



R A MARU & ASSOCIATES

CHARTERED ACCOUNTANTS

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Report on translated version of material subsidiary's audited financial statements

To
Commтел Networks Ltd. (the "Holding Company")
Mumbai, India.

Re: The translated standalone financial statements of Commтел Networks FZC.
Dear Sir(s),

We have verified the translated version of the audited standalone financial statements of Commтел Networks (FZC) (the "Company") for the year ended 31st March, 2023 with comparative numbers of 31st March, 2022. These financial statements have been translated by the Company in Indian Rupee in accordance with Ind AS 21, 'The Effect of Changes in Foreign Currency Rates'. The work carried out by us in accordance with Standard on Related Services (SRS) 4400, "Engagements to Perform Agreed-upon Procedures regarding Financial Information" issued by the Institute of Chartered Accountants of India.

We have verified the enclosed financial statements, translated into Indian Rupees, which have been prepared by the Company, for the purposes of use by Commтел Networks Limited ("Holding Company").

The audit report issued by the then statutory auditor of the Company does not contain any qualifications. This report and the translated financials should not in any way be construed as a reissuance of the previous audit reports, nor should these be construed as a new opinion on any of the audited standalone financial statements referred to herein.



Based on our examination, we confirm that the translated financial statements annexed to this report are true, fair, correct, accurate and there is no untrue statement or omission which would render the contents misleading in its form or context.

Yours Sincerely,

**For R A Maru & Associates,
Chartered Accountants
FRN: 141914W**



**CA Rumeet Anil Maru
Proprietor
M. No: 166417
UDIN: 25166417BMJLXC5942**

**Place: Mumbai
Date: 23rd September, 2025**

COMMTEL NETWORKS (FZC)
Sharjah Airport International Free Zone, Sharjah (U.A.E.)
2022-2023
(All amounts are in INR except as stated otherwise)

Translated version of Statement of Profit and Loss

Particulars	Note	2022-2023	2021-22
Revenue	19	2,166,284,865	1,514,651,174
Direct costs	20	1,352,559,096	1,015,305,538
Gross profit		813,725,770	499,345,636
Other income	21	8,058,562	29,620
Selling & distribution costs	22	(35,071,639)	(30,067,522)
Administrative costs	23	(258,488,699)	(223,146,801)
Finance costs	24	(12,525,985)	(11,074,359)
Other expenses	25	(7,042,126)	(4,067,013)
Net profit for the year		508,655,884	231,019,563

The attached note nos. 1 - 29 form an integral part of these financial statements.
The director has approved and authorised the issuance of these financial statements on 23 September, 2025.

As per our report on even date
For **R A Maru & Associates**
Chartered Accountants
ICAI Firm Registration Number: 141914W



CA Rumeet Anil Maru
Proprietor
Membership Number: 166417

Date: 23 September, 2025
Place: Mumbai

For Commtel Networks FZC

Shriprakash Ramshringar Pandey
Director

Date: 23 September, 2025
Place : Navi Mumbai

COMMTEL NETWORKS (FZC)
Sharjah Airport International Free Zone, Sharjah (U.A.E.)
2022-2023
(All amounts are in INR except as stated otherwise)

Translated version of Standalone Balance Sheet (Contd.)

Particulars	Note no.	As at 31 Mar 23	As at 31 Mar 22	As at 31 Mar 21
Equity & liabilities:				
Equity				
Share capital	13	4,554,388	4,554,388	4,554,388
Reserves & surplus	14	2,500,398,311	1,827,621,835	1,538,304,352
Equity		2,504,952,699	1,832,176,223	1,542,858,740
Non-current liabilities				
Employee end of service benefits	15	26,765,434	21,776,535	16,813,496
Lease liabilities	18	19,213,031	34,123,419	47,639,596
		45,978,466	55,899,954	64,453,092
Current liabilities				
Accounts payable		254,448,817	73,090,374	137,531,126
Provisions, accruals & other liabilities	16	135,641,193	37,351,501	38,434,744
Borrowings from banks	17	-	-	-
Lease liabilities	18	17,789,862	15,190,259	10,758,214
		407,879,873	125,632,134	186,724,084
Total liabilities		453,858,338	181,532,088	251,177,176
Total equity & liabilities		2,958,811,037	2,013,708,311	1,794,035,916

The attached note nos. 1 - 29 form an integral part of these financial statements.

The director has approved and authorised the issuance of these financial statements on 23 September, 2025.

As per our report on even date

For **RA Maru & Associates**

Chartered Accountants

ICAI Firm Registration Number: 141914W



CA Rumeet Anil Maru

Proprietor

Membership Number: 166417

For **CommTEL Networks FZC**

Shriprakash Ramshringar Pandey
Director

Date: 23 September, 2025

Place: Mumbai

Date: 23 September, 2025

Place : Navi Mumbai

COMMTEL NETWORKS (FZC)
Sharjah Airport International Free Zone, Sharjah (U.A.E.)
2022-2023
(All amounts are in INR except as stated otherwise)

Translated version of Standalone Balance Sheet

Particulars	Note no.	As at 31 Mar 23	As at 31 Mar 22	As at 31 Mar 21
Assets:				
Non-current assets				
Property, plant & equipment	2	20,734,115	36,299,881	61,956,997
Right-of-use assets	3	50,004,361	61,484,180	74,246,163
Development cost	4	36,168,172	-	-
Investments	5	2,136,230	77,707,254	75,069,277
		109,042,878	175,491,314	211,272,436
Current assets				
Inventories	6	376,414,344	326,226,443	258,131,029
Deposits, prepayments & advances	7	80,511,160	63,667,487	91,850,781
Accounts receivable	8	780,413,080	446,699,473	572,826,293
Other financial assets	9	210,920,784	183,709,910	182,945,240
Amounts due from related parties	10	308,991,610	28,200,201	30,103,144
Contract assets	11	233,459,083	182,879,460	105,102,143
Cash & bank balances	12	859,058,097	606,834,022	341,804,850
		2,849,768,159	1,838,216,996	1,582,763,480
Total assets employed		2,958,811,037	2,013,708,311	1,794,035,916



COMMTEL NETWORKS (FZC)
Sharjah Airport International Free Zone, Sharjah (U.A.E.)
2022-2023
(All amounts are in INR except as stated otherwise)

Translated version of Statement of Cash Flow

Particulars	Note no	2022-23	2021-22
Cash flows from operating activities			
Net profit for the year		508,655,884	231,019,563
Adjustments for :		-	-
Depreciation on property, plant & equipment		21,652,345	37,674,807
(Gain) on disposal of investment		(8,058,562)	-
Amortisation of right-of use assets		16,355,019	15,102,675
Finance costs		12,525,985	11,074,359
Interest income		-	(29,620)
Employee end of service benefits provided		3,092,114	4,435,400
Operating cash flows before changes in working capital		554,222,784	299,277,184
Working capital changes:			
Movement in inventories		(22,659,579)	(59,024,544)
Movement in accounts receivable		(296,019,277)	146,256,072
Movement in deposits, prepayments & advances		(11,471,150)	31,410,982
Movement in contract assets		(35,147,505)	(74,083,969)
Movement in accounts payable		175,190,779	(69,273,674)
Movement in provisions, accruals and other liabilities		95,137,820	(2,433,861)
Employee end of service benefits (paid)		-	(142,010)
Net cash generated from operating activities		459,253,872	271,986,181
Cash flows from investing activities:			
Movement in margin money with banks		(11,708,680)	5,664,128
Movement in development cost		(36,168,172)	-
(Additions) to property, plant & equipment		(3,437,939)	(10,509,932)
Disposal of investment in equity		90,341,108	-
Interest income		-	29,620
Net cash (used in) investing activities		39,026,317	(4,816,183)



COMMTEL NETWORKS (FZC)
 Sharjah Airport International Free Zone, Sharjah (U.A.E.)
 2022-2023
 (All amounts are in INR except as stated otherwise)

Translated version of Statement of Cash flows (Contd.)

Particulars	Note no	2022-23	2021-22
Cash flows from financing activities:			
Movement in amount due from related parties		(278,411,761)	2,960,785
Movement in lease liabilities		(16,472,075)	(11,136,264)
Finance costs		(12,525,985)	(11,074,359)
Net cash (used in) financing activities		(307,409,821)	(19,249,839)
Net movement in cash & cash equivalents		190,870,367	247,920,160
Foreign Cash Translation reserve		61,353,708	17,109,012
Cash & cash equivalents at beginning of the year		606,834,022	341,804,850
Cash & cash equivalents at end of the year	12	859,058,097	606,834,022

The attached note nos. 1 - 29 form an integral part of these financial statements.
 The director has approved and authorised the issuance of these financial statements on 23 September, 2025.

As per our report on even date
 For R A Maru & Associates
 Chartered Accountants
 ICAI Firm Registration Number: 141914W


CA Rumeet Anil Maru
 Proprietor
 Membership Number: 166417



Date: 23 September, 2025
 Place: Mumbai

For Commtel Networks FZC


Shriprakash Ramshringar Pandey
 Director

Date: 23 September, 2025
 Place : Navi Mumbai

COMMTel NETWORKS (FZC)
Sharjah Airport International Free Zone, Sharjah (U.A.E.)
2022-2023
(All amounts are in INR except as stated otherwise)

Translated version of Statement of Changes in equity

Particulars	Share Capital	Statutory Reserve	Retained Earnings	Foreign Currency Translation Reserve	Total
Balance at 1 April, 2021	4,554,388	2,460,274	1,405,461,360	130,382,719	1,542,858,741
Movement During the year	-	-	-	58,297,919	58,297,919
Net profit for the year	-	-	231,019,563	-	231,019,563
Net movements	-	-	-	-	-
Balance at 31 March, 2022	4,554,388	2,460,274	1,636,480,923	188,680,638	1,832,176,223
Balance at 1 April, 2022	4,554,388	2,460,274	1,636,480,923	188,680,638	1,832,176,223
Movement During the year	-	-	-	164,120,592	164,120,592
Net profit for the year	-	-	508,655,884	-	508,655,884
Net movements	-	-	-	-	-
Balance at 31 March, 2023	4,554,388	2,460,274	2,145,136,806	352,801,230	2,504,952,699

The attached note nos. 1 - 29 form an integral part of these financial statements.

The director has approved and authorised the issuance of these financial statements on 23 September, 2025.

As per our report on even date
For R A Maru & Associates

Chartered Accountants

ICAI Firm Registration Number: 141914W



CA Rumeet Anil Maru

Proprietor

Membership Number: 166417



For Commtel Networks FZC



Shriprakash Ramshringar Pandey
Director

Date: 23 September, 2025
Place: Mumbai

Date: 23 September, 2025
Place : Navi Mumbai

CommTEL Networks (FZC)

Sharjah Airport International Free Zone, Sharjah (U.A.E.)

Notes forming part of translated version of Financial Statements as at and for the year ended 31 March, 2023.

1. Legal status and activity:

CommTEL Networks (FZC) (the Company) is incorporated and registered as a Free Zone Company with Limited Liability with Sharjah Airport International Free Zone Authority in the emirate of Sharjah (U.A.E.) under industrial license no. 04713, commercial license no. 15455, service license no. 23115 & having Certificate of Incorporation/Registration no. 2619.

The shareholders of the Company as at reporting date & their interest on that date in the share capital of the Company were as follows:

Sr. No	Shareholders	Legal Status/ Nationality	Shares	Amount (AED)	%
1.	M/s CommTEL Networks Limited, Indian company, represented by Mr. Shriprakash Ramshringar Pandey	Indian Company	2,910	291,000	97.00%
2.	Mr. Shriprakash Ramshringar Pandey	Indian	60	6000	2.00%
3.	Mr. Rohit Omprakash Pandey	Indian	30	3000	1.00%
	Total		3,000	300,000	100.00%

M/s CommTEL Networks Limited (Formerly Known as "CommTEL Networks Private Limited"), a company registered in India, under CIN no. U32201MH1998PTC116062, under the Indian Companies Act of 2013 & its amendments thereafter having its registered office at 23, White Castle, 34-35, Union Park, Chembur, Mumbai - 400 071, India, is the major shareholder of the Company.

The principal place of business is located at 400 M2 Warehouse, P6 - 48 & P6 - 49, T5-92 & T5-93 and T5-111 & TS-112, Sharjah Airport International Free Zone, Sharjah (U.A.E.) and registered address of the Company is Post Box 120988, Sharjah Airport International Free Zone, Sharjah (U.A.E.).

The Company is licensed to carry on the activity of manufacturing & assembling of digital transmission systems & trading in wireless equipment, instruments and related accessories & providing services in relation to telecommunication system equipment installation & maintenance and during the year under review it was principally engaged in the same activities.

The day to day operations of the Company are being managed by Mr. Rafeek Pilachery who is appointed as the manager of the company.

1.1 Basis of preparation:

The translated version of financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) & Interpretations issued by the International Accounting Standards Board (IASB), International Financial Reporting Interpretations Committee (IFRIC) and Standing Interpretations Committee (SIC). These financial statements have been translated by the Company in Indian Rupee in accordance with Ind AS 21, 'The Effect of Changes in Foreign Currency Rates',



Commтел Networks (FZC)

Sharjah Airport International Free Zone, Sharjah (U.A.E.)

Notes forming part of translated version of Financial Statements as at and for the year ended 31 March, 2023.

These translated version of IFRS financial statements have been translated from the functional currency of the subsidiary to Indian Rupee INR, solely for the purpose of consolidating financial statements of Commтел Networks Limited ("the holding company") and in connection with the proposed initial public offering of equity shares of the holding company. For this purpose, assets and liabilities have been translated using exchange rates prevailing on the balance sheet date. Statement of profit and loss has been translated using average exchange rates. Translation adjustments have been reported as foreign currency translation reserve in the statement of changes in equity.

The company has prepared its translated version of financial statements using the same accounting policies (including the format of the translated version of financial statements) as followed by the holding company considering that the purpose of these translated version of financial statements is solely to assist the holding company in preparing its consolidated financial statements.

Accounting policies have been applied consistently to all the periods presented in this translated version of financial statements 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.

i. Statement of compliance:

The translated version of financial statements comply in all material aspects with International Financial Reporting Standards (IFRSs) & Interpretations issued by the International Accounting Standards Board (IASB), International Financial Reporting Interpretations Committee (IFRIC) and Standing Interpretations Committee (SIC).

ii. Application of new and revised International Financial Reporting Standards (IFRSs)

a. New and amended IFRSs that are effective for the current year:

The following new and revised IFRSs, which became effective for annual periods beginning on or after 1 January, 2022, have been adopted in these financial statements:

- Amendments to IAS 16 Property, plant and equipment relating to proceeds before intended use.
- Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets relating to onerous contracts.
- Amendments to IFRS 3 Business Combinations relating to reference to conceptual framework.
- Annual improvements to IFRS standards 2018 — 2020 cycle relating to amendments IFRS 1 first-time adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IFRS 16 Leases, and IAS 41 Agriculture.

However, the above stated standards & amendments do not have any material impact on the Company's financial statements as at 31 March, 2023 but may affect the accounting for future transactions or arrangements.

b. Relevant new and amended standards issued but not yet effective for the year ended 31 March, 2023:

A number of new standards, amendments to standards and interpretations are not yet effective for annual periods beginning after 1 January, 2022 and have not been early applied in preparing these financial statements.



Commтел Networks (FZC)**Sharjah Airport International Free Zone, Sharjah (U.A.E.)**

Notes forming part of translated version of Financial Statements as at and for the year ended 31 March, 2023.

Standard/Interpretation	Effective date
Amendments to IAS 8 Accounting policies, Changes in accounting estimates and errors	1 January,2023
IFRS 17 Insurance Contracts and Ammendments to IFRS 17 Insurance Contracts	1 January,2023
Amendments to IAS 1 Presentation of Financial Statements relating to classification of liabilities as current or non-current.	1 January,2023
Amendments to IAS 12 Income Taxes relating to Defferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January,2023
Ammendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 for disclosure of accounting policies	1 January,2023
Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures relating to treatment of sale or contribution of assets from investors	To be announced

The new or amended accounting Standards and Interpretations listed above are not mandatory for 31 March, 2023 reporting period and have not been early adopted by the Company. These are not expected to have a material impact on the financial statements of the Company in the current or future reporting periods and on foreseeable future transactions.

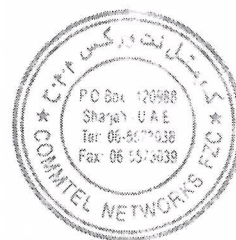
iii. Basis of measurement:

These financial statements have been prepared under the going concern assumption and historical cost convention.

iv. Basis of accounting and coverage:

The Company follows the accrual basis of accounting except for statement of cash flows which is presented on cash basis. Under accrual basis, the transactions and events are recognised as and when they occur and are recorded in the financial statements for the period to which they relate to.

The financial statements enclosed cover the period from 1 April, 2022 to 31 March, 2023. Previous year figures are for the period from 1 April, 2021 to 31 March, 2022 and have been regrouped wherever necessary.



Commтел Networks (FZC)

Sharjah Airport International Free Zone, Sharjah (U.A.E.)

Notes forming part of translated version of Financial Statements as at and for the year ended 31 March, 2023.

v. Foreign Currency translation:

. Functional & presentation currency:

The financial statements are originally presented in United Arab Emirates Dirham (AED) and translated into Indian Rupees (INR). The Company's functional currencies are United Arab Emirates Dirham (AED). The Company also deals in United States Dollar (USD), Euro (EUR), Kuwaiti Dinar (KWD), Australian Dollars (AUD), Swiss Francs (CHF) & Great Britain Pound (GBP). All financial information presented in AED has been rounded off to the nearest UAE Dirham.

Transactions and balances:

Transactions in foreign currency, if any, are converted into functional currency at prevailing exchange rate on the date such transactions are entered into.

Monetary assets and liabilities denominated in foreign currencies are translated into functional currency at the exchange rates prevailing at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies which are stated at historical cost or fair value, are translated into functional currency at the exchange rates prevailing on the date of such transaction or the date of determination of fair value respectively.

Resultant loss or gain has been recognized in the restated statement of profit and loss and other comprehensive income, in the year in which such assets are realized or liabilities are discharged.

vi. Use of estimates & judgments:

The preparation of financial statements in conformity with IFRSs requires management to make estimates, judgments and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses.

Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future period affected & same are mentioned under respective accounting policy note.

The following accounting estimates and management judgments which are material in nature have been considered, in the preparation of financial statements.

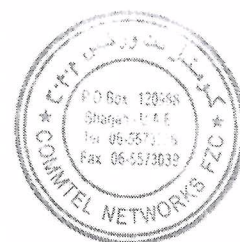
- Useful lives of property, plant & equipment:

Company's management estimates the useful life of property, plant & equipment & residual value for calculating depreciation. It reviews the useful life & residual value on annual basis & future depreciation expense would be adjusted where the management believes that useful life differs from the previous estimates.

- Useful lives of right-of-use assets:

The useful life of right-of-use assets is determined by the management of the Company. It reviews the estimated life & residual value on annual basis & future amortisation expense would be adjusted where the management believes that useful life differs from the previous estimates.

The management has estimated remaining useful life of the lease asset as 60 months. Based on the management estimation/Company policy, the discounting rate used for lease liability is 8.00% p.a.



Commtel Networks (FZC)

Sharjah Airport International Free Zone, Sharjah (U.A.E.)

Notes forming part of translated version of Financial Statements as at and for the year ended 31 March, 2023.

-Impairment of investments:

Management assesses the recoverability of investments on regular basis & creates reserve for impairment as & when required.

- Impairment of inventories:

Inventories are subjected to ageing & impairment test on a periodical basis by management on damaged, obsolete and slow moving inventories. These reviews require judgments and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories. Management estimates that reserve for impairment created against inventories is sufficient to cover for doubtful losses if any.

- Impairment of advance to suppliers:

Advance to suppliers are advances to be adjusted against future purchases or works to be undertaken in future.

Impairment of advance to suppliers is created if in aggregate or individually balance is remaining outstanding without any adjustments or purchases being undertaken for significant period of time

-Impairment of amounts due from related parties:

Amounts due from related parties are subjected to recoverability test on a periodical basis when realisation of full amount is no longer probable. Amounts due from related parties which are individually significant, are verified for ageing, subsequent recoverability & balance confirmations. Amounts due from related parties which are individually not material, are assessed collectively & estimated reserve for impairment of amounts due from related parties is created if same is outstanding for beyond normal agreed terms & doubtful.

- Allowance of expected credit loss:

The Company recognises a loss allowance of expected credit loss (herein after 'ECL') on financial assets measured at amortised cost. The amount of ECL is updated at the end of each reporting period to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company has accounts receivable & contract assets under the impairment scope of IFRS 9, as there is no significant financing component, the Company's accounting policy choice is the simplified approach. The ECL is estimated using a provision matrix based on the Company's historical credit loss experience and interest risk, adjusted for factors that are specific to the accounts receivable, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

Based on review of historical data and adjustment for future circumstances, the management has estimated & considered provision as per the ECL matrix on total outstanding balance of accounts receivable as on reporting date.

1.3 Summary of significant accounting policies:

The following accounting policies have been consistently applied by the management in preparation of the financial statements, except as stated below:

i. Current and non-current classification:

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification.



Commтел Networks (FZC)

Sharjah Airport International Free Zone, Sharjah (U.A.E.)

Notes forming part of translated version of Financial Statements as at and for the year ended 31 March, 2023.

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle.
- Held primarily for the purpose of trading.
- Expected to be realised within twelve months after the reporting period.
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle.
- It is held primarily for the purpose of trading.
- It is due to be settled within twelve months after the reporting period.
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

ii. Property, plant & equipment:

Property, plant & equipment are carried at their cost of acquisition including any incidental expenses related to acquisition or installation, less accumulated depreciation and accumulated impairment loss. Depreciation has been provided on straight line method over the estimated useful lives, as determined by the management.

Property, plant & equipment are, at the reporting date, subject to impairment. Where any indication of impairment exists, the carrying amount is written down to its recoverable amount.

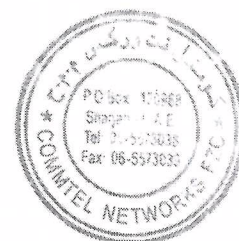
The management's estimate of useful life of various assets is as follows:

Tools & equipment	5 years
Furniture, fixtures & leasehold improvements	5 years
Office equipment	5 years
Vehicles	5 years

The gain or losses, if any arising on the disposal or retirement of an item of property, plant & equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the statement of profit & loss and comprehensive income.

A decline in the value of property, plant & equipment could have a significant effect on the amounts recognized in these financial statements. Management assesses the impairment of property, plant & equipment whenever events or changes in circumstances indicate that the carrying value may not be recoverable.

Factors that are considered important which could trigger an impairment review include the following:



Commтел Networks (FZC)

Sharjah Airport International Free Zone, Sharjah (U.A.E.)

Notes forming part of translated version of Financial Statements as at and for the year ended 31 March, 2023.

- significant changes in the technology and regulatory environments.
- evidence from internal reporting which indicates that the economic performance of the asset is, or will be, worse than expected.

iii. Right-of-use assets:

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date, except for short term leases (i.e for period upto 12 months) and leases of low value assets. The right-of use asset is initially measured at cost, which comprises the initial amount of lease liability (i.e. present value of minimum lease payments) made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of useful life of right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use assets are on the same basis as those of property, plant & equipment. In addition, the right of- use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

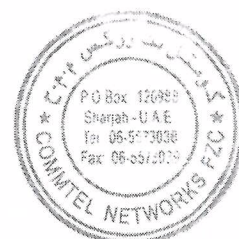
Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as the commencement date
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early The lease liability is measured at amortised cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in index or rate/ if there is a change in Company's estimate of the amount expected to be payable under a residual value guarantee/ or if the Company changes its assessment of whether it will exercise a purchase/ extension or termination option.

When the lease liability is measured this way/ a corresponding adjustment is made to the carrying amount of the right-of-use asset/ or is recorded in statement of comprehensive income if the carrying amount of the right-of use asset has been reduced to zero.

iv. Development cost:

Development cost represents cost incurred for development process of software to integrate all security surveillance and telecom equipment into a single platform with artificial intelligence capabilities. Upon development the cost of such assets together with the cost directly attributable to development will be transferred to the respective class of asset under intangible assets. No amortisation is charged on development cost.



Commтел Networks (FZC)

Sharjah Airport International Free Zone, Sharjah (U.A.E.)

Notes forming part of translated version of Financial Statements as at and for the year ended 31 March, 2023.

v. Investments:

Investment represents investments by the Company/ to enhance the Company's business interest or to effectively utilise the surplus resources. Investment are classified as either long term or short-term/ based on the intention of the management at the time of their purchase.

Investment in subsidiary:

Investment in subsidiary represents amount invested for 100% ownership in the share capital of Commтел Networks (USA) LLC, U.S.A. & 49% ownership in the share capital of Commтел Networks LLC, Abu Dhabi (U.A.E.). Despite of ownership being 49% in the share capital of Commтел Networks LLC, Abu Dhabi (U.A.E.), the Company exercises the power to control the management & day-to-day functioning of Commтел Networks L.L.C./ Abu Dhabi (U.A.E.) & has right to variable return in it. Accordingly, the Company had adopted the policy of measuring investment in both the subsidiaries at cost.

Investment in preference shares:

Investment in preference shares represent preference shares that are non-convertible and are measured at amortised cost since the preference shares are held within a business model whose objective is to hold the shares in order to collect contractual cash flows and the contractual terms of the preference shares give rise on specified dates to cash flows that are solely payments of principal and dividend on the principal amount outstanding.

vi. Inventories:

Inventories are carried at the lower of cost or net realisable value (estimated selling price less cost to complete and selling expenses). Raw material cost includes aggregate of purchase price/ including applicable cost to bring the inventory to the present condition/ valued at 'first-in-first-out' method. Work-in-progress comprises cost of direct overheads/ direct labour/ packaging costs/ other direct costs and allocation of production related overheads.

Any excess of carrying amount over the net realisable value is charged immediately as impairment loss through statement of comprehensive income. Inventory items/ which are slow moving or obsolete are assessed and reserve for impairment is created based on their ageing and saleability.

vii. Financial instruments:

The Company recognises a financial instrument (being a financial asset or financial liability) only when the Company becomes a part of the contractual provisions of the instrument. Accounting policy relevant to each type of financial instrument is as follows:

Cash & cash equivalents:

Cash & cash equivalents for the purpose of statement of cash flows comprise cash on hand & balances with banks in current accounts.

Accounts receivable:

Accounts receivable are amounts due from customers towards sale of goods & providing of services in the ordinary course of business. Accounts receivable are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less reserve for impairment of accounts receivable. A reserve for impairment of accounts receivable is recognised when it is probable that the Company will not be able to collect all amounts due according to original terms of the accounts receivable.



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Notes forming part of translated version of Financial Statements as at and for the year ended 31 March, 2023.

Contract assets:

Contract assets represents amount receivable on the basis of milestone achieved with respect to project execution & terms of payment and therefore is considered as accrued but not due & presented as contract assets.

Accounts payable:

Accounts payable represent obligations towards purchase of goods in the ordinary course of business. Same is free of interest & payable at the end of credit period granted by the suppliers. Accounts payable are recognized initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method

Other financial assets:

Other financial assets are recognised initially at transaction value and subsequently measured at amortised cost using the effective interest method less impairment. However, all other financial assets have a value on realization in the ordinary course of the Company's business, which is at least equal to the amount at which they are stated in the statement of financial position.

Other financial liabilities:

Other financial liabilities, including borrowings, are initially measured at transaction value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

A financial asset (or where applicable a part of a financial asset or a part of group of similar financial assets) is derecognized either when:

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

Where the Company has transferred its right to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset. A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of comprehensive income.

Financial assets and financial liabilities are only offset and the net amount is reported in the statement of financial position when there is a legally enforceable right to set off the recognised amounts and the Company intends to settle them on a net basis.



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Notes forming part of translated version of Financial Statements as at and for the year ended 31 March, 2023.

viii. Impairment of non-financial assets:

At each reporting date, the Company reviews the carrying amounts of its non-financial assets, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss (if any).

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately. Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately.

ix. Impairment of financial assets:

An assessment is made at each reporting date to determine whether there is objective evidence that a specific financial asset may be impaired. A financial asset or a group of financial assets is deemed to be impaired if and only if there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of asset (an incurred "loss event") and that loss event (or events) has an impact on the estimated future cash flow of the financial assets or the group of financial assets that can be reliably estimated.

If such evidence exists, any impairment loss is recognised in the statement of comprehensive income. Impairment is determined as follows.

- For assets carried at fair value, impairment is the difference between the cost and fair value, less any impairment loss previously recognised in the statement of comprehensive income.
- For assets carried at cost, impairment is the difference between the carrying amount and the present value of future cash flows discounted at the current market rate of return for a similar financial asset.
- For assets carried at amortised cost, impairment is the difference between carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate.

Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the financial asset no longer exist or have decreased and the decrease can be related objectively to an event occurring after the impairment was recognized.

x. Employee benefits:

Employee benefits have been provided for in accordance with the contractual terms with the employees, but are however, subject to minimum of the UAE Labour Law requirements.



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Short-term employee benefits:

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Annual leave and leave passage:

An accrual is made for the estimated liability of the employees' entitlement to annual leave and leave passage as a result of services rendered by eligible employees up to the end of the year.

Employee end of service benefits:

The provision for employee end of service benefits is based on the liability which would arise if the employment of all staff was terminated at the reporting date and is calculated in accordance with the provisions of the UAE Federal Labour Law. Management considers these as long-term obligations and accordingly they are classified as long-term liabilities.

xi. Provisions & contingencies:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of economic benefits would be required to settle these obligations, and a reliable estimate of the same can be made.

Contingent liabilities are not recognized but are disclosed in the notes to financial statements. A disclosure of contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When likelihood of outflow is remote, no provision or disclosure is made.

xii. Statutory reserve:

The Company is required under the provisions of the Memorandum & Articles of Association to appropriate 10% of net profit to statutory reserve, every year, until the balance in reserve account reaches 50% of paid-up share capital. The Company has discontinued further appropriation to statutory reserve since the balance in reserve has reached 50% of paid-up share capital. Statutory reserve is not a free reserve & is not available for distributions.

xiii. Value Added Tax:

As per the Federal Decree-Law No. (08) of 2017, effective from 1 January, 2018, Value Added Tax (VAT), is charged at 5% standard rate or 0% (as the case may be) on every taxable supply and deemed supply made by the Company. It is nil or not applicable on qualifying sales including exports. The Company is required to file its VAT returns and compute the payable / receivable tax (which is output tax less input tax / input tax) for the allotted tax period(s) and deposit / claim refund the same within the prescribed due dates of filing VAT return. Net position of Value Added Tax as on reporting date is disclosed under other current assets or other current liabilities as applicable.

xiv. Corporate Tax:

On 9 December, 2022, the United Arab Emirates (UAE) Ministry of Finance ("MOF") released Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses, Corporate Tax ("CT") Law to enact a Federal CT regime in the UAE. The new CT regime has become effective for accounting periods beginning on or after 1 June, 2023.



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As the Company's accounting year ends on 31 March, the first tax period will be 1 April, 2024 to 31 March, 2025, with the first return to be filed on or before 31 December, 2025. The taxable income of the Company that are in scope for UAE CT purposes will be subject to the rate of 9% corporate tax.

On 16 January, 2023 the UAE Government published a Cabinet Decision setting the threshold at which the new CT will apply. This event made the CT substantively enacted within the meaning of IAS 12. Enactment of the legislation requires the recognition of deferred taxes where relevant, however, as per the Company's assessment, there is no material deferred tax impact on account of the CT Law in the Company's financial statements for the year. The impact of any future changes in enacted law will be accounted for when such changes are substantively enacted.

xv. Revenue recognition:

The Company recognises revenue from contracts with customers based on a five-step model as set out in IFRS 15 as under:

Step 1: Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

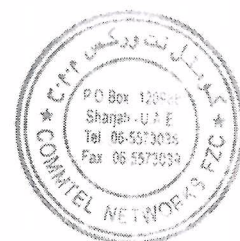
Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation. The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

1. The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; or
2. The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
3. The Company's performance does not create an asset with an alternative use to the Company and the entity has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied. When the Company satisfies a performance obligation by delivering the promised goods or services it creates a contract asset based on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised this gives rise to a contract liability.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty. The Company assesses its revenue arrangements against



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specific criteria to determine if it is acting as principal or agent. The Company has concluded that it is acting as a principal in all of its revenue arrangements.

Revenue is recognised when it is probable that the economic benefit will flow to the Company and the revenue can be reliably measured. Revenue is measured at fair value of consideration received or receivable, excluding discounts, rebates & duties.

Revenue includes invoiced value of trading goods & service revenue net of discounts, if any. Trading revenue is recognized when the significant risk and reward of ownership have transferred to the buyer, the entity loses effective control and ownership over the goods, the economic benefit will flow to the Company and the revenue can be reliably measured.

The Company treats material supplied for project execution as revenue when the title of the goods passes on the buyer and on the delivery of the said material to the buyer. However, said revenue is realizable on the basis of milestone achieved with respect to project execution & terms of payment and therefore is stated as contract assets.

Service revenue is recognized as and when services are provided to the customer and invoice is raised.

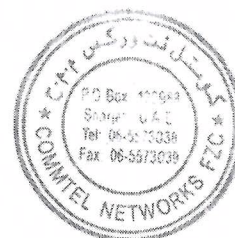
Interest income is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a timely basis, by reference to the principal outstanding and at the effective profit or interest rate applicable, which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

Gain on disposal of investment was recognized as & when due or received whichever is earlier.

Other income is recognized as and when due or received whichever is earlier.

xvi. Expenditure:

Expenses are accounted for on the accrual basis and provisions are made for all known losses and liabilities. Expenses are presented in the statement of comprehensive income, classified according to the function of expense.



COMMTEL NETWORKS (FZC)

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2022-2023

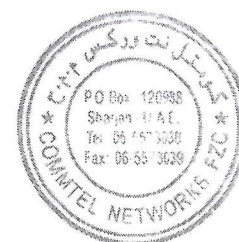
(All amounts are in INR except as stated)

Translated version of Note to Standalone Financial statements

Note 2 - Property, plant and equipment

Particulars	Tools and equipments	Furniture, fixtures and leasehold properties	Office equipments	Vehicles	Total
Cost:					
As at 31 March, 2022	17,956,247	192,334,988	29,194,868	32,036,737	271,522,840
Additions	-	325,338	3,112,601	-	3,437,939
Foreign translation exchange		16,230,014	2,463,582	2,703,391	22,912,209
As at 31 March, 2023	19,471,468	208,890,340	34,771,052	34,740,128	297,872,988
Accumulated depreciation:					
As at 31 March, 2022	(15,857,027)	(173,615,369)	(17,652,370)	(28,098,194)	(235,222,959)
For the year	(652,956)	(13,912,461)	(4,513,914)	(2,573,014)	(21,652,345)
Foreign translation exchange	(1,350,581)	(14,916,703)	(1,575,990)	(2,420,296)	(20,263,569)
As at 31 March, 2023	(17,860,564)	(202,444,533)	(23,742,273)	(33,091,503)	(277,138,873)
Net value - March 31, 2023	1,610,904	6,445,807	11,028,779	1,648,625	20,734,115
Net value - March 31, 2022	2,099,219	18,719,620	11,542,499	3,938,544	36,299,881

Furniture, fixtures and leasehold improvements include carpentry and modification work at 400 M2 Warehouse P6-48 & P6-49, T5-92 & T5-93 and T111 & T-112, Sharjah Airport International Freezone Authority, Sharjah (U.A.E.).



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(All amounts are in INR except as stated otherwise)

Translated version of Note to Standalone Financial statements

3. Right-of-use assets:

Cost

	As at 31 Mar 23	As at 31 Mar 22
Balance at the beginning of the year	76,855,215	74,246,163
Additions during the year	-	-
Changes due to foreign currency translation	6,485,358	2,609,052
Balance at the end of the year	<u>83,340,572</u>	<u>76,855,215</u>

Accumulated amortisation

Balance at the beginning of the year	(15,371,035)	-
Derecognition during the year	-	-
Amortisation for the year	(16,355,019)	(15,102,675)
Translation reserve	(1,610,157)	(268,359)
Balance at the end of the year	<u>(33,336,211)</u>	<u>(15,371,035)</u>

Net carrying amount	50,004,361	61,484,180
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Right-of-use assets represents warehouse no. P6-048, P6-049, T5-092, T5-093, T5-111, T5-112 situated at Sharjah Airport International Free Zone, Sharjah (U.A.E.) taken on lease from Sharjah Airport International Free Zone, Shadah (U.A.E)

4 Development cost

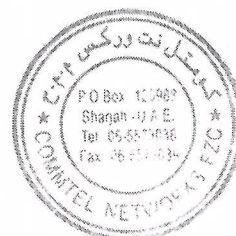
	As at 31 Mar 23	As at 31 Mar 22
Balance at the beginning of the year	-	-
Addition during the year	36,168,172	-
Transfers during the year	-	-
Balance at the end of the year	<u>36,168,172</u>	<u>-</u>

Development cost represents cost incurred to develop a prototype for AIDT software to cater to the market demands of customers, aiming to integrate all security surveillance and telecom equipment into a single platform with artificial intelligence capabilities.

5. Investments

	As at 31 Mar 23	As at 31 Mar 22
Investment in subsidiary	2,136,230	1,969,994
Investment in equity shares	-	75,737,260
	<u>2,136,230</u>	<u>77,707,254</u>

Investment in subsidiary represents 100% shareholding in CommTel Networks(USA) LLC, (USA) & 49% shareholding in CommTel Networks LLC, Abu Dhabi (U.A.E). Said investments are stated at cost.



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Investment in equity shares represented 10% shareholding in M/S NYBL Holding Limited, Abu Dhabi (U.A.E).
Said investments was stated at cost.

6. Inventories

	As at 31 Mar 23	As at 31 Mar 22
Stock of materials	371,768,473	330,963,764
Work in progress	10,235,871	417,679
	<u>382,004,344</u>	<u>331,381,443</u>
Reserve for pairment of inventories	(5,590,000)	(5,155,000)
	<u>376,414,344</u>	<u>326,226,443</u>

Movement in reserves for impairment of inventories is as follows:

Balance at the beginning of the year	5,155,000	4,980,000
Provision for the year	-	-
Changes due to foreign currency translation	435,000	175,000
Balance at the end of the year	<u>5,590,000</u>	<u>5,155,000</u>

a. Stock of materials comprising of digital transmission system parts & instruments have been verified by the management and management certifies that same is the net of any loss arising out of impairment.

b. Inventories are assigned to the banks for facilities granted to the Company as stated in the note no 20.

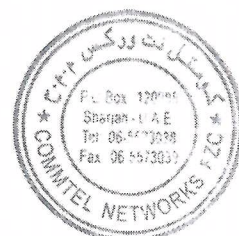
7. Deposits, prepayments & advances

	As at 31 Mar 23	As at 31 Mar 22
Deposits	17,302,190	12,691,857
Prepayments	15,319,708	13,048,315
Advance to suppliers	33,042,043	27,451,241
Loans & advances to staff	1,614,034	1,127,172
Other current assets	13,233,185	9,348,902
	<u>80,511,160</u>	<u>63,667,487</u>

a. Deposits include INR 4,746,290/- (previous year INR 4,204,418/-) placed with the Sharjah Airport International Free Zone Authority against employee visa guarantees issued & same can be withheld by them under certain circumstances.

b. Advance to suppliers are advances for future purchases which are in the normal course of business & would be settled against future purchases.

c. Other current assets represents VAT refund which is based on computation of VAT returns as prepared by the management and subject to assessment & confirmation by the Federal Tax Authority.



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Translated version of Note to Standalone Financial statements

8. Accounts receivable

	As at 31 Mar 23	As at 31 Mar 22
Trade receivables	774,813,667	404,379,377
Receivables from subsidiary	5,599,414	42,320,096
	780,413,080	446,699,473

Age wise analysis of account receivables is as follows:

Outstanding for less than 3 months	612,415,334	315,427,089
Outstanding for more than 3 months but less than 6 months	114,482,239	42,384,163
Outstanding for more than 6 months but less than 12 months	23,660,636	102,255
Outstanding for more than 12 months	29,854,871	88,785,967
	780,413,080	446,699,473

Geographical analysis of accounts receivable is as follows:

Due from within U.A.E and other GCC countries	561,982,511	316,430,149
Due from other countries	218,430,569	130,269,324
	780,413,080	446,699,473

a. The Company's exposure to credit risk relating to account receivables is disclosed in note no 27

b. Account receivables are assigned to banks for facilities granted to the Company as stated in note no 17

9. Other financial assets

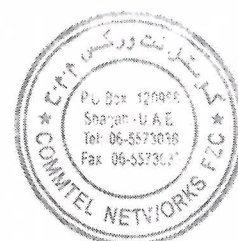
	As at 31 Mar 23	As at 31 Mar 22
Margin money with banks	210,920,784	183,709,910
	210,920,784	183,709,910

Margin money of INR with 210,920,784/- (previous year INR 180,256,225/-) HSBC Bank & INR Nil/- (previous year INR 3,456,685/-) placed with Mashreq bank is under lien against guarantee issued by bank.

10. Amount due from related parties

	As at 31 Mar 23	As at 31 Mar 22
Due from subsidiary	109,830,531	22,519,906
Due from related party	199,161,079	5,680,295
	308,991,610	28,200,201

Amounts due from related parties are free from interest.



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11. Contract assets

	As at 31 Mar 23	As at 31 Mar 22
Contract assets	233,459,083	182,879,460
	233,459,083	182,879,460

Contract assets are realisable on the basis of achievement of milestones with respect to respective projects and as per the terms of payments mentioned therein.

12. Cash and bank balances/ Cash and cash equivalents:

	As at 31 Mar 23	As at 31 Mar 22
Cash on hand	770,436	149,474
Balance with banks in current accounts	858,287,661	606,684,547
	859,058,097	606,834,022

13. Share capital :

	As at 31 Mar 23	As at 31 Mar 22
Share capital	4,554,388	4,554,388
	4,554,388	4,554,388

Share capital comprises of 3000 fully paid up equity shares of AED 100/- each (previous year 3,000 fully paid up equity shares of AED 100/-) each.

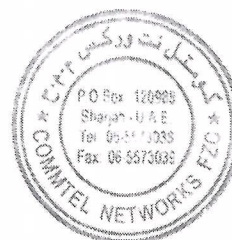
14. Reserves and surplus:

	As at 31 Mar 23	As at 31 Mar 22
Statutory reserve	2,460,274	2,460,274
Retained Earnings	2,145,136,806	1,636,480,923
Foreign Currency Translation Reserve	352,801,230	188,680,638
	2,500,398,311	1,827,621,835

15. Employee end of service benefit:

	As at 31 Mar 23	As at 31 Mar 22
Balance at the beginning of the year	21,776,535	16,813,496
Provided for the year	3,092,114	4,435,400
(Paid) during the year	-	(139,531)
Change due to foreign currency translation	1,896,786	667,169
Balance at the end of the year	26,765,434	21,776,535

Employee end of service benefits include INR 7,774,348/- (previous year INR 8,644,131 /-) payable to key management personnel.



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Translated version of Note to Standalone Financial statements

16.Provisions,accruals and other liabilities:

	As at 31 Mar 23	As at 31 Mar 22
Accrued expenses	41,212,141	20,185,021
Accrued staff salaries and benefits	94,429,053	17,166,480
	<u>135,641,193</u>	<u>37,351,501</u>

Accrued staff salaries and benefits include INR 42,036,800/- (previous year INR 5,363,592/-) payable to key management personnel.

17.Borrowings from banks:

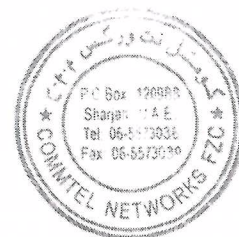
Bank facilities from HSBC bank comprising of letter of credit, import loan, deferred bill payment, pre shipment and post shipment loan, credit cards and guarantees are scheduled against the following:

- margin money with banks
- limited personal guarantee of Mr Shriprakash R. Pandey

18.Lease Liabilities:

	As at 31 Mar 23	As at 31 Mar 22
Balance at the beginning of the year	49,313,679	58,397,811
Interest charged for the year	4,197,649	4,751,558
(Payment) made during the year	(20,360,320)	(15,693,396)
Change due to foreign currency translation	3,851,886	1,857,706
Balance at the end of the year	<u>37,002,893</u>	<u>49,313,679</u>
Due within one year	17,789,862	15,190,259
Due after one year	<u>19,213,031</u>	<u>34,123,419</u>
	<u>37,002,893</u>	<u>49,313,679</u>

Lease Liability are measured at the present value of the lease payments that remain unpaid at the reporting date.



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19. Revenue

	2022-23	2021-22
Manufacturing revenue	1,951,924,922	1,305,155,562
Service revenue	214,359,943	209,495,613
	2,166,284,865	1,514,651,174

Disaggregation of revenue:

a. Timing of revenue

At a point in time

Over a period of time

	-	-
	2,166,284,865	1,514,651,174
	2,166,284,865	1,514,651,174

b. Primary geographical revenue

Middle Eastern countries

Other countries

	1,217,468,722	762,072,910
	948,816,143	752,578,264
	2,166,284,865	1,514,651,174

20. Direct costs

	2022-23	2021-22
Material cost	876,667,243	624,603,381
Clearing & forwarding expenses	40,187,915	28,793,613
Consultancy expense	117,168,464	139,676,148
Commission expenses	17,164,167	43,163,444
Engineering staff salary & other benefits	214,845,146	135,575,827
Depreciation on tools & equipment	652,956	905,622
Amortisation of right-of-use assets	16,355,019	15,102,675
Other direct expenses	79,336,378	26,948,697
(Increase) in work in progress	(9,818,193)	536,131
	1,352,559,096	1,015,305,538

21. Other income

	2022-23	2021-22
Gain on disposal of investments	8,058,562	-
Interest on fixed deposits	-	29,620
	8,058,562	29,620



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22. Selling and distribution cost

	2022-23	2021-22
Advertisement and business promotion expense	13,315,847	10,813,025
Freight outward	4,730,110	4,919,209
Overseas travelling expenses	10,950,166	3,890,244
Other sales and marketing expenses	6,075,515	10,445,043
	35,071,639	30,067,522

23. Administrative costs

	2022-23	2021-22
Salaries & other staff related benefits	53,736,918	42,968,867
Director's remuneration & benefits	137,783,200	113,456,000
Communication expenses	6,324,073	4,428,086
Fees & charges	3,869,646	2,622,738
Utilities	4,060,831	4,304,338
Travelling & conveyance expenses	1,047,547	557,738
Insurance expenses	10,460,400	5,895,012
Vehicle running & maintenance expenses	6,590,447	4,091,325
Bank charges	2,739,187	2,724,443
Office & other expenses	10,877,062	5,329,069
Depreciation on other property, plant & equipment	20,999,388	36,769,185
	258,488,699	223,146,801

24. Finance costs

	2022-23	2021-22
Bank charges	8,328,336	6,322,802
Interest on lease liabilities	4,197,649	4,751,558
	12,525,985	11,074,359

25. Other expenses

	2022-23	2021-22
Foreign exchange loss- net	7,042,126	4,067,013
	7,042,126	4,067,013



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26 Related party transactions:

Name of the related Party	Control	Relation		
M/S Commtel Networks Private Limited, India	Shareholder	Parent company		
M/S Commtel Networks L.L.C, Abu Dhabi (U.A.E.)	100% control	Subsidiary company		
M/S Commtel Networks (USA) LLC., (U.S.A.)	100% control	Subsidiary company		
M/S NYBL Holding Limited, Abu Dhabi (UAE.)	Common control	Group company		
M/S Omshri Holdings Pte. Limited, Singapore	Common control	Group company		
Mr. Rohit Omprakash Pandey	Shareholder /Director	Key management personnel		
Mr. Shriprakash Ramshringar Pandey	Shareholder/Director	Key management personnel		
Nature of transactions			2022-23	2021-22
Sales:				
- Sales to subsidiaries			5,494,237	41,581,239
Other transactions:				
- Technical service fees to subsidiary				23,170,349
- Sale of investment			90,341,108	
Compensation to key management personnel:				
- Remuneration & benefits - Mr. Rohit Omprakash Pandey			56,605,200	113,456,000
- Remuneration & benefits - Mr. Shriprakash Ramshringar Pandey			81,178,000	

Amount due from related parties :

Amount due from related parties are free from interest

27. Financial, capital risk management and fair value information**(a)Credit, liquidity,market rate and other risk****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. The Company's cash is placed with banks of repute .

The exposure to credit risk on accounts receivable & amounts due from related parties is monitored on an ongoing basis by the management and these are considered recoverable by the Company's management.

However, 78.48% of total accounts receivable were outstanding from 4 customers (previous year 81.18% of the total accounts receivable from 4 customers) and hence, the Company has concentration of accounts receivable and consequent risk to that extent.



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Accounts receivable of INR 29,854,871/- are outstanding for more than one year. However, management has represented that same are recoverable and no reserve for impairment of accounts receivable is required to be created against same.

Liquidity risk:

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as and when it falls due. The Company's assets are sufficient to cover its financial obligations.

The table below summarises the maturity profile of the Company's financial liabilities on contractual undiscounted payments.

Financial liabilities as on March 31, 2023	Less than 6 months	6 months to 1 year	More than 1 year	Total
Employee end of service benefits	-	-	26,765,434	26,765,434
Accounts payable	254,448,817	-	-	254,448,817
Provisions, accruals & other liabilities	135,641,193	-	-	135,641,193
Lease liabilities	17,789,862	-	19,213,031	37,002,893
Total	407,879,873	-	45,978,466	453,858,338

Financial liabilities as on March 31, 2022	Less than 6 months	6 months to 1 year	More than 1 year	Total
Employee end of service benefits	-	-	21,776,535	21,776,535
Accounts payable	73,090,374	-	-	73,090,374
Provisions, accruals & other liabilities	37,351,501	-	-	37,351,501
Lease liabilities	15,190,259	-	34,123,419	49,313,679
Total	125,632,134	-	55,899,954	181,532,088

Market risk

Market risk is the risk that changes in market prices including investment prices, interest rates and currency rates will affect the Company's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

- Interest rate risk

Interest rate risk is the risk of variability in profit due to change in interest rates on interest bearing assets and interest bearing liabilities.

Borrowings from banks over and above base rate/LIBOR are at an interest rate ranging up to 7.25% p.a. (previous year interest rate ranging up to 7.00% p.a.).

Fixed deposit account carried interest @ 1.25% p.a. (previous year @ 1.25% p.a.).



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- Currency risk:

Currency risk faced by the Company is minimal as there are minimal foreign currency transactions. Most Of the monetary assets and liabilities are denominated in United Arab Emirates Dirhams (AED) or in United States Dollar (USO), which is pegged to AED.

However, the Company is exposed to following foreign currency risk:

	2022-23	2021-22
	AED	AED
Accounts payable in Saudi Riyal (SAR)	1,239,300	53,836
Accounts payable in Euro (EUR)	228,370	231,219
Accounts payable in Great Britain Pound (GBP)	721,097	409,159
Accounts payable in Kuwaiti Dinar (KWD)	-	128,871
Accounts payable in Singapore Dollar (SGD)	107,440	-

Any fluctuation in the above currencies would affect the profitability & consequently the equity to that extent.

Other risks:**- Revenue risk:**

62.94% of revenue was generated from 3 customers (previous year 92.18% from 4 customers) and hence, the Company has revenue risk to that extent.

- Purchase/sourcing risk:

The Company has procured material from 1 supplier which form 18.32% of total purchases (previous year 42.33% of total purchases from 2 suppliers) and discontinuance of supply from them can have a material impact on the sourcing of goods and hence, there is procurement risk to that extent.

- Investment price risk:

The Company is exposed to the risk of its investment not being recovered. As of the reporting date Company's investment in subsidiary has been tested for impairment.

(b)Capital management:

The Company's policy is to maintain a strong capital base so as to maintain lender and creditor confidence and to sustain future development of the business. The Company is not subject to externally imposed capital restrictions.

(c)Fair value information:

Fair value represents the amount at which an asset could be exchanged or a liability settled in an arm's length transaction, between willing & knowledgeable parties. In respect of all the Company's financial assets viz cash & bank balances, receivables, advances, deposits, accrued income and liabilities viz dues to banks, payables, accruals and other non-current liabilities, in the opinion of the management, the book value approximates to their carrying value.



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28. Contingent liabilities

Performance/advance payment guarantees

2022-23

2021-22

210,894,869

227,516,317

210,894,869

227,516,317

Except for the above and other ongoing business commitments against which no loss is expected, there has been no known contingent liability or commitments as on reporting date.

29. Events occurring after the reporting date

There were no significant events occurring after the reporting date that would materially affect the working of the financial statements of the Company.

As per our report on even date

For R A Maru & Associates

Chartered Accountants

ICAI Firm Registration Number: 141914W



CA Rumeet Anil Maru

Proprietor

Membership Number: 166417

For Commtel Networks FZC



Shriprakash Ramshringar Pandey

Director

Date: 23 September, 2025

Place: Mumbai

Date: 23 September, 2025

Place : Navi Mumbai