MSKC & Associates LLP
(Formerly known as M S K C & Associates)
Chartered Accountants

602, Floor 6, Raheja Titanium
Western Express Highway, Geetanjali Railway Colony
Ram Nagar, Goregaon (E) Mumbai 400063, INDIA

Independent Auditor's Report

To the Board of Directors of Commtel Networks Limited (Formerly known as Commtel Networks Private Limited)

Opinion

We have audited the accompanying Special Purpose Ind AS Consolidated Financial Statement of Commtel Networks Limited (Formerly known as Commtel Networks Private Limited),("the Company"), and its subsidiaries (the Entity and its subsidiaries hereinafter together referred to as "the Group") which comprises the Special Purpose Consolidated Balance sheet as at 31 March 2023, and the Special Purpose Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Special Purpose Consolidated Statement of Changes in Equity and Special Purpose Consolidated Statement of Cash Flows along with the material accounting policies and other explanatory information for the year 1 April 2022, to 31 March 2023 (hereinafter together referred to as "Special Purpose Ind AS Consolidated Financial Statement"). This Special Purpose Ind AS Consolidated Financial Statement have been prepared by the Management in accordance with the accounting policies of the Parent Company; Commtel Networks Limited (Formerly known as Commtel Networks Private Limited) which are based on Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended to the extent applicable (referred as 'the Reporting framework').

In our opinion and to the best of information and according to the explanations given to us, the aforesaid Special Purpose Ind AS Consolidated Financial Statement of the Group for the year ended 31 March 2023, are prepared in all respects, in accordance with the Note (ii) on basis of accounting set out in Note 1(B) to the Special Purpose Ind AS Consolidated Financial Statement.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ('SAs') issued by the Institute of Chartered Accountants of India ('the ICAI'). Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Special Purpose Ind AS Consolidated Financial Statement section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the ICAI together with the ethical requirements that are relevant to our audit of the Special Purpose Ind AS Consolidated Financial Statement, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter- Basis of Preparation and Restriction on Distribution and Use

We draw attention to note 1(B)(ii) to the Special Purpose consolidated Ind AS Financial Statements, which describe the purpose and basis of its accounting. These Special Purpose consolidated Ind AS Financial Statements have been prepared by the management of the Company, solely for the purpose of the preparation of the "Restated Consolidated Financial Information of the Company for the year ended 31 March 2025, 31 March 2024, and 31 March 2023" to be included in the Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus to be filed by the Company with the Securities and Exchange Board of India ('SEBI'), National Stock Exchange of India Limited, BSE Limited and

Registrar of Companies, as applicable, in connection with the proposed Initial Public Offering of equity shares of the Company, as per the requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013, the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time ('SEBI ICDR Regulations'), e-mail dated 28 October 2021 from SEBI to Association of Investment Bankers of India ('SEBI Communication') and the Guidance Note on Reports in Company Prospectus (Revised 2019) issued by ICAI. As a result, these Special Purpose Consolidated Ind AS Financial Statements may not be suitable for another purpose.

Our report is intended solely for the purpose specified above. This should not be distributed to or used by any other parties. M S K C & Associates LLP shall not be liable to the Company or to any other concerned for any claims, liabilities or expenses relating to this assignment. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

Our Opinion is not modified in respect of this matter.

Responsibilities of Management and Those charged with Governance for Special Purpose Ind AS Consolidated Financial Statement

The management of the Company is responsible for the preparation and fair presentation of this Special Purpose Ind AS Consolidated Financial Statement in accordance with note 1(B)(ii) on basis of accounting this includes design, implementation and maintenance of such internal control as management determines is necessary to enable the preparation of the Special Purpose Ind AS Consolidated Financial Statement, that are free from material misstatement whether due to fraud or error.

In preparing the Special Purpose Ind AS Consolidated Financial Statement, the respective management of the Subsidiaries included in the Group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations or has no realistic alternative but to do so.

Those Charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Special Purpose Ind AS Consolidated Financial Statement

Our objectives are to obtain reasonable assurance about whether the Special Purpose Ind AS Consolidated Financial Statement 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 this Special Purpose Ind AS Consolidated Financial Statement.

We give in "**Annexure A**" a detailed description of Auditor's responsibilities for Audit of the Special Purpose Ind AS Consolidated Financial Statement.

Other Matters:

a) This Special Purpose Ind AS Consolidated Financial Statement for the year ended 31 March 2023 has been prepared by the management of Entity in accordance with the basis of preparation stated in Note 1(B)(ii) to the Special Purpose Ind AS Consolidated Financial Statement. Accordingly, the entity has not presented the corresponding comparative figures in this Special Purpose Ind AS Consolidated Financial Statement.

Our opinion is not modified in respect of the above matter.

For M S K C & Associates LLP (Formerly known as M S K C & Associates)
Chartered Accountants
ICAI Firm Registration Number - 001595S/S000168

Ojas D. Joshi
Partner
Membership No. 109752
UDIN: 25109752BMMMIY5739

Place: Mumbai
Date: 25 September 2025

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE AUDIT OF THE SPECIAL PURPOSE IND AS CONSOLIDATED FINANCIAL STATEMENT OF COMMTEL NETWORKS LIMITED (FORMERLY KNOWN AS COMMTEL NETWORKS PRIVATE LIMITED).

Auditor's Responsibilities for the Audit of the Special Purpose Ind AS Consolidated Financial Statement

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 Special Purpose Ind AS Consolidated Financial Statement, 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing our opinion on whether the entity has internal financial controls with reference to Special Purpose Ind AS Consolidated Financial Statement 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 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 Group'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 Special Purpose Ind AS Consolidated Financial Statement 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.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings.

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.

For M S K C & Associates LLP (Formerly known as M S K C & Associates)
Chartered Accountants
ICAI Firm Registration Number - 001595S/S000168

Ojas D. Joshi
Partner
Membership No. 109752
UDIN: 25109752BMMMIY5739

Place: Mumbai
Date: 25 September 2025

(All amounts are in INR Million except as stated otherwise)

SPECIAL PURPOSE CONSOLIDATED BALANCE SHEET

PARTICULARS	NOTE	As at 31 March 2023
ASSETS		
Non-current assets		
Property, Plant and Equipment	2	108.33
Capital work-in-progress	2	36.17
Right of use assets	41	131.78
Financial Assets		
(i) Investments		-
(ii) Trade receivables	3	327.84
(iii) Other Financial Assets	4	310.12
Deferred Tax Assets (Net)	42	96.07
Non Current Tax Assets (Net)		-
Other Non-current assets	5	198.21
Total Non-current assets		**1,208.52**
Current assets		
Inventories	6	476.43
Financial Assets		
(i) Trade receivables	7	1,745.99
(ii) Cash and cash equivalents	8	892.71
(iii) Bank balances other than (ii) above	9	36.91
(iv) Other Financial assets	10	11.06
Other Current Assets	11	506.21
Total Current Assets		**3,669.31**
Total Assets		**4,877.83**
EQUITY AND LIABILITIES		
Equity		
Equity Share capital	12	18.54
Other Equity	13	2,807.43
Equity attributable to owners of the parent		**2,825.97**
Non-controlling interests		73.53
Total equity		**2,899.50**
Liabilities		
Non-current liabilities		
Financial Liabilities		
(i) Borrowings	14	81.75
(ii) Lease Liabilities	15	99.89
Provisions	16	33.71
Total non-current liabilities		**215.35**

M S K C & ASSOCIATES LLP ★ Chartered Accountants ★

COMMTEL NETWORKS LIMITED ★ (FORMERLY, COMMTEL NETWORKS PVT. LTD.) ★ commtel

(All amounts are in INR Million except as stated otherwise)

SPECIAL PURPOSE CONSOLIDATED BALANCE SHEET

PARTICULARS	NOTE	As at 31 March 2023
Current liabilities		
Financial Liabilities		
(i) Borrowings	17	572.71
(ii) Lease Liabilities	18	45.57
(iii) Trade payables	19	
Total outstanding dues of micro enterprises and small enterprises		0.85
Total outstanding dues of creditors other than micro enterprises and small enterprises		879.45
(iv) Other financial liabilities	20	127.28
Provisions	21	8.26
Other Current Liabilities	22	123.26
Current Tax Liabilities (Net)	23	5.60
Total Current liabilities		**1,762.98**
Total Equity and Liabilities		**4,877.83**
Summary of Material accounting policies & Notes to Special Purpose Consolidated Financial Statements.	1 to 50	

Refer note no. 49 for reconciliation.

As per our report of even date attached
For M S K C & Associates LLP
(Formerly known as M S K C & Associates)
Chartered Accountants
Firm's Registration No.: 001595S/S000168

Ojas D. Joshi
Partner
Membership No: 109752

Date: 25 September, 2025
Place: Mumbai

For and on behalf of the Board of Directors of
Commtel Networks Limited
(Formerly Known As Commtel Networks Private Limited)

Shriprakash R. Pandey
Chairman & Managing Director
DIN : 00032655

Kiran Arvindakshan Menon
Chief Financial Officer

Date: 25 September, 2025
Place: Navi Mumbai

(All amounts are in INR Million except as stated otherwise)

SPECIAL PURPOSE CONSOLIDATED STATEMENT OF PROFIT AND LOSS

PARTICULARS	NOTE	Year ended 31 March 2023
REVENUE		
Revenue from Operations	24	4,122.69
Other Income	25	64.11
TOTAL INCOME		**4,186.80**
EXPENSES		
Cost of Materials consumed	26	1,940.94
Changes in inventories of Project in progress	27	0.05
Employee benefit expenses	28	711.53
Finance costs	29	97.37
Depreciation and amortisation expense	30	80.39
Other expenses	31	754.87
TOTAL EXPENSES		**3,585.15**
Profit before tax		***601.65***
Income Tax Expense (Refer note 36)		
- Current tax		33.84
- Short (Excess) provision of tax of earlier years		0.00
- Deferred tax		(33.25)
		0.59
Profit after tax for the year		**601.06**

M S K C & ASSOCIATES LLP * Chartered Accountants *

COMMTEL NETWORKS LIMITED * (FORMERLY, COMMTEL NETWORKS PVT. LTD.) commtel

(All amounts are in INR Million except as stated otherwise)

SPECIAL PURPOSE CONSOLIDATED STATEMENT OF PROFIT AND LOSS

PARTICULARS	NOTE	Year ended 31 March 2023
Other Comprehensive Income		
(i) Items that will not be reclassified to profit or loss		
- Remeasurement gain/ (loss) on defined benefit obligation		(3.93)
(ii) Income tax relating to items that will not be reclassified to profit or loss		1.18
Other Comprehensive Income for the year		**(2.75)**
Total Comprehensive Income for the year		**598.31**
Profit for the year attributable to		
Owners of the Parent		582.71
Non- Controlling Interest		18.35
		601.06
Other Comprehensive Income for the year attributable to		
Owners of the Parent		(2.77)
Non- Controlling Interest		0.02
		(2.75)
Total Comprehensive Income for the year attributable to		
Owners of the Parent		579.94
Non- Controlling Interest		18.37
		598.31
Earnings per equity share of face value of INR 2/- each	33	
- Basic		11.43
- Diluted		11.43
Summary of Material accounting policies & Notes to Special Purpose Consolidated Financial Statements.	**1 to 50**	

Refer note no. 49 for reconciliation.

As per our report of even date attached
For M S K C & Associates LLP
(Formerly known as M S K C & Associates)
Chartered Accountants
Firm's Registration No.: 001595S/S000168

Ojas D. Joshi
Partner
Membership No: 109752

Date: 25 September, 2025
Place: Mumbai

For and on behalf of the Board of Directors of
Commtel Networks Limited
(Formerly Known As Commtel Networks Private Limited)

Shriprakash R. Pandey
Chairman & Managing Director
DIN : 00032655

Kiran Arvindakshan Menon
Chief Financial Officer

Date: 25 September, 2025
Place: Navi Mumbai

(All amounts are in INR Million except as stated otherwise)

SPECIAL PURPOSE CONSOLIDATED STATEMENT OF CASH FLOW

PARTICULARS	As at 31 March 2023
Cash Flows From Operating Activities	
Profit before extraordinary items and tax	601.65
Adjusted for :	
Depreciation	80.39
Finance costs	97.37
Provision for gratuity	8.83
Provision towards incentives	2.22
Allowance for Expected Credit Loss	101.83
Unrealized Exchange differences	(2.18)
Interest Income on loans and investments	(5.98)
Unwinding of Financial Assets	(43.50)
Profit on sale of investments	(8.06)
Operating Profit before working capital changes	832.57
Adjusted for :	
Change in operating assets and liabilities:	
(Increase)/ Decrease in inventories	18.65
(Increase)/ Decrease in trade receivables	(593.12)
(Increase)/ Decrease in other financials assets	(6.59)
(Increase)/ Decrease in other current assets	(383.49)
Increase/ (Decrease) in trade payables	553.42
Increase/ (Decrease) in other financial liabilities	75.68
Increase/ (Decrease) in other current liabilities	(10.52)
(Increase)/ Decrease in other Non Current Assets	(7.79)
(Increase)/ Decrease in other financial assets (Non Current)	(4.82)
Cash Generated from Operations	**473.99**
Less : Taxes Paid (Net of Refunds)	(32.05)
Net Cash from Operating Activities	**441.94**
Cash Flows From Investing Activities	
Payment towards purchase of Property, Plant and Equipment	(79.94)
Loans given	(101.71)
Fixed Deposits placed	(312.71)
Fixed Deposits matured	57.88
Interest received on loans	5.20
Cash Generated (used in) Investing Activities	**(431.28)**

M S K C & ASSOCIATES LLP ★ Chartered Accountants ★

COMMTEL NETWORKS LIMITED ★ (FORMERLY, COMMTEL NETWORKS PVT. LTD.) ★ commtel

(All amounts are in INR Million except as stated otherwise)

CONSOLIDATED STATEMENT OF CASH FLOW

PARTICULARS	As at 31 March 2023
Cash Flows From Financing Activities	
Proceeds from long term borrowings	187.27
Repayment of long term borrowings	(20.64)
Short term borrowings (net)	(77.61)
Principal repayment on lease liabilities	(47.23)
Interest paid on lease liabilities	(11.84)
Finance expenses paid	(81.03)
Net cash Generated (used in) Financing Activities	**(51.08)**
Net increase in cash & Cash equivalents	**(40.42)**
Cash and Cash equivalents at the beginning of the year	865.83
Foreign Cash Translation Reserve on Cash & Cash Equivalents	67.30
Cash and Cash equivalents at end of the year [Refer Note 8]	**892.71**
Summary of Material accounting policies & Notes to Consolidated Financial Statements.	1 to 51

The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard (Ind AS) 7 - "Cash Flow Statements"
Refer note no. 49 for reconciliation.

As per our report of even date attached
For M S K C & Associates LLP
(Formerly known as M S K C & Associates)
Chartered Accountants
Firm's Registration No.: 001595S/S000168

Ojas D. Joshi
Partner
Membership No: 109752

Date: 25 September, 2025
Place: Mumbai

For and on behalf of the Board of Directors of
Commtel Networks Limited
(Formerly Known As Commtel Networks Private Limited)

Shriprakash R. Pandey
Chairman & Managing Director
DIN : 00032655

Kiran Arvindakshan Menon
Chief Financial Officer

Date: 25 September, 2025
Place: Navi Mumbai

(All amounts are in INR Million except as stated otherwise)

SPECIAL PURPOSE CONSOLIDATED STATEMENT OF CHANGE IN EQUITY

Particulars	Amount
A. Equity Share Capital	
Balance as at 1 April 2022 (Before Restatement)	18.54
Changes in the Equity Share Capital during the year	-
Balance as at 1 April 2022 (Restated)	**18.54**
Balance as at 1 April 2022	18.54
Changes in the Equity Share Capital during the year	-
Balance as at 31 March 2023	**18.54**

B. Other Equity (Restated)	Reserves & Surplus									
	Securities Premium	Capital Redemption Reserve	General Reserve	Statutory Reserve	Capital Reserve	Foreign Currency Translation Reserve	Retained Earnings	Attributable to Owners	Non-Controlling Interest	Total Other Equity
Balance as at 1 April 2022 (before restatement)	54.20	1.00	102.46	0.35	2.37	160.90	1,973.17	2,294.45	48.02	2,342.47
Changes in accounting policy or prior period errors (net of deferred tax)	-	-	-	-	-	(9.89)	(220.56)	(230.45)	7.12	(223.33)
Restated Balance as at 1 April 2022	**54.20**	**1.00**	**102.46**	**0.35**	**2.37**	**151.01**	**1,752.61**	**2,064.00**	**55.14**	**2,119.14**
Balance as at 1 April 2022	54.20	1.00	102.46	0.35	2.37	151.01	1,752.61	2,064.00	55.14	2,119.14
Profit for the year	-	-	-	-	-	-	582.71	582.71	18.37	601.08
Other Comprehensive Income for the year	-	-	-	-	-	-	(2.77)	(2.77)	0.02	(2.75)
Total Comprehensive income for the year	**54.20**	**1.00**	**102.46**	**0.35**	**2.37**	**151.01**	**2,332.54**	**2,643.93**	**73.54**	**2,717.47**
Transactions with owners in capacity as owners										
Movement during the year	-	-	-	0.18	-	163.48	**(0.17)**	163.49	(0.01)	163.48
Balance as at 31 March 2023	**54.20**	**1.00**	**102.46**	**0.53**	**2.37**	**314.49**	**2,332.38**	**2,807.43**	**73.53**	**2,880.96**

Summary of Material accounting policies & Notes to Special Purpose Consolidated Financial Statements.
Refer note no. 49 for reconciliation.

As per our report of even date attached
For M S K C & Associates LLP
(Formerly known as M S K C & Associates)
Chartered Accountants
Firm's Registration No.: 001595S/S000168

Ojas D. Joshi
Partner
Membership No: 109752

Date: 25 September 2025
Place: Mumbai

For and on behalf of the Board of Directors of
Commtel Networks Limited
(Formerly Known As Commtel Networks Private Limited)

Shriprakash R. Pandey
Chairman & Managing Director
DIN : 00032655

Kiran Arvindakshan Menon
Chief Financial Officer

Date: 25 September 2025
Place: Navi Mumbai

(All amounts are in INR Million except as stated otherwise)

NOTES TO SPECIAL PURPOSE CONSOLIDATED FINANCIAL STATEMENTS

1. COMPANY OVERVIEW AND MATERIAL ACCOUNTING POLICIES:

A. Group Information

Commtel Networks Limited (Formerly Known as "Commtel Networks Private Limited" ("the Company/ Holding Company") (CIN U32201MH1998PLC116062) is domiciled and operates as a public limited company in India under the provisions of the Companies Act, 2013 (the Act). The Holding Company's registered office is at 23, White Castle, 34/35, Union Park, Sion-Trombe Road, Chembur, Mumbai 400071, Maharashtra, India. The Holding Company was incorporated on 31 July, 1998 and was converted into a public limited company on 18 July, 2025.

These consolidated financial statements consists of financial statements of the Holding Company and its subsidiaries (together referred to as the "Group") and have been approved by the Board of Directors at their meeting held on 25 September 2025.

The Holding Company and its subsidiaries considered in these consolidated financial statements are:

Name of the Company	Country of Incorporation	Ownership interest held by the respective holding companies as at 31 March 2023
Commtel Networks Limited ("Holding Company")	India	-
Commtel Networks (FZC) ("Subsidiary Company")	United Arab Emirates	97%
Commtel Networks (USA) L.L.C. ("Subsidiary of Commtel Networks (FZC)")	USA	100%
Commtel Networks L.L.C. ("Subsidiary of Commtel Networks (FZC)")	United Arab Emirates	49%

The Group is a specialized engineering and technology group specializing in designing, building and implementing integrated telecommunication, security, and safety ("iTSS") systems for critical national infrastructure ("CNI") facilities, with a specific focus on oil and gas and power sectors.

M S K C & ASSOCIATES LLP * Chartered Accountants *

COMMTEL NETWORKS LIMITED * (FORMERLY COMMTEL NETWORKS PVT. LTD.) * commtel

NOTES TO SPECIAL PURPOSE CONSOLIDATED FINANCIAL STATEMENTS

B. Statement of Compliance and Basis of Preparation

(i) Statement of compliance

The Special Purpose Consolidated Financial Statement for the year ended 31 March, 2023 were prepared in accordance with the accounting standards notified under the Companies (Accounting Standards) Rules, 2015 (as amended) and the other relevant provisions of the Act to the extent applicable and is not a complete set of financial statements.

(ii) Basis of Preparation

The Special Purpose Ind AS Consolidated Financial Statements of Commtel Networks Limited (the Company) and its subsidiaries (the Group) comprises the Special Purpose Consolidated Balance Sheet as at 31 March, 2023, and the Special Purpose Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Special Purpose Consolidated Statement of Cash Flows and the Special Purpose Consolidated Statement of Changes in Equity for the period 1 April, 2022 to 31 March, 2023 and a summary of material accounting policies and other explanatory information (together referred to as the "Special Purpose Consolidated Financial statements").

This Special Purpose Ind AS Consolidated Financial Statement of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II (Ind AS) of Schedule III to the Companies Act, 2013, to the extent applicable (being reporting framework) for the preparation of these Special Purpose Ind AS Consolidated Financial Statement.

The Special Purpose Ind AS Consolidated Financial Statement do not include the comparative financial information and disclosures.

This Special Purpose Ind AS Consolidated Financial Statement has been prepared by the entity for the purpose of preparation of the Consolidated Restated Financial Information for the Company which would be included in the Company's Draft Red Herring Prospectus (DRHP), Red Herring Prospectus (RHP) and the Prospectus (hereinafter collectively referred to as the 'Offer Documents') in accordance with Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.

As a result, this Special Purpose Ind AS Consolidated Financial Statement is for understanding the Group's Consolidated financial information for the year 31 March, 2023 and is not a complete set of financial statements of the Group in accordance with applicable financial reporting framework. This Special Purpose Ind AS Consolidated Financial Statement is therefore not be suitable for any another purpose.

M S K C & ASSOCIATES LLP * Chartered Accountants *

COMMTEL NETWORKS LIMITED * (FORMERLY COMMTEL NETWORKS PVT. LTD.) *

The consolidated financial statements and information:

a) have been prepared on accrual basis and in accordance with historical cost convention, except for certain class of financial assets and liabilities and net liability for defined benefits plans that are measured at fair value as required by relevant Ind AS. The accounting policies are applied consistently to all the periods presented in the financial statements.
b) The financial statements are presented in INR rounded to the nearest million, the functional currency of the Group. Items included in the financial statements of the Group are recorded using the currency of the primary economic environment in which the Group operates (the 'functional currency').
c) The Group has prepared the Consolidated financial statements on the basis that it will continue to operate as a going concern.
d) have been prepared after incorporating adjustments for the changes in accounting policies, rectification of errors, and regrouping/ reclassifications to reflect the same accounting treatment as per the accounting policies and grouping/ classifications followed as at and for the year ended 31 March 2025.(Refer note 49)

(iii) Principles for consolidation

Subsidiaries:

Subsidiaries are all entities over which the Group has control. Control is achieved when the Group is exposed or has rights to variable returns from its involvement with the investee & affects those returns through its power over the investee. Subsidiaries are consolidated from the date on which control is transferred to / acquired by the Group and are not consolidated from the date that control ceases. The consolidated financial statements present the results of the Holding Company and its subsidiaries (the Group) as if they formed a single entity. The financial statements of the Holding Company and its subsidiaries have been consolidated on a line-by-line basis by adding together items of assets, liabilities, income and expenses. Intra-Group balances and intra-group transactions and resulting unrealized profits have been eliminated.

Non-controlling interests have been excluded. Non-controlling interests represents that part of the profit or loss and net assets of subsidiaries that are not directly or indirectly owned or controlled by the Group. Non-controlling interest in the net assets of consolidated subsidiaries consist of the amount of equity attributable to minority shareholders at the dates on which investments are made by the Group in the subsidiary companies and further movements in their share in the equity, subsequent to the dates of investment.

The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Group's separate financial statements.

M S K C & ASSOCIATES LLP * Chartered Accountants

COMMTEL NETWORKS LIMITED * (FORMERLY, COMMTEL NETWORKS PVT. LTD.) commtel

(iv) Current and 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:

- it is expected to be realised in, or is intended for sale or consumption in, the Group's normal operating cycle.
- it is held primarily for the purpose of trading ;
- It is expected to be realised within 12 months after the reporting period; or
- It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when it satisfies any of the following criteria:

- It is expected to be settled in the Group's normal operating cycle;
- It is held primarily for the purpose of trading
- It is due to be settled within 12 months after the reporting date or
- the Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

All other liabilities are classified as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

Operating Cycle

Based on the nature of products/activities of the Group and the normal time between acquisition of assets and their realization in cash or cash equivalents. The Group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

(v) Property, Plant & Equipment

All items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses if any. Cost includes expenditure that is directly attributable to the acquisition of the items and the estimated present value of any future unavoidable costs of dismantling and removing items. Parts (major components) of an item of Property, plant and equipment's having different useful lives are accounted as separate items of property, plant and equipment's.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated

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with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to Statement of Profit and Loss during the reporting period in which they are incurred.

Capital work-in-progress comprises of cost incurred on property, plant and equipment under construction / acquisition that are not yet ready for their intended use at the Balance Sheet Date. Advances paid towards the acquisition of property, plant and equipment outstanding at each reporting date is classified as Capital Advances under "Other Non-Current Assets" and assets which are not ready for intended use as on the reporting date are disclosed as "Capital Work in Progress".

Derecognition

An item of Property, Plant and Equipment and any significant part initially recognised 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 Statement of Profit and Loss.

Depreciation

Depreciation on property plant and equipment is computed on the straight- line method based on the life assigned to each asset in accordance with Schedule II of the Companies Act, 2013 or as per applicable law in home country.

The residual values, useful lives and method of depreciation of property, plant and equipment is reviewed at each financial year end and adjusted prospectively, if appropriate.

The Group depreciates them separately based on underlying geography and specific useful life:

Asset Class	Useful Life
Building - Staff Quarters	60 years
Test Equipments	5 years
Computer & Printers	3-5 years
Office Equipments	5 years
Vehicles	5-8 years
Furniture & Fixtures	5-10 years

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NOTES TO SPECIAL PURPOSE CONSOLIDATED FINANCIAL STATEMENTS

(vi) Leases

The Group's lease asset primarily consists of leases for Building. The Group assesses whether a contract contains a lease, at inception of a contract. The determination of whether a contract is (or contains) a lease is based on the substance of the contract at the inception of the lease. The contract is, or contains, a lease if the contract provides lessee, the right to control the use of an identified asset for a period of time in exchange for consideration. A lessee does not have the right to use an identified asset if, at inception of the contract, a lessor has a substantive right to substitute the asset throughout the period of use.

The Group accounts for the lease arrangement as follows

Where Group is a lessee

Right of Use Asset - The Group applies single recognition and measurement approach for all leases, except for short term leases (i.e for period upto 12 months) and leases of low value assets. On the commencement of the lease, the Group, in its Consolidated Balance Sheet, recognized the right of use asset at cost and lease liability at present value of the lease payments to be made over the lease term. Subsequently, the right of use asset is measured at cost less accumulated depreciation [calculated on straight line method] and any accumulated impairment loss. Right-of-use assets are depreciated on a straight-line basis over the lease term as per the underlying contracts.

Lease liabilities - At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future

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payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. The lease payment made, are apportioned between the finance charge and the reduction of lease liability and are recognized as expense in the Consolidated Statements of profit and loss.

Short-term leases and leases of low-value assets - The Group applies the short-term lease recognition exemption to its short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of assets that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognized as expense on a straight-line basis over the lease term.

Lease deposits given are a financial asset and are measured at amortised cost under Ind AS 109 since it satisfies Solely Payment of Principal and Interest (SPPI) condition. The difference between the present value and the nominal value of deposit is considered as Right of Use Asset and depreciated over the lease term as follows.

Asset category	Lease Term
Building	3-5 years

Unwinding of discount is treated as finance income and recognized in the Consolidated Statement of profit and loss.

(vii) Inventories

Inventory of materials are valued at lower of cost (net of indirect taxes, wherever recoverable) and net realizable value. Cost of inventory includes cost of purchases and all other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Project in-progress is valued at lower of cost (net of indirect taxes, wherever recoverable) and net realizable value.

(viii) Cash and Cash Equivalents:

Cash and cash equivalents includes cash in hand, deposits held with banks, other short term highly liquid investments with original maturities of three months or less, and – for the purpose of the statement of cash flows - bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the Consolidated balance sheet.

Cash Flows are reported using indirect method as set out in Ind AS – 7 "Statement of Cash flows" whereby profit/(loss) before tax is adjusted for the effects of transactions of non -

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cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

(ix) Revenue from Contracts with Customers:

The Group earns revenue primarily from delivery of turnkey projects, which involves end-to-end project deliveries from design to commissioning iTSS solutions for new CNI facilities and major upgrades to such facilities. These implementations encompass complete project lifecycle management from initial requirements analysis through final system commissioning and handover. The projects are undertaken in a systematic, milestone driven approach involving selection of technologies, system capacity sizing, architecture design, detailed engineering, integration, commissioning, inspection, testing and handover.

The Group also earns revenue from Engineering Services at the operational support stage, which encompasses field engineering services and operations and maintenance solutions.

Revenue from turnkey project contracts with customers is recognized over the period of time if any of the below mentioned criteria is met:

1. The Customer simultaneously receives and consumes the benefits as the Group performs. The same includes plant operations and maintenance, customer services, etc.
2. The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced
3. The Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Revenue from integration of turnkey projects where the performance obligations is satisfied over time are recognized using input method.

In other cases of turnkey project contracts where above conditions are not met, the revenue is recognised when performance obligation with respect to the project is satisfied.

Revenue from contract with customers is recognized only when the outcome of a project contract can be estimated reliably and is based on the extent of progress towards completion of the performance obligation. Input method of progress is used because it best depicts the transfer of control to the customer which occurs as it incurs costs on contracts. Under this method, the extent of progress towards completion is measured based on the proportion of costs incurred to date to the total estimated costs at completion of the performance obligation. Cost estimates on significant contracts are reviewed periodically, or when circumstances change and warrant a modification to a previous estimate. Provisions for anticipated losses on long-term contracts are recorded in full when such losses become evident, to the extent required.

Transaction Price for projects is the amount which Group expects to receive from customer in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties. The Group includes certain variable considerations as part of transaction price such as price escalations, performance related incentives and penalties including liquidated damages. The amount of variable consideration is estimated considering the expected value method or most likely amount method as appropriate in a given circumstance to the extent it is highly probable that the significant reversal of revenue will not occur.

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration excluding any amounts presented as a receivable.

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is received. Contract liabilities are recognised as revenue when the Group performs under the contract.

Revenue from engineering services is recognized over time as the customer receives the benefit of the Group's performance and the Group has an enforceable right to payment for services rendered.

Revenue from annual maintenance contracts is recognized on an accrual basis pro-rata over the term of the contract.

(x) Other Income

Interest Income

Interest income on investments, deposits and loans is accrued on time basis. Interest income on financial assets at amortised cost is recognised on time proportion basis using the effective interest rate method, based on the underlying interest rates.

Dividend income

Dividends are recognised when the right to receive payment is established. This is applied even if they are paid out of pre-acquisition profits unless the dividend clearly represents a recovery of cost of the investment.

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(xi) Employee Benefits

Short-term obligations

Short-term benefits include salaries and allowances and are settled within 12 months. Accordingly these are presented under Current liabilities.

Post employment / Other long-term benefit :

The Group operates the following post-employment schemes/long term benefit:

- defined benefit plans such as gratuity; and
- defined contribution plans such as provident fund.
- Compensated absences
- Long term incentives

Defined contribution plan

The Group contributes to the Statutory Provident fund, administered by the government, at the prescribed rates and has no further obligation beyond making its contribution. Group's contribution payable under the schemes is recognised as expense in the statement of profit and loss during the period in which the employee renders the related service.

Defined benefit plan

Defined benefit scheme surpluses and deficits are measured at:

(i) The fair value of plan assets at the reporting date; less

(ii) Plan liabilities calculated using the projected unit credit method discounted to its present value using yields available on government bonds that have maturity dates approximating to the terms of the liabilities and are denominated in the same currency as the postemployment benefit obligations; less

(iii) The effect of minimum funding requirements agreed with scheme trustees

Remeasurements of the net defined obligation are recognised directly within equity. The remeasurements include

(i) Actuarial gains and losses

(ii) Return on plan assets

(iii) Any asset ceiling effects

Service costs are recognised in profit or loss, and include current and past service costs as well as gains and losses on curtailments

Net interest expense (income) is recognised in profit or loss, and is calculated by applying the discount rate used to measure the defined benefit obligation (asset) at the beginning of the annual period to the balance of the net defined benefit obligation (asset), considering the effects of contributions and benefit payments during the period.

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Gains or losses arising from changes to scheme benefits or scheme curtailment are recognised immediately in profit or loss. Settlements of defined benefit schemes are recognised in the period in which the settlement occurs.

Compensated Absences

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value, based on actuarial valuation, of the defined benefit obligation as at the balance sheet date.

Long term incentives

The Group has proposed a long-term incentives scheme to motivate senior employees linking it to the growth and performance of the Group and the employee continuing with the Group, payable beyond twelve months from the end of financial year. The expense is recognized in the period during which the employee renders the related service and is recognized as a liability at the present value of the defined benefit obligation as at the balance sheet date.

(xii) Foreign Exchange Transactions

The functional currency of the Group and its subsidiaries is determined on the basis of the primary economic environment in which it operates. The functional and presentation currency of the Group in the home country of the Group is Indian National Rupees (INR).

Transactions denominated in foreign currency are recorded at the exchange rate on the date of transaction where the settlement of such transactions are taking place at a later date. The exchange gain/loss on settlement / negotiation during the year is recognized in the statement of profit and loss. In case of advance payment for purchase of assets/goods/services and advance receipt against sales of products/services, all such purchase/sales transaction are recorded at the rate at which such advances are paid/received.

Foreign currency monetary transactions remaining unsettled at the end of the year are converted at year-end rates. The resultant gain or loss is accounted for in the statement of profit and loss.

Non-monetary items that are measured at historical cost denominated in foreign currency are translated using exchange rate at the date of transaction.

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NOTES TO SPECIAL PURPOSE CONSOLIDATED FINANCIAL STATEMENTS

(xiii) Accounting and reporting of information for Operating Segments

The Group's operating segments are identified and reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM).

The CODM monitors the operating results of the Group's business & geographical segments separately for the purpose of making decisions about resource allocation and performance assessment. The Board of Directors have been identified as CODM.

(xiv) Borrowing Costs

Borrowing costs consists of interest and other costs that an entity incurs in connection with the borrowing of funds.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in Statement of Profit or Loss in the period in which they are incurred.

(xv) Tax Expense

Income tax comprises current and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to items directly recognized as Changes in Equity or in Other Comprehensive Income.

The tax currently payable is based on taxable profit for the year under the new tax regime. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profits. 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.

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Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(xvi) Earnings per share

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, adjusted for bonus elements in equity shares.

Diluted earnings per share

Diluted earnings per share adjusts 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.

(xvii) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the present obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

The Contracts with customers provide for warranties issued by the Group for a certain period. The Group creates a provision to cover the same based on past trend of cost incurred in fulfilling warranty commitments.

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. The Group issues bank guarantees to its customers which are linked to the fulfillment of performance. Based on past trend, wherein the guarantees are not invoked by the Customers, the Group considers the same as contingent liability and discloses the same accordingly.

(xviii) Financial Instruments

Financial assets and/or financial liabilities are recognised when the Group becomes party to a contract embodying the related financial instruments. All financial assets, financial liabilities and financial guarantee contracts are initially measured at fair value except for trade receivables not containing a significant financing component are initially measured at transaction price. Transaction costs that are 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 as the case may be, the fair value of such financial assets or liabilities, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised in profit or loss.

A financial asset and a financial liability is offset and presented on net basis in the balance sheet when there is a current legally enforceable right to set-off the recognised amounts and it is intended to either settle on net basis or to realise the asset and settle the liability simultaneously.

Financial Assets:

a. All recognised financial assets are subsequently measured in their entirety either at amortised cost or at fair value as follows:

1. Investment in equity instruments issued by subsidiary, associate and joint venture companies are measured at cost less impairment.
2. Trade receivables, security deposits, cash and cash equivalents, employee and other advances – at amortised cost.

b. For financial assets that are measured at FVTOCI, income by way of interest and dividend, provision for impairment and exchange difference, if any, (on debt instrument) are recognised in profit or loss and changes in fair value (other than on account of above income or expense) are recognised in other comprehensive income and accumulated in other equity. On disposal of debt instruments at FVTOCI, the cumulative gain or loss previously accumulated in other equity is reclassified to profit

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or loss. In case of equity instruments at FVTOCI, such cumulative gain or loss is not reclassified to profit or loss on disposal of investments.

c. A financial asset is primarily derecognised when:

   i. the right to receive cash flows from the asset has expired, or

   ii. the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement; and (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount at the date of derecognition and the consideration received is recognised in profit or loss.

d. Impairment of financial assets: For trade receivable, the Group applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Impairment loss on trade receivables is recognised using expected credit loss model, which involves use of a provision matrix constructed on the basis of historical credit loss experience as permitted under Ind AS 109 and is adjusted for forward looking information. Impairment loss on investments is recognised when the carrying amount exceeds its recoverable amount. For all other financial assets, expected credit losses are recognised based on the difference between the contractual cashflows and all the expected cash flows, discounted at the original effective interest rate. ECLs are measured at an amount equal to 12-month expected credit losses or at an amount equal to lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

Financial Liabilities:

a. Financial liabilities, including derivatives and embedded derivatives, which are designated for measurement at FVTPL are subsequently measured at fair value. Financial guarantee contracts are subsequently measured at the amount of impairment loss allowance or the amount recognised at inception net of cumulative amortisation, whichever is higher.

b. A financial liability is derecognised when the related obligation expires or is discharged or cancelled. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(xix) Accounting of Derivative Contracts

Forward currency contracts are recognized on the trade date as financial instruments and are initially measured at fair value. These are remeasured at fair value at each reporting date with resultant gain/ loss taken to Statement of Profit & Loss.

C. Use of Estimates and Critical Accounting Judgements

The preparation of the financial statements requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and the reportable amounts of revenue and expenses during the reporting period. The recognition, measurement, classification or disclosure of an item or information in the financial statements is made relying on these estimates.

The estimates and judgements used in the preparation of the financial statements are continuously evaluated by the Group and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Group believes to be reasonable under the existing circumstances. Actual results may differ from those estimates.

In particular, information about significant areas of estimation and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the Consolidated financial Information are disclosed below

1. **Project Revenue and Costs** - The input method places considerable importance on accurate estimates to the extent of progress towards completion and may involve estimates on the scope of deliveries and services required for fulfilling the contractually defined obligations. These significant estimates include total contract costs, total contract revenues, contract risks, including technical and regulatory risks, and other judgments viz. variable considerations such as claims, liquidated damages, etc. The Group re-assesses these estimates on periodic basis and makes appropriate revisions accordingly.

2. **Property, plant and equipment** - The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of the Group's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

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3. **Impairment of financial assets** - The Group assesses impairment on financial assets based on Expected Credit Loss (ECL) model. The provision matrix is based on its historically observed default rates over the expected life of the financial assets and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in forward looking estimates are analysed.

4. **Employee benefit Plan** - The Group's obligation for employee benefit plan is determined based on 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, attrition, mortality rates and medical inflation rate. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter most sensitive to change is the discount rate. In determining the appropriate discount rate the Actuary 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 India. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases are based on expected future inflation rates.

(All amounts are in INR Million except as stated otherwise)

NOTES TO SPECIAL PURPOSE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (CONTD.)
NOTE 2 : PROPERTY, PLANT AND EQUIPMENT & CAPITAL WORK-IN-PROGRESS

Particulars	Buildings	Test Equipments	Computers & Printers	Office Equipment	Vehicles	Furniture & Fixtures	Total Property, Plant and Equipment	Capital Work in Progress
Gross Block (At Cost)								
As At 1 April 2022	10.25	38.28	32.70	39.84	58.66	220.10	399.83	
Additions	-	2.42	12.29	5.54	17.16	9.45	46.86	36.17
Disposals	-	-	-	-	-	-	-	-
Translation Exchange	-	1.80	0.79	2.25	2.32	16.24	23.40	-
As At 31 March 2023	10.25	42.50	45.78	47.63	78.14	245.79	470.09	36.17
Accumulated Depreciation								
As At 1 April 2022	2.35	29.43	25.05	19.36	45.04	182.67	303.90	-
Charge for the year	0.16	2.54	5.20	6.67	6.16	16.82	37.55	-
Disposals				-	-		-	-
Translation Exchange	-	1.38	0.57	0.55	2.89	14.92	20.31	-
As At 31 March 2023	2.51	33.35	30.82	26.58	54.09	214.41	361.76	-
Net Block								
As At 1 April 2022	7.90	8.85	7.65	20.48	13.62	37.43	95.93	-
As At 31 March 2023	7.74	9.15	14.96	21.05	24.05	31.38	108.33	36.17

2.1 Property, plant and equipment pledged as security

- The freehold property being Buildings with a carrying amount of FY23: INR 7.74 Million and mortgaged as first charge to credit limits (secured) - Note 14.

2.2 Refer Note 35 for ageing of Capital Work in Progress.

2.3 Refer note no. 49 for reconciliation.

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(All amounts are in INR Million except as stated otherwise)

NOTES TO SPECIAL PURPOSE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (CONTD.)

NOTE 3 : TRADE RECEIVABLES - NON CURRENT	31 March 2023
(Unsecured, considered good unless otherwise stated)	
Non - Current Receivables	327.84
(For Ageing refer note 7)	
	327.84

NOTE 4 : OTHER FINANCIAL ASSETS - NON CURRENT	31 March 2023
(Unsecured, considered good unless otherwise stated)	
Bank deposits with more than 12 months maturity	270.80
(Out of the above fixed deposits, FY23: INR 270.80 Million have been earmarked as margin money for Bank Guarantees / Letter of Credit.)	
Security Deposits	39.32
	310.12

NOTE 5 : OTHER NON CURRENT ASSETS	31 March 2023
(Unsecured, considered good unless otherwise stated)	
Loans and advances recoverable from related party (Refer note no. 37)	198.21
	198.21

NOTE 6 : INVENTORIES	31 March 2023
(At lower of cost and net realisable value)	
Materials	467.42
Project-in-progress	9.01
(The Inventories of Holding Company are hypothecated to Bank towards working facilities availed.)	
(* In case of materials, during the year ended 31 March, 2023: INR 49.62 Million was recognised as reserve for inventories.)	
(* In case of project-in-progress, during the year ended 31 March, 2023: INR 9.01 Million was recognised as expense for inventories at net realisable value.)	
	476.43
Movement in Provision for Inventory Reserve	
Opening Balance	24.06
Add: Provision charged to Profit & Loss	25.56
Less: Provisions used during the year	-
Closing Balance	**49.62**

NOTE 7 : TRADE RECEIVABLES	31 March 2023
Trade receivables considered good - unsecured	
Current Receivables	1,883.69
Less: Expected Credit Loss Allowance	(137.70)
	1,745.99
(The Trade Receivables of the Holding Company are hypothecated to Bank towards working facilities availed.)	
Movement in Expected Credit Loss Allowance	
Opening Balance	35.81
Add: Incremental Provision	101.83
Add: Changes due foreign currency translation	0.06
Less: Balances written off	-
Closing Balance	**137.70**

Refer note no. 49 for reconciliation.

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(All amounts are in INR Million except as stated otherwise)

NOTES TO SPECIAL PURPOSE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (CONTD.)

Trade Receivables ageing schedule (Current and Non current) - As at 31 March 2023							
Particulars	**Not Due***	**< 6 months**	**6 mths -1 yr**	**1-2 Years**	**2-3 years**	**> 3 years**	**Total**
Undisputed Trade receivables - Considered Good	1,671.31	370.81	121.45	12.96	34.24	0.76	2,211.53
Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivable – credit impaired	-	-	-	-	-	-	-
Profit on sale of investments		-	-				
Less: Expected Credit Loss Allowance	-	-	-	-	-	-	(137.70)
Total							**2,073.83**
* Not due portion includes Unbilled Revenue of INR Nil.							
There are no outstanding disputed Trade Receivables							
Of the total Receivables, FY23 INR 327.84 Million is classified as long term receivables since the management expects to realise these beyond 1 year from the reporting date, as per underlying contractual terms.							

NOTE 8 : CASH AND CASH EQUIVALENTS	31 March 2023
Cash and Cash Equivalents	
Cash on Hand	1.33
Balances with Banks	
Current Account	891.38
	892.71

NOTE 9 : BANK BALANCES OTHER THAN CASH & CASH EQUIVALENTS	31 March 2023
Deposits with banks with original maturity of more than three months but less than 12 months	36.91
(Out of the above fixed deposits, FY23: INR 36.91 Million have been earmarked as margin money for Bank Guarantees / Letter of Credit.)	
	36.91

NOTE 10 : OTHER FINANCIAL ASSETS	31 March 2023
Unsecured & Considered Good	
Loans and advances to employees	7.97
Earnest Money Deposits	3.09
	11.06

NOTE 11 : OTHER CURRENT ASSETS	31 March 2023
Advances to Suppliers	48.05
Balance with Government authorities	14.29
Contract Assets (Refer note no. 44)	410.36
Prepaid Expenses	33.51
	506.21

Refer note no. 49 for reconciliation.

(All amounts are in INR Million except as stated otherwise)

NOTES TO SPECIAL PURPOSE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (CONTD.)

NOTE 12 : SHARE CAPITAL	31 March 2023
AUTHORISED CAPITAL	
1,900,000 Equity Shares of INR 10/- each (Refer Note 50)	19.00
100,000 1% Cumulative redeemable preference shares of INR 10/- each	1.00
	20.00
ISSUED, SUBSCRIBED AND PAID UP CAPITAL	
Equity Shares	
1,853,850 Equity shares of INR 10/- each fully paid up	18.54
	18.54

a. Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting

Equity Shares	No.of Shares
Equity Shares at the beginning of the year	18,53,850
Add: Shares issued during the year	-
Equity Shares at the end of the year	**18,53,850**

b. The rights, preferences and restrictions attaching to each class of shares

The Holding Company has only one class of equity shares having a par value of INR 10/- per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. The equity share has been split in equity share of face value INR 2/- each.
(Refer note no. 50 related to sub division and issue of bonus shares post year end.)

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

c. The details of Shareholders holding more than 5% shares and Promoters:

Name of the Shareholder	31.03.2023 % Held	% Change during the year	31 March 2023
Of equity shares			
Shriprakash R. Pandey, Promoter	76.82%	-	14,24,100
Satish Pookulangara, Director	17.25%	-	3,19,750
Ramakrishnan Saseendran Kodapully	5.93%	-	1,10,000

d. The Holding Company has not allotted any shares for consideration other than cash during 5 years preceding the year end. (Refer note 50)

NOTE 13 : OTHER EQUITY	31 March 2023
Securities Premium	54.20
Capital Redemption Reserve	1.00
General Reserves	102.46
Statutory Reserve	0.53
Capital Reserve	2.37
Foreign Currency Translation Reserve	314.49
Retained Earnings *	2,332.38
* For the movement refer Statement of Changes in Equity.	
	2,807.43

Refer note no. 49 for reconciliation.

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COMMTEL NETWORKS LIMITED (FORMERLY COMMTEL NETWORKS PVT. LTD.) commtel

(All amounts are in INR Million except as stated otherwise)

NOTES TO SPECIAL PURPOSE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (CONTD.)

NOTE 14 : BORROWINGS	31 March 2023
Secured	
From Banks	
- Vehicle Loans from Banks	9.75
Banks have sanctioned various Vehicle Loans to the Holding Company and overseas subsidiaries. The loans have charge over the said motor vehicles. The repayment schedule ranges between 36 to 60 months and the interest rate ranges upto 11% p.a.	
- Term Loan from IDBI Bank Limited	72.00
Term Loan of INR 100.00 Million taken during FY 21-22 is repayable from June 2023 with 35 instalments of INR 2.80 Million and last instalment of INR 2.00 Million. (It is secured by second charge on the assets of the Holding Company.)	
	81.75

NOTE 15 : LEASE LIABILITIES - NON-CURRENT	31 March 2023
Unsecured	
Lease Liabilities	99.89
	99.89

NOTE 16 : PROVISIONS - NON-CURRENT	31 March 2023
Provision for Gratuity (Refer note 34)	30.12
Provision for Compensated Absences	3.59
	33.71

NOTE 17 : FINANCIAL LIABILITIES - CURRENT BORROWINGS	31 March 2023
Current Portion of Long Term Borrowings (Refer Note No. 14)	
- Vehicle Loans from Banks	4.02
- Term Loan from IDBI Bank Limited	28.00
- From Others - Unsecured	75.00
Secured	
Cash Credit Account with banks	465.69
The facility is availed by Holding Company and secured by a pari-passu charge on present and future stocks, book debts, deposits with bank, personal guarantees of certain directors, their relative and entity owned by certain directors. In addition, immovable assets of the Holding Company and certain immovable properties of certain directors, their relative and entity owned by certain directors are mortgaged with Banks to secure the credit facility.	
Total Borrowings	**572.71**

Refer note no. 49 for reconciliation.

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(All amounts are in INR Million except as stated otherwise)

NOTE 18 : LEASE LIABILITIES - CURRENT	31 March 2023
Unsecured	
Lease Liabilities	45.57
	45.57

NOTE 19: FINANCIAL LIABILITIES - CURRENT - TRADE PAYABLES	31 March 2023
Payable for Goods & Services	
(a) Total outstanding dues of micro enterprises and small enterprises	0.85
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	
- Other Trade Payable	879.45
	880.30

Trade Payables ageing schedule - 31 March 2023

Particulars	< 1 year	1-2 years	2-3 years	> 3 years	Total
(a) Undisputed - MSME	0.85	-	-	-	0.85
(b) Undisputed - Others	801.50	63.10	14.85	-	879.45
(c) Disputed - MSME	-	-	-	-	-
(d) Disputed - Others	-	-	-	-	-

Details of dues to Micro and Small Enterprises as per MSMED Act, 2006
The details as required by MSMED Act are given below:

Particulars	31 March 2024
Amount unpaid as at year end - Principal	0.85
Amount unpaid as at year end - Interest	-
The amount of interest paid by buyer in terms of Sec.16 of The Micro, Small and Medium Enterprises Development Act, 2006 (the Act)	-
The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Act.	-
The amount of interest accrued & remaining unpaid at the end of each accounting year	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under sec.23 of the Act.	-

Refer note no. 49 for reconciliation.

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(All amounts are in INR Million except as stated otherwise)

NOTES TO SPECIAL PURPOSE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (CONTD.)

NOTE 20 : OTHER FINANCIAL LIABILITIES - CURRENT	31 March 2023
Employee Payables (Refer note 37)	122.25
Interest Accrued	5.03
	127.28

NOTE 21 : PROVISIONS - CURRENT	31 March 2023
Provision for Gratuity	3.58
Provision for Compensated Expenses	0.67
Provision for Employee Incentives	2.22
Provision for Warranties	1.79
	8.26
Movement in Provision for Warranties	
Opening Balance	-
Add: Provision charged to Profit & Loss	1.79
Less: Provisions used during the year	-
Closing Balance	**1.79**

NOTE 22 : OTHER CURRENT LIABILITIES	31 March 2023
Advance from customers	17.92
Contract Liabilities (Excess of billing over revenue recognised)	96.82
Other Payables	
Statutory Dues	8.52
	123.26

NOTE 23 : CURRENT TAX LIABILITIES (NET)	31 March 2023
Provision for tax	5.60
(net of Advance tax & Tax at Source of FY23: INR 29.27 Million)	
	5.60

Refer note no. 49 for reconciliation.

(All amounts are in INR Million except as stated otherwise)

NOTES TO SPECIAL PURPOSE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (CONTD.)

NOTE 24 : REVENUE FROM OPERATIONS	31 March 2023
Sale of Turnkey Projects & Products	3,877.37
Sale of Engineering / Maintenance Services	245.32
(Refer note 44)	
	4,122.69

NOTE 25 : OTHER INCOME	31 March 2023
Interest Income on Fixed Deposits and advances	4.67
Unwinding of Financial Assets	43.50
Interest Income on Security Deposits	1.31
Exchange Fluctuation Gain	6.41
Miscellaneous Income	8.22
	64.11

NOTE 26 : COST OF MATERIAL CONSUMED	31 March 2023
Opening Stock	478.20
Add: Purchase of Materials	1,933.49
Less: Inventory capitalized	(3.33)
Less: Closing Stock	(467.42)
	1,940.94

NOTE 27 : CHANGES IN INVENTORIES OF PROJECT-IN-PROGRESS	31 March 2023
Opening Stock	9.06
Less : Closing Stock	(9.01)
	0.05

NOTE 28 : EMPLOYEE BENEFIT EXPENSES	31 March 2023
Salaries & Other Benefits	523.87
Director's Remuneration (Refer Note 37)	148.26
Compensated Absences (Refer Note 34)	12.86
Contribution to Provident & Other Funds (Refer Note 34)	12.97
Staff Welfare Expenses	13.57
	711.53

Refer note no. 49 for reconciliation.

(All amounts are in INR Million except as stated otherwise)

NOTES TO SPECIAL PURPOSE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (CONTD.)

NOTE 29 : FINANCE COSTS	31 March 2023
Interest Expenses on Borrowings	64.54
Bank Guarantee/Letter of credit charges	19.95
Interest expense on lease liabilities	11.84
Interest on delayed / deferred payment of income tax	1.04
	97.37

NOTE 30 : DEPRECIATION	31 March 2023
Depreciation on Property, Plant & Equipment (Refer Note 2)	37.55
Depreciation of Right of Use Assets (Refer Note 41)	42.84
	80.39

NOTE 31 : OTHER EXPENSES	31 March 2023
Travelling & Conveyance	149.91
Technical Fees	139.74
Marketing & Distribution Expenses	58.25
Legal and Professional Fees	47.32
Annual Subcription and Software License	52.15
Miscellaneous Direct Expenses	60.31
Sub-Contractor & Labour Charges	15.25
Rent, Rates & Taxes	20.43
Insurance	28.30
Allowance towards Expected Credit Loss	101.83
Consumption of stores and spare parts	16.48
Exchange Loss	7.04
Power & Fuel	13.25
Communication	13.81
Office Cleaning & Maintenance	15.56
Auditors Remuneration (Refer note 43)	1.50
Printing & Stationery	4.06
Repair & Maintenance	
- Buildings	-
- Plant & Machineries	4.33
- Others	3.48
CSR Expenses (Refer note 46)	1.87
	754.87

Refer note no. 49 for reconciliation.

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(All amounts are in INR Million except as stated otherwise)

NOTES TO SPECIAL PURPOSE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (CONTD.)

NOTE 32 : OTHER COMPREHENSIVE INCOME	31 March 2023
Particulars	
A (i) Items that will not be reclassified in the profit & loss	
- Remeasurement of defined benefit liabilities	(3.93)
- Revalution Surplus on Revaluation of Fixed Asset (Land & Building)	-
(ii) Income tax relating to items that will not be reclassified to profit or loss	1.18
	(2.75)
B (i) Items that will be reclassified to the profit & loss	
(ii) Income tax relating to items that will be reclassified to profit or loss	-
Total	**(2.75)**

NOTE 33 : EARNINGS PER SHARE	31 March 2023
Pre - Sub-Division of Equity Share & Issue of Bonus Shares	
Net Profit after tax from continuing operations	601.06
Less: Profits attributable to non controlling interest	(18.35)
Net Profit after tax from continuing operations post NCI	582.71
Weighted average number of Equity shares outstanding (Face Value of INR 10/- per Equity Share)	18,53,850
Earnings per share	314.32
Diluted Earnings per Share	314.32
Post - Sub-Division of Equity Share & Issue of Bonus Shares	
Net Profit after tax from continuing operations	601.06
Less: Profits attributable to non controlling interest	(18.35)
Net Profit after tax from continuing operations post NCI	582.71
Weighted averagre number of equity shares outstanding	18,53,850
Add: Subdivision of shares subsequent to the year end considered for calculation of earnings per share for the current year and previous years (Refer note 50)	74,15,400
Add: Bonus share issued subsequent to the year end considered for calculation of earnings per share for the current year and previous years (Note 50)	4,17,11,627
Weighted average number of Equity shares outstanding (Face Value of INR 2 per Equity Share)	5,09,80,877
Earnings per share	11.43
Diluted Earnings per share	11.43

Refer note no. 49 for reconciliation.

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(All amounts are in INR Million except as stated otherwise)

NOTES TO SPECIAL PURPOSE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (CONTD.)

NOTE 34 : DISCLOSURE REQUIRED BY IND AS 19-EMPLOYEE BENEFITS	31 March 2024
(a) Defined Benefit Plans:	
Gratuity Fund	**23.71**

The present value of the defined benefit obligations and the related current service cost were measured using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. The following table provides the disclosures in accordance with IND AS 19.

Reconciliation of present value of the obligation and the fair value of plan assets

Particulars	31 March 2023
Reconciliation of Opening and Closing balance of the Present Value of the defined benefit obligation	
Obligation at period beginning	47.64
Current service cost	5.57
Past Service Cost	-
Interest Cost	2.53
Actuarial (gain) / loss	9.83
Benefits paid	(1.82)
Actuarial (gain) / loss due to Experience	(6.34)
Exchange gain loss on Closing Valuation	0.41
Obligations at the year end	**57.82**
Change in Plan Assets	
Plan assets at period beginning, at fair value	23.53
Expected return on plan assets	1.72
Actuarial gain / (loss)	(0.43)
Contributions	0.71
Benefits paid	(1.82)
Admin Expenses / Taxes Paid from Plan assets	-
Plan assets at the year end, at fair value	**23.71**
Reconciliation of present value of the obligation and the fair value of plan assets	
Fair Value of plan assets at the end of the year	(23.71)
Present value of the defined benefit obligations at the end of the year	57.82
Liabilities/(Assets) recognized in the Balance Sheet	**34.11**
Cost for the year	
Current service cost	5.57
Past Service Cost	-
Interest Cost	2.53
Expected return on plan assets	(1.72)
Actuarial (gain) / loss	3.93
Admin Expenses / Taxes Paid from Plan assets	-
Net Cost recognized in the Statement of Profit and Loss	**10.31**
Assumptions used to determine the benefit obligation:	
Discount Rate	4.61% - 7.55%
Estimated rate of return on plan assets	7.49%
Expected rate of increase in salary	5.00% - 8.00%
Attrition Rate	5.00% - 10.00%

Sensitivity analysis for significant assumption is as under:

Area	Sensitivity Level	31 March 2023
Discount Rate	1% increase	(2.58)
	1% decrease	2.98
Salary Growth Rate	1% increase	2.42
	1% decrease	(2.19)
Attrition Rate	1% increase	0.58
	1% decrease	(0.65)

Refer note no. 49 for reconciliation.

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(All amounts are in INR Million except as stated otherwise)

b) Compensated Expenses

The Holding Company has a liability towards compensated absences being long-term in nature and has been determined in accordance with the requirements of Ind AS 19 – Employee Benefits. The valuation of this obligation has been carried out using actuarial principles, considering the parameters of estimated timing and currency of the future benefit payments, discount rate, escalation costs, etc.

Based on the underlying assumptions, the present value of the defined benefit obligation in respect of these other long-term employee benefits as at 31 March 2023 amounts to INR 4.27 Million.

(c) Provident Fund - Defined Benefit Plan

"Contribution to provident and other funds" is recognised as an expense in the Statement of Profit and Loss FY23: INR 5.82 Million.

NOTE 35 : CAPITAL WORK IN PROGRESS (CWIP)

Particulars	Amount in CWIP as at 31 March 2023				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project in Process	36.17	-	-	-	**36.17**

As on the Balance Sheet date, there is no capital work in progress projects whose completion is overdue or has exceeded the cost, based on approval plan.

NOTE 36 : TAX EXPENSES	31 March 2023
a. Current tax	
Tax on Profits for the company	33.84
Adjustment for tax of prior period	0.00
b. Deferred tax	
Decrease (Increase) in deferred tax	(33.25)
Total Income tax (benefit)/ expense	**0.59**

Reconciliation of tax expense and the accounting profit multiplied applicable tax rate	31 March 2023
Profit/(Loss) before income tax expense of the company	601.65
Corporate Tax rate	25.168%
Calculated tax at tax rate applicable	151.42
Tax Adjustments:	
Tax portion of Income of the overseas subsidiaries not chargeable to tax	(153.21)
Differential tax due to lower tax rate applied for overseas subsidiary	-
Expenses not deductible for tax purposes	1.47
Adjustments for tax of prior periods	0.00
DTA recognised in Current year	(33.25)
Prior Years' restatement	34.16
Income Tax Expense recognised in the Statement of Profit & Loss	**0.59**

Refer note no. 49 for reconciliation.

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(All amounts are in INR Million except as stated otherwise)

NOTE 37 : RELATED PARTIES DISCLOSURE

Directors/ Key Management Personnel

1. Mr. Shriprakash R. Pandey, Chairman & Managing Director
2. Mr. Dinesh Pandey, Wholetime Director
3. Mr. Satish Pookulangara, Director

Relatives of Directors/ Key Management Personnel

1. Dr. Seema Pandey (Sister in law of Mr. Shriprakash R. Pandey)
2. Mr. Rohit Pandey (Nephew of Mr. Shriprakash R. Pandey)

Concerns in which key management personnel or relatives thereof have controlling interest

1. Commtel Foundation (Section 8 Company)
2. Omshri Holdings Pte. Ltd. (Singapore)
3. Energia Global LLC

Concerns in which key management personnel or relatives thereof have significant influence

1. M/s. NYBL Holding Limited, Abu Dhabi (U.A.E.)

Details of transactions with related party in the ordinary course of business

Particulars	31 March 2024
(i) Key Management Personnel	
Mr. Shriprakash R. Pandey	
Remuneration & Other Benefits	81.18
Rent Expense	0.92
Post Employment Benefits	0.51
Mr. Dinesh Pandey	
Remuneration & Other Benefits	10.48
Post Employment Benefits	0.19
Unsecured Loan taken	
Mr. Satish Pookulangara	
Remuneration & Other Benefits	12.03
(i) Relatives of Key Management Personnel	
Mr. Rohit Pandey	
Remuneration & Other Benefits	56.61
Post Employment Benefits	8.60
Dr. Seema Pandey	
Professional fees	0.72
(iii) Concerns in which key personnel have controlling interest	
Commtel Foundation	
CSR Expenses	1.87
Energia Global LLC	
Technical Fees	7.24
Professional Fees	10.27
Omshri Holdings Pte. Ltd.	
Sale of investments	90.34
NYBL Holding Limited	
Interest Income	0.78
Loan Given	20.53

Amount due (to)/from related party as on:

Particulars	Classification		31 March 2023
Loans & Advances			
Loan to NYBL Holdings Ltd.	Current		25.74
Payables			
Employee Benefits payable to Mr. Shriprakash R. Pandey	Current		5.59
Employee Benefits payable to Mr. Dinesh Pandey	Current		0.49
Employee Benefits payable to Mr. Rohit Pandey	Current		3.35
Employee Benefits payable to Mr. Satish Pookulangara	Current		0.23

Note: The transactions with related parties are at prevailing arm's length price.

Refer note no. 49 for reconciliation.

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COMMTEL NETWORKS LIMITED
(FORMERLY KNOWN AS COMMTEL NETWORKS PRIVATE LIMITED)
CIN: U32201MH1998PLC116062
(All amounts are in INR Million except as stated otherwise)

NOTES TO SPECIAL PURPOSE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (CONTD.)

NOTE 38 :CONTINGENT LIABILITIES & CAPITAL COMMITMENTS	31 March 2023
Contingent liabilities in respect of	
A. Bank guarantees issued for the purpose of performance of contractual obligation.	459.20
B. Other Litigations	-
Capital Commitments	-

NOTE 39 : DISCLOURE OF IND AS 108 SEGMENT REPORTING

The Group is primarily engaged in the business of specialised engineering in designing, building & implementing integrated telecommunication security & safety systems and maintaining them which in terms of IND AS 108 consititutes a single reporting segment.

NOTE 40 : STATUTORY GROUP INFORMATION

Additional information required under Schedule III to the Companies Act, 2013 of entities consolidated as Subsidiaries

Name of the entities in the group	Net Assets (total assets minus total liabilities)		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
Parent								
Commtel Networks Limited								
31 March 2023	12.13%	342.75	-1.32%	(7.71)	126.76%	(3.51)	-1.93%	(11.22)
Foreign Subsidiary								
Commtel Networks (FZC)								
31 March 2023	92.06%	2,601.69	111.81%	651.53	-25.93%	0.72	112.47%	652.25
Commtel Networks LLC, Abu Dhabhi								
31 March 2023	0.32%	9.09	0.30%	1.74	0.00%	-	0.30%	1.74
Commtel Networks (USA) LLC								
31 March 2023	-1.70%	(47.94)	-7.27%	(42.35)	0.00%	-	-7.30%	(42.35)
Eliminations & Consolidations Adjustments								
31 March 2023	-0.22%	(6.09)	-0.37%	(2.15)	0.00%	-	-0.37%	(2.15)
Non-Controlling Interests in All Subsidiaries								
31 March 2023	-2.60%	(73.53)	-3.15%	(18.35)	-0.83%	0.02	-3.16%	(18.33)
Total								
31 March 2023	100.00%	2,825.97	100.00%	582.71	100.00%	(2.77)	100.00%	579.94

Refer note no. 49 for reconciliation.

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(All amounts are in INR Million except as stated otherwise)

NOTE 41 : LEASE

The Group has certain leases with lease term up to 12 months. The company applies the recognition exemptions relating to short-term leases and lease of low-value assets for these leases

Details of leasing arrangements

The Group has taken building premises on lease for a period of 3 - 5 years

(i) Amount Recognised in the Balance Sheet

Right of use asset

Particulars	31 March 2023
Building	
Gross Block	195.46
Add: Additions during the year	13.81
Less: Deletions during the year	(4.22)
Less : Accumulated Depreciation	(41.80)
Less: Depreciation for the year	(42.84)
Less: Disposals/ Terminations	4.22
Add/(Less): Exchange Difference	7.15
Net Block	**131.78**

Lease Liability

Particulars	31 March 2023
Non - Current	
Lease Liabilities	99.89
Total Non - Current	**99.89**
Current	
Lease Liabilities	45.57
Total Current	**45.57**

Movement of lease liabilities

Particulars	31 March 2023
Opening Balance at the beginning of the year	**171.36**
Add: Additions during the year	-
Add: Interest expense on lease liabilities	11.84
Less: Lease payments made	(44.65)
Add/less: Modifications	-
Add/less: Exchange Difference	6.91
Closing balance at the end of the year	**145.46**

(ii) Amounts recognised in the Statement of Profit or Loss

The statement of profit or loss shows the following amount related to leases :

Particulars	Note	2022 - 2023
Depreciation charge on Right of use Assets		
Buildings	30	42.84
Total		**42.84**
Other Costs		
Interest expense (included in finance costs)	29	11.84
Expenses relating to short term leases (included in other expenses)	31	17.63
Total		**29.47**

(iii) Maturity Analysis of Lease Liabilities

Particulars	2022 - 2023
Lease Rental Payment	
Within 1 Year	53.66
Beyond 1 Year	107.41
Total Payment	**161.07**
Less: Interest Expenses	(15.61)
Total	**145.46**

Refer note no. 49 for reconciliation.

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(All amounts are in INR Million except as stated otherwise)

NOTES TO SPECIAL PURPOSE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (CONTD.)

Note 42 : DEFERRED TAX ASSETS & LIABILITIES

Movement in deferred tax balances

Particulars	Assets	Liabilities	Net	(Charged)/ Credited to profit & loss	(Charged)/ Credited to OCI	Total
Property, Plant and Equipment	0.96	-	0.96	(0.13)	-	(0.13)
Provision for employee benefits	1.75	-	1.75	(0.56)	(1.18)	(1.74)
Allowance for expected credit loss	33.81	-	33.81	(33.81)	-	(33.81)
Change in Revenue Recognition method	34.62	(22.80)	57.42	1.86	-	1.86
Others	-	(2.13)	2.13	(2.13)	-	(2.13)
Lease Liabilities net of ROU assets	-	-	-	1.52	-	1.52
Deferred Tax Asset/ (Liabilities)	**71.14**	**(24.93)**	**96.07**	**(33.25)**	**(1.18)**	**(34.43)**

NOTE 43 : AUDITORS REMUNERATION

	31 March 2023
Statutory Audit Fees	0.30
Other Fees	1.20
Total	**1.50**

NOTE 44 : REVENUE FROM CONTRACTS WITH CUSTOMERS

(i) Disaggregation of Revenue

a. Basis of Timing

The table below presents disaggregated revenue from contracts with customers based on location of the customers. The Group believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by market and other economic factors.

Revenue from Contract with customers

Disaggregation of Revenue By:	Type by Nature	2022- 2023
Timing of revenue recognition	Point of time	932.64
	Over time	3,190.05
Total		**4,122.69**

b. Basis of Geography

Disaggregation of Revenue By:	Type by Nature	2022- 2023
On Basis of Geography	Within India	1,751.22
	Outside India	2,371.47
Total		**4,122.69**

(ii) Significant changes in contract assets and liabilities

(a) Contract liabilities:

(i) Movement of Contract Liabilities	31 March 2023
Opening Balance of Contract Liabilities	111.23
Less: Amount of Revenue recognised	(71.55)
Add: Incremental Contract liabilities for Current year	57.14
Closing Balance of Contract Liabilities	**96.82**

b) Contract Assets: Unbilled revenue

(ii) Movement of Contract Assets	31 March 2023
Opening Balance of Contract Asset	48.03
Less: Amount of Revenue recognised /reversed on transition	(48.03)
Add: Net addition in Balance of Contract asset for Current year	410.36
Closing Balance of Contract Assets	**410.36**

C. Provision for anticipated contract losses.

The Group recognizes provisions for expected contract losses, if any, based on management estimates and past performance analysis. As on reporting date, there are no anticipated contract losses.

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(All amounts are in INR Million except as stated otherwise)

D. Major Customer

During the year, Revenue from major customers (>10% of the Total Revenue) is FY23: INR 1,209.21 Million from two customers.

E. Revenue recognition for future related to performance obligations that are unsatisfied (or partially satisfied)

The unsatisfied (or partially satisfied) performance obligations are subject to variability due to several factors such as changes in scope of contracts, status of site preparation by customer, periodic revalidations of the estimates, terminations, etc. The aggregate value of transaction price allocated to unsatisfied (or partially satisfied) performance obligations for the Holding Company and material subsidiary is INR 3,280.17 Million and is expected to be recognised as revenue in the next one to three years.

Refer note no. 49 for reconciliation.

Note 45 : Reconciliation of movements of liabilities to cash flows arising from financing activities

Particulars	Borrowings	Lease Liabilities
As at 1 April 2022	**564.41**	**158.67**
Cash flows:		
Non cash movement: additions and/ or reassessment of lease liabilities (including unwinding of interest) and interest expense on borrowings	64.54	31.44
Cash flows (Net)	25.51	(44.65)
As at 31 March 2023	**654.46**	**145.46**

Refer note no. 49 for reconciliation.

NOTE 46 : DETAILS OF EXPENSES OF CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

		31 Mar 2023
(A) Gross amount required to be spent by the Holding Company during the year		1.12
(B) Amount spent during the year on:		
Particulars		
(i) Construction /Acquisition of any Asset		-
(ii) On purposes other than (i) above		1.87
		1.87
(C) Shortfall at the end of the year		-
(D) Total of Previous years shortfall		-
(E) Reasons for Shortfall		-
(F) Nature of CSR Activities	For the purpose of education and healthcare projects.	
(G) Details of Related party transactions		
Commtel Foundation		1.87

(H) where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately.

In case of Section 135(5) of the Companies Act, 2013 (Other than ongoing project)

Opening Balance as at 1 April 2022	Amount deposited in specified fund of Schedule VII within 6 months	Amount required to be spent duringthe year	Amount spent during the year	Closing balance as at 31 March 2023
(0.37)	-	1.12	1.87	(1.12)

Refer note no. 49 for reconciliation.

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NOTES TO SPECIAL PURPOSE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (CONTD.)

NOTE 47 : FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

This section gives an overview of the significance of financial instruments for the Group and provides additional information on the balance sheet. Details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expense is recognised, in respect of each class of financial assets and financial liabilities are discussed in Note 1.

(1) Financial instruments by category and fair value hierarchy

Financial Assets & Liabilities as at	As on 31-03-2023		
Particulars	Level	FVTPL	Amortised Cost
Financial Assets			
Investments	-	-	-
Non current Trade Receivables	-	-	327.84
Other Financial Assets - Non current	-	-	310.12
Current Trade Receivables	-	-	1,745.99
Cash and cash equivalents	-	-	892.71
Bank balances other than above	-	-	36.91
Other Financial assets - current	-	-	11.06
		-	
Financial Liabilities		-	
Borrowings Non Current	-	-	81.75
Borrowings Current	-	-	572.71
Trade payables	-	-	880.30
Other financial liabilities - current	-	-	127.28

Level 1: Includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

There are no transfers between levels during the year.

(2) Valuation Technique

Foreign currency forwards are valued based on the forward exchange rates provided by the bank as at the balance sheet date.

(3) Fair value of financial assets and liabilities measured at amortised cost

The carrying amounts of trade receivables (current), trade payables, capital creditors, cash and cash equivalents and other financial assets are considered to be the same as their fair values, due to their short term nature.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

Interest free security deposit accepted by the Group have been carried at their amortised cost.

Non - current borrowing including current maturities of long term borrowings: Fair Value has been determined by the Group based on parameters such as interest rates, risk factors and risk characteristics of the financed project.

Refer note no. 49 for reconciliation.

NOTE 48 : CAPITAL & FINANCIAL RISK MANAGEMENT

Capital Management

The Group capital management objectives are to ensure the ability to continue as going concern and to efficiently management working capital requirements of the Group.

The Group monitors the capital structure on the basis of net debt to equity ratio and maturity profile of the overall debt portfolio . Net debt includes interest bearing borrowings less cash and cash equivalents and current investments. The Management assesses the Group's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Group's various classes of debt. The Group manage the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may take appropriate steps to raise further capital, raise debt, create or liquidate fixed deposits, repay debt and use non-fund based limits.

Particulars	31 March 2023
Borrowings	654.46
Less: Cash and Cash Equivalents	(892.71)
Adjusted Net Debt	**(238.25)**
Equity	2,899.50
Adjusted Net Debt to Equity ratio	(0.08)

Financial Risk Management

The Holding Company's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities, The Holding Company, through Its training and management standards and procedures, aims to maintain a disciplined and constructive control environment In which all employees understand their roles and obligations.

Financial Risk Factors

The Company's principal financial liabilities comprise of current and non current borrowings, trade and other payables, advance from customers, security deposits and other such payables. The main purpose of these financial liabilities is to manage finances for the Company's operations and also for purchase of capital assets and for safeguarding its interests under contracts.
The Company has given loans to its employees, trade and other receivables and cash and cash equivalents that arise directly from its operations as a part of its financial assets
The Group's activities expose it to a variety of financial risk.

(a) Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers.

Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Each outstanding customer receivables are regularly monitored. No impairment is observed in the carrying value of trade receivables other than the amount provided for. (Refer Note 7)

Other Financial Assets

Credit risk from balances with banks and loans, advances are managed by responsible and authorized person of the Group.

(b) Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they become due. The Group manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. Also, the Group has unutilized credit limits with banks.

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(c) Market Risk

Market Risk is the risk that changes in market prices such as foreign exchange rates, interest rates and commodity prices which will affect the Group's income or the value of its holding of financial instruments.

(i) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a different currency from the Group's functional currency).

Particulars	Year Ended	Currency	Outstanding in F.C	Outstanding in INR Million
Trade Payables	31 March 2023	USD	60,950	5.00
Trade Payables	31 March 2023	GBP	6,22,874	63.68
Trade Payables	31 March 2023	EUR	58,204	4.92
Trade Payables	31 March 2023	SAR	12,68,469	27.80
Trade Payables	31 March 2023	SGD	39,500	2.40
Trade Receivables	31 March 2023	USD	1,144	0.09
Advance to Suppliers	31 March 2023	EUR	63,450	5.63
Advance to Suppliers	31 March 2023	GBP	7,227	0.77
Advance to Suppliers	31 March 2023	SGD	2,950	0.82

(ii) Interest Rate Risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group's exposure to changes in interest rates relates primarily to the Group's outstanding floating rate debt. While most of the Group's outstanding debt in local currency is on fixed rate basis and hence not subject to interest rate risk.

The exposure of the Group's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	As at 31.03.2023
Floating rate borrowings	465.69

Particulars	Impact on profit and loss after tax	Impact on Equity
	2022-23	As at 31.03.2023
Indian Rupees		
Interest rates - increase by 0.5% in INR interest rate	1.76	1.76

Refer note no. 49 for reconciliation.

(All amounts are in INR Million except as stated otherwise)

NOTES TO SPECIAL PURPOSE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

NOTE NO. 49: RECONCILIATION

Presented below is the reconciliation between earlier presented amounts in consolidated financial statements adopted in the annual general meeting and the restated amounts considered in these special purpose consolidated financial statements after giving the impact of accounting policies used for the financial year 31 March 2025, correction of errors and reclassifications/regroupings.

RECONCILIATION OF ITEMS OF SPECIAL PURPOSE CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2023

Particulars	Legend	As at 31 March 2023			
		Earlier Presented Amount	Correction amount	Reclassification amount	Restated Amount
I. ASSETS					
Non-current assets					
Property, Plant and Equipment	II. a, b	225.38		(117.05)	108.33
Capital work-in-progress		36.17	-	-	36.17
Right of use assets	I. 7 II. a	-	14.73	117.05	131.78
Financial Assets					
(i) Investments		-	-	-	-
(ii) Trade receivables	I. 1, 3 II. b	35.48	(17.06)	309.42	327.84
(iii) Other Financial Assets	I. 7 II. c, d, e	230.96	(0.04)	79.20	310.12
Deferred Tax Assets (Net)	I. 6	2.61	93.47	-	96.07
Other Non-current assets	I. 8	199.79	(0.95)	(0.63)	198.21
Total Non-current assets		**730.38**	**90.14**	**388.00**	**1,208.52**
Current assets					
Inventories		817.45	(341.02)	-	476.43
Financial Assets					
(i) Trade receivables	I. 1, 2, 3 II. b	2,267.22	(211.89)	(309.33)	1,745.99
(ii) Cash and cash equivalents	II. e, g, j	970.22	-	(77.51)	892.71
(iii) Bank balances other than (ii) above	II. d, g, j	41.09	-	(4.18)	36.91
(iv) Other Financial assets	II. c, h	7.48	-	3.58	11.06
Other Current Assets	I. 1 II. h, I, j, k	98.19	411.86	(3.84)	506.21
Total Current Assets		**4,201.64**	**(141.05)**	**(391.28)**	**3,669.31**
Total Assets		**4,932.03**	**(50.91)**	**(3.28)**	**4,877.83**

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RECONCILIATION OF ITEMS OF SPECIAL PURPOSE CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2023

Particulars	Legend	As at 31 March, 2023			
		Earlier Presented Amount	Correction amount	Reclassification amount	Restated Amount
EQUITY AND LIABILITIES					
Equity					
Equity Share capital		18.54	-	-	18.54
Other Equity	I. 9 II. j	3,064.19	(183.23)	(73.53)	2,807.43
Equity attributable to owners of the parent		**3,082.73**	**(183.23)**	**(73.53)**	**2,825.97**
Non-controlling interests	II. v	-	-	73.53	73.53
Total Equity		**3,082.73**	**(183.23)**	**-**	**2,899.50**
Liabilities					
Non-current liabilities					
Financial Liabilities					
(i) Borrowings	I. 7 II. m, n	160.33	-	(78.57)	81.75
(ii) Lease Liabilities	I. 7 II. n	-	30.37	69.51	99.89
Provisions		30.10	-	3.61	33.71
Total non-current liabilities		**190.43**	**30.37**	**(5.46)**	**215.35**
Current liabilities					
Financial Liabilities					
(i) Borrowings	I. 5 II. m	562.70	0.76	9.25	572.71
(ii) Lease Liabilities	I. 7 II. n		9.32	36.26	45.57
(iii) Trade payables				-	-
Total outstanding dues of micro enterprises and small enterprises	II. p		-	0.85	0.85
Total outstanding dues of creditors other than micro enterprises and small enterprises	II. i, p, q, r, s, u	905.63	(6.73)	(19.46)	879.45
(iv) Other financial liabilities	I. 5 II. h, k, n, q, r	150.27	-	(22.99)	127.28
Provisions	I. a II. o, s	3.59	1.79	2.88	8.26
Other Current Liabilities	I. a II. r, t	36.67	96.82	(10.22)	123.26
Current Tax Liabilities (Net)	II. t	-	-	5.60	5.60
Total Current liabilities		**1,658.87**	**101.95**	**2.18**	**1,762.98**
Total Equity and Liabilities		**4,932.03**	**(50.91)**	**(3.28)**	**4,877.83**

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RECONCILIATION OF ITEMS OF SPECIAL PURPOSE CONSOLIDATED STATEMENT OF PROFIT & LOSS AS AT 31 MARCH 2023

Particulars	Legend	2022-23			
		Earlier Presented Amount	Correction amount	Reclassification amount	Restated Amount
Income					
Revenue from Operations	I. 1, 2	3,808.33	314.36	-	4,122.69
Other Income	I. 2, 7, 8	19.82	44.29	-	64.11
TOTAL INCOME		3,828.15	358.65	-	4,186.80
EXPENSES					
Cost of Materials consumed	I. 1	1,791.89	149.05	-	1,940.94
Changes in inventories of Project in progress	I. 1	(99.51)	99.56	-	0.05
Employee benefit expenses	II. w	716.17	0.76	(5.40)	711.53
Finance costs	I. 8	95.70	1.66	0.01	97.37
Depreciation and amortisation expense	I. 7	75.75	4.64	-	80.39
Other expenses	II. v, x	652.29	96.41	6.17	754.87
TOTAL EXPENSES		3,232.29	352.09	0.77	3,585.15
Profit before tax		**595.86**	**6.55**	**(0.77)**	**601.65**
Income Tax expense:					
- Current tax		33.84	-	-	33.84
- Short (Excess) provision of tax of earlier years		0.01	-	(0.00)	0.00
- Deferred tax	I. 6	0.93	(34.18)	-	(33.25)
Profit after tax for the year		561.09	40.73	(0.77)	601.06
Less: Other Comprehensive Income	II. y	(3.51)		0.76	(2.75)
Total Comprehensive Income for the year		557.58	40.73	(0.00)	598.31
Profit for the year attributable to					
Owners of the Parent	I. 1 - 8	546.98	35.73		582.71
Non- Controlling Interest	II. w	14.11	5.01	(0.77)	18.35
		561.09	40.73	(0.77)	601.06
Other Comprehensive Income for the year attributable to	I. 1 - 8				
Owners of the Parent	II. w	-	(2.77)		(2.77)
Non- Controlling Interest		-	(0.74)	0.77	0.02
		-	(3.52)	0.77	(2.75)
Total Comprehensive Income for the year attributable to	I. 1 - 9				
Owners of the Parent	II. w	-	579.94		579.94
Non- Controlling Interest		-	18.37		18.37
Total Comprehensive Income for the year		-	598.31	-	598.31

Effect on Earnings per Share	Legend	2022-23			
		Earlier Presented Amount	Correction amount	Reclassification amount	Restated Amount
Earnings per Share (EPS) for Profit for the Period	I. 1-8 II. w	302.66	12.07	(0.41)	314.32
Earnings per Share (EPS) for Profit for the Period - Post Sub Division & Issue of Bonus shares (Refer note no. 33)		11.01	0.42		11.43

RECONCILIATION OF ITEMS OF SPECIAL PURPOSE STATEMENT OF CASH FLOW AS AT 31 MARCH 2023

Particulars	2022-2023		
	Earlier presented	Changes	Reclassified Amount
Net Cash from Operating Activities	512.39	(70.45)	441.94
Net Cash from Investing Activities	(203.64)	(227.63)	(431.28)
Net Cash from Financing Activities	(29.14)	(21.94)	(51.08)
Net increase in cash & Cash equivalents	279.61	(320.03)	(40.42)
Cash and Cash equivalents at the beginning of the year	-	67.30	67.30
Foreign Cash Translation Reserve on Cash & Cash Equivalents	690.61	175.22	865.83
Cash and Cash equivalents at end of the year [Refer Note 8]	970.22	(77.50)	892.71

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Note 49 (Contd.):

I. Restatements/ Correction of errors:

1. The Group recognized revenue from turnkey contracts at the point of shipping goods to the Customer and the revenue from installation and commissioning at the time of completion of commissioning of the system at customer location/s based on the terms and conditions specified in the respective customer contracts. Upon an internal review of terms & conditions of customer contracts, the management has identified that certain contracts, relating to turnkey projects, meet the criteria for recognition of revenue over time in accordance with Paragraph 35 of Ind AS 115 'Revenue from Contracts with Customers'.

   The Group has changed the method of revenue recognition related to such contracts and now recognizes revenue over time using the percentage of completion method as envisaged in Ind AS 115, measured by reference to cost incurred in the Contract.

   Further, the Group has charged off the corresponding inventory & value under Project-in-progress to consumption and also recorded provision towards warranty and inventory reserves. The corresponding excess revenue over billing is recorded as Contract Asset/ Unearned revenue and the excess of billing over revenue is recorded as Contract Liabilities

2. The interest on Trade receivables not due and expected to realize beyond the operating cycle is excluded from the transaction value at the time of recognition of Trade receivables and unwound over the period upto the expected date of realization.

3. The Group has considered and recorded the allowance towards the expected credit loss on account of Trade receivables.

4. The correction of above items resulted in timing difference under tax laws thereby resulting in Deferred Tax Assets being restated.

5. In case of overseas subsidiaries, considering the contractual terms of long term lease with interim renewals, the Lease liability and Right of Use Asset were recomputed for better presentation. Accordingly, Lease Liability, ROU Asset, Amortization Costs and Interest on Lease Liability have been recomputed respectively.

6. The investments and non-current financial assets have been recomputed considering fair value through profit & loss (FVTPL).

7. There is a correction in the apportionment of non-controlling interest in the overseas subsidiary.

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8. The cumulative impact of the above corrections is recorded in Retained earnings under Other Equity.

II. Reclassification/ Regrouping:

a) The leased assets have been reclassified from Property Plant and Equipment to Right of use assets amounting to INR 117.05 Million
b) The Trade Receivables not due and expected to realize beyond the operating cycle are reclassified in Other Non-Current Financial Assets amounting INR 309.42 Million.
c) Security deposit (Earnest Money deposit) of INR 3.13 Million is regrouped from Other financials asset – Non current to Other financial Asset – Current.
d) The Fixed Deposits have been Reclassified from Current Financial Assets (Bank Balances other than cash and cash equivalents) to Non- Current Financial Assets amounting to INR 4.18 Million including corresponding interest accrued earlier grouped under Other Current Assets of INR 0.59 Million.
e) The TDS Receivables was reduced from Other Non Current Assets and reduced from Current Tax Liabilities (Net) of INR 0.06 Million.
f) An amount of INR 0.49 Million has been regrouped from Advance to Suppliers - Other Current Assets to Advance to Employees - Other Financial Assets.
g) The invoice from lessor of INR 2.27 Million was reduced from Advance to Supplier and Trade Payables as the corresponding benefit and liability is already recorded through Right of Use Assets and Lease liabilities.
h) Interest accrued of INR 0.60 Million has been regrouped with underlying fixed deposits listed above.
i) The Receivables and payable balances due to/ from Government authorities which cannot be set off has been separated in presentation, thereby the Balance with Government Authorities and Statutory dues payable shall increase by INR 1.03 Million.
j) The changes in other equity are attributable to the corrections listed in the table. For FY23, the corrections recorded in Statement of Profit & Loss for FY23 and the impact recorded in the opening reserves as at 1 April 2022 totalling to INR 223.33 Million.
k) The Lease Liability of INR 78.57 Million is regrouped from Borrowings (Non-Current) to Lease liabilities (Non Current) INR 69.51 Million and the balance is classified under Lease liabilities (Current).
l) The Provision for Leave encashment and Gratuity is regrouped to Current provisions of Net INR 3.61 Million.
m) The Holding Company has bifurcated and presented the Trade payables related to Micro & Small Suppliers separately within Trade Payables of INR 0.84 Million.
n) Employee payables are regrouped from Trade payables to Other Financial Liabilities – Current of INR 9.19 Million.

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NOTES TO SPECIAL PURPOSE CONSOLIDATED FINANCIAL STATEMENTS

o) Interest Liability Accrued of INR 5.23 Million is regrouped from Trade payables to Other Financial Liabilities – Current

p) Sales incentive accrued to employees of INR 2.22 Million has been reclassified from Trade Payables to Provisions (Current).

q) The Liability towards income-tax has been regrouped from Other Current Liabilities to Current Tax Liabilities of INR 6.23 Million.

r) The Leave encashment liability is classified from Trade payables to Provisions Non Current INR 3.60 Million and Provisions Non Current INR 6.49 Million.

s) Performance incentives of INR 10.27 Million has been reclassified to Technical Service fees due to the nature of the expense. Insurance expenses of INR 0.88 Million, Food Expenses of INR 3.22 Million has been reclassified into Employee benefit expenses.

t) Food Expenses of INR 3.22 Million has been reclassified into Employee benefit expenses. Performance incentives of INR 10.27 Million has been reclassified to Technical Service fees due to the nature of the expense.

u) Actuarial gains or losses have arisen due to changes in actuarial assumptions, resulting in a reclassification within gratuity expenses of INR 0.76 Million.

v) The correction in share of profits attributable to non-controlling interest has been recorded.

w) The earnings per share has been restated/ reclassified based on above changes.

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NOTE 50 : SUBSEQUENT EVENTS

(a) Sub-division of face value of equity shares:

Subsequent to 31 March 2025, the Board of Directors at their meeting held on 28 May 2025 approved the sub division of each equity share of face value INR 10 each fully paid up into face value of INR 2 each fully paid up.

(b) Issue of bonus equity shares:

Further, the Board of Directors have also approved the issue of bonus equity shares in its meeting held on 30 May 2025 in the ratio of 4.5 equity shares of INR 2 each for every 1 equity share of INR 2 each.

As per our report of even date attached
For M S K C & Associates LLP
(Formerly known as M S K C & Associates)
Chartered Accountants
Firm's Registration No.: 001595S/S000168

Ojas D. Joshi
Partner
Membership No: 109752

Date: 25 September, 2025
Place: Mumbai

For and on behalf of the Board of Directors of
Commtel Networks Limited
(Formerly Known As Commtel Networks Private Limited)

Shriprakash R. Pandey
Chairman & Managing Director
DIN : 00032655

Kiran Arvindakshan Menon
Chief Financial Officer

Date: 25 September, 2025
Place: Navi Mumbai