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Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Members of **Commtel Networks Private Limited**

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **Commtel Networks Private Limited** ("the Company") which comprise the Balance Sheet as at March 31st, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and total comprehensive income (comprising of loss and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, 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 on the Ind AS financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone

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financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description:- Recognition of revenue

The Company has various contracts with customers for which the Company recognises revenue in accordance with Ind AS 115 "Revenue from Contracts with Customers".

Revenue from sale of products is recognised when control over products is transferred in accordance with the contractual terms of sale and there are no unfulfilled performance obligations that could affect the customer's acceptance of the products.

Revenue from installation and commissioning services are recognised at a point in time when services are rendered. Revenue from annual maintenance contracts are recognized on an accrual basis pro-rata over the term of the contract. Revenue from other services such as repair and return, managed services, professional services and knowledge services are recognized as and when the services are rendered.

Due to the scale and complexity of these contracts, and the importance of accurately recognizing revenue from services as they are rendered, this was considered a key audit matter.

How our audit addressed the key audit matter:-

Our audit procedures included, but were not limited to, the following:

- Reviewing the Company's revenue recognition policies to ensure alignment with IND AS 115.
- Testing the design and effectiveness of controls related to the recognition of revenue for various service contracts.
- Examining a sample of significant contracts to verify the accurate recognition of revenue for services such as installation, annual maintenance, and other professional services.
- Reviewing supporting documentation, including service completion records, customer acceptances, and invoices, to ensure revenue was recognized in line with the completion of performance obligations.
- Performing cut-off testing to confirm that revenue was recognized in the appropriate period, particularly for year-end transactions.

Based on the procedures performed, we found that revenue was recognized in accordance with the contractual terms and applicable accounting standards.

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Information other than the Financial Statements and Auditor's report thereon

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

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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Those Board of Directors are also responsible for overseeing the Group's financial reporting process.

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw

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attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

   a. We have sought and obtained all the information and explanations which, to the best of our knowledge and belief were necessary for the purpose of our audit;

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

c. The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.;

d. In our opinion, the Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows comply with the Accounting Standards specified under section 133 of the Companies Act, 2013.

e. On the basis of the written representations received from the Directors of the Company as on March 31st, 2024, taken on record by the Board of Directors, none of the directors is disqualified as on March 31st, 2024 from being appointed as a director in terms of sub section (2) of section 164 of the Companies Act, 2013.

f. With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure B.

g. With respect to the other matters included in the auditor's report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, and to best of our information and according to the explanation given to us.

1) The Company has confirmed that there are no pending litigations impacting its financial position except as disclosed in the standalone financial statement.

2) The Company has made provision, as required under the applicable law or Accounting Standards, for material foreseeable losses, if any, on long term contracts including derivative contracts. The Company did not have any derivative contracts as at March 31, 2024 for which there were material foreseeable losses;

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3) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2024.

4) (i) The management has represented that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(ii) The management has represented, that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(iii) Based on audit procedures which we considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused them to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.

5) The Company has not declared or paid any dividend during the year in contravention of the provisions of section 123 of the Companies Act, 2013.

h. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account for the year ended 31st March, 2024 which has a feature of recording

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audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of the audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from 1st April, 2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended 31st March, 2024.

3. With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Companies Act, 2013, in our opinion and to the best of our knowledge and according to the information and explanations given to us, the provisions of Section 197 relating to the maximum permissible managerial remuneration do not apply to the Company, as it is a private limited Company.

For **R.S. Chhabra & Co.**
Chartered Accountants
Firm Registration No. 101787W

R.S. Chhabra & Co. M. No. 040465 FRN 101787W Chartered Accountants

CA Rajendra Chhabra
Proprietor - Membership No. 040465
UDIN: 24040465BKFCOP9185
Place: Mumbai
Date: 5th September 2024

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ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT

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

Report on Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government in terms of Section 143(11) of the Companies Act, 2013 ('the Act') of Commtel Networks Pvt Ltd ('the Company')

i. In respect of the Company's fixed assets:

a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment, relevant details of right-of-use assets and intangible assets.

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

c) According to the information and explanations given to us and the records examined by us and based on the examination of the conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.

d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its property, plant and equipment (including Right of-use assets) or Intangible assets or both during the year.

e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not held any benami property and accordingly there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

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

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B. The Company has been sanctioned working capital limits exceeding ₹5 crore from banks on the basis of security against its current assets. Additionally, the quarterly returns or statements filed by the Company with these banks are materially consistent with the books of account.

iii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year and hence reporting under clause 3(iii)(a) ,(iii)(b), (iii)(c), (iii)(d), (iii)(e) and (iii)(f) of the Order are not applicable.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

v. The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31st, 2024 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.

vi. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government for the maintenance of cost records under section 148(1) of the Act, related to the ***manufacturing, integrating and assembling activities*** and are of the opinion that, prima facie, the prescribed cost records have been made and maintained by the Company.

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

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Value Added Tax, duty of Customs, duty of Excise, Goods and Service Tax, Cess and other material statutory dues applicable to it with the appropriate authorities. There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Value Added Tax, duty of Customs, duty of Excise, Cess and other material statutory dues in arrears as at March 31st, 2024 for a period of more than six months from the date they became payable.

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(b) There are no dues in respect of Income Tax, Custom Duty, Sales Tax, Service Tax, Value Added Tax and Goods and Service Tax which have not been deposited as at March 31st,2024 on account of dispute.

viii. According to the information and explanations given to us and the records of the Company examined by us, there is no income surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

ix. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any loans or borrowings from any lender during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared as a wilful defaulter by any bank or financial institution or government or government authority during the year.

(c) According to the information and explanations given to us by the management, the Company has applied the term loans for the specified purpose.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds have been raised on short-term basis by the Company. Accordingly, clause 3(ix)(d) of the Order is not applicable.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(e) of the Order is not applicable.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(f) of the Order is not applicable.

x. (a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, paragraph 3 (x) (a) of the Order is not applicable.

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(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

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

(a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) Since no fraud has been noticed, there is no requirement to report under sub-section (12) of Section 143 of the Companies Act, 2013 in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

xii. The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.

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

xiv. (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company is not required to have an internal audit system as per section 138 of the Companies Act 2013.

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(b) This clause of the order is not applicable to the Company.

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

xvi.

a) The Company is not required to be registered under Section 45-I of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act,1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

d) According to the information and explanations provided to us during the course of audit, the Group does not have any CIC. Accordingly, the requirements of clause 3(xvi)(d) are not applicable.

xvii. The Company has not incurred cash losses in the current and in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause 3(xviii) is not applicable.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the

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future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. As at balance sheet date, the Company does not have any amount remaining unspent under Section 135(5) of the Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable. Please refer note 38 to the standalone financial statements.

xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

For **R.S. Chhabra & Co.**
Chartered Accountants
Firm Registration No. 101787W

R.S. Chhabra & Co. M. No. 040465 FRN 101787W Chartered Accountants

CA Rajendra Chhabra
Proprietor - Membership No. 040465
UDIN: 24040465BKFCOP9185
Place: Mumbai Date: 5th September 2024

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ANNEXURE 'B' TO THE INDEPENDENT AUDITORS' REPORT

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

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

We have audited the internal financial controls over financial reporting of Commtel Networks Pvt Ltd ('the Company') as of March 31st, 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the 'Guidance Note'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Standards on Auditing prescribed under Section 143(10) of the Act and the Guidance Note, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; And

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override

R.S. Chhabra & Co. Chartered Accountants
M. No. 040485
FRN 101787W

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31st, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For **R.S. Chhabra & Co.**
Chartered Accountants
Firm Registration No. 101787W

R.S. Chhabra & Co. ★ Chartered Accountants ★ M. No. 040465 FRN 101787W

CA Rajendra Chhabra
Proprietor - Membership No. 040465
UDIN: 24040465BKFCOP9185
Place: Mumbai   Date:5th September 2024

BALANCE SHEET AS AT 31ST MARCH 2024

PARTICULARS	NOTE	In ₹ Million	
		31st March 2024	31st March 2023
I. ASSETS			
Non-current assets			
Property, Plant and Equipment	2	121.24	141.47
Financial Assets			
(i) Investments	3	1.76	1.76
(ii) Trade receivables	4	78.76	35.48
(ii) Other Assets	5	46.97	38.82
Deferred Tax Assets (Net)	6	6.85	2.60
Other Non-current assets	7	-	0.63
Total Non-current assets		**255.58**	**220.76**
Current assets			
Inventories	8	641.10	441.04
Financial Assets			
(i) Trade receivables	9	2,340.85	1,224.42
(ii) Cash and cash equivalents	10	225.57	46.75
(iii) Bank balances other than (ii) above	11	132.71	28.43
(iv) Other Financial assets	12	4.10	5.87
Other Current Assets	13	53.13	33.90
Total Current Assets		**3,397.46**	**1,780.41**
Total Assets		**3,653.04**	**2,001.17**
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	14	18.54	18.54
Other Equity		955.84	601.72
Total Equity		**974.38**	**620.26**
Liabilities			
Non-current liabilities			
Financial Liabilities			
(i) Borrowings	15	110.68	136.40
Provisions	16	17.55	3.34
Total non-current liabilities		**128.23**	**139.74**
Current liabilities			
Financial Liabilities			
(i) Borrowings	17	1,204.42	562.70
(ii) Trade payables	18	1,153.41	600.19
(a) Dues of micro and small enterprises		1.29	-
(b) Dues of creditors other than micro and small enterprises		1,152.12	600.19
(iii) Other financial liabilities	19	41.93	38.13
Provisions	20	5.93	3.59
Other Current Liabilities	21	144.74	36.56
Total Current liabilities		**2,550.43**	**1,241.17**
Total Equity and Liabilities		**3,653.04**	**2,001.17**
Significant accounting policies & Notes to Standalone financial statements	1 to 45		

As per our report of even date
For R.S. Chhabra & Co.
Chartered Accountants
F.R. No. 101787W

CA Rajendra Chhabra
Proprietor - M. No.040465

Date: 5th September, 2024
Place : Navimumbai

For Commtel Networks Private Limited

Dinesh R. Pandey
Director
DIN : 00032707

Shriprakash R. Pandey
Chairman and Managing Director
DIN : 00032655

Date: 5th September, 2024
Place : NaviMumbai

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2024

PARTICULARS	NOTE	31st March 2024	31st March 2023
		In ₹ Million	
REVENUE			
Revenue from Operations	22	3,420.55	1,617.27
Other Income	23	8.84	11.60
TOTAL INCOME		**3,429.39**	**1,628.87**
EXPENSES			
Cost of Materials consumed	24	1,972.42	878.23
(Increase)/Decrease in Project in progress	25	41.77	(89.70)
Employee benefit expenses	26	382.33	298.34
Finance costs	27	121.83	81.46
Depreciation and amortisation expense	2	38.27	35.20
Other expenses	28	386.23	297.04
TOTAL EXPENSES		**2,942.85**	**1,500.57**
Profit before extraordinary items and tax		***486.54***	***128.30***
Less : Extraordinary items		-	-
Profit before tax		***486.54***	***128.30***
Tax expense:			
- Current tax		126.37	33.84
- Short (Excess) provision of tax of earlier years		0.35	0.01
- Deferred tax		(1.74)	0.92
		124.98	***34.77***
Profit after tax for the year		**361.56**	**93.53**
Other Comprehensive Income	29		
(i) Items that will not be reclassified to profit or loss			
- Remeasurement gain/ (loss) on defined benefit obligation		(9.94)	(4.69)
(ii) Income tax relating to items that will not be reclassified to profit or loss		2.50	1.18
Total Comprehensive Income		(7.43)	(3.51)
Total Comprehensive Income for the year		354.13	90.02
Earnings (before extraordinary items) per equity share of face value of Rs. 10 each	30		
- Basic		195.03	50.45
- Diluted		195.03	50.45
Number of shares used in computing earning per share			
-Basic		1,853,850	1,853,850
-Diluted		1,853,850	1,853,850
Significant accounting policies & Notes to Standalone financial statements	**1 to 45**		

As per our report of even date
For R.S. Chhabra & Co.
Chartered Accountants
F.R. No. 101787W

CA Rajendra Chhabra
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Date: 5th September, 2024
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For Commtel Networks Private Limited

Dinesh R. Pandey
Director
DIN : 00032707

Shriprakash R. Pandey
Chairman and Managing Director
DIN : 00032655

Date: 5th September, 2024
Place : NaviMumbai

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH 2024

PARTICULARS	In ₹ Million	
	31st March 2024	31st March 2023
Cash Flows From Operating Activities		
Profit before extraordinary items and tax	486.54	128.31
Adjusted for :		
Depreciation	38.27	35.19
Financial expenses (net of interest received)	112.99	76.28
Provision for gratuity	6.61	1.74
Exchange differences	0.54	(2.18)
Loss/ (Profit) on sale of Property, Plant and Equipment	0.06	-
Operating Profit before working capital changes	645.01	239.33
Adjusted for :		
Change in operating assets and liabilities:		
Long term loans and advances		
(Increase)/ Decrease in inventories	(200.06)	(205.62)
(Increase)/ Decrease in trade receivables	(1,159.77)	(346.74)
(Increase)/ Decrease in other financials assets	1.77	(2.61)
(Increase)/ Decrease in other current assets	(17.47)	(15.91)
(Increase)/ Decrease in other Bank Balance	(104.28)	0.70
Increase/ (Decrease) in trade payables	552.74	368.96
Increase/ (Decrease) in other financial liabilities	5.77	0.66
Increase/ (Decrease) in other current liabilities	34.06	6.14
(Increase)/ Decrease in other financial assets (Non Current)	(8.15)	0.17
Cash Generated from Operations	**(250.37)**	**45.08**
Less : Taxes Paid (Net of Refunds)	(51.98)	(27.56)
Net Cash from Operating Activities	**(302.35)**	**17.52**
Cash Flows From Investing Activities		
Payment towards purchase of Property, Plant and Equipment	(18.11)	(33.69)
Cash Generated (used in) Investing Activities	**(18.11)**	**(33.69)**
Cash Flows From Financing Activities		
Proceeds from long term borrowings	33.00	107.56
Repayment of long term borrowings	(101.17)	(18.98)
Short term borrowings (net)	700.67	(2.61)
Principal repayment on lease liabilities and interest	(23.74)	(23.95)
Finance expenses paid (net of Interest received)	(109.48)	(67.25)
Net cash Generated (used in) Financing Activities	**499.28**	**(5.24)**
Net increase in cash & Cash equivalents	**178.82**	**(21.41)**
Cash and Cash equivalents at the beginning of the year	46.75	68.16
Cash and Cash equivalents at end of the year [Refer Note 10]	**225.57**	**46.75**

As per our report of even date
For R.S. Chhabra & Co.
Chartered Accountants
F.R. No. 101787W

CA Rajendra Chhabra
Proprietor - M. No. 040465

Date: 5th September, 2024
Place : Navimumbai

For Commtel Networks Private Limited

Dinesh R. Pandey
Director
DIN : 00032707

Shriprakash R. Pandey
Chairman and Managing Director
DIN : 00032655

Date: 5th September, 2024
Place : NaviMumbai

STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED ON 31ST MARCH, 2024

PARTICULARS	In ₹ Million	
	31st March 2024	31st March 2023
A. Equity Share Capital		
Opening Balance	18.54	18.54
Changes in the Equity Share Capital during the year	-	-
Closing Balance	**18.54**	**18.54**
B. Other Equity		
Securities Premium		
Preference Share Capital Premium	19.00	19.00
Share Premium	35.20	35.20
Movement during the year	-	-
Closing Balance	**54.20**	**54.20**
Capital Redemption Reserve		
Opening Balance	1.00	1.00
Movement during the year	-	-
Closing Balance	**1.00**	**1.00**
General Reserves		
Opening Balance	100.00	100.00
Movement during the year	-	-
Closing Balance	**100.00**	**100.00**
Retained Earnings		
Opening Balance	446.52	356.50
Profit for the year	361.56	93.53
Other Comprehensive Income for the year	(7.43)	(3.51)
Total Comprehensive Income for the year	354.12	90.02
Movement during the year	-	-
Closing Balance	800.64	446.52
	955.84	**601.72**

As per our report of even date
For R.S. Chhabra & Co.
Chartered Accountants
F.R. No. 101787W

R.S. Chhabra & Co. M. No. 040465 FRN 101787W Chartered Accountants

CA Rajendra Chhabra
Proprietor - M. No.040465

Date: 5th September, 2024
Place : Navimumbai

For Commtel Networks Private Limited

COMMTEL NETWORKS PRIVATE LIMITED

Dinesh R. Pandey
Director
DIN : 00032707
Date: 5th September, 2024
Place : Navimumbai

Shriprakash R. Pandey
Chairman and Managing Director
DIN : 00032655

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2024

1. COMPANY OVERVIEW AND SIGNIFICANT ACCOUNTING POLICIES:

A. Company Overview

Commtel is an engineering and technology company providing high-performance digital communication, surveillance, security, safety, and artificial intelligence (AI) solutions for clients in the Oil & Gas, Power, Mining, Transportation, and other critical **national infrastructure** sectors. Commtel is at the forefront of engineering intelligence with expertise in executing turnkey solutions - design, engineering, multi-system integration, project management, commissioning, and life cycle management. Founded in 1998, Commtel has delivered over 500 projects across four continents, enabling the digital transformation of the **mission-critical infrastructure** of its clients.

B. Basis of Preparation

(i) Compliance with Ind AS

The standalone financial statements have been prepared in accordance with Indian Accounting Standards (hereinafter referred to as “Ind AS”) as notified by the Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 (“the Act”) read with Rule 3 of Companies (Indian Accounting Standard) Rules, 2015, as amended from time to time.

The financial statements have been prepared on accrual and going concern basis, 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.

The financial statements are presented in INR, the functional currency of the Company. Items included in the financial statements of the Company are recorded using the currency of the primary economic environment in which the Company operates (the ‘functional currency’).

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

R.S. Chhabra & Co. M.No. 040465 FRN 101787W Chartered Accountants

COMMTEL NETWORKS PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2024

(ii) Current V/s Non-Current Classification

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

An asset is classified as current when it satisfies any of the following criteria: it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle.

- it is held primarily for the purpose of being traded;
- It is expected to be realised within 12 months after the reporting date; 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 date.

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 Company's normal operating cycle;
- It is held primarily for the purpose of being traded
- It is due to be settled within 12 months after the reporting date; or the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current only.

(iii) Operating Cycle

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

(iv) Use of Estimates and 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

R.S. Chhabra & Co. Chartered Accountants M. No. 040465 FRN 101787W

COMMTEL NETWORKS PRIVATE LIMITED

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 Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the company believes to be reasonable under the existing circumstances. Actual results may differ from those estimates.

C. Inventories

Inventory of raw 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.

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

D. Cash Flow Statements

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 -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 Company are segregated based on the available information.

E. Income taxes 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. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

R.S. Chhabra & Co. Chartered Accountants M. No. 040485 FRN 101787W

COMMTEL NETWORKS PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2024

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.

F. Property, Plant & Equipment

All items of property, plant and equipment are stated at cost less depreciation and accumulated impairment losses if any. Cost includes expenditure that is directly attributable to the acquisition of the items.

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 with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to Statement of Profit and Loss during the reporting period in which they are incurred.

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

Depreciation

Depreciation on tangible 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

R.S. Chhabra & Co. M. No. 040465 FRN 101787W Chartered Accountants

COMMTEL NETWORKS PRIVATE LIMITED

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.

G. Revenue Recognition

Revenue from sale of products is recognised when control over products is transferred in accordance with the contractual terms of sale and there are no unfulfilled performance obligations that could affect the customer's acceptance of the products.

Rendering of Service

Revenue from installation and commissioning services are recognised at a point in time when services are rendered. Revenue from annual maintenance contracts are recognized on an accrual basis pro-rata over the term of the contract.

Revenue from other services such as repair and return, managed services, professional services and knowledge services are recognized as and when the services are rendered.

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

H. Employee Benefits

Short-term obligations

Short term employee benefits are recognised as an expense at an undiscounted amount in the Statement of profit and loss of the year in which the related services are rendered.

Post-employment obligations

The Company operates the following post-employment schemes:

- defined benefit plans such as gratuity; and
- defined contribution plans such as provident fund.

R.S. Chhabra & Co. Chartered Accountants M. No. 040465 FRN 101787W

COMMTEL NETWORKS PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2024

(i) Gratuity obligations

The Gratuity Scheme is administered by Life Insurance Corporation of India (LIC). The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

(ii) Defined contribution plans

Contributions to provident fund, a defined contribution plan, are made in accordance with the rules of the statute and are recognized as expenses when employees render service entitling them to the contributions. The Company has no obligation, other than the contribution payable to the provident fund.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

I. Foreign Exchange Transactions

Transactions and translations

The functional currency of the Company and its subsidiaries is determined on the basis of the primary economic environment in which it operates. The functional and presentation currency of the Company 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.

R.S. Chhabra & Co. M.No. 040465 FRN 101787W Chartered Accountants

COMMTEL NETWORKS PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2024

Non-monetary items that are measured at historical cost denominated in foreign currency are translated using exchange rate at the date of transaction. In case of items which are covered by forward exchange contracts, the difference between the year end rate and rate on the date of the contract is recognised as exchange difference and the premium paid on forward contracts is recognised over the life of the contract.

J. Borrowing Cost

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.

Borrowing cost consists of interest and other costs that an entity incurs in connection with the borrowing of funds. All other borrowing costs are recognised in Statement of Profit or Loss in the period in which they are incurred.

K. Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year, 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.

R.S. Chhabra & Co. Chartered Accountants M. No. 040465 FRN 101787W

COMMTEL NETWORKS PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2024

L. Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized when the Company 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.

Standard warranty given to customers covers for any defects occurring within 18-24 months, from the date of sale. Based on the past experience, management is of the opinion that the warranty claims are not material and hence no provision for the same is made during the year. The said expenses shall be booked as and when such liability arises.

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 Company 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 amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risk and uncertainties surrounding the obligation. At Present, there is no change in the warranty policy of the company and hence the Company is not making any provision for warranty claims.

R.S. Chhabra & Co. ★ M. No. 040465 FRN 101787W Chartered Accountants ★

COMMTEL NETWORKS PRIVATE LIMITED commtel

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2024

M. Leases
As a lessee

The Company has adopted Ind AS 116, 'Leases'. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise Right-of-use assets and lease liabilities for all leases with a term of more than twelve months unless the underlying asset is of a low value.. Assets and liabilities arising from a lease are initially measured on a present value basis.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally, the case for lessees, the lessee's incremental borrowing rate used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right of- use asset in a similar economic environment with similar terms, security and conditions.

Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term on a straight line basis.

N. Investment in Subsidiary and Joint Venture
Investments in subsidiaries and joint venture are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries and joint venture, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

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

Initial Recognition and Measurement
Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss and ancillary costs related to borrowings) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in the Statement of Profit and Loss.

R.S. Chhabra & Co. Chartered Accountants M. No. 040465 FRN 101787W

COMMTEL NETWORKS PRIVATE LIMITED

Subsequent Measurement

Subsequent measurement of financial assets is described below –

Financial Assets at amortised cost

An Instrument is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows and
- Contractual terms of the asset give rise on specified due dates to cash flow that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are integral part of the EIR. The EIR amortization is included in finance income in the statement of profit and loss. The losses arising from impairment are recognized in the statement of profit and loss. This category generally applies to trade and other receivables.

Recognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sale the financial asset.

P. Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.

Dividends from such investments are recognized in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognized in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

R.S. Chhabra & Co. Chartered Accountants M. No. 040465 FRN 101787W

COMMTEL NETWORKS PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2024

Financial Liabilities – Recognition and measurement

Financial liability and equity instruments issued by a Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Initial Recognition and Measurement

Financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit or loss

Subsequent Measurement

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method.

Derecognition

A financial liability is derecognized when the obligation specified in the contract is discharged, cancelled or expires.

R.S. Chhabra & Co. M. No. 040465 FRN 101787W Chartered Accountants

COMMTEL NETWORKS PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2024

NOTE 2 : PROPERTY, PLANT AND EQUIPMENT

In ₹ Million

Particulars	TANGIBLE ASSETS									
	Staff Quarters	Test Equipments	Computers & Printers	Epabx & Telephone Instruments	Office Equipment's	Vehicles	Furniture & Fixtures	Total Tangible Assets	Right of Use Asset	Total Assets
Gross Block (At Cost)	..									
As At 31st March 2022	**10.25**	**17.51**	**23.60**	**0.63**	**19.13**	**26.62**	**27.77**	**125.51**	**103.30**	**228.81**
Additions	-	-	11.32	0.48	1.82	11.52	8.55	33.69	-	33.69
Deductions	-	-	-	-	-	-	-	-	-	-
As At 31st March 2023	**10.25**	**17.51**	**34.92**	**1.11**	**20.95**	**38.14**	**36.32**	**159.20**	**103.30**	**262.50**
Additions	-	0.03	6.41	-	2.95	6.86	1.85	18.11	-	18.11
Deductions	-	-	(5.16)	(0.19)	(0.70)	-	(0.48)	(6.53)	(1.68)	(8.21)
As At 31st March 2024	**10.25**	**17.54**	**36.17**	**0.92**	**23.20**	**45.00**	**37.69**	**170.77**	**101.62**	**272.39**
Depreciation										
As At 31st March 2022	**2.35**	**13.33**	**18.56**	**0.47**	**7.34**	**17.39**	**9.01**	**68.45**	**17.38**	**85.83**
Charge for the year	0.16	1.21	4.20	0.09	3.03	2.56	2.86	14.11	21.09	35.20
Deductions	-	-	-	-	-	-	-	-	-	-
As At 31st March 2023	**2.51**	**14.54**	**22.76**	**0.56**	**10.37**	**19.95**	**11.87**	**82.56**	**38.47**	**121.03**
Charge for the year	0.16	1.03	6.00	0.13	3.43	3.85	3.43	18.03	20.24	38.27
Deductions			(5.11)	(0.19)	(0.69)	-	(0.48)	(6.47)	(1.68)	(8.15)
As At 31st March 2024	**2.67**	**15.57**	**23.65**	**0.50**	**13.11**	**23.80**	**14.82**	**94.12**	**57.03**	**151.15**
Net Block										
As At 31st March 2023	**7.74**	**2.97**	**12.16**	**0.55**	**10.58**	**18.19**	**24.45**	**76.64**	**64.83**	**141.47**
As At 31st March 2024	**7.58**	**1.97**	**12.52**	**0.42**	**10.09**	**21.20**	**22.87**	**76.65**	**44.59**	**121.24**

R.S. Chhabra & Co. Chartered Accountants M.No. 040465 FRN 101787W

COMMTEL NETWORKS PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2024

NOTE 3: NON - CURRENT FINANCIAL ASSETS - INVESTMENTS	In ₹ Million	
	31st March 2024	31st March 2023
Unquoted Investments		
Subsidiary Company		
Commtel Networks (FZC) at Sharjah Airport International Free Zone,UAE 2,910 (P.Y. 2,910) Equity Shares of AED 100 each (P.Y. AED 100 each) fully paid.	1.76	1.76
	1.76	**1.76**

NOTE 4: TRADE RECEIVABLES	In ₹ Million	
	31st March 2024	31st March 2023
Long Term Receivables	78.76	35.48
	78.76	**35.48**

Long Term Receivables ageing schedule

Particulars	(In ₹ Million.)					
	Outstanding for following periods from due date of payment					
	Not Due	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years
(i) Undisputed Trade receivables - Considered Good						
FY 2023-24	78.76	-	-	-	-	-
FY 2022-23	35.48					

NOTE 5 : OTHER FINANCIAL ASSETS - NON CURRENT	In ₹ Million	
	31st March 2024	31st March 2023
(Unsecured, considered good unless otherwise stated)		
Long term Deposit with Banks maturing after 12 months	24.33	14.50
(Above fixed deposits have been lodged as margin money towards Bank guarantees/Letter of Credit.)		
Security Deposits	22.64	24.32
(Security deposit includes Rs.2,432,000/- (P.Y.Rs.2,432,000/-) lying with related party.)		
	46.97	**38.82**

NOTE 6: DEFERRED TAX ASSETS (NET)	In ₹ Million	
	31st March 2024	31st March 2023
Deferred tax assets		
Difference between book, tax expenses and depreciation	6.85	2.60
	6.85	2.60

NOTE 7 : OTHER NON CURRENT ASSETS	In ₹ Million	
	31st March 2024	31st March 2023
(Unsecured, considered good unless otherwise stated)		
Balance with Government Authorities	-	0.63
	-	**0.63**

R.S. Chhabra & Co. Chartered Accountants M.No. 040465 FRN 101787W

COMMTEL NETWORKS PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2024

NOTE 8 :INVENTORIES	In ₹ Million	
	31st March 2024	31st March 2023
Materials	584.23	342.40
Project-in-progress	56.87	98.64
	641.10	**441.04**

NOTE 9 :TRADE RECEIVABLES	In ₹ Million	
	31st March 2024	31st March 2023
(Unsecured, considered good unless otherwise stated)		
Considered Good		
Related Party	-	-
Other party	2,340.85	1,224.42
	2,340.85	**1,224.42**

Trade Receivables ageing schedule

Particulars	(In ₹ Million.)					
	Outstanding for following periods from due date of payment					
	Not Due	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years
(i) Undisputed Trade receivables - Considered Good						
FY 2023-24	2,002.99	257.93	74.01	1.68	3.99	0.25
FY 2022-23	925.44	197.09	72.42	7.11	21.60	0.76

NOTE 10 :CASH AND CASH EQUIVALENTS	In ₹ Million	
	31st March 2024	31st March 2023
Cash and Cash Equivalents		
Cash on Hand	0.76	0.09
Balances with Banks		
Current Account	45.90	0.62
Bank deposits with maturity less than 3 months.	178.91	46.04
	225.57	**46.75**

NOTE 11 : BANK BALANCES OTHER THAN CASH & CASH EQUIVALENTS	In ₹ Million	
	31st March 2024	31st March 2023
Deposit with maturity period between 3 to 12 months	132.71	28.43
	132.71	**28.43**

NOTE 12 : OTHER FINANCIAL ASSETS	In ₹ Million	
	31st March 2024	31st March 2023
Unsecured & Considered Good		
Loans and advances to employees	4.10	5.87
	4.10	**5.87**

NOTE 13 : OTHER CURRENT ASSETS	In ₹ Million	
	31st March 2024	31st March 2023
Advances to Suppliers	31.50	14.93
Balance with Government authorities	1.02	0.03
Prepaid Expenses	18.25	18.34
Interest Accrued But Not Due	2.36	0.60
	53.13	**33.90**

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COMMTEL NETWORKS PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2024

NOTE 14 : SHARE CAPITAL	31st March 2024	31st March 2023
	In ₹ Million	
AUTHORISED CAPITAL		
1,900,000 (P.Y.1,900,000) Equity Shares of Rs.10/- each	19.00	19.00
100,000 (P.Y. 100,000) 1% Cumulative redeemable preference shares of Rs.10/- each	1.00	1.00
	20.00	**20.00**
ISSUED, SUBSCRIBED AND PAID UP CAPITAL		
Equity Shares		
1,853,850 (P.Y.1,853,850) Equity shares of Rs.10/- each fully paid up	18.54	18.54
	18.54	**18.54**
a. Reconciliation of the number of shares		
Equity Shares	**No.of Shares**	**No.of Shares**
Equity Shares at the beginning of the year	1,853,850	1,853,850
Add: Shares issued during the year	-	-
Equity Shares at the end of the year	**1,853,850**	**1,853,850**

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

The company has only one class of equity shares having a par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share.

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

Name of the Shareholder	31.03.2024 % Held	31.03.2023 % Held	31st March 2024	31st March 2023
Of equity shares				
Shriprakash R. Pandey, Promoter	76.82	76.82	1,424,100	1,424,100
P.G. Satish	17.25	17.25	319,750	319,750
Saseendran K.R	5.93	5.93	110,000	110,000

d. The Company has not allotted any shares for consideration other than cash during 5 years preceding 31st March, 2024

NOTE 15 : BORROWINGS	31st March 2024	31st March 2023
	In ₹ Million	
Secured		
From Banks		
- Vehicle Loans from Bank	6.43	5.80
Secured by hypothecation of Vehicles. Term Loan B1003 taken during FY22-23 repayable in 36 monthly installments from February 2023 of Rs. 289814 for 36 months including interest. Interest payable at 10.20 % pa; Term Loan B1004 taken during FY 23-24 repayable in 60 monthly instalments from August 2023 of Rs. 37 409 including interest and interest payable at 9.05% pa. Term Loan B1005 taken during FY 23-24 repayable in 36 monthly installments from February 2024 of Rs. 63,460 including Interest at 8.825% pa ; Term Loan B1006 taken during FY 23 -24 repayable in 36 monthly instalments from March 24 of Rs. 42,583 including interest at 9.20% pa. ;		
- Term Loan from Bank		
Term Loan of Rs. 10 Crores taken during FY 21-22 repayable in 48 monthly installments of Rs. 20,83,000. Secured by second charge on the assets of the company.	38.40	81.25
Unsecured		
Lease Liabilities	32.85	49.35
Related Party -Directors	33.00	-
	110.68	**136.40**

R.S. Chhabra & Co. Chartered Accountants M.No. 040465 FRN 101787W

COMMTEL NETWORKS PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2024

NOTE 16 : PROVISIONS	In ₹ Million 31st March 2024	31st March 2023
Provision for Employee benefits		
Provision for Defined Benefits	17.55	3.34
	17.55	**3.34**

NOTE 17 : FINANCIAL LIABILITIES - CURRENT BORROWINGS	In ₹ Million 31st March 2024	31st March 2023
Secured		
Current Portion of Long Term Borrowings		
- Vehicle Loans from Bank	4.46	3.26
- From Others	33.60	93.75
Cash Credit Account with banks	591.11	465.69
Secured by a pari passu charge with Citibank and IDBI Bank on present and future stocks, book debts, deposits with bank, personal guarantees and certain immovable assets of Directors as collateral security.		
Foreign Currency Loans	575.25	-
Foreign Currency Loans includes Rs.1,050,679/- (P.Y. NIL) (Exchange loss) being amount of exchange loss on restatement as at year end and Rs.4,201,162/- (P.Y. NIL) being premium payable on forward contract.		
	1,204.42	**562.70**

NOTE 18: FINANCIAL LIABILITIES - CURRENT - TRADE PAYABLES	In ₹ Million 31st March 2024	31st March 2023
Payable for Goods & Services		
(a) Total outstanding dues of micro enterprises and small enterprises	1.29	
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		
Other Trade Payable	1,151.53	599.70
Dues to Related parties and directors	0.59	0.49
	1,153.41	**600.19**

Trade Payables ageing schedule - 31st March 2024

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total (In ₹ Million)
(a) Micro, small and medium enterprises	1.29	-	-	-	1.29
(b) Others	1,151.56	0.10	0.47	0.00	1,152.12

Trade Payables ageing schedule - 31st March 2023

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total (In ₹ Million)
(a) Micro, small and medium enterprises					-
(b) Others	599.36	0.80	-	0.03	600.19

NOTE 19: OTHER FINANCIAL LIABILITIES : CURRENT	In ₹ Million 31st March 2024	31st March 2023
Lease Liabilities	17.45	19.42
Employee Payables	24.48	18.71
	41.93	**38.13**

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COMMTEL NETWORKS PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2024

NOTE 20 : PROVISIONS	In ₹ Million	
	31st March 2024	31st March 2023
Provision for Employee benefits		
Provision for Defined Benefits	5.93	3.59
	5.93	**3.59**

NOTE 21 : OTHER CURRENT LIABILITIES	In ₹ Million	
	31st March 2024	31st March 2023
(a) Revenue received in advance :		
Advance from customers	-	17.92
(b) Other Payables		
Statutory Dues	138.79	13.61
Others	5.95	5.03
	144.74	**36.56**

NOTE 22 : REVENUE FROM OPERATIONS	In ₹ Million	
	31st March 2024	31st March 2023
Revenue from Sale of Products	3,233.63	1,488.07
Revenue from Sale of Services	186.92	129.20
	3,420.55	**1,617.27**

NOTE 23 : OTHER INCOME	In ₹ Million	
	31st March 2024	31st March 2023
Interest Received on AR	-	0.03
Interest Income	8.84	5.19
Exchange Fluctuation Gain	-	6.41
	8.84	**11.60**

NOTE 24 : COST OF MATERIAL CONSUMED	In ₹ Million	
	31st March 2024	31st March 2023
Opening Stock	342.40	226.47
Add: Purchase of Materials	2,207.46	987.70
Duties and Incidental Expenses	6.79	6.46
	2,556.65	**1,220.63**
Less: Closing Stock	584.23	342.40
	1,972.42	**878.23**

NOTE 25 :CHANGES IN INVENTORIES OF FINISHED GOODS	In ₹ Million	
	31st March 2024	31st March 2023
Opening Stock	98.64	8.94
Less : Closing Stock	56.87	98.64
	41.77	**(89.70)**

NOTE 26 :EMPLOYEE BENEFIT EXPENSES	In ₹ Million	
	31st March 2024	31st March 2023
Salaries & Other Benefits	362.22	283.54
Contribution to Provident & Other Funds	11.77	8.29
Staff Welfare Expenses	8.34	6.51
	382.33	**298.34**

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COMMTEL NETWORKS PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2024

NOTE 27 :FINANCE COSTS	In ₹ Million	
	31st March 2024	31st March 2023
Interest Expenses on Borrowings	88.42	62.78
Interest on delayed / deferred payment of income tax	8.93	1.03
Bank Guarantee/Letter of credit charges	19.21	10.80
Interest expense on lease liabilities	5.27	6.85
	121.83	**81.46**

NOTE 28 :OTHER EXPENSES		In ₹ Million	
		31st March 2024	31st March 2023
Consumption of stores and spare parts		12.20	8.06
Sub-Contractor & Labour Charges		19.46	12.55
Travelling & Conveyance		101.60	98.30
Equipment Hire Charges		4.31	16.02
Electricity Expenses		13.49	9.73
Technical Fees		37.92	32.70
Rent, Rates & Taxes		14.25	11.98
Auditors Remuneration			
- Audit Fees		0.50	0.30
- Others		0.96	0.13
Printing & Stationery		3.33	1.35
Professional Fees		24.52	26.11
Insurance		20.08	15.29
Exchange Fluctuation Loss		0.39	-
Office Cleaning & Maintenance		8.79	8.56
Communication		8.70	7.48
Vehicle Expenses		6.32	5.39
Loss on sale of Property, Plant and Equipment and impairment		0.06	-
Repair & Maintenance to	- Plant & Machineries	0.07	-
	- Others	7.88	4.93
Bad Debts Written Off		45.40	-
Annual subscription and Software License		15.15	11.95
Miscellaneous Expenses		15.28	9.07
CSR Expenses		2.40	1.87
Marketing & Distribution Expenses		23.17	15.24
		386.23	**297.04**

NOTE 29 : OTHER COMPREHENSIVE INCOME	In ₹ Million	
	31st March 2024	31st March 2023
Particulars		
A (i) Items that will not be reclassified in the profit & loss		
- Remeasurement of defined benefit liabilities	(9.94)	(4.69)
Income tax relating to items that will not be reclassified to profit or loss	2.50	1.18
	(7.43)	**(3.51)**

NOTE 30 : EARNING PER SHARE	In ₹ Million	
	31st March 2024	31st March 2023
Net Profit after tax from continuing operation	361.56	93.53
Weighted average number of Equity shares outstanding (Face Value of Re. 10 per Eq. Share)	1,853,850	1,853,850
Earning per share - Amount in Rupees	195.03	50.45
Diluted Earning per Share - Amount in Rupees	195.03	50.45

R.S. Chhabra & Co. Chartered Accountants M. No. 040465 FRN 101787W

COMMTEL NETWORKS PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2024

NOTE 31 : AUDITORS REMUNERATION	In ₹ Million	
	31st March 2024	31st March 2023
Audit fee	0.50	0.30
Other Professional Fees	0.96	0.13
	1.46	**0.43**

NOTE 32 : Disclosure required by IND AS 19-Employee Benefits	In ₹ Million	
	31st March 2024	31st March 2023
(a) Defined Benefit Plans:		
Gratuity Fund	27.83	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.	In ₹ Million	
	31st March 2024	31st March 2023
Reconciliation of Opening and Closing		
Obligation at period beginning	30.64	24.03
Current service cost	3.46	2.44
Past Service Cost	-	-
Interest Cost	2.18	1.73
Actuarial (gain) / loss	9.57	4.26
Benefits paid	(1.25)	(1.82)
Actuarial (gain) / loss due to Experience	-	-
Obligations at the year end	**44.60**	**30.64**
Change in Plan Assets		
Plan assets at period beginning, at fair value	23.71	23.53
Expected return on plan assets	1.82	1.72
Actuarial gain / (loss)	(0.37)	(0.43)
Contributions	3.92	0.71
Benefits paid	(1.25)	(1.82)
Plan assets at the year end, at fair value	**27.83**	**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	(27.83)	(23.71)
Present value of the defined benefit obligations at the end of the year	44.60	30.64
Liabilities/(Assets) recognized in the Balance Sheet	**16.78**	**6.93**

Reconciliation of present value of the obligation and the fair value of plan assets.	In ₹ Million	
	31st March 2024 Amount (Rs)	31st March 2023 Amount (Rs)
Cost for the year		
Current service cost	3.46	2.44
Past Service Cost	-	-
Interest Cost	2.18	1.73
Expected return on plan assets	(1.82)	(1.72)
Actuarial (gain) / loss	9.94	4.69
Net Cost recognized in the Statement of Profit and Loss	**13.76**	**7.14**
Assumptions used to determine the benefit obligation:		
Discount Rate	7.25%	7.55%
Estimated rate of return on plan assets	7.55%	7.49%
Expected rate of increase in salary	5.00%	5.00%
Actual return on plan assets	**1.45**	**1.29**

(b) Provident Fund

"Contribution to provident and other funds" is recognised as an expense in the Statement of Profit and Loss.

R.S. Chhabra & Co. ★ M. No. 040465 FRN 101787W Chartered Accountants

COMMTEL NETWORKS PRIVATE LIMITED commtel

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2024

NOTE 33 :

Persuant to the enactment of Companies Act, 2013, the Company has applied the estimated useful lives as specified in Schedule II. Accordingly the unamortised carrying value is being depreciated /amortised over the revised/remaining useful lives.

NOTE 34 : TAX EXPENSES	(In ₹ Million.) 31st March 2024	31st March 2023
a. Current tax		
Tax on Profits for the year	126.37	33.84
Adjustment for tax of prior period	0.35	0.01
b. Deferred tax		
Decrease (Increase) in deferred tax	(1.74)	0.92
Total Income tax (benefit)/ expense	**124.98**	**34.77**

Reconciliation of tax expense and the accounting profit multiplied applicable tax rate	(In ₹ Million.) 31st March 2024	31st March 2023
Profit/(Loss) before income tax expense	486.54	128.30
Tax expense /(credit)determined based		
Reconciling items		
Expenses disallowed for tax purposes		
Adjustments for tax of prior periods		
Previously unrecognised DTA created during the current year		
Others		
Income Tax benefit	**486.54**	**128.30**

NOTE 35 : RELATED PARTIES DISCLOSURE

Entities where control exists
Commtel Networks (FZC)

Directors/ Key Management Personnel
1. Mr. Shriprakash R. Pandey
2. Mr. Dinesh R. Pandey
3. Mr. Pookulangara Satish Govindankutty

Concerns in which key management personnel or relatives thereof have controlling interest
Commtel Foundation
M/s Omshri Holdings Pte. Limited (Singapore)

Particulars	In ₹ Million 31st March 2024	31st March 2023
RELATED PARTY TRANSACTIONS DURING THE YEAR		
Key Management Personnel		
Remuneration & Other Benefits	10.61	10.48
Rent Paid	0.60	0.92
Recovery of Expenses/Charges	0.13	-
Unsecured Loan taken	52.40	-
Unsecured Loan Repaid	19.40	-
Closing Balances		
Unsecured Loan Taken	33.00	
Concerns in which key personnel have controlling interest		
CSR Expenses	2.40	1.87
Closing Balances		
Investment in subsidiary company	1.76	1.76

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COMMTEL NETWORKS PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2024

NOTE 36 :CONTINGENT LIABILITIES	In ₹ Million	
	31st March 2024	31st March 2023
Contingent liabilities in respect of		
A. Bank guarantees issued for the purpose of performance of contractual obligation.	375.67	241.08
B. Sales incentive payable	5.11	2.74
	380.78	243.82

NOTE 37 : FOREIGN CURRENCY INCOME AND OUTFLOW	In ₹ Million	
	31st March 2024	31st March 2023
A. Value of Imports on CIF basis in respect of		
Trading Goods	460.50	284.71
Capital Goods		
	460.50	**284.71**
B. Expenditure in Foreign Currency		
Foreign travelling and allowance	4.79	8.47
Interest paid on FCNR loan /Buyer's credit	18.04	1.54
	22.82	**10.01**
C. Earnings in Foreign Currency		
Value of Exports (F.O.B.)	10.32	8.84
	10.32	**8.84**

NOTE 38 : DISCLOURE OF IND AS 108 SEGMENT REPORTING (In ₹ Million.)

Primary Segment Reporting (by business segment)

Particulars	Sales	Services	Total
Revenue from operation	3,233.63	186.92	3,420.55
Less Duties and taxes	-	-	-
Net Revenue from operation	3,233.63	186.92	3,420.55
Other Income			8.84
Total Income			3,429.39
Expense unallocable			
Profit before taxes			486.54

Secondary Segment Reporting (by Geographical Demarcation)

Particulars	Domestic	Overseas	Total
Revenue from operation	3,410.22	10.32	3,420.55
Less Duties and taxes			-
Net Revenue from operation	3,410.22	10.32	3,420.55
Other income			8.84
Total Income			3,429.39
Expenses unallocable			2,942.85
Net Profit before taxes			486.54

The company has common property plant and equipment for sale of goods / providing services to domestic as well as overseas market. Hence separate figures for assets have not been furnished.

R.S. Chhabra & Co. Chartered Accountants M.No. 040465 FRN 101787W

COMMTEL NETWORKS PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2024

NOTE 39 : LEASE

Details of leasing arrangements

(i) Amount Recognised in the Balance Sheet

Right of use asset

Particulars	In ₹ Million 31st March 2024	31st March 2023
Building		
Gross Block	103.30	103.30
Net of additions & deletions During the year	(1.68)	-
Less : Accumulated Depreciation	(57.03)	(38.47)
Net Block	**44.59**	**64.83**

Additions of right-of-use assets during the current financial year is Rs. NIL (PY Rs. 99,136,354/)

Lease Liability

Particulars	In ₹ Million 31st March 2024	31st March 2023
Non - Current		
Lease Liabilities	32.85	49.35
Total Non - Current	**32.85**	**49.35**
Current		
Lease Liabilities	17.45	19.42
Total Current	**17.45**	**19.42**

of Profit or Loss

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

Particulars		In ₹ Million 31st March 2024	31st March 2023
Depreciation charge on Right of use Assets	**Note No**		
Buildings	2	20.24	21.09
Total		**20.24**	**21.09**
Other Costs			
Interest expense (included in finance costs)	27	5.27	6.85
Expenses relating to short term leases (included in other expenses)	28	7.01	8.92
		12.28	**15.77**

NOTE 40 : FINANCIAL RATIOS	Methodology	31st March 2024	31st March 2023
Current Ratio,	Current assets over current liabilities	**1.33**	**1.43**
Debt-Equity Ratio,	Debt over shareholders equity	**1.35**	**1.13**
Debt Service Coverage Ratio*	EBIT over current debt	**2.90**	**0.93**
Return on Equity Ratio,*	PAT over total average equity	**45%**	**16%**
Inventory turnover ratio	Cost of goods over average inventory	**1.13**	**1.08**
Trade Receivables turnover ratio*	Revenue from operations over average	**1.92**	**1.51**
Trade payables turnover ratio*	Adjusted expenses over average trade	**2.30**	**1.89**
Net capital turnover ratio	Revenue from operations over working	**4.04**	**3.00**
Net profit ratio	Net profit over revenue	**11%**	**6%**
Return on Capital employed	PBIT over average capital employed	**65%**	**31%**

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COMMTEL NETWORKS PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2024

Explanation for variances exceeding 25%

*The debt service coverage ratio improved from 0.93 to 2.9 this year due to a substantial increase in profitability exceeding the rise in loan obligations.

*ROE increased from 16.26% to 45.04% driven by a significant rise in revenue, leading to higher profitability.

*Trade receivables turnover ratio increased due to improved collection efficiency and faster conversion of trade receivables into cash.

*The increase in the net profit ratio is due to net profit (NPAT) growing at a faster rate compared to revenue, indicating improved profitability and cost efficiency.

*The increase in ROCE is due to a proportionally larger increase in EBIT compared to the increase in capital employed, indicating improved profitability.

The increase in the net capital turnover ratio is due to revenue growing at a faster rate compared to the increase in working capital, indicating more efficient use of working capital to generate sales.

NOTE 41 : DETAILS OF EXPENSES OF CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES	31st March 2024	31st March 2023
(A) Gross amount required to be spent by the company during the year Rs. 24,00,000/- (P.Y. Rs.18,65,000/-) (B) Amount spent during the year on:		

Particulars	(In ₹ Million.) 31st March 2024	31st March 2023
(i) Construction /Acquisition of any Asset		
(ii) On purposes other than (i) above	2.40	1.87
	2.40	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		
(G) Details of Related party transactions		
(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.		

NOTE 42 : ADDITIONAL REGULATORY INFORMATION

a. Details of benami property held

No proceedings have been initiated on or are pending against the Company under the Prohibition of Benami Property Transactions Act, 1988 (as ammended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder.

b. Borrowing secured against current assets

The company has borrowing limits sanctioned from banks and financial institutions on the basis of security of current assets. The quarterly returns or statements filed by the company with banks and financial institutions are in agreement with the books of accounts.

c.Wilful defaulter

The company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

d. Relationship with struck off companies

The company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

e. Registration of charges or satisfaction with Registrar of Companies

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

e. Compliance with number of layers of companies

The company has complied with the number of layers prescribed under section 2(87) of the Companies Act, 2013 read with Companies (Restriction of number of layers) Rules, 2017.

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NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2024

f. Compliance with approved scheme(s) of arrangements

No Scheme of Arrangement has been approved by the Competent Authority under sections 230 to 237 of the Companies Act, 2013, during the financial year.

g. Utilisation of borrowed funds and share premium

The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:
a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

The company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

h. Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

NOTE 43: FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

This section gives an overview of the significance of financial instruments for the Company 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

			(In ₹ Million.)	
Financial Assets & Liabilities as at	**As on 31-03-2024**		**As on 31-03-2023**	
Particulars	**FVTPL**	**Amortised Cost**	**FVTPL**	**Amortised Cost**
Financial Assets				
Investments	-	1.76	-	1.76
Non current Trade Receivables	-	78.76	-	35.48
Other non current Assets	-	46.97	-	38.82
Current Trade Receivables	-	2,340.85	-	1,224.42
Cash and cash equivalents	-	225.57	-	46.75
Bank balances other than above	-	132.71	-	28.43
Other Financial assets - current	-	4.10	-	5.87
	-		-	
Financial Liabilities	-		-	
Borrowings Non Current	-	110.68	-	136.40
Borrowings Current	-	1,204.42	-	562.70
Trade payables	-	1,153.41	-	600.19
Other financial liabilities - current	-	41.93	-	38.13

Level 1: Includes financial instruments measured using quoted prices. This includes mutual funds that have quoted price. The mutual funds are valued using the closing NAV.

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.

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NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2024

(2) Valuation Technique

The fair values of security deposits and non-current trade receivables were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

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

(3) Valuation Process

The finance department of the Company includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. The significant level 3 inputs for determining the fair values are discount rates using a long term bank deposit rate to calculate a risk free rate (pre-tax) that reflects the current market assessments of the time value of money and adjusted for counter-party risk and risks specific to the asset.

(4) 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 company have been carried at their amortised cost.

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

NOTE 44: FINANCIAL RISK MANAGEMENT

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, 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 Company's activities, The 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 Company's activities expose it to a variety of financial risk.

(a) Credit Risk

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

Trade and other receivables

The Company'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 Financial Assets

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

(b) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company 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 Company has unutilized credit limits with banks.

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COMMTEL NETWORKS PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2024

NOTE 44: FINANCIAL RISK MANAGEMENT

(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 Company's income or the value of its holding of financial instruments.

Foreign Currency Risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. It arises mainly where receivables and payables exist due to transactions entered in foreign currencies.

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

NOTE 45 :

Previous year's figures have been regrouped and rearranged to correspond with the figures of current year wherever necessary.

As per our report of even date
For R.S. Chhabra & Co.
Chartered Accountants
F.R. No. 101787W

R.S. Chhabra & Co.
M. No. 040465
FRN 101787W
Chartered Accountants

CA Rajendra Chhabra
Proprietor - M. No.040465

Date: 5th September, 2024
Place : Navimumbai

For Commtel Networks Private Limited

COMMTEL NETWORKS PRIVATE LIMITED

Dinesh R. Pandey
Director
DIN : 00032707

Shriprakash R. Pandey
Chairman and Managing Director
DIN : 00032655

Date: 5th September, 2024
Place : Navimumbai