation

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

#### 2.10.1 Current tax

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

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### 2.10.2 Deferred tax

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

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

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities

### 2.10.3 Current and deferred tax for the year

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

### 2.11 Property, plant and equipment

Property, plant and equipment (PPE) are carried at cost less accumulated depreciation and impairment losses, if any. The cost of PPE comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use.

Upon transition to IND AS, the Group has elected to measure all of its property, plant and equipment on fair value as of transition date as calculated under Ind AS and used that fair value as the deemed cost of the property, plant and equipment as on transition date.

**Capital work-in-progress:**

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

**Depreciation:**

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

Estimated useful lives of the assets are as follows.

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

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

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

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

**Intangible assets**

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

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

**2.12 Impairment**

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

**2.13 Inventories**

**Raw materials, stores and spare parts**

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

**Work-in-progress and finished goods**

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

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

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

**2.14 Provisions**

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

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

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

**Warranty provisions**

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

**2.15 Financial instruments**

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

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

**2.16 Financial assets**

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

**2.16.1 Classification of financial assets**

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

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

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

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

All other financial assets are subsequently measured at fair value.

**2.16.2 Effective interest method**

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

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

**2.16.3. Financial Assets at fair value through profit or loss (FVTPL)**

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

**2.16.4 Derecognition of financial assets**

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

**2.16.5 Impairment of financial assets**

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

**2.17 Financial Liabilities and Equity Instruments**

**2.17.1 Equity instruments**

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

**2.17.2 Financial liabilities**

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

**2.17.2.1 Financial Liabilities at fair value through profit or loss**

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

A financial liability is classified as held for trading if:

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

**2.17.2.2 Financial liabilities subsequently measured at amortised cost**

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

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

**2.17.2.3 Derecognition of financial liabilities**

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

**2.17.2.4 Financial guarantee contract**

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

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

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

### 2.17.2.5 Derivatives contract

The Group enters into forward contracts to manage its exposure to foreign exchange rate risks. Further details of derivative financial instruments are disclosed in note 41.

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

### 2.18 Contingent Liabilities

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

### 2.19 Cash and cash equivalents

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

### 2.19.1 Cash Flow Statement

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

### 2.20 Segment reporting

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

### 2.21 Earnings per share

### 2.21.1 Basic earnings per share

Basic earnings per share is calculated by dividing:

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

### 2.21.2 Diluted earnings per share

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

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

### 2.22 Factoring Agreements

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

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

**2.23 Material events**

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

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

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

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

**2.24 Use of estimates**

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

**2.24 Recent accounting pronouncement issued but not yet effective up to the date of issuance of financial statements**

The On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021.

The Group is evaluating the effect of the amendments on its 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 Judgements**

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

**3.1.1 Going concern assumption**

COVID-19 pandemic has impacted and continues to impact the business operations due to lockdown, travel bans, quarantines and other emergency measures resulting in disruption of business operations. With respect to the operations of the Group, management believes that it has taken into account all the possible impact of known events arising from COVID- 19 pandemic in the preparation of these financial statements. Further, in evaluating the impact of COVID-19 on its ability to continue as a going concern and the possible impact on its financial position, the Group has made an assessment of its liquidity position for next one year and assessed the impact of macro-economic conditions on its business in light of the future business projections.

Further, during the year, Group has a total comprehensive loss of Rs.294.49 million (Previous year comprehensive income of Rs.51.61 million) and has an accumulated losses of Rs.1,547.17 million as at March 31, 2021 (Previous year Rs.1,258.62 million), resulting in erosion of its net worth as on that date. Additionally, the Group's current liabilities exceeds its current assets by Rs.462.29 million (Previous year Rs.739.93 million).

Group's ability to continue as a going concern is essentially dependent on its future business and funding plans, generation of cash flows from its operations and continued financial support and negotiation with bankers and shareholders of the Group as and when required. Considering above, the financial statements have been prepared on going concern basis.

**3.2 Estimates and assumptions**

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

**3.2.1 Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk volatility and discount rates. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See note 40 for further disclosures.

**3.2.2 Income taxes**

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

**3.2.3 Deferred Taxes**

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

**3.2.4 Estimation of defined benefits and compensated leave of absence**

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

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

Further details about gratuity and leave encashment obligations are given in note 35.

**3.2.5 Estimation of useful life of tangible and intangible assets**

Management reviews the useful lives of depreciable assets at each reporting date. Further, there is no change in the useful lives of other tangible and intangible assets as compared to previous year.

**3.2.6 Leases**

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

**4. Property, plant and equipment** (Rs. in Million)

| Description | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Carrying amounts of:** | | |
| 1 Freehold land | 44.71 | 44.71 |
| 2 Leasehold improvement | - | - |
| 3 Building | 20.88 | 23.49 |
| 4 Plant and machinery | 6.72 | 7.69 |
| 5 Furniture and fixture | 0.44 | 0.60 |
| 6 Computer and networking | 6.01 | 9.38 |
| **Total** | **78.76** | **85.87** |

**Current Year** (Rs. in Million)

| | Description | Gross carrying value | | | | Accumulated depreciation | | | | Carrying amount | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | As at April 1, 2020 | Additions during the year | Disposal/ adjustment | As at March 31, 2021 | As at April 1, 2020 | Depreciation during the year | Disposal/ adjustment | As at March 31, 2021 | As at March 31, 2021 | As at March 31, 2020 |
| 1 | Freehold land | 44.71 | | | 44.71 | - | - | | - | 44.71 | 44.71 |
| 2 | Buildings | 36.54 | | | 36.54 | 13.05 | 2.61 | | 15.66 | 20.88 | 23.49 |
| 3 | Leasehold improvement | 11.34 | | | 11.34 | 11.34 | - | | 11.34 | - | - |
| 4 | Plant and equipment | 74.72 | 1.99 | 0.37 | 76.34 | 67.03 | 2.86 | 0.27 | 69.62 | 6.72 | 7.69 |
| 5 | Furniture and fixtures | 3.49 | | - | 3.49 | 2.89 | 0.16 | - | 3.05 | 0.44 | 0.60 |
| 6 | Computer and networking | 37.05 | 2.87 | 0.73 | 39.19 | 27.67 | 6.21 | 0.70 | 33.18 | 6.01 | 9.38 |
| | **Total** | **207.85** | **4.86** | **1.10** | **211.61** | **121.98** | **11.84** | **0.97** | **132.85** | **78.76** | **85.87** |

**Previous Year** (Rs. in Million)

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

**Notes:**

1. The fixed assets are hypothecated/mortgaged to secure borrowings of the Company. (Refer Note 19)
2. Title Deeds of immovable properties are in the name of company

## 5. Intangible assets

(Rs. in Million)

| Description | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Carrying amounts of:** | | |
| 1 Computer softwares | 25.46 | 25.12 |
| **Total** | **25.46** | **25.12** |

### Current Year

(Rs. in Million)

| Description | Gross carrying value | | | | Accumulated depreciation | | | | Carrying amount | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at April 1, 2020 | Additions during the year | Disposal/ adjustment | As at March 31, 2021 | As at April 1, 2020 | Depreciation during the year | Disposal/ adjustment | As at March 31, 2021 | As at March 31, 2021 | As at March 31, 2020 |
| 1 Computer softwares | 43.66 | 14.91 | 0.93 | 57.64 | 18.54 | 14.57 | 0.93 | 32.18 | 25.46 | 25.12 |
| **Total** | **43.66** | **14.91** | **0.93** | **57.64** | **18.54** | **14.57** | **0.93** | **32.18** | **25.46** | **25.12** |

### Previous Year

(Rs. in Million)

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

## 6. Loans

(Rs. in Million)

| | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Non-current** | | |
| Security deposits (Unsecured, considered good) | 15.62 | 16.38 |
| Security deposits (Unsecured, considered doubtful) | 0.39 | 0.39 |
| | **16.01** | **16.77** |
| Allowances for credit losses | (0.39) | (0.39) |
| | **15.62** | **16.38** |

| **Movement in allowances for credit losses** | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| 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** (Rs. in Million)

| | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Non-Current** | | |
| (a) Balances in earmarked accounts | | |
| -Margin money* | - | 6.11 |
| | **-** | **6.11** |
| **Current** | | |
| (a) Financial assets measured at fair value | | |
| Forward contracts (Refer note 41) | - | 25.41 |
| (b) Interest accrued on bank deposits | 0.33 | 0.13 |
| (c) Receivables from related parties (Refer note 36) | - | 0.10 |
| (d) Vendor Incentive receivables | 40.98 | 207.29 |
| (e) Other receivables | 0.11 | 25.34 |
| | **41.42** | **258.27** |

*Fixed Deposit carrying amount of Rs. Nil (March 31, 2020- Rs. 6.11 million) are hypothecated against the bank guarantee/ Government authority.

**8. Deferred tax assets/(liabilities) (net)*** (Rs. in Million)

| | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Deferred tax assets | 43.32 | 43.74 |
| Deferred tax liabilities | (40.30) | (43.72) |
| | **3.02** | **0.02** |

(Rs. in Million)

| **Deferred tax balances arise from the following:** | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Deferred tax liability on account of: | | |
| Property, plant and equipment, right to use asset and intangible assets | 40.30 | 43.72 |
| | 40.30 | 43.72 |
| Deferred tax asset on account of: | | |
| Temporary differences# | 43.32 | 43.74 |
| | **43.32** | **43.74** |
| **Net deferred tax assets** | **3.02** | **0.02** |

# includes Rs. 3.02Million (March 31, 2020 Rs. 0.02 Million) tax on temporary differences in Company's Subsidiary Beetel Teletech 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. 286.09 Million (year ended March 31, 2020: Rs. 579.68 Million).

**9. Tax assets**

(Rs. in Million)

| | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Non current tax assets** | | |
| Advance income-tax (net of provision of Rs. Nil (March 31, 2020- Nil) | 6.73 | 92.59 |
| | **6.73** | **92.59** |
| **Current tax assets** | | |
| Advance income-tax (net of provision of Rs. Nil (March 31, 2020- Nil) | 23.50 | 127.20 |
| | **23.50** | **127.20** |

**10. Other assets**

(Rs. in Million)

| | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Non-current** | | |
| (a) Capital advances (Unsecured, considered good) | 0.96 | - |
| (b) Advances other than capital advances (Unsecured, considered good) | | |
| (i) Balances with government authorities | 61.46 | 100.86 |
| (ii) Deferred contract cost* | 251.32 | 302.87 |
| | **313.74** | **403.73** |
| (c) Advances other than capital advances (Unsecured, considered doubtful) | | |
| (i) Balances with government authorities | 6.00 | 6.00 |
| | **6.00** | **6.00** |
| Allowances for credit losses | (6.00) | (6.00) |
| | **313.74** | **403.73** |
| **Current** | | |
| (a) Advances other than capital advances (Unsecured, considered good) | - | - |
| (i) Prepaid expenses | 20.84 | 29.78 |
| (ii) Balances with government authorities | 146.50 | 481.79 |
| (iii) Loans/Imprest to employees | 0.05 | 2.16 |
| (iv) Deferred contract cost* | 386.41 | 429.33 |
| (v) Other | 17.22 | 39.37 |
| | **571.02** | **982.43** |

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

**11. Inventories**

**(valued at lower of cost and net realisable value)** (Rs. in Million)

| | **As at March 31, 2021** | **As at March 31, 2020** |
|---|---|---|
| **Raw materials** | 73.01 | 42.68 |
| Allowances for obsolete/slow moving stock | (0.44) | (0.15) |
| | **72.57** | **42.53** |
| **Work-in-progress** | **6.12** | **3.84** |
| **Finished goods** | **31.90** | **36.13** |
| Allowances for obsolete/slow moving stock | (0.18) | - |
| | **31.72** | **36.13** |
| **Stock-in-trade** | 585.29 | 1,737.30 |
| Allowances for obsolete/slow moving stock | (20.68) | (93.81) |
| | **564.61** | **1,643.49** |
| **Stores and spares** | 0.45 | 0.47 |
| Allowances for obsolete/slow moving stock | (0.03) | (0.03) |
| | **0.42** | **0.44** |
| | **675.44** | **1,726.43** |

| | | |
|---|---|---|
| **Included above, goods-in-transit:** | | |
| (i) Raw materials | 19.07 | 10.75 |
| (ii) Stock-in-trade | 61.58 | 146.71 |
| **Total goods-in-transit** | **80.65** | **157.46** |

(i) The cost of inventories recognised as an expense during the year was Rs. 7,328.52 Million (March 31, 2020: Rs. 12,460.49 Million).
(ii) Refer to Note 19 for information on inventories pledged as security by the company
(iii) The method of valuation of inventories has been stated in note 2.13

**12. Trade receivables** (Rs. in Million)

| | **As at March 31, 2021** | **As at March 31, 2020** |
|---|---|---|
| **Current** | | |
| Trade receivables* | | |
| (a) Unsecured, considered good | 1,557.84 | 2,101.34 |
| (b) Unsecured, considered doubtful | 476.41 | 412.88 |
| | **2,034.25** | **2,514.22** |
| Allowance for credit loss | (476.41) | (412.88) |
| | **1,557.84** | **2,101.34** |

(Rs. in Million)

| Movement in allowances for credit loss | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Balance at the beginning of the year** | 412.88 | 482.79 |
| Utilised during the year | (6.02) | (5.57) |
| Arise/(reversed) in allowances for credit loss | 69.71 | (64.41) |
| Exchange Difference | (0.16) | 0.07 |
| **Balance at the end of the year** | **476.41** | **412.88** |

* Includes Rs. 29.67 Million (March 31, 2020- Rs. 32.49 Million) secured against bank guarantees issued by customers, Rs. 1,572.47 Million (March 31, 2020- Rs. 1,653.35 Million) secured against credit insurance and Rs. 177.09 Million (March 31, 2020- Rs. 172.54 Million) secured against letter of credit. Insurance against trade receivables, if any, are available only in case there are no dispute with customers.

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

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

## 13. Cash and cash equivalents

(Rs. in Million)

| | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| (i) Cash on hand | 0.04 | 0.05 |
| (ii) Balances with banks: | | |
| (a) In current accounts | 243.06 | 242.00 |
| | **243.10** | **242.05** |

## 14. Other bank balances

(Rs. in Million)

| | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| (a) In earmarked accounts | | |
| - Fixed Deposit with Banks | 25.82 | 3.87 |
| | **25.82** | **3.87** |

*Fixed Deposit carrying amount of Rs. 25.82 million (March 31, 2020- Rs. 3.87 Million) are hypothecated against the bank guarantee/ Government authority.

## 15. Equity share capital

(Rs. in Million)

| | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Authorised share capital** | | |
| Equity shares of Rs. 10 each with voting rights | 100.00 | 100.00 |
| March 31, 2021 :- 10,000,000 Shares | | |
| March 31, 2020 :- 10,000,000 Shares | | |
| **Issued, subscribed and fully paid** | | |
| Equity shares of Rs. 10 each with voting rights. | 50.92 | 50.92 |
| March 31, 2021 :- 5,091,607 Shares | | |
| March 31, 2020 :- 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 |
|---|---|---|
| | **Nos** | **Rs. in Million** |
| **Balance as at March 31, 2019** | 50,91,607 | 50.92 |
| Add:- Issued during the year | - | - |
| **Balance as at March 31, 2020** | 5,091,607 | 50.92 |
| Add:- Issued during the year | - | - |
| **Balance as at March 31, 2021** | **5,091,607** | **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)** | **As at March 31, 2021** | **As at March 31, 2020** |
|---|---|---|
| Brightstar Logistics Pte. Ltd | - | 25,96,720 |
| Eiesha Limited | 25,96,720 | - |
| (Holding has been transferred from Brightstar Logistics Pte. Ltd to Eiesha Limited and Eiesha Limited is now Holding and ultimate holding company) | | |

**15.4 Details of shares held by each shareholder holding more than 5% shares in the company.**

| **Fully paid equity shares of Rs. 10 each** | **As at March 31, 2021** | | **As at March 31, 2020** | |
|---|---|---|---|---|
| | Number of shares held | % holding of equity shares | Number of shares held | % holding of equity shares |
| Brightstar Logistics Pte. Ltd | - | - | 25,96,720 | 51.00% |
| Eiesha Ltd | 25,96,720 | 51.00% | - | - |
| Bharti (RM) Holdings Private Limited | 6,29,521 | 12.36% | 6,29,521 | 12.36% |
| Eiesha Bharti Pasricha | 10,07,235 | 19.78% | 10,07,235 | 19.78% |
| Bharti (RBM) Holdings Private Limited | 6,29,521 | 12.36% | 6,29,521 | 12.36% |

**16. Other equity** (Rs. in Million)

| | **As at March 31, 2021** | **As at March 31, 2020** |
|---|---|---|
| Capital reserve | 2.50 | 2.50 |
| Securities premium | 5.27 | 5.27 |
| Retained earnings | (1,547.17) | (1,258.62) |
| Foreign currency translation reserve | 42.29 | 48.23 |
| | **(1,497.11)** | **(1,202.62)** |

**16.1 Capital reserve** (Rs. in Million)

| | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Balance at the beginning of the year | 2.50 | 2.50 |
| Movement during the year | - | - |
| **Balance at the end of the year** | **2.50** | **2.50** |

**16.2 Securities premium** (Rs. in Million)

| | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Balance at the beginning of the year | 5.27 | 5.27 |
| Movement during the year | - | - |
| **Balance at the end of the year** | **5.27** | **5.27** |

**16.3 Retained earnings** (Rs. in Million)

| | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Balance at the beginning of the year | (1,258.62) | (1,281.93) |
| Effect of adoption of new Ind AS (Net of deferred tax Rs. Nil) | - | (6.37) |
| Profit/(Loss) during the year | (277.81) | 11.65 |
| Transferred from general reserve | - | - |
| Other comprehensive income/ loss arising from defined benefit obligation, net of income taxes | (10.74) | 18.03 |
| **Balance at the end of the year** | **(1,547.17)** | **(1,258.62)** |

**16.4 Foreign currency translation reserve** (Rs. in Million)

| | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Balance at the beginning of the year | 48.23 | 26.30 |
| Income/(Loss) attributable to owners of the Company | (5.94) | 21.93 |
| Other comprehensive (income)/ losses | - | - |
| **Balance at the end of the year** | **42.29** | **48.23** |

**Nature of reserves**

**16.1 Capital reserve**

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

**16.2 Securities premium**

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

**16.3 Retained earnings**

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

**16.4 Foreign currency translation reserve**

Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. Rs.) are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve. Gains and losses on derivatives that are designated as hedging instruments for hedges of net investments in foreign operations are included in the foreign currency translation reserve. Exchange differences previously accumulated in the foreign currency translation reserve (in respect of translating both the net assets of foreign operations and hedges of foreign operations) are reclassified to profit or loss on the disposal of the foreign operation.

**17. Provisions**

(Rs. in Million)

| | **As at March 31, 2021** | **As at March 31, 2020** |
|---|---|---|
| **Non current provisions** | | |
| **(a) Provision for employee benefits** | | |
| Provision for compensated absences (Refer Note 35) | 27.96 | 21.74 |
| Provision for other long term employee benefits (Refer Note 35) | - | 0.70 |
| | **27.96** | **22.44** |
| **(b) Other provisions** | | |
| Provision for litigations (Refer Note 17.2) | 40.83 | 44.78 |
| | **40.83** | **44.78** |
| | **68.79** | **67.22** |
| **Current provisions** | | |
| **(a) Provision for employee benefits** | | |
| Provision for compensated absences (Refer Note 35) | 1.48 | 3.22 |
| Provision for other long term employee benefits (Refer Note 35) | - | 0.55 |
| | **1.48** | **3.77** |
| **(b) Other provisions** | | |
| Provision for warranties (Refer Note 17.1) | 13.25 | 18.77 |
| Provision for sales return allowance (Refer Note 17.3) | **4.75** | **20.62** |
| Provision for litigations (Refer Note 17.2)* | 27.48 | - |
| Provision for income-tax | - | 7.38 |
| | **45.48** | **46.77** |
| | **46.96** | **50.54** |

**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 period. Provision made as at March 31, 2021 represents the amount of the expected cost of meeting such obligations of repair/ replacement. The details are as follows:

(Rs. in Million)

| **Reconciliation of balance at the beginning and at the end of the year** | **As at March 31, 2021** | **As at March 31, 2020** |
|---|---|---|
| Balance at the beginning of the year | 18.77 | 17.05 |
| Arising during the year | 15.80 | 21.25 |
| Utilized during the year | (17.34) | (3.66) |
| Unused amounts reversed | (3.98) | (15.87) |
| **Balance at the end of the year** | **13.25** | **18.77** |

**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:

(Rs. in Million)

| Reconciliation of balance at the beginning and at the end of the year | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Balance at the beginning of the year | 44.78 | 242.41 |
| Arising/(reversed) during the year* | 27.37 | (197.63) |
| Utilised during the year | (3.84) | - |
| **Balance at the end of the year** | **68.31** | **44.78** |

*Due to non-fulfilment of export obligation stated in the EPCG license availed in 2008-09, management is of the view that likelihood of liability towards customer duty concession received on import of capital goods is probable, hence provision has been created during the year ended March 31, 2021 for Rs. 27.48 million through Profit & Loss account in exceptional & extraordinary item

**17.3 Provision for sales return allowance**

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

(Rs. in Million)

| Reconciliation of balance at the beginning and at the end of the year | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Balance at the beginning of the year | 20.62 | 38.40 |
| Arise/(reverse) during the year | (15.87) | 12.17 |
| Utilised during the year | | (29.95) |
| **Balance at the end of the year** | **4.75** | **20.62** |

**18. Other liabilities**

(Rs. in Million)

| | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Non Current** | | |
| (a) Deferred contract revenue* | 277.24 | 335.15 |
| (b) Gratuity obligation (Refer Note 35) | 69.79 | 54.60 |
| | **347.03** | **389.75** |
| **Current** | | |
| (a) Advance received from customer | 31.72 | 52.00 |
| (b) Statutory dues | | |
| - taxes payable (other than income taxes) | 40.94 | 48.02 |
| (c) Gratuity obligation (Refer Note 35) | 8.13 | 5.55 |
| (d) Deferred contract revenue* | 426.04 | 482.42 |
| | **506.83** | **587.99** |

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

**19. Borrowings** (Rs. in Million)

| **Current Borrowings** | **As at March 31, 2021** | **As at March 31, 2020** |
|---|---|---|
| **Secured** | | |
| a) Cash credit from banks (Refer Note 19.1) | 50.82 | 132.00 |
| b) Working capital demand loan (Refer Note 19.1) | 1,384.96 | 2,520.10 |
| | **1,435.78** | **2,652.10** |
| **Unsecured** | | |
| a) Buyer's credit (Refer Note 19.2) | - | 228.13 |
| b) Other loan (Refer Note 19.5) | 170.38 | 113.45 |
| | **170.38** | **341.58** |
| | **1,606.16** | **2,993.68** |
| **Non-Current Borrowings** | | |
| **Secured** | | |
| a) Working Capital term Loan from banks (Refer note 19.3) | 527.00 | - |
| | **527.00** | **-** |
| **Unsecured** | | |
| a) Loan from Related party (Refer Note 19.4) | 365.58 | 376.95 |
| b) Other loan (Refer Note 19.5) | 123.31 | 207.47 |
| | **488.89** | **584.42** |
| | **1,015.89** | **584.42** |

**Note :**

**19.1 Cash credit and working capital demand loan**

a) The cash credit facility carries interest rate of 8.65% (March 31, 2020: 8.65% to 10.35% p.a) and working capital loan from ANZ Banking Group Ltd is repayable on demand carries interest rate of 6.50% to 8.50% p.a. (March 31, 2020: 7.10% to 8.55% p.a.). The Facility from ANZ Banking Group Ltd was paid in 2020-21

b) The cash credit facility carries interest rate of 9.60% p.a. (March, 31, 2020: 9.60% to 12.00% p.a.) and working capital loan from Kotak Mahindra Bank is repayable on demand carries interest rate of 8.25% to 11.00% p.a. (March 31, 2020 : 8.25% to 12.00% p.a.) and is secured by hypothecation of all existing and future receivable/current assets/movable fixed assets of Group.

c) The cash credit facility carries interest rate of 11.60% p.a. (March 31, 2020 : 11.60% to 12.00%p.a.) and working capital loan from HDFC Bank Ltd is repayable on demand carries interest rate of 11.60% p.a. (March 31, 2020 : 11.00% to 12.00% p.a.) and is secured by hypothecation of stock, book debts and entire fixed assets of Group.

d) Working capital loan from Citi Bank Limited is repayable on demand carries interest rate of 7.60% to 9.00% ( March 31, 2020 : 9.00% p.a) and is secured against hypothecation of current and Fixed assets of Group.

e) The cash credit facility carries interest rate of 8.35% p.a. and working capital loan repayable on demand from Axis bank Limited carries interest rate of 8.10% and is secured by hypothecation of stock, book debts and fixed assets of Group.

**19.2 Buyer’s credit**

a) Buyer’s credit carries interest rate of 2.66% to 2.96% p.a. (March 31, 2020 : 2.66% to 3.74% p.a.) from ANZ Banking Group Ltd. This facility was fully paid in 2020-21.

**19.3 Working Capital Term Loan**

a) Working Capital Term loan from Kotak Mahindra bank Ltd is obtained under emergency credit line scheme(ECLGS) and carries Interest rate of 7.45%, repayable in 48 equated monthly instalments ( after one year moratorium period for principal amount) and secured by Hypothecation of Current and Fixed Assets of company (2$^{nd}$ charge).

**19.4 Loan from Related party**

External currency borrowing has been taken for 5 years and carries interest rate of LIBOR+450bps. Loan is novated from Brightstar Logistics Pte Ltd to Eiesha Limited due to change in shareholding as on 30th Dec 2020. The loan is repayable in financial year 2024-25.

**19.5 Other loan**

Unsecured financing arrangement loan from Hewlett Packard Financial Services (India) Private Limited, repayable in 0-3 years and carries interest rate of 10.90%

**20. Trade payables**

(Rs. in Million)

| | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Total outstanding dues of micro enterprises and small enterprises (Refer note 44) | 18.70 | 23.09 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises* | 1,362.95 | 2,476.06 |
| | **1,381.65** | **2,499.15** |

*For related party balances, Refer Note 36.

**21. Other financial liabilities**

(Rs. in Million)

| | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Current** | | |
| (a) Security deposits received | 0.08 | 0.08 |
| (b) Interest accrued but not due on bank borrowings | 5.36 | 20.14 |
| (c) Payable to Employees | 29.05 | 21.47 |
| (d) Financial liability measured at fair value | | |
| (i) Forward contracts (Refer Note 41) | 2.47 | - |
| (e) Interest accrued but not due (I/C) (refer note 36) | 4.28 | - |
| | **41.24** | **41.69** |

**22. Revenue from operations**

(Rs. in Million)

| | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|---|---|
| (a) Revenue from sale of products | | |
| -Finished goods | 480.61 | 529.60 |
| -Traded goods | 6,795.08 | 12,534.88 |
| (b) Revenue from rendering of services | 982.26 | 935.46 |
| (c) Other operating revenue | | |
| -Sale of scrap | 2.82 | 4.25 |
| | **8,260.77** | **14,004.19** |

**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, 2021 | | | Total |
|---|---|---|---|---|
| | Consumer | Enterprises | Network | |
| India | 1,910.30 | 2,339.17 | 3,550.54 | 7,800.01 |
| Outside India | 13.35 | 382.49 | 64.92 | 460.76 |
| **Total Revenue from contracts with customers** | **1,923.65** | **2,721.66** | **3,615.46** | **8,260.77** |

| Segment | Year Ended March 31, 2020 | | | Total |
|---|---|---|---|---|
| | Consumer | Enterprises | Network | |
| India | 5,133.23 | 5,053.20 | 2,475.51 | 12,661.94 |
| Outside India | 13.00 | 906.79 | 422.46 | 1,342.25 |
| **Total Revenue from contracts with customers** | **5,146.23** | **5,959.99** | **2,897.97** | **14,004.19** |

**22.2 Contract Balances** (Rs. in Million)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Trade Receivables | 1,557.84 | 2,101.34 |
| Contract Assets | - | - |
| Contract Liabilities | 31.72 | 52.00 |

Set out below is the amount of revenue recognised from:

(Rs. in Million)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Amounts included in contract liabilities at the beginning of the year | 52.00 | 75.77 |
| Performance obligations satisfied in previous years | - | - |

**22.3 Performance obligations and remaining performance obligations**

The transaction price allocated to the remaining performance obligations are as follows: (Rs. in Million)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Within one year | 426.04 | 482.42 |
| More than one year | 277.24 | 335.15 |

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

**23. Other income** (Rs. in Million)

| | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|---|---|
| **(a) Interest income** | | |
| (i) On bank deposits | 1.45 | 0.49 |
| (ii) On security deposits carried at amortised cost | 0.93 | 0.93 |
| (iii) Others | 5.18 | 42.83 |
| **(b) Other non operating income** | | |
| (i) Liabilities/provisions no longer required written back | 3.41 | 4.49 |
| | **10.97** | **48.74** |

**24. Cost of materials consumed** (Rs. in Million)

| | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|---|---|
| **Opening stock** | 42.68 | 59.07 |
| Add: Purchases | 298.90 | 277.20 |
| | **341.58** | **336.27** |
| Less: Closing stock | 73.01 | 42.68 |
| **Cost of material consumed** | **268.57** | **293.59** |

**25. Purchases** (Rs. in Million)

| | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|---|---|
| Purchase of goods and Services | 5,905.99 | 12,339.43 |
| | **5,905.99** | **12,339.43** |

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

| | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|---|---|
| **Inventories at the end of the year:** | | |
| Finished goods | 31.90 | 36.13 |
| Work-in-progress | 6.12 | 3.84 |
| Stock-in-trade | 585.29 | 1,737.30 |
| | **623.31** | **1,777.27** |
| **Inventories at the beginning of the year:** | | |
| Finished goods | 36.13 | 46.40 |
| Work-in-progress | 3.84 | 8.14 |
| Stock-in-trade | 1,737.30 | 1,550.20 |
| | **1,777.27** | **1,604.74** |
| **Net (increase)/decrease** | **1,153.96** | **(172.53)** |

**27. Employee benefit expense**

(Rs. in Million)

| | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|---|---|
| Salaries and wages | 449.87 | 537.75 |
| Contribution to provident and other funds | 36.47 | 45.73 |
| Staff welfare expenses | 13.35 | 20.22 |
| | **499.69** | **603.70** |

**28. Finance cost**

(Rs. in Million)

| | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|---|---|
| Interest expenses | | |
| - On current borrowings | 211.95 | 283.25 |
| - On borrowing from related party (refer note 36) | 18.87 | 9.40 |
| - On Lease liability (refer note 43) | 15.49 | 15.39 |
| | **246.31** | **308.04** |

**29. Depreciation and amortisation expense**

(Rs. in Million)

| | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|---|---|
| Depreciation of property, plant and equipment (Refer Note 4) | 11.84 | 19.54 |
| Amortisation of intangible assets (Refer Note 5) | 14.57 | 21.51 |
| Amortisation of right to use asset (refer note 43) | 23.00 | 23.07 |
| | **49.41** | **64.12** |

**30. Other expenses**

(Rs. in Million)

| | Year Ended March 31, 2021 | | Year Ended March 31, 2020 | |
|---|---|---|---|---|
| Advertisement and marketing expense | | 12.18 | | 8.40 |
| Bad Debts and advances written off | 6.48 | | 14.42 | |
| Less: adjusted against provision for doubtful debts | (6.02) | 0.46 | (5.57) | 8.85 |
| Bank charges | | 12.09 | | 12.63 |
| Charity and donation | | 0.16 | | 0.20 |
| Commission on sales | | 5.94 | | 15.36 |
| Communication expenses | | 6.52 | | 8.25 |
| Consumption of stores and spares | | 2.14 | | 2.23 |
| Electricity and water charges | | 2.06 | | 3.19 |
| Exchange rate difference (net) | | 56.99 | | 78.02 |
| Freight and cartage | | 35.78 | | 86.39 |
| Insurance charges | | 28.56 | | 51.29 |
| Legal and professional expenses# | | 32.72 | | 36.05 |
| Loss on sale of property, plant and equipment (net)/ software impairement | | - | | 1.91 |
| Miscellaneous expenses* | | (4.68) | | 30.12 |
| Power and fuel | | 9.41 | | 10.70 |
| Printing and stationery | | 0.48 | | 1.02 |

| | Year Ended March 31, 2021 | | Year Ended March 31, 2020 | |
|---|---|---|---|---|
| Allowances for doubtful debt(net)* | | 69.71 | | (64.41) |
| Allowances for obsolete/slow moving stock* | | (72.63) | | 8.25 |
| Recruitment and Staff Development | | 2.25 | | 9.05 |
| Rates and taxes | | 29.85 | | 4.22 |
| Rent including lease rentals | | 1.44 | | 3.64 |
| Repair and maintenance: | | | | |
| a) Building | | 0.27 | | 0.17 |
| b) Others | | 48.27 | | 58.21 |
| Sales promotion and schemes expenses* | | (19.90) | | 21.87 |
| Security charges | | 4.35 | | 4.39 |
| Service charges | | 116.49 | | 145.29 |
| Travelling and conveyance | | 8.49 | | 46.89 |
| Warranty cost | | 11.82 | | 5.39 |
| | | **401.22** | | **597.57** |

*Negative amounts indicate reversals/amounts net off written back

**# Payment to Auditor (as included in legal and professional expenses) excluding taxes** (Rs. in Million)

| | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|---|---|
| **As Auditor:** | | |
| Audit fee | 3.11 | 3.06 |
| **In other capacity:** | | |
| Other services (certification and others) | 0.09 | 0.65 |
| Reimbursement of expenses | 0.01 | 0.14 |
| | **3.21** | **3.85** |

## 31. Income taxes

(Rs. in Million)

| **Income taxes recognised in Statement of Profit and Loss** | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|---|---|
| **Current tax** | | |
| In respect of the current year | - | 6.94 |
| In respect of the previous years | (0.03) | (0.72) |
| | **(0.03)** | **6.22** |
| **Deferred tax** | | |
| In respect of the current year | (3.05) | 1.14 |
| Adjustments in respect of deferred tax of previous years | - | - |
| | **(3.05)** | **1.14** |
| **Total income tax expense recognised in Statement of Profit and Loss** | **(3.08)** | **7.36** |

**Reconciliation of tax expense with accounting profit for the year as follows:** (Rs. in Million)

| | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|---|---|
| Profit/ (Loss) before tax | **(280.89)** | **19.01** |
| Income tax @34.944% (year ended March 31, 2020 @ 34.944%) | (98.15) | 6.64 |
| Adjustments in respect of current income tax of previous years | **(0.03)** | **(0.72)** |
| Adjustments in respect of deferred tax of previous years | | **1.11** |
| Adjustment in respect of difference in tax rates of subsidiary company | **5.98** | **(9.13)** |
| Deferred tax asset not recognised | 89.12 | 9.46 |
| **Net tax expense recognised in profit and loss** | **(3.08)** | **7.36** |

The tax rate used for the years 2020-21 and 2019-2020 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, 2021 | Year ended March 31, 2020 |
|---|---|---|
| Nominal value of equity shares (Rs.) | 10.00 | 10.00 |
| Profit/(Loss) attributable to equity shareholders for computing basic and dilutive EPS (A) (Rs. million) | (277.81) | 11.65 |
| Weighted average number of equity shares outstanding during the year for computing Basic EPS (B) | 50,91,607 | 50,91,607 |
| 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) | 50,91,607 | 50,91,607 |
| **Basic earnings per share (A/B) Rs.** | **(54.56)** | **2.29** |
| **Diluted earnings per share (A/C) Rs.** | **(54.56)** | **2.29** |

**33. Contingent liabilities: (to the extent not provided for)**

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, 2021** | **As at March 31, 2020** |
|---|---|---|
| Indirect taxes | 85.68 | 104.06 |
| Excise Duty | - | 3.70 |
| Other | 1.54 | 2.02 |
| **Total** | 87.22 | 109.78 |

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.

Amount assessed as contingent liability includes interest and penalty as demanded by various authorities and interest liability that could claimed by authorities in case of unfavourable orders. Further, show cause notices relating to the Direct and Indirect taxes have neither been acknowledged as claims nor considered as contingent liabilities.

**34. Commitments:**

**Capital commitments**

(Rs. in Million)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Estimated amount of contracts remaining to be executed on capital account and not provided for* | 6.35 | 5.62 |
| **Total** | 6.35 | 5.62 |

* As of March 31, 2021, Net of capital advance Rs. 0.96 (March 31, 2020- Nil)

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

**35 Employee benefit plan**

**35.1 Defined contribution plan**

The Group makes provident fund contributions which are defined contribution plans, for qualifying employees. Under the scheme, the Group is required to contribute a specified percentage of the payroll costs to fund the benefits. The Group recognised Rs. 20.83 Million (year ended March 31, 2020 Rs. 27.10 Million) for provident fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Group are at rates specified in the rules of the scheme.

**35.2 Defined benefit plans and other employee benefits**

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

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

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

**35.3 Description of risk exposures**

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

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

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

| | Valuation as at | | | | | |
|---|---|---|---|---|---|---|
| | March 31, 2021 | | | March 31, 2020 | | |
| | Gratuity | Compensated absences | Long term service award | Gratuity | Compensated absences | Long term service award |
| Discount rate(s) | 6.35% | 6.35% | | 6.55% | 6.55% | |
| Expected rate(s) of salary escalation | 8.00% | 8.00% | | 0% for year 2020-21 and 7% thereafter | 0% for year 2020-21 and 7% thereafter | |
| Employee turnover | 0%-15% | 0%-15% | | 0%-15% | 0%-15% | |

**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, 2021 | | | Year ended March 31, 2020 | | |
|---|---|---|---|---|---|---|
| | **Gratuity** | **Compensated absences** | **Long term service award** | **Gratuity** | **Compensated absences** | **Long term service award** |
| **Service cost*** | | | | | | |
| Current service cost | 8.40 | 3.22 | | 11.03 | 5.22 | |
| Past Service Cost | - | - | | - | - | |
| Actuarial losses | - | 4.60 | - | - | (4.52) | (2.31) |
| Net interest expense | 3.94 | 1.55 | | 4.98 | 1.98 | |
| **Components of defined benefit costs recognised in profit or loss** | **12.34** | **9.37** | **-** | **16.01** | **2.68** | **(2.31)** |
| **Remeasurement on the net defined benefit liability**** | | | | | | |
| Return on plan assets (excluding amount included in net interest expense) | 0.55 | | | 0.93 | | |
| Actuarial (gains)/losses | 7.33 | | | (18.65) | | |
| Actuarial gains and loss arising form experience adjustments | 2.86 | | | (0.31) | | |
| **Components of defined benefit cost recognised in other comprehensive income** | **10.74** | **-** | **-** | **(18.03)** | **-** | **-** |
| **Total** | **23.08** | **9.37** | **-** | **(2.02)** | **2.68** | **(2.31)** |

*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, 2021 | | | March 31, 2020 | | |
|---|---|---|---|---|---|---|
| | **Gratuity** | **Compensated absences** | **Long term service award** | **Gratuity** | **Compensated absences** | **Long term service award** |
| Present value of defined benefit obligation | 98.03 | 29.44 | - | 83.08 | 24.96 | 1.25 |
| Fair value of plan assets | (20.11) | - | - | (22.93) | - | - |
| **Net liability arising from defined benefit obligation** | **77.92** | **29.44** | **-** | **60.15** | **24.96** | **1.25** |
| Non current portion | 69.79 | 27.96 | - | 54.60 | 21.74 | 0.70 |
| Current portion | 8.13 | 1.48 | - | 5.55 | 3.22 | 0.55 |

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

(Rs. in Million)

| | Year ended March 31, 2021 | | | Year ended March 31, 2020 | | |
|---|---|---|---|---|---|---|
| | Gratuity | Compensated absences | Long term service award | Gratuity | Compensated absences | Long term service award |
| **Opening defined benefit obligation** | **83.08** | **24.96** | **1.25** | **95.07** | **27.89** | **4.26** |
| Current service cost | 8.40 | 3.22 | - | 11.03 | 5.22 | - |
| Past service cost | - | - | - | - | - | - |
| Interest cost | 5.44 | 1.55 | - | 7.05 | 1.98 | - |
| Remeasurement losses | | | | | | |
| - Actuarial losses | 7.33 | 3.55 | - | (18.65) | (4.52) | (2.31) |
| - Actuarial gains and loss arising form experience adjustments | 2.86 | 1.05 | - | (0.31) | - | - |
| Benefits paid | (9.08) | (4.89) | (1.25) | (11.11) | (5.61) | (0.70) |
| **Closing defined benefit obligation** | **98.03** | **29.44** | **-** | **83.08** | **24.96** | **1.25** |

**Movement in the fair value of the plan assets are as follows:** (Rs. in Million)

| | March 31, 2021 | | | March 31, 2020 | | |
|---|---|---|---|---|---|---|
| | Gratuity | Compensated absences | Long term service award | Gratuity | Compensated absences | Long term service award |
| **Opening fair value of plan assets** | **22.93** | **-** | **-** | **28.01** | **-** | **-** |
| Interest income | 1.50 | - | - | 2.07 | - | - |
| Remeasurement losses | | | | | | |
| - Actual return on plan assets in excess of the expected return | (0.55) | - | - | (0.93) | - | - |
| Contributions by employer (including benefit payments recoverable) | 2.33 | - | - | 2.23 | - | - |
| Benefits paid | (6.10) | - | - | (8.45) | - | - |
| **Closing fair value of plan assets** | **20.11** | **-** | **-** | **22.93** | **-** | **-** |

**35.7 Maturity profile of defined benefit obligation of gratuity:** (Rs. in Million)

| | 2021 | 2020 |
|---|---|---|
| Within 1 year | 10.09 | 7.19 |
| 2 - 5 year | 40.06 | 35.11 |
| 6 - 10 year | 49.97 | 43.02 |
| More than 10 years | 61.21 | 55.72 |

The weighted average duration of the defined benefit obligation is 7 years (March 31, 2020: 7 years).

**35.8 Plan assets**

The fair value of Company's pension plan asset as of March 31, 2021 and as on March 31, 2020 by category are as follows:

| Asset category: | 2021 | 2020 |
|---|---|---|
| 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 | 2021 | (- / + 1%) | (6.36) | 7.10 |
| | 2020 | (- / + 1%) | (5.52) | 6.17 |
| Salary escalation rate | 2021 | (- / + 1%) | 6.69 | (6.18) |
| | 2020 | (- / + 1%) | 6.06 | (5.60) |
| Attrition rate | 2021 | (- / + 50%) | (1.50) | 2.36 |
| | 2020 | (- / + 50%) | (0.38) | 0.59 |
| Mortality rate | 2021 | (- / + 10%) | (0.02) | 0.02 |
| | 2020 | (- / + 10%) | (0.01) | 0.01 |

**36 Related party transactions**

| **S.No.** | **Nature of relationship** | **Name of the party** |
|---|---|---|
| a. | Ultimate holding company | **Foreign**<br>Softbank Group Japan (till October 22, 2020)<br>Brightstar Capital Partners, NewYork (effective October 22, 2020 till December 30, 2020)<br>Eiesha Ltd. (effective December 30, 2020) |
| b. | Holding company | **Foreign**<br>Brightstar Corp (till December 30, 2020)<br>Eiesha Ltd. (effective December 30, 2020) |
| c. | Intermediate Holding company | **Foreign**<br>Brightstar Logistics Pte Ltd( till December 30, 2020) |
| d. | Enterprise having substantial interest in the Company | **Foreign**<br>Eiesha Bharti Pasricha<br>**Indian**<br>Bharti (RBM) Holdings Private Limited<br>Bharti (RM) Holdings Private Limited |
| e. | Fellow subsidiaries and other companies which do not exercise control or significant influence over the Company (with whom the Company has transactions) | **Foreign**<br>Brightstar Logistics Pty Ltd (till December 30, 2020)<br>Brightstar 20:20 Limited(till December 30, 2020)<br>Brightstar 20:20 UK Limited(till December 30, 2020) |

| | | |
|---|---|---|
| f. | Key management personnel of the Group | **Whole Time Directors:**<br>Sanjeev Chhabra (Managing Director and CEO)<br>**Others:**<br>Gerard Patrick O'Keeffe - appointed effective July 31, 2020 and resigned effective December 30, 2020<br>Rajesh Madan (Independent Director)- resigned effective December 30, 2020<br>Uma Ajay Relan (Independent Director)- resigned effective December 04, 2020<br>Stijin Piet N Nijis (Non-Executive Director)- resigned July 09, 2020<br>Luciano Barreto Ferreira (Chief Financial officer)- resigned effective August 7, 2020<br>Ankur Agrawal (chief Financial officer)- effective August 8, 2020<br>Devendra Khanna (Director)<br>Neeraj Manchanda (Company Secretary)<br>Sanjay Dua (Independent Director) -appointed effective December 30,2020<br>Neha Sharma (Independent Director)-appointed effective December 30,2020<br>Lim Puay Chong Vincent (Director) |
| g. | Other Related Party* | Bharti Airtel Limited<br>Airtel Digital Limited<br>Bharti Airtel Services Limited<br>Bharti Axa General Insurance Company Limited<br>Bharti Foundation<br>Bharti Hexacom Limited<br>Bharti Land Limited<br>Bharti Reality Limited<br>Nxtra Data Limited<br>Telesonic Networks Limited |

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

**36.1 Details of transaction between the Group and its related parties are disclosed below:** (Rs. in Million)

| Particulars | For the year ended | Holding Company | Fellow sub-sidiaries | Key manageri-al personnel* | Other Related Party# |
|---|---|---|---|---|---|
| **Nature of transactions with related parties** | | | | | |
| Purchase of goods and services | 31-Mar-21 | - | - | - | 661.70 |
| | 31-Mar-20 | - | - | - | - |
| Sales of Goods and services | 31-Mar-21 | - | - | - | 649.60 |
| | 31-Mar-20 | - | - | - | - |
| Rent and Maintenance services paid | 31-Mar-21 | - | - | - | 29.22 |
| | 31-Mar-20 | - | - | - | - |
| Expenses incurred by related party on behalf of Group | 31-Mar-21 | 0.16 | - | - | - |
| | 31-Mar-20 | 3.71 | - | - | - |
| Expenses incurred by Group on behalf of related party | 31-Mar-21 | - | - | - | - |
| | 31-Mar-20 | 0.09 | 0.02 | - | - |
| Marketing Support Received | 31-Mar-21 | 0.05 | - | - | - |
| | 31-Mar-20 | 0.26 | - | - | - |
| Management contract fees expenses** | 31-Mar-21 | - | -5.39 | - | - |
| | 31-Mar-20 | - | 27.12 | - | - |
| Management contract fees income | 31-Mar-21 | - | - | - | - |
| | 31-Mar-20 | - | - | - | - |
| Short-term employee benefits | 31-Mar-21 | - | - | 32.13 | - |
| | 31-Mar-20 | - | - | 50.33 | - |
| Fee for attending board committee meetings | 31-Mar-21 | - | - | 0.84 | - |
| | 31-Mar-20 | - | - | 1.33 | - |
| Loan Received | 31-Mar-21 | - | - | - | - |
| | 31-Mar-20 | 354.50 | - | - | - |
| Interest Paid on Loan Received | 31-Mar-21 | 18.87 | - | - | - |
| | 31-Mar-20 | 9.40 | - | - | - |

*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.

** Negative amounts indicate reversals/amount net off written back

**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, 2021 are unsecured and interest free and settlement occurs in cash. For the year ended 31 March 2021, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2020: INR Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

## 36.2 Balance outstanding at the end of the year

(Rs. in Million)

| Nature of balances with related parties | Balance as at | Holding Company | Fellow sub-sidiaries | Key Managerial Personnel | Other Related Party |
|---|---|---|---|---|---|
| Trade payables | 31-Mar-21 | - | - | - | 129.95 |
| | 31-Mar-20 | - | 30.84 | - | - |
| Loan Payable | 31-Mar-21 | 365.58 | - | - | - |
| | 31-Mar-20 | 376.95 | - | - | - |
| Interest Payable on loan | 31-Mar-21 | 4.28 | - | - | - |
| | 31-Mar-20 | - | - | - | - |
| Trade Receivables | 31-Mar-21 | - | - | - | 220.77 |
| | 31-Mar-20 | 0.10 | - | - | - |
| Employee related liabilities | 31-Mar-21 | - | - | 2.35 | - |
| | 31-Mar-20 | - | - | - | - |

## 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, 2021 | As at March 31, 2020 |
| Beetel Teletech Singapore Private Limited(Formerly known as Brightstar Telecommunications 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 consoli-dated profit/(loss) | Rs. in Million | As % of consolidated other com-prehensive income/(loss) | Rs. in Million | As % of consolidated total com-prehensive income/(loss) | Rs. in Million |
| Parent | | | | | | | | |
| **BEETEL TELETECH LIMITED** | | | | | | | | |
| Balance as at March 31, 2021 | 117% | (1,267.54) | 94% | (261.05) | 100% | (10.74) | 94% | (271.79) |
| Balance as at March 31, 2020 | 126% | (995.75) | 71% | 110.65 | 100% | 18.03 | 74% | 128.68 |
| **Subsidiaries** | | | | | | | | |
| **Foreign** | | | | | | | | |
| Beetel Teletech Singapore Private Limited | | | | | | | | |
| Balance as at March 31, 2021 | (17%) | 182.21 | 6% | (17.11) | 0% | - | 6% | (17.11) |
| Balance as at March 31, 2020 | (26%) | 205.26 | 29% | 45.99 | 0% | - | 26% | 45.99 |
| **Total - 31 March 2021** | **100%** | **(1,085.33)** | **100%** | **(278.16)** | **100%** | **(10.74)** | **100%** | **(288.90)** |
| **Total - 31 March 2020** | **100%** | **(790.49)** | **100%** | **156.64** | **100%** | **18.03** | **100%** | **174.67** |

| 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 |
| **a) Adjustment arising out of consolidation** | | | | | | | | |
| As at March 31, 2021 | | (360.86) | | 0.35 | | (5.94) | | (5.59) |
| As at March 31, 2020 | | (361.21) | | (144.99) | | 21.93 | | (123.06) |
| **b) Minority interest** | | | | | | | | |
| **Foreign subsidiary** | | | | | | | | |
| Beetel Teletech Singapore Private Limited | | | | | | | | |
| Balance as at March 31, 2021 | | - | | - | | - | | - |
| Balance as at March 31, 2020 | | - | | - | | - | | - |
| **Total - 31 March 2021** | | **-** | | **-** | | **-** | | **-** |
| **Total - 31 March 2020** | | | | **-** | | **-** | | **-** |
| **Consolidated net assets/ profit (loss)** | | | | | | | | |
| As at March 31, 2021 | | **(1,446.19)** | | **(277.81)** | | **(16.68)** | | **(294.49)** |
| As at March 31, 2020 | | **(1,151.70)** | | **11.65** | | **39.96** | | **51.61** |

**39.** The Code on Social Security, 2020 ('code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited the suggestions from stakeholders. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

**40. Fair value measurements**

**40.1** The carrying value of financial instruments by categories as of March 31, 2021 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 | - | 243.10 | 243.10 |
| Other bank balances | - | 25.82 | 25.82 |
| Trade receivables | - | 1,557.84 | 1,557.84 |
| Loans | - | 15.62 | 15.62 |
| Forward contracts | - | - | - |
| Other financial assets | - | 41.42 | 41.42 |
| **Total** | **-** | **1,883.80** | **1,883.80** |
| **Financial liabilities:** | | | |
| Trade payables | - | 1,381.65 | 1,381.65 |
| Borrowings | - | 2,622.05 | 2,622.05 |
| Forward contracts | 2.47 | - | 2.47 |
| Other financial liabilities | - | 172.56 | 172.56 |
| **Total** | **2.47** | **4,176.26** | **4,178.73** |

**40.2** The carrying value of financial instruments by categories as of March 31, 2020 is as follows: (Rs. in Million)

| | Measured at fair value through P&L | Measured at amortised cost | Carrying value |
|---|---|---|---|
| **Financial assets:** | | | |
| Cash and cash equivalents | - | 242.05 | 242.05 |
| Other bank balances | - | 3.87 | 3.87 |
| Trade receivables | - | 2,101.34 | 2,101.34 |
| Loans | - | 16.38 | 16.38 |
| Forward contracts | 25.41 | - | 25.41 |
| Other financial assets | - | 238.97 | 238.97 |
| **Total** | **25.41** | **2,602.61** | **2,628.02** |
| **Financial liabilities:** | | | |
| Trade payables | - | 2,499.15 | 2,499.15 |
| Borrowings | - | 3,578.10 | 3,578.10 |
| Forward contracts | - | | - |
| Other financial liabilities | - | 190.05 | 190.05 |
| **Total** | **-** | **6,267.30** | **6,267.30** |

* The carrying value of above financial assets and financial liabilities approximates its fair value.

**40.3 Fair Value hierarchy:**

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

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

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

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

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

(Rs. in Million)

| | Fair value hierarchy | | |
|---|---|---|---|
| | **Level 1** | **Level 2** | **Level 3** |
| **At March 31, 2021** | | | |
| Financial assets | - | - | - |
| Financial liabilities | - | 2.47 | - |
| **At March 31, 2020** | | | |
| Financial assets | - | 25.41 | - |
| 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.

The following table summarizes the financial assets and financial liabilities measured at carrying value as at March 31, 2021

(Rs. in Million)

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| **Financial Assets** | | | | |
| Financial assets at amortised cost: | | | | |
| Cash and cash equivalents | - | 243.10 | - | 243.10 |
| Other bank balances | - | 25.82 | - | 25.82 |
| Trade receivables | - | 1,557.84 | - | 1,557.84 |
| Loans | - | - | 15.62 | 15.62 |
| Other financial assets | - | 41.42 | - | 41.42 |
| **Total** | **-** | **1,868.18** | **15.62** | **1,883.80** |
| **Financial liabilities** | | | | |
| Financial liabilities held at amortised cost: | | | | |
| Trade payables | - | 1,381.65 | - | 1,381.65 |
| Borrowings | - | - | 2,622.05 | 2,622.05 |
| Other financial liabilities | - | 172.56 | - | 172.56 |
| **Total** | **-** | **1,554.21** | **2,622.05** | **4,176.26** |

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

(Rs. in Million)

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| **Financial Assets** | | | | |
| Financial assets at amortised cost: | | | | |
| Cash and cash equivalents | - | 242.05 | - | 242.05 |
| Other bank balances | - | 3.87 | - | 3.87 |
| Trade receivables | - | 2,101.34 | - | 2,101.34 |
| Loans | - | - | 16.38 | 16.38 |
| Other financial assets | - | 238.97 | - | 238.97 |
| **Total** | **-** | **2,586.23** | **16.38** | **2,602.61** |
| **Financial liabilities** | | | | |
| Financial liabilities held at amortised cost: | | | | |
| Trade payables | - | 2,499.15 | - | 2,499.15 |
| Borrowings | - | - | 3,578.10 | 3,578.10 |
| Other financial liabilities | - | 190.05 | - | 190.05 |
| **Total** | **-** | **2,689.20** | **3,578.10** | **6,267.30** |

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

# 41 Financial instruments

## 41.1 Capital management

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

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

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

**Gearing ratio as of March 31, 2021 and March 31, 2020 is as follows:** (Rs. in Million)

| | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Debt | 1,606.16 | 2,993.68 |
| Cash and other bank balances | 268.92 | 245.92 |
| **Net debt** | **1,337.24** | **2,747.76** |
| **Total equity** | **(1,446.19)** | **(1,151.70 )** |
| **Gearing ratio (%)** | (92%) | (239%) |

## 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, 2021 | As at March 31, 2020 |
|---|---|---|
| Loan | 15.62 | 16.38 |
| Trade receivables* | 1,557.84 | 2,101.34 |
| Other financial assets | **41.42** | **264.38** |
| **Total** | **1,614.88** | **2,382.10** |

*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, 2021 | | | As at March 31, 2020 | | |
|---|---|---|---|---|---|---|
| | 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 | - | 1,381.65 | - | - | 2,499.15 | - |
| Borrowings | 9.39% | 1,606.16 | 1,015.89 | 9.92% | 2,993.68 | 584.42 |
| Other financial liabilities | - | 56.36 | 116.20 | - | 56.27 | 133.78 |
| Forward contracts | - | 2.47 | - | - | - | - |
| **Total** | | **3,046.64** | **1,132.09** | | **5,549.10** | **718.20** |

### 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, 2021 | March 31, 2020 |
|---|---|---|---|
| Trade receivables | USD | 2.76 | 1.24 |
| Trade payables | USD | 7.41 | 8.40 |
| | EUR | 3.08 | 1.32 |
| | SGD | 0.03 | 0.03 |
| | HKD | 0.11 | - |
| | AUD | - | 0.02 |
| Other Receivables | USD | 0.38 | 0.07 |
| | EUR | - | 0.53 |
| Other Payables | USD | 0.04 | - |
| | SGD | - | 0.02 |
| Borrowings | USD | 5.00 | 8.03 |

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

(Amount in Million)

| Particulars | Currency | March 31, 2021 | March 31, 2020 |
|---|---|---|---|
| Trade receivables | USD | 2.76 | 1.24 |
| Trade payables | USD | 1.30 | 5.39 |
| | EUR | 1.88 | 0.40 |
| | SGD | 0.03 | 0.03 |
| | HKD | 0.11 | - |
| | AUD | - | 0.02 |
| Other Receivables | USD | 0.38 | 0.07 |
| | EUR | - | 0.53 |
| Other Payables | USD | 0.04 | - |
| | SGD | | 0.02 |

### *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.

(Rs. in Million)

| Particulars | Currency | Change in rate | Effect on profit before tax |
|---|---|---|---|
| **For the year ended March 31, 2021** | USD | +5% | 6.57 |
| | USD | -5% | (6.57) |
| | EUR | +5% | (4.88) |
| | EUR | -5% | 4.88 |
| **For the year ended March 31, 2020** | USD | +5% | (15.41) |
| | USD | -5% | 15.41 |
| | EUR | +5% | (3.71) |
| | EUR | -5% | 3.71 |
| | AUD | +5% | (0.05) |
| | AUD | -5% | 0.05 |

### *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, 2021 | | | As at March 31, 2020 | | |
|---|---|---|---|---|---|---|
| | Coverage (INR) | Outstanding Amount (Foreign Currency)** | MTM (INR) | Coverage (INR) | Outstanding Amount (Foreign Currency) | MTM (INR) |
| USD | 1,548.30 | 21.18 | (0.50) | 813.55 | 11.03 | 23.86 |
| EUR | 103.38 | 1.21 | (1.97) | 74.60 | 0.92 | 1.55 |
| | **1,651.68** | **22.39** | **(2.47)** | **888.15** | **11.95** | **25.41** |

*The outstanding forward contracts are having maturity profile of less than six months.

** The outstanding forward cover of USD 10million agaisnt Open purchase orders issued to vendors

**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. Product from which reportable segment derive their revenues.**

Based on the nature and class of product and services, their customers and assessment of differential risks and returns and financial reporting results reviewed by chief operating decision maker, the Group has identified the following business segments which comprised:

Consumer Products: Distribution of Harman & other accessories, Landline phones, Modems, information technology peripherals & Cloud Cameras

Enterprises products: Distribution of board room solutions, display devices, voice and data products and related Services

Network Products: Distribution of network equipment, servers, Telecom products & related services

**b. Geographical segments**

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

**c. Segment accounting policies**

Segment accounting policies: In addition to the significant accounting policies applicable to the business segment as set out in note 1, the accounting policies in relation to segment accounting are as under:

**i Segment assets and liabilities:**

Segment assets include all operating assets used by a segment and consist principally of cash, debtors, inventories and Property, Plant and Equipment including capital work in progress, net of allowances and provisions, which are reported as direct offset in the Balance Sheet. Segment liabilities include all operating liabilities and consist principally of creditors and accrued liabilities.

**ii Segment revenue and expenses:**

Joint revenue and expenses of segments are allocated amongst them on reasonable basis. All other segment revenue and expenses are directly attributable to the segments.

**iii Segment results:**

Segment results represents the profit before tax earned by each segment without allocation of unallocable central administration costs, other income as well as finance costs. Operating profit amounts are evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance.

**42.2 For the year ended March 31, 2021** (Rs. in Million)

| Reportable Segments | Consumer | Enterprises | Network | Unallocated | Total |
|---|---|---|---|---|---|
| **Revenue** | | | | | |
| External sales | 1,923.65 | 2,721.66 | 3,615.46 | - | 8,260.77 |
| Other income | - | - | - | 10.97 | 10.97 |
| **Total revenue** | **1,923.65** | **2,721.66** | **3,615.46** | **10.97** | **8,271.74** |
| **Result** | | | | | |
| Profit/(loss) before Exceptional item, interest and tax | 127.18 | (23.51) | (47.37) | (63.40) | (7.10) |
| Exceptional and Extraordinary expense | 27.48 | | | | 27.48 |
| Interest expense | - | - | - | 246.31 | 246.31 |
| **Profit/(loss) before tax** | **99.70** | **(23.51)** | **(47.37)** | **(309.71)** | **(280.89)** |
| Tax expense | | | | (3.08) | (3.08) |
| **Profit/(loss) after tax** | **99.70** | **(23.51)** | **(47.37)** | **(306.63)** | **(277.81)** |
| **Other information** | | | | | |
| Segment assets | 358.23 | 1,381.93 | 1,284.75 | 677.24 | 3,702.15 |
| Segment liabilities | 237.47 | 887.45 | 1,171.72 | 2,851.70 | 5,148.34 |
| Capital expenditure | 6.06 | - | - | 18.66 | 24.72 |
| Depreciation and amortisation | 4.08 | - | - | 45.33 | 49.41 |
| Other non-cash expenditure | (63.73) | 1.97 | 35.07 | (3.40) | (30.09) |

**42.3 For the year ended March 31, 2020** (Rs. in Million)

| Reportable Segments | Consumer | Enterprises | Network | Unallocated | Total |
|---|---|---|---|---|---|
| **Revenue** | | | | | |
| External sales | 5,146.23 | 5,959.99 | 2,897.97 | - | 14,004.19 |
| Other income | - | | | 48.74 | 48.74 |
| **Total revenue** | **5,146.23** | **5,959.99** | **2,897.97** | **48.74** | **14,052.93** |
| **Result** | | | | | |
| Profit/(loss) before interest and tax | 25.84 | 130.28 | 200.79 | (29.86) | 327.05 |
| Interest expense | - | - | - | 308.04 | 308.04 |
| Profit/(loss) before tax | 25.84 | 130.28 | 200.79 | (337.90) | 19.01 |
| **Tax expense** | **-** | **-** | **-** | **7.36** | **7.36** |
| Profit/(loss) after tax | 25.84 | 130.28 | 200.79 | (345.26) | 11.65 |
| **Other information** | | | | | |
| Segment assets | 1,263.84 | 2,079.26 | 1,563.72 | 1,304.28 | 6,211.10 |
| Segment liabilities | 932.10 | 1,666.28 | 953.95 | 3,810.47 | 7,362.80 |
| Capital expenditure | - | - | - | 17.02 | 17.02 |
| Depreciation and amortisation | 9.65 | - | - | 54.47 | 64.12 |
| Other non-cash expenditure | 50.56 | (81.21) | (19.20) | 20.18 | (29.67) |

**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, 2021.

**43 Leases**

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all Lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Group recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Group's incremental borrowing rate at the date of initial application.

Due to the implementation of Ind AS 116, the nature of expense has been changed from operating lease rent to depreciation cost for the right of use assets and finance cost for interest accrued on lease liability.

**Right of Use Assets** (Rs. in Million)

| Particulars | March 31, 2021 | March 31, 2020 |
|---|---|---|
| **Opening Balance** | 139.69 | 162.76 |
| Additions during the year | - | - |
| Disposals during the year | - | - |
| Depreciation during the year | (23.00) | (23.07) |
| **Closing Balance** | **116.69** | **139.69** |

The movement in lease liabilities during the year ended March 31, 2021 and break up of current and non-current lease liabilities as at March 31, 2021 is as follows:

**Leasehold Obligation** (Rs. in Million)

| Particulars | March 31, 2021 | March 31, 2020 |
|---|---|---|
| Opening Balance | 148.36 | 162.66 |
| Additions during the year | - | - |
| Deletions during the year | - | - |
| Interest accrued during the year | 15.49 | 15.39 |
| Payment of lease liabilities | (30.06) | (29.69) |
| **Closing Balance** | **133.79** | **148.36** |
| Current | 17.59 | 14.58 |
| Non Current | 116.20 | 133.78 |

The details of the contractual maturities of lease liabilities as at March 31, 2021 on an undiscounted basis are as follows:

| Particulars | Rs. in Million |
|---|---|
| Less than one year | 17.59 |
| One to five years | 73.52 |
| More than five years | 42.68 |
| **Total** | 133.79 |

**44 Disclosure under Micro, Small and Medium Enterprises Development Act, 2006**

(Rs. in Million)

| Particulars | March 31, 2021 | March 31, 2020 |
|---|---|---|
| (i) Principal amount remaining unpaid to MSME suppliers as on | 18.70 | 23.09 |
| (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 | 0.01 | - |
| (vi) The amount of interest due and payable to be disallowed under Income Tax Act, 1961 | - | - |

Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. This has been relied upon by the Auditors.

**45 Reconciliation of liabilities arising from financing activities:**

The table below details change in the Group's liabilities arising from financing activities, including both cash and non cash changes. Liabilities arising from financing activities are those for which cash flows where, or future cash flows will be, classified in the Group's statement of cashflows as cashflows from financing activities.

(Rs. in Million)

| Particulars | Opening Balance as at April 01, 2020 | Interest Accrual during year | Financial Cash Flows | Non Cash Item | Closing Balance as at March 31, 2021 |
|---|---|---|---|---|---|
| Working Capital Loan From Banks | 2,652.10 | | (689.32) | - | 1,962.78 |
| Other loan | 320.92 | | (27.23) | - | 293.69 |
| Buyers Credit | 228.13 | | (219.02) | (9.11) | - |
| loan from related party | 376.95 | | | (11.38) | 365.57 |
| Lease liabilities | 148.36 | 15.49 | (30.06) | - | 133.79 |
| Interest | 20.14 | 230.81 | (241.31) | - | 9.64 |
| **Total** | **3,746.60** | **246.30** | **(1,206.94)** | **(20.49)** | **2,765.47** |

| Particulars | Opening Balance as at April 01, 2019 | Interest Accrual during year | Financial Cash Flows | Non Cash Item | Closing Balance as at March 31, 2020 |
|---|---|---|---|---|---|
| Working Capital Loan From Banks | 3,445.51 | | (793.41) | - | 2,652.10 |
| Other loan | - | | 320.92 | - | 320.92 |
| Buyers Credit from Banks | 146.35 | | 72.67 | 9.11 | 228.13 |
| Loan from related party | - | | 354.50 | 22.45 | 376.95 |
| Lease liabilities | 162.66 | 15.39 | (29.69) | - | 148.36 |
| Interest | 5.72 | 292.65 | (278.23) | - | 20.14 |
| **Total** | **3,760.24** | **308.04** | **(353.24)** | **31.56** | **3,746.60** |

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

**47** In accordance with the provisions of Section 135 of the Companies Act, 2013, the Group has turnover of more than ₹ 100 million which is one of the conditions mentioned in the said section and hence, the Group is liable to spend at least two percent of the average net profits of the Group made during the three immediately preceding financial years. However, the Group has average net losses from the past three consecutive years, the Group is not required to spend any amount on Corporate Social Responsibility.

**48** There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as at March 31, 2021

**49** **Approval of financial statements**

The financial statements were approved for issue by the Board of Directors on August 19, 2021.

For and on behalf of Board of Directors of
**Beetel Teletech Limited (formerly Known as Brightstar Telecommunications India Limited)**

| | |
|---|---|
| Sd/- | Sd/- |
| **Devendra Khanna** | **Sanjeev Chhabra** |
| Chairman | Managing Director |
| (DIN: 01996768) | (DIN: 08174113) |
| Place: Delhi, India | Place: Gurugram, India |
| Sd/- | Sd/- |
| **Ankur Agrawal** | **Neeraj Manchanda** |
| Chief Financial Officer | Company Secretary |
| Place: Gurugram, India | Place: Gurugram, India |

www.beetel.in

**BEETEL TELETECH LIMITED**
(Erstwhile Brightstar Telecommunications India Limited)
CIN : U32204HR1999PLC042204

**REGISTERED OFFICE**
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