TATA COMMUNICATIONS LIMITED

FINANCIALS OF SUBSIDIARIES AND ASSOCIATES FOR FY 2022-23

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16.	TATA COMMUNICATIONS (HONG KONG) LIMITED	356
17.	TATA COMMUNICATIONS (POLAND) SP. Z O.O.	367
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20.	TATA COMMUNICATIONS (NETHERLANDS) B.V.	394
21.	VSNL SNOSPV PTE. LTD.	406
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23.	TATA COMMUNICATIONS (PORTUGAL) INSTALACAO E MANUTENCAO DE REDES, LDA	421
24.	TATA COMMUNICATIONS (PORTUGAL), UNIPESSOAL LDA	431
25.	TATA COMMUNICATIONS (RUSSIA) LLC.	439
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28.	TATA COMMUNICATIONS (HUNGARY) KFT	467
29.	TATA COMMUNICATIONS (IRELAND) D.A.C	476
30.	TATA COMMUNICATIONS (MIDDLE EAST) FZ-LLC	485
31.	TCPOP COMMUNICATION GMBH	495
32.	TATA COMMUNICATIONS (TAIWAN) LTD	504
33.	TATA COMMUNICATIONS (NEW ZEALAND) LIMITED	513
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35.	TATA COMMUNICATIONS (THAILAND) LIMITED	532
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39.	TATA COMMUNICATIONS (GUAM) L.L.C.	569
40.	TATA COMMMUNICATIONS SVCS PTE LTD	578
41.	TATA COMMUNICATIONS INTERNATIONAL PTE. LTD.	588
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58.	STT GLOBAL DATA CENTERS INDIA PRIVATE LTD	714

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Tel: +91 22 6819 8000

S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

To the Members of Tata Communication Transformation Services Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Tata Communication Transformation Services Limited ("the Company"), which comprise the Balance sheet as at March 31 2023, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone 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, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its loss including other comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 14 to the standalone financial statements, which describes the material uncertainty on ability of a large customer of the Company to continue as a going concern and the corresponding impact on the business operations, receivables and financial position of the Company thereon.

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 obtained at the date of this auditor's report is information included in the Director's report but does not include the standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the standalone financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, 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.

Responsibility of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended / Companies (Accounting Standards) Rules, 2021 specified under section 133 of the Act. 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements 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 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
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 purposes of our audit;

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

(c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended / Companies (Accounting Standards) Rules, 2021 specified under section 133 of the Act;

(e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report

(g) According to information and explanation given by the management, we report that the remuneration of the Managing Director for the year ended March 31, 2023 is in excess of the limits applicable under section 197 read with Schedule V, by Rs 324.30 lakhs. We are informed by the management that it proposes to obtain approval of the shareholders in a general meeting by way of a special resolution.

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

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 36 to the standalone financial statements;

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

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. a) The management has represented that, to the best of its knowledge and belief, 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;

b) The management has represented that, to the best of its knowledge and belief, 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

c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. No dividend has been declared or paid during the year by the Company.

vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. April 1, 2023, reporting under this clause is not applicable.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

ABHISHEK NIRMAL KUMAR BURAD

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per Abhishek Burad
Partner
Membership Number: 122860

UDIN: 23122860BGXMFZ8738

Place of Signature: Mumbai
Date: April 18, 2023

Annexure 1 referred to in paragraph 1 under the heading Report on other legal and regulatory requirements of our Report of even date

Re: Tata Communications Transformation Services Limited (the "Company")

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i) (a)(A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(a)(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) All property, plant and equipment were physically verified by the management in the earlier years in accordance with a planned programme of verifying them once in three years which is reasonable having regard to the size of the Company and the nature of its assets.

(c) There is no immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), held by the Company and accordingly, the requirement to report on clause 3(i)(c) of the Order is not applicable to the Company.

(d) The Company has not revalued its property, plant and equipment (including Right of use assets) or intangible assets during the year ended March 31, 2023

(e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii)(a) The Company's business does not require maintenance of inventories and, accordingly, the requirement to report on clause 3(ii)(a) of the Order is not applicable to the Company.

(b) The Company has not been sanctioned working capital limits in excess of Rs five crores in aggregate from banks or financial institutions during any point of time of the year on the basis of security of current assets. Accordingly, the requirement to report on clause 3(ii)(b) of the Order is not applicable to the Company.

(iii)(a) During the year, the Company has provided loans to companies, firms, Limited Liability Partnerships or any other parties as follows:

	Loans (Rs in lakhs)
Aggregate amount granted/ provided during the year	
- Subsidiaries	283.55
Balance outstanding as at balance sheet date in respect of above cases - Subsidiaries	5,751.90

During the year, the Company has not stood guarantee or provided any advance in the nature of loan, or security to any company, firm, Limited Liability Partnership or any other party.

(b) During the year, the terms and conditions of the grant of loans to subsidiary is not prejudicial to the Company's interest. During the year, the Company has not made investments or stood guarantee, provided any advance in the nature of loan, or security to any company, firm, Limited Liability Partnership or any other party.

(c) The Company has granted loan to subsidiary where the schedule of repayment of principal and payment of interest has been stipulated and the repayment or receipts are regular. The Company has not granted loans or advance in the nature of loans to firms, Limited Liability Partnerships or any other parties.

(d) There are no amounts of loans and advances in the nature of loans granted to companies, firms, limited liability partnerships or any other parties which are overdue for more than ninety days.

(e) There were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties which had fallen due during the year.

(f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.

(iv) There are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Act are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.

(v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

(vi) The Central Government has not specified the maintenance of cost records under Section 148(1) of the Act, for the products/services of the Company.

(vii)(a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, duty of customs, cess and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions related to sales tax, value added tax, service tax and duty of excise are not applicable to the company.

(b) According to the records of the Company, the dues outstanding of income tax, goods and service tax which have not been deposited on account of a dispute, are as follows:

Sr No	Name of Statute	Nature of dues	Amount (Rs lakhs)	Period to which the amount relates	Forum where dispute is pending
1	Income Tax Act, 1961	Income Tax	2.67	AY 2009-10	The Commissioner of Income Tax (Appeals), Mumbai
2	Income Tax Act, 1961	Income Tax	182.34	AY 2016-17	The Commissioner of Income Tax (Appeals), Mumbai
3	Income Tax Act, 1961	Income Tax	258.39	AY 2018-19	The Commissioner of Income Tax (Appeals), Mumbai
4	Taxation policies in Saudi Arabia	Income Tax	61.51	AY 2018-19	Department of Zakat and Income Tax
5	Jharkhand Goods and Service Tax, 2017	GST	21.18 (*)	AY 2018-19	Joint Commissioner (Appeals), Jharkhand

* After adjusting the amount paid under protest of Rs 2.04 lakhs

(viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b)The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) Term loans were applied for the purpose for which the loans were obtained.

(d) On an overall examination of the standalone financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) On an overall examination of the standalone financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.

(x) (a) The Company has not raised any money during the year by way of initial public offer or further public offer (including debt instruments) and hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) No material fraud by or on the Company has been noticed or reported during the year.

(b) During the year, no report under sub-section (12) of section 143 of the Act has been filed by cost auditor or secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of audit procedures.

(xii) The Company is not a nidhi company as per the provisions of the Act. Therefore, the requirement to report on clause 3(xii)(a), (b) and (c) of the Order is not applicable to the Company.

(xiii) Transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the standalone financial statements, as required by the applicable accounting standards.

(xiv)(a) The Company has an internal audit system commensurate with the size and nature of its business.

(b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

(xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.

(xvi)(a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.

(b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.

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

(d) According to the information and explanation given to us by the management, the Group has five CICs which are registered with the Reserve Bank of India and one CIC which is not required to be registered with the Reserve Bank of India.

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

(xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

(xix) On the basis of the financial ratios disclosed in note 42 to the standalone financial statements, the ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions and the letter of financial support obtained by the Company from the Holding Company, nothing has come to our attention, which causes us to believe that 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, further state that this is not an assurance as to the future viability of the Company and 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) (a) The provisions of Section 135 to the Act in relation to Corporate Social Responsibility is not applicable to the Company. Accordingly, the requirement to report on clause 3(xx)(a) of the Order is not applicable to the Company.

(b) The provisions of Section 135 to the Act in relation to Corporate Social Responsibility is not applicable to the Company. Accordingly, the requirement to report on clause 3(xx)(b) of the Order is not applicable to the Company.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

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MUMBAI

per Abhishek Burad
Partner
Membership Number: 122860
UDIN: 23122860BGXMFZ8738

Place of Signature: Mumbai
Date: April 18, 2023

Annexure 2 referred to in paragraph 2 under the heading "Report on Other Legal and Regulatory requirements" of our report of even date

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

We have audited the internal financial controls with reference to standalone financial statements of Tata Communications Transformation Services Limited (the "Company") as of March 31, 2023 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 ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls With Reference to these Financial Statements

A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls With Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, 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 issued by the ICAI.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

ABHISHEK NIRMAL KUMAR BURAD

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DN: cn=ABHISHEK NIRMAL KUMAR BURAD, c=IN, o=Personal, email=abhishek.burad@srb.in

S.R. BATLIBOI & ASSOCIATES LLP MUMBAI

per Abhishek Burad
Partner
Membership Number: 122860
UDIN: 23122860BGXMFZ8738
Place of Signature: Mumbai
Date: April 18, 2023

DocuSign Envelope ID: 34B162BE-91B2-4C12-A1B9-97C3D1D577E3

Tata Communications Transformation Services Limited

Standalone Balance Sheet as at 31 March 2023

	Particulars	Notes	As at 31 March 2023 ₹ in Lakhs	As at 31 March 2022 ₹ in Lakhs
A	**ASSETS**			
(1)	**Non-current assets**			
(a)	Property, plant and equipment	3	3,846.82	4,370.69
(b)	Capital work-in-progress	4	82.33	11.25
(c)	Right of use Asset	5	4,221.64	4,877.37
(d)	Intangible assets	6	462.41	583.27
(e)	Intangible assets under development	7	15.00	20.65
(f)	Financial assets			
	(i) Investments	8A	110.66	110.66
	(ii) Loans	9	5,751.90	5,439.12
	(ii) Other financial assets	10A	1,106.71	1,099.92
(g)	Deferred tax assets (net)	11	-	-
(h)	Income tax assets (net)	12	3,309.85	6,718.05
(i)	Other assets	13A	20.98	178.72
	Total non-current assets		**18,928.30**	**23,409.70**
(2)	**Current assets**			
(a)	Financial assets			
	(i) Investments	8B	3,200.50	-
	(ii) Trade receivables	14	42,269.83	54,059.28
	(iii) Cash and cash equivalents	15	3,781.41	8,591.96
	(iv) Other financial assets	10B	211.02	138.17
(b)	Other assets	13B	2,142.51	5,214.48
	Total current assets		**51,605.27**	**68,003.89**
	Total assets		**70,533.57**	**91,413.59**
B	EQUITY AND LIABILITIES			
I	Equity			
(a)	Equity share capital	16	50.00	50.00
(b)	Other equity	17	26,989.07	27,583.43
	Total equity		**27,039.07**	**27,633.43**
II	Liabilities			
(1)	Non-current liabilities			
(a)	Financial Liabilities			
	(i) Borrowings	18A	-	7,945.77
	(ii) Lease liabilities	19A	3,302.14	4,124.38
(b)	Provisions	21A	1,587.41	1,968.93
(c)	Other liabilities	22A	352.57	362.51
	Total non-current liabilities		**5,242.12**	**14,401.59**
(2)	Current liabilities			
(a)	Financial Liabilities			
	(i) Borrowings	18B	-	10,386.60
	(ii) Lease liabilities	19B	1,781.40	1,658.80
	(iii) Trade and other payables			
	1. Total outstanding dues of micro enterprises and small enterprises	23A	3,289.11	2,244.82
	2. Total outstanding dues of creditors other than micro enterprises and small enterprises	23B	24,455.05	25,339.40
	(iv) Other financial liabilities	20	164.44	523.23
(b)	Provisions	21B	930.27	946.87
(c)	Other liabilities	22B	7,632.11	8,278.85
	Total current liabilities		**38,252.38**	**49,378.57**
	Total equity and liabilities		**70,533.57**	**91,413.59**

The accompanying notes are forming part of the standalone financial statements

As per our report attached
For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

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Abhishek Burad
Partner
Membership Number: 122860

Place : **Mumbai**
Dated: **18 April 2023**

For and on behalf of the Board of Directors

DocuSigned by:
Sivasamban Natarajan
2358E5D369034FA...
Sivasamban Natarajan
Managing Director
DIN Number: 08912108

DocuSigned by:
Aadesh Goyal
E727DD8D984F4DD...
Aadesh Goyal
Director
DIN Number: 00044337

DocuSigned by:
Sanjay Agarwal
Sanjay Agarwal
Chief Financial Officer

Place : **Mumbai**
Dated: **18 April 2023**

Tata Communications Transformation Services Limited
Standalone Statement of Profit and Loss for the year ended 31 March 2023

	Particulars	Notes	Year ended 31 March 2023 ₹ in Lakhs	Year ended 31 March 2022 ₹ in Lakhs
I	Revenue from operations		1,33,805.74	1,31,376.14
II	Other Income	24	2,306.55	3,193.93
III	**Total Income (I + II)**		**1,36,112.29**	**1,34,570.07**
IV	**Expenses:**			
	Operating and other expense	25	79,242.92	80,411.88
	Employee benefits expense	26	52,858.60	50,518.37
	Finance costs	27	846.65	1,562.60
	Depreciation and amortisation expense	28	3,350.84	3,174.70
	Total Expenses		**1,36,299.01**	**1,35,667.55**
V	**Profit/(Loss) before exceptional items and tax (III - IV)**		**(186.72)**	**(1,097.48)**
VI	Exceptional gain/(loss)	29	-	1,326.47
VII	**Profit/(Loss) before tax (V + VI)**		**(186.72)**	**228.99**
VIII	**Tax expense :**			
	(a) Current tax	30	44.32	208.72
	(b) Deferred tax		-	3,678.82
IX	**Profit/(Loss) for the year (VII - VIII)**		**(231.04)**	**(3,658.55)**
X	**Other comprehensive income/(loss)**			
	Items that will not be reclassified to profit or loss			
	(i) Remeasurements of the defined benefit plans		(363.32)	(931.09)
	(ii) Tax on above		-	141.12
	Other comprehensive income/(loss) for the year, net of tax		**(363.32)**	**(1,072.21)**
XI	**Total comprehensive income/(loss) for the year, net of tax (IX + X)**		**(594.36)**	**(4,730.76)**
	Basic/Diluted Earnings per share (of ₹ 10 each)	32	(46.21)	(731.71)

The accompanying notes are forming part of the standalone financial statements

As per our report attached
For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

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Abhishek Burad
Partner
Membership Number: 122860

Place : **Mumbai**
Dated: **18 April 2023**

For and on behalf of the Board of Directors

DocuSigned by: Sivasamban Natarajan 2358E5D369034FA...
Sivasamban Natarajan
Managing Director
DIN Number: 08912108

DocuSigned by: Aadesh Goyal E727DD8D964F40D...
Aadesh Goyal
Director
DIN Number: 00044337

DocuSigned by: Sanjay Agarwal 117B7233499741S...
Sanjay Agarwal
Chief Financial Officer

Place : **Mumbai**
Dated: **18 April 2023**

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Tata Communications Transformation Services Limited
Standalone Cash Flow Statement for the year ended 31 March 2023

Particulars	Year Ended 31 March 2023 ₹ in Lakhs	Year Ended 31 March 2022 ₹ in Lakhs
Cash flows from operating activities		
Profit/(Loss) before tax	(186.72)	228.99
Adjustments for :		
Depreciation and amortisation expense	3,350.84	3,174.70
Finance costs	846.65	1,562.60
Loss on sale of/write off assets	(20.56)	(0.60)
Exchange fluctuation on foreign exchange	(64.56)	(28.21)
Interest income on financial asset carried at amortised cost	(340.94)	(312.85)
Gain on investments carried at fair value through profit and loss (net)	(62.21)	-
Interest on income tax refund	(377.53)	(1,832.13)
Allowance for doubtful advances	(4.04)	0.19
Allowance of doubtful trade receivables	(376.23)	720.28
Operating profit before working capital changes	**2,764.70**	**3,512.97**
Changes in working capital		
Adjustment for (increase) / decrease in operating assets:		
Trade receivables	12,165.68	(1,191.58)
Other assets	3,108.77	
Adjustment for increase / (decrease) in operating liabilities:		
Trade and other payables	159.95	(17,831.97)
Provisions	(846.36)	29.00
Other liabilities	(580.37)	(1,443.32)
Cash generated from operations	**16,772.37**	**(17,501.82)**
Income tax paid (net)	3,741.41	14,384.03
Net cash flow generated from operating activities	**20,513.78**	**(3,117.79)**
Cash flow from investing activities		
Payments for purchase of property, plant & equipment and intangibles	(1,503.38)	(1,389.32)
Proceeds from disposal of property, plant and equipment and intangibles	20.56	0.79
Loan given to subsidiary	(312.78)	(321.42)
Purchase of current investment	(17,099.15)	-
Sale of current investment	13,960.85	-
Net cash used in investing activities	**(4,933.90)**	**(1,709.95)**
Cash flow from financing activities		
Net (decrease)/increase in working capital borrowings	(9,981.10)	4,944.59
Proceeds from long-term borrowings	-	7,945.77
Interest paid	(349.34)	(1,010.32)
Payment for acquiring right of use assets	(2,114.23)	(2,031.92)
Repayment of long term Loans	(7,945.76)	-
Net cash flow generated used in financing activities	**(20,390.43)**	**9,848.12**
Net increase in cash and cash equivalents	**(4,810.55)**	**5,020.38**
Cash and cash equivalents as at beginning of the year	8,591.96	3,571.58
Cash and cash equivalents as at end of the year	**3,781.41**	**8,591.96**

The accompanying notes are forming part of the standalone financial statements

As per our report attached
For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

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Abhishek Burad
Partner
Membership Number: 122860

Place : **Mumbai**
Dated: **18 April 2023**

For and on Behalf of the Board of Directors

DocuSigned by: Sivasamban Natarajan 2358E5D369034FA...
Sivasamban Natarajan
Managing Director
DIN Number: 08912108

DocuSigned by: Aadesh Goyal E727DD6D984F40D...
Aadesh Goyal
Director
DIN Number: 00044337

DocuSigned by: Sanjay Agarwal 117B72334997415...
Sanjay Agarwal
Chief Financial Officer

Place : **Mumbai**
Dated: **18 April 2023**

Tata Communications Transformation Services Limited

Standalone Statement of changes in equity for the year ended 31 March 2023

Equity share capital

(₹ in Lakhs)

	No. of Shares	Amount
Balance as at 1 April 2021	5,00,000	50.00
Changes in equity share capital during the year	-	-
Balance as at 31 March 2022	5,00,000	50.00
Changes in equity share capital during the year	-	-
Balance as at 31 March 2023	**5,00,000**	**50.00**

Other equity

(₹ in Lakhs)

Particulars	Reserves and surplus		Items of other comprehensive income	Total
	General reserve	Retained earnings	Remeasurement of the defined benefit plans	
Balance as at 1 April 2021	**1,381.97**	**30,662.42**	**269.80**	**32,314.19**
Net loss for the year	-	(3,658.55)	-	(3,658.55)
Other comprehensive income/(loss) for the year	-		(931.09)	(931.09)
Tax impact in other comprehensive income/(loss) for the year	-	-	(141.12)	(141.12)
Total comprehensive income/(loss) for the year	**-**	**(3,658.55)**	**(1,072.21)**	**(4,730.76)**
Balance as at 31 March 2022	**1,381.97**	**27,003.87**	**(802.41)**	**27,583.43**
Net loss for the year	-	(231.04)	-	(231.04)
Other comprehensive income/(loss) for the year	-	-	(363.32)	(363.32)
Tax impact in other comprehensive income/(loss) for the year	-	-	-	-
Total comprehensive income/(loss) for the year	**-**	**(231.04)**	**(363.32)**	**(594.36)**
Balance as at 31 March 2023	**1,381.97**	**26,772.83**	**(1,165.73)**	**26,989.07**

The accompanying notes are forming part of the standalone financial statements

As per our report attached
For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

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Abhishek Burad
Partner
Membership Number: 122860

Place : **Mumbai**
Dated: **18 April 2023**

For and on behalf of the Board of Directors

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Sivasamban Natarajan
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DIN Number: 08912108

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Sanjay Agarwal
Chief Financial Officer

Place : **Mumbai**
Dated: **18 April 2023**

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Notes forming part of the standalone financial statements
for the year ended 31 March 2023

1. Corporate Information

TATA Communications Transformation Services Limited (the 'Company'), was incorporated on 6 October 2006 to engage in the business of providing telecommunication network management and support services and is a wholly owned subsidiary of **Tata Communications Limited** (Holding Company).

The Company is domiciled in India and its registered office is at C-21/ C 36, G Block, Bandra Kurla Complex Mumbai – 400098, Maharashtra. The Company also has branches in United Kingdom and Saudi Arabia.

2. Significant Accounting Policies

a. ***Statement of compliance***

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

b. ***Basis of preparation of financial statements***

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

i. Derivative financial instruments

ii. Certain financial assets and liabilities measured at fair value (refer note 2(q))

The financial statements are presented in Indian Rupees (INR), and all values are rounded to the nearest lakh (INR 00,000), except when otherwise indicated.

c. ***Significant accounting, estimates and assumptions***

The preparation of the Company's financial statements requires management to make, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the standalone financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Defined benefit plans

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

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Useful life of assets

The Company reviews the useful life of assets at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

Provisions and contingent liabilities

Provisions are recognised when the Company has a present obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. 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 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 or a reliable estimate of the amount cannot be made. Contingent liabilities are disclosed in the notes. Contingent assets are not recognised in the financial statements.

Provisions and contingent liabilities are reviewed at each balance sheet date.

Fair value of Financial Instruments

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Deferred taxes

Assessment of the appropriate amount and classification of income taxes is dependent on several factors, including estimates of the timing and probability of realisation of deferred income taxes and the timing of income tax payments. Deferred income taxes are provided for the effect of temporary differences between the amounts of assets and liabilities recognised for financial reporting purposes and the amounts recognised for income tax purposes. The Company measures deferred tax assets and liabilities using enacted tax rates that, if changed, would result in either an increase or decrease in the provision for income taxes in the period of change. The Company does not recognize deferred tax assets when there is no reasonable certainty that a deferred tax asset will be realized. In assessing the reasonable certainty, management considers estimates of future taxable income based on internal projections which are updated to reflect current operating trends the character of income needed to realise future tax benefits, and all available evidence.

d. ***Current versus non-current classification***

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as 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, or
- 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, or

There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

*e. **Cash and cash equivalents (for purposes of Cash flow statement)***

Cash comprises cash on hand. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

*f. **Property, plant and equipment***

Property, plant and equipment are stated at cost of acquisition or construction, less accumulated depreciation / amortisation and impairment loss, if any. Cost includes inward freight, duties, taxes and all incidental expenses incurred for making the asset ready for its intended use.

Capital work-in-progress includes cost of property, plant and equipment under installation/ under development as at the balance sheet date and are carried at cost, comprising of direct cost, directly attributable cost and attributable interest.

Depreciable amount for Property, plant and equipment is the cost of Property, plant and equipment, or other amount substituted for cost, less its estimated residual value (wherever applicable). Depreciation on property, plant and equipment has been provided on the straight-line method as per the estimated useful lives. The asset's residual values estimated useful lives and methods of depreciation are reviewed at each financial year end and any change in estimate is accounted for on a prospective basis.

Estimated useful lives of the assets are as follows

	Property, plant & equipment	Estimated useful life of Assets
a.	Plant and Machinery	
	- Network Equipment & Components (Refer note 1 below)	2 to 13 years
	- Electrical Equipment & Installations*	10 years
	- General Plant & Machinery*	15 years
b.	Office Equipment	
	- Integrated Building Management Systems (Refer note 1 below)	8 years
	- Others*	5 years
c.	Leasehold Improvements	Asset life or lease period, whichever is less
d.	Buildings (Temporary Structures) *	3 years
e.	Furniture & Fixtures*	8 to 10 years
f.	Computers (servers and network) *	3 to 6 years

* On the above categories of assets, the depreciation has been provided as per useful life prescribed in Schedule II to the Companies Act, 2013.

1. In these cases, the lives of the assets are other than the prescribed lives in Schedule II to the Companies Act, 2013. The lives of the assets have been assessed based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, etc.

2. Property, plant and equipment are eliminated from financial statement, on disposal. Losses arising from disposal of property, plant and equipment are recognised in the Statement of Profit and Loss in the year of occurrence.

3. Cost of property, plant and equipment also includes present value of provision for decommissioning of assets if the recognition criteria's for a provision are met.

g. ***Intangible assets***

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of the asset can be measured reliably.

Intangible assets under development includes expenditure on software development eligible for capitalisation which are carried as Intangible assets under development where such assets are not yet ready for their intended use.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at the end of financial year. Changes in the expected useful life are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Intangible assets are amortised as follows:

Computer (Software and Application)	3 to 6 years

An intangible asset is de-recognised on disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is de-recognised.

h. ***Impairment of non-financial asset***

The carrying values of assets / cash generating units ("CGU") at each balance sheet date are reviewed for impairment, if any indication of impairment exists. The following intangible assets are tested for impairment at the end of each financial year even if there is no indication that the asset is impaired:

i. an intangible asset that is not yet available for use; and
ii. an intangible asset with indefinite useful lives.

If the carrying amount of the assets exceed the estimated recoverable amount, impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at a revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.
The recoverable amount is the greater of the net selling price and the value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.
When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such reversal is not recognised.
In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for the Company as a CGU. These budgets and forecast calculations generally cover a significant period. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the significant period.

i. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a Right of Use the asset or assets, even if that right is not explicitly specified in an arrangement.

Lessee

The Company's lease asset classes primarily consist of leases for Land, buildings and office spaces. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. Refer to the accounting policies in note 2(h) Impairment of non-financial assets.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. The Company uses return on treasury bills with similar maturity as base rate and makes adjustments for spread based on the company's credit rating as the implicit interest rate cannot be readily determinable. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet.

Lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

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For operating leases, rental income is recognized on a straight-line basis over the term of the relevant lease.

j. ***Employee benefits***

Employee benefits include contributions to provident fund, employee state insurance corporation (ESIC), gratuity fund, compensated absences, performance incentives and post-employment medical benefits.

i. **Short term employee benefits**

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

ii. **Post-employment benefits**

Contributions to defined contribution retirement benefit schemes are recognised as an expense when employees have rendered services entitling them to the contributions.

For defined benefit schemes, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling (if applicable), excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to the Statement of Profit and Loss in subsequent periods. Past service cost is recognised in the Statement of Profit and Loss in the period of plan amendment.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

The Company recognises changes in service costs comprising of current service costs, past-service costs, gains and losses on curtailments and non-routine settlements under employee benefit expenses in the Statement of Profit and Loss.

The net interest expense or income is recognised as part of finance cost in the Statement of Profit and Loss.

The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, and as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the scheme.

iii. **Other long-term employee benefits**

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

k. ***Revenue recognition***

Revenue from contracts with customers is recognised upon transfer of control of promised products or services to the customers. As per the terms of the contract with the customers and accordingly the performance obligations are determined, and transactions prices are allocated. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be

reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable excluding taxes collected on behalf of the government and is reduced for estimated credit notes and other similar allowances.

The Company derives its revenues from telecommunication network management consulting, supply of equipment's and other support services. Revenues from the said services are derived from unit-priced contracts. The consideration due to the Company is based on the performance of these services. Revenue is recognised as the related services are performed, in accordance with the specific terms of the contract with the customers.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated.

Accounting treatment of assets and liabilities arising in course of sale of goods and services is set out below:

Trade receivables
A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

I. Contract assets
Contract asset is recorded when revenue is recognized in advance of companies right to bill and receive the consideration (i.e. we must perform additional services or complete a milestone of performance obligation in order to bill and receive the consideration as per the contract terms).

II. Contract liabilities
Contract liabilities represent consideration, received from customers in advance for providing the goods and services promised in the contract. The revenue recognition of the same is deferred until the related performance obligation as per the contract with the customer is satisfied.

Cost Deferment

The Company incurs certain costs for transitioning customer processes before commencement of services to the customers. Such costs are aligned with the revenue recognition for related customer contracts.

l. ***Other Income***

i. Dividends from investments are recognised when the right to receive payment is established and no significant uncertainty as to measurability or collectability exists.

ii. Interest income for all financial instruments measured at amortised cost is recorded on accrual basis. Interest income is included in other income in the Statement of Profit and Loss.

m. ***Taxation***

1. Current income tax

i. Current tax expense is determined in accordance with the provisions of the Income Tax Act, 1961(as amemded).

ii. Provision for current income taxes and advance taxes paid in respect of the same jurisdiction are presented in the balance sheet after offsetting them on an assessment year basis.

iii. Current income tax relating to items recognised outside the Statement of Profit and Loss is recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity

2. Deferred tax

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognised outside the Statement of Profit and Loss (either in Other comprehensive income or in equity) is recognised outside the Statement of Profit and Loss. Deferred tax items are recognised in correlation to the underlying transaction either in Other comprehensive income or directly in equity.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.
Deferred tax relating to items recognised outside the Statement of Profit and Loss is recognised outside the Statement of Profit and Loss. Deferred tax items are recognised in correlation to the underlying transaction either in Other Comprehensive Income or directly in equity.

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

The company has unused tax losses and tax credits for which no deferred tax asset have been recognised as it is not probable that sufficient taxable profits will be available to allow all or part of the deferred assets to be utilised.

n. ***Fair value measurement***

The Company measures financial instruments such as derivatives and certain investments, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

i. In the principal market for the asset or liability or

ii. In the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole

Level 1 — Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 — Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 — Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported

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by prices from observable current market transactions in the same instrument nor are they based on available market data.

For assets and liabilities that are recognised in the balance sheet on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

o. ***Foreign currencies***

The Company's financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency.

Foreign currency transactions are converted into Indian Rupees at rates of exchange approximating those prevailing at the transaction dates or at the average exchange rate for the month in which the transaction occurs. Foreign currency monetary assets and liabilities are outstanding as at the balance sheet date are translated to Indian Rupees at the closing rates prevailing on the balance sheet date. Exchange differences on foreign currency transactions are recognised in the Statement of Profit and Loss.

p. ***Earnings per share***

Basic earnings per share is computed by dividing the profit / (loss) after tax attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

q. ***Financial instruments***

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

Financial assets

i. **Financial assets at amortised cost**
Financial assets are subsequently measured at amortised cost using effective interest rate (EIR) if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

ii. **Financial assets at Fair Value Through Other Comprehensive Income (FVTOCI)**
Financial assets are measured at fair value through Other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows that give rise on specified dates to solely payments of principal and interest on the principal amount outstanding and by selling financial assets.

iii. **Financial assets at Fair Value Through Profit or Loss (FVTPL)**
Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

iv. **De-recognition**
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily de-recognised (i.e. removed from the Company's balance sheet) when

a. The rights to receive cash flows from the asset have expired, or

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

The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.
Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

v. **Impairment of financial assets**
The Company assesses impairment based on expected credit losses (ECL) model to the following:
a. Financial assets measured at amortised cost
b. Financial assets measured at Fair Value through Other Comprehensive Income
Expected credit losses are measured through a loss allowance at an amount equal to the 12-month expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date)

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract revenue receivables

Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

For assessing ECL on a collective basis, financial assets have been grouped on the basis of shared risk characteristics and basis of estimation may change during the course of time due to change in risk characteristics.

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

vi. **Subsequent measurement**
The measurement of financial liabilities depends on their classification, as described below

TATA Communications Transformation Services Limited

Notes forming part of the standalone financial statements
for the year ended 31 March 2023

I. **Loans and borrowings**
After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost on accrual basis and using the effective interest rate (EIR) method.

II. **De-recognition**
A financial liability is de-recognised 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 the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

ii. **Offsetting of financial instruments**
Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously

iii. **Derivative financial instruments - initial and subsequent measurement**
The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

r. **Recent accounting pronouncements**

On 31 March 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from 1 April 2023, as below:

Ind AS 1 – Presentation of Financial Statements:
The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 – Income Taxes:
The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors:
The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

The amendments are extensive and the Company will give effect to them as required by law.

TATA Communications Transformation Services Limited

Notes forming part of the standalone financial statements
for the year ended 31 March 2023

3. Property, plant and equipment

(₹ in lakhs)

	Leasehold Improvement	Building	Plant and Machinery	Furniture and Fixtures	Office Equipment	Computers	Total
Cost							
Balance as at 1 April 2021	**4,075.55**	**21.78**	**5,244.22**	**983.67**	**1,049.29**	**5,514.87**	**16,889.38**
Additions	-	-	196.28	-	5.88	920.36	1,122.52
Disposals	-	-	(3.89)	-	-	-	(3.89)
Balance as at 31 March 2022	**4,075.55**	**21.78**	**5,436.61**	**983.67**	**1,055.17**	**6,435.23**	**18,008.01**
Additions	-	-	55.82	1.41	13.91	947.19	1,018.33
Disposals	-	-	(272.39)	(7.63)	(0.18)	(11.38)	(291.58)
Assets written off	-	-	(240.06)			(119.78)	(359.84)
Balance as at 31 March 2023	**4,075.55**	**21.78**	**4,979.98**	**977.45**	**1,068.90**	**7,251.26**	**18,374.92**
Accumulated Depreciation							
Balance as at 1 April 2021	**3,679.98**	**21.78**	**2,511.24**	**627.66**	**857.15**	**4,515.41**	**12,213.22**
Depreciation	164.60	-	460.62	64.55	71.25	666.79	1,427.81
Disposals	-	-	(3.71)	-	-	-	(3.71)
Balance as at 31 March 2022	**3,844.58**	**21.78**	**2,968.15**	**692.21**	**928.40**	**5,182.20**	**13,637.32**
Depreciation	145.88	-	475.34	63.15	58.33	799.49	1,542.19
Disposals	-	-	(272.39)	(7.64)	(0.18)	(11.37)	(291.58)
Assets Written off	-	-	(240.05)			(119.78)	(359.83)
Balance as at 31 March 2023	**3,990.46**	**21.78**	**2,931.05**	**747.72**	**986.55**	**5,850.54**	**14,528.10**
Carrying amount							
Balance as at 31 March 2022	**230.97**	**-**	**2,468.46**	**291.46**	**126.77**	**1,253.03**	**4,370.69**
Balance as at 31 March 2023	**85.09**	-	**2,048.93**	**229.73**	**82.35**	**1,400.72**	**3,846.82**

4. Capital work-in-progress

CWIP Ageing Schedule

(₹ in lakhs)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress					
As on 31 March 2023	82.33	-	-	-	**82.33**
As on 31 March 2022	11.25	-	-	-	**11.25**

CWIP Completion Schedule (for projects whose completion is overdue or whose cost has exceeded its cost compared to its original plan):

(₹ in lakhs)

Particulars	To be Completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As on 31 March 2023					
Project 1	82.33	-	-	-	**82.33**

(₹ in lakhs)

Particulars	To be Completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As on 31 March 2022					
Project 1	4.59	-	-	-	**4.59**

There are no projects which are temporarily suspended or whose cost has exceeded its cost compared to its original plan as at 31 March 2023 and 31 March 2022 respectively.

TATA Communications Transformation Services Limited

Notes forming part of the standalone financial statements
for the year ended 31 March 2023

5. Right of use Assets

(₹ in lakhs)

Particulars	Amount
Cost	
Balance as at 1 April 2021	8,734.71
Additions	286.25
Termination	(0.82)
Balance as at 31 March 2022	**9,020.14**
Additions	1,000.61
Termination	(1.02)
Balance as at 31 March 2023	**10,020.73**
Accumulated Depreciation	
Balance as at 1 April 2021	2,508.43
Amortisation	1,634.56
Termination	(0.22)
Balance as at 31 March 2022	**4,142.77**
Amortisation	1,656.32
Termination	-
Balance as at 31 March 2023	**5,799.09**
Carrying amount	
Balance as at 31 March 2022	**4,877.37**
Balance as at 31 March 2023	**4,221.64**

The aggregate amortisation expense on ROU assets is included under depreciation and amortisation expenses in the statement of Profit and Loss.

6. Intangible assets

(₹ in lakhs)

	Computer (Software and Application)
Cost	
Balance as at 1 April 2021	3,719.19
Additions	414.08
Balance as at 31 March 2022	**4,133.27**
Additions	31.47
Assets Written off	(2,816.56)
Balance as at 31 March 2023	**1,348.18**
Accumulated amortization	
Balance as at 1 April 2021	3,437.67
Amortisation Expense	112.33
Balance as at 31 March 2022	**3,550.00**
Amortisation Expense	152.33
Assets Written off	(2,816.56)
Balance as at 31 March 2023	**885.77**
Carrying amount	**462.41**
Balance as at 31 March 2022	**583.27**
Balance as at 31 March 2023	**462.41**

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7. Intangible assets under development (ITUD)

ITUD Ageing Schedule:

(₹ in lakhs)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress					
As on 31 March 2023	15.00	-	-	-	**15.00**
As on 31 March 2022	20.65	-	-	-	**20.65**

ITUD Completion Schedule (for projects whose completion is overdue or whose cost has exceeded its cost compared to its original plan):

(₹ in lakhs)

Particulars	To be Completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As on 31 March 2023					
Project 1	15.00	-	-	-	**15.00**

(₹ in lakhs)

Particulars	To be Completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As on 31 March 2022					
Project 1	9.73	-	-	-	**9.73**

There are no projects which are temporarily suspended or whose cost has exceeded its cost compared to its original plan as at 31 March 2023 and 31 March 2022 respectively.

8. Investments

(₹ in lakhs)

	As at 31 March 2023		As at 31 March 2022	
	Quantity (Shares/units)	Amount	Quantity (Shares/units)	Amount
Non-current				
Investment at cost				
In subsidiary fully paid equity shares – Unquoted				
Tata Communications Transformation Services Pte. Limited	170,000	110.66	170,000	110.66
Total (A)	**170,000**	**110.66**	**170,000**	**110.66**
Current				
Investments at fair value through profit or loss				
Investments in Mutual Funds (unquoted)	-	3,200.50	-	-
Total (B)	-	3,200.50	-	-
(A+B)		**3,311.16**		**110.66**

9. Loans

(₹ in lakhs)

	As at 31 March 2023	As at 31 March 2022
A. **Non-current**		
Loan to related parties (Refer note 34)		
Tata Communications Transformation Services Pte. Limited	5,751.90	5,439.12
Total (A)	**5,751.90**	**5,439.12**

i. The Company has given loans to its subsidiaries for meeting the working capital requirements and credit facility repayments.

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Notes forming part of the standalone financial statements
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10. Other financial assets

(₹ in lakhs)

		As at 31 March 2023	As at 31 March 2022
A.	**Non-current**		
	Security deposits – unsecured, considered good	961.91	963.65
	Interest receivable on loan to subsidiaries (refer note 34)	144.80	136.27
	Total (A)	**1,106.71**	**1,099.92**
B.	**Current**		
a.	Deposits to vendors - unsecured, considered good	181.92	92.04
b.	Fair value of foreign currency forward contracts	-	38.59
c.	Others	29.10	7.54
	Total (B)	**211.02**	**138.17**
	(A+B)	**1,317.73**	**1,238.09**

11. Deferred tax assets (net)

The Company has restricted recognition of deferred tax assets resulting from the carry forward losses and other timing differences to the extent of deferred tax liabilities, as the company has accumulated tax losses and conditions prescribed by IND AS are not met.

In the previous year, the Company had de-recognised the deferred tax asset balance in absence of reasonable certainty to utilize the same against future taxabale income. The Company continues to not recognise deferred tax asset on the tax losses and temporary differences as at March 31, 2023.

Major components of deferred tax asset and liability as at 31 March 2022 consist of the following

(₹ in lakhs)

	As at 1 April 2021	Recognised in statement of profit and loss	Recognised in other comprehensive income	As at 31 March 2022
Deferred tax assets in relation to:				
Difference between accounting and tax depreciation / amortization	771.94	(771.94)	-	-
Provision for doubtful trade receivables	502.43	(502.43)	-	-
Provision for Employee benefit obligations	855.08	(713.96)	(141.12)	-
Expenditure disallowed u/s. 40 (a) (ia)	156.74	(156.74)	-	-
Current year Net operating losses	1,303.53	(1,303.53)	-	-
Ind AS 116 impact	180.31	(180.31)	-	-
Others	49.91	(49.91)	-	-
Deferred tax assets (net)	**3,819.94**	**(3,678.82)**	**(141.12)**	**-**

i. Details of deferred tax asset on temporary differences, unused tax losses, and unused tax credits which has not been recognised in the balance sheet along with expiry date if any (refer below table)

(₹ in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Deferred tax assets with no expiry date	629.68	580.23
Deferred tax assets with expiry date	1,622.50	1,622.50

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Particulars	As at 31 March 2023	As at 31 March 2022
Deferred tax assets which would expire based on the year of origination are as follows	FY 2027-28	FY 2027-28

12. Income tax assets (Net)

(₹ in lakhs)

	As at 31 March 2023	As at 31 March 2022
Advance tax (net of provision for taxes) (refer (i) below)	3,309.85	6,718.05
Total	**3,309.85**	**6,718.05**

i. Advance tax includes amount paid under dispute of ₹ 82.49 lakhs (2022: ₹ 335 lakhs).

13. Other assets

(₹ in lakhs)

		As at 31 March 2023	As at 31 March 2022
A.	**Non-current**		
a.	Capital advances – unsecured, considered good	-	44.59
b.	Prepaid expenses - unsecured, considered good	20.98	134.13
	Total (A)	**20.98**	**178.72**
B.	**Current**		
a.	Advances to employees		
	Unsecured, considered good	24.73	4.88
	Unsecured, considered doubtful	3.25	3.25
		27.98	8.13
	Less: allowance for doubtful advances	(3.25)	(3.25)
		24.73	4.88
b.	Indirect tax recoverable – considered good (net)	988.97	2,029.31
c.	Advances to vendors		
	Unsecured, considered good	487.09	2,373.72
	Unsecured, considered doubtful	10.11	10.11
		497.20	2,383.83
	Less: allowance for doubtful advances	(10.11)	(10.11)
		487.09	2,373.72
d.	Prepaid expenses - unsecured, considered good	641.72	806.57
	Total (B)	**2,142.51**	**5,214.48**
	(A+B)	**2,163.49**	**5,393.20**

TATA Communications Transformation Services Limited

Notes forming part of the standalone financial statements

for the year ended 31 March 2023

14. Trade receivables

(₹ in lakhs)

		As at 31 March 2023	As at 31 March 2022
	Unsecured (including unbilled receivables) (refer note i below)		
a.	Considered good *	42,269.83	54,059.28
b.	Considered doubtful	2,340.37	2,716.60
		44,610.20	**56,775.88**
	Less: Allowance for doubtful debt (Refer note 41 (d))	(2,340.37)	(2,716.60)
	Total	**42,269.83**	**54,059.28**

* Includes Trade Receivables from Related Parties (refer note 34)

i. The Company has significant part of the 'revenue from operations' for the year ended March 31, 2023 and trade receivables outstanding (including unbilled revenue) as at March 31, 2023 from a large customer who in its declared unaudited results for quarter ended December 31, 2022, had expressed its ability to continue as a going concern to be dependent on raising additional funds as required, successful negotiations with lenders and vendors for continued support and generation of cash flow from operations that it needs to settle its liabilities as they fall due. Further, the results stated that as at December 31, 2022, the said customer has met all its debt obligations payable to its lenders / banks and financial institutions along with applicable interest and has utilized extended credit period to discharge some of its contractual obligations. The said customer continues to be in discussion with its vendors to agree to a payment plan for the outstanding dues. Also, during February 2023, the said customer allotted equity shares to the Department of Investment and Public Asset Management, Government of India (GOI), towards conversion of net present value of the interest amount relating to deferment of certain dues and accordingly GOI now holds 33.44 % in that Customer.

As at March 31, 2023, the carrying amount of trade receivables (including unbilled revenue and net of provisions) from the said customer was ₹ 17,150 lacs (March 31, 2022 ₹ 19,738 lacs). The Company believes that the balance is good and recoverable basis its on-going interactions with that customer and accordingly the same has been included under undisputed trade receivables which have significant increase in credit risk below.

TATA Communications Transformation Services Limited

Notes forming part of the standalone financial statements
for the year ended 31 March 2023

Trade receivable ageing as on 31 March 2023

(₹ in lakhs)

	Particulars	Unbilled	Not Due	Outstanding for following payments from due date of payment					
				Less than 6 months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	Total
A	Undisputed trade receivables – considered good	5,951.75	10,410.35	5,629.86	2,665.33	171.80	284.33	47.77	25,161.19
B	Undisputed trade receivables – which have significant increase in credit risk (refer i above)	3,166.75	6,837.02	6,429.24	409.14	695.03	642.38	1,269.45	19,449.01
C	Undisputed trade receivables – credit impaired	-	-	-	-	-	-	-	-
D	Disputed trade receivables – considered good	-	-	-	-	-	-	-	-
E	Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
F	Disputed trade receivables – credit impaired	-	-	-	-	-	-	-	-
	Total	9,118.50	17,247.37	12,059.10	3,074.47	866.83	926.71	1,317.22	44,610.20
	Less: Allowance for doubtful receivables								(2,340.37)
	Total								**42,269.83**

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Trade receivable ageing as on 31 March 2022

(₹ in lakhs)

	Particulars	Unbilled	Not Due	Outstanding for following payments from due date of payment					
				Less than 6 months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	Total
A	Undisputed trade receivables – considered good	12,480.94	17,759.48	21,325.69	1,439.97	1,333.89	81.16	13.30	54,434.43
B	Undisputed trade receivables – which have significant increase in credit risk	-	-	-	57.04	95.94	1,822.88	365.59	2,341.45
C	Undisputed trade receivables – credit impaired	-	-	-	-	-	-	-	-
D	Disputed trade receivables – considered good	-	-	-	-	-	-	-	-
E	Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
F	Disputed trade receivables – credit impaired	-	-	-	-	-	-	-	-
	Total	12,480.94	17,759.48	21,325.69	1,497.01	1,429.83	1,904.04	378.89	56,775.88
	Less: Allowance for doubtful receivables								(2,716.60)
	Total								**54,059.28**

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15. Cash and cash equivalents

(₹ in lakhs)

	As at 31 March 2023	As at 31 March 2022
Current accounts with banks	3,781.41	8,591.96
Total	**3,781.41**	**8,591.96**

16. Equity share capital

(₹ in lakhs)

	As at 31 March 2023	As at 31 March 2022
a. **Authorised:**		
1,000,000 (2022: 1,000,000) Equity shares of ₹ 10 each	100.00	100.00
	100.00	100.00
b. **Issued, subscribed and paid up:**		
500,000 (2022: 500,000) Equity shares of ₹ 10 each, fully paid up	50.00	50.00
Total	**50.00**	**50.00**

a. **Issued, subscribed and paid up:**
There was no movement in the issued, subscribed and paid up share capital of the Company during the year.

b. Number of shares held by each shareholder holding more than 5% of the issued share capital:

	As at 31 March 2023		As at 31 March 2022	
	No of shares	Percentage	No of shares	Percentage
Tata Communications Limited (Holding Company)	500,000	100%	500,000	100%

c. **Terms / rights attached to equity shares:**
The Company has only one class of equity shares having a face value of ₹ 10 per share. Equity shareholders are entitled to one vote per share at any General Meeting of Shareholders.

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

17. Other equity

(₹ in lakhs)

	As at 31 March 2023	As at 31 March 2022
a. General reserve (Refer Note i below)	1,381.97	1,381.97
b. Retained earnings	26,772.83	27,003.87
c. Other comprehensive income (Refer Note ii below)	(1,165.73)	(802.41)
Total	**26,989.07**	**27,583.43**

i. **General reserve**

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes.

ii. **Other comprehensive income**

This represents the cumulative gains and losses arising on remeasurement of defined employee benefit plans (net of tax).

TATA Communications Transformation Services Limited

Notes forming part of the standalone financial statements
for the year ended 31 March 2023

18. Borrowings

(₹ in lakhs)

		As at 31 March 2023	As at 31 March 2022
A.	**Non-current**		
	Intercompany Loans (refer note 34) (refer i below)	-	7,945.77
	Total (A)	**-**	**7,945.77**
B.	**Current**		
	Unsecured		
	Cash credit facility	-	10,386.60
	(Rate of Interest per annum: 2.55% to 8.80; 2022: 1.58% to 7.50%;)		
	Total (B)	**-**	**10,386.60**
	(A+B)	**-**	**18,332.37**

i. The intercompany loan was an unsecured loan taken from the Holding Company for meeting the working capital requirements of the Company. It carried interest @ 7.5% per annum and was repayable on May 12, 2026. During the current year, Company has repaid the said loan along with corresponding interest due till the date of repayment.

19. Lease liabilities

(₹ in lakhs)

		As at 31 March 2023	As at 31 March 2022
A.	**Non-current**		
	Lease liabilities (refer note 35)	3,302.14	4,124.38
	Total (A)	**3,302.14**	**4,124.38**
B.	**Current**		
	Lease liabilities (refer note 35)	1,781.40	1,658.80
	Total (B)	**1,781.40**	**1,658.80**
	(A+B)	**5,083.54**	**5,783.18**

20. Other financial liabilities

(₹ in lakhs)

		As at 31 March 2023	As at 31 March 2022
Current			
a.	Capital goods		
	- Payable to related parties (refer note 34)	20.20	29.85
	- Others	55.15	478.00
b.	Fair value of foreign currency forward contracts	84.65	0.48
c.	Other payables	4.44	14.90
	Total	**164.44**	**523.23**

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21. Provisions

(₹ in lakhs)

	As at 31 March 2023	As at 31 March 2022
A. **Non-current**		
Provision for employee benefits		
a. Provision for gratuity (refer note 33)	403.17	853.49
b. Provision for compensated absences (refer note 33)	1,174.16	1,104.94
c. Provision for Asset Retirement Obligation liability	10.08	10.50
Total (A)	**1,587.41**	**1,968.93**
B. **Current**		
a. Provision for compensated absences (refer note 33)	239.97	236.73
b. Provision for others	690.30	710.14
Total (B)	**930.27**	**946.87**
(A+B)	**2,517.68**	**2,915.80**

Movement of provisions

(₹ in lakhs)

	As at 31 March 2023		As at 31 March 2022	
	Provision for Asset retirement obligation liability (refer a below)	**Provision for others (refer b below)**	Provision for Asset retirement obligation liability (refer a below)	Provision for others (refer b below)
Opening balance	**10.50**	**710.14**	**10.76**	-
Addition	0.60	-	0.60	710.14
Utilisation/ adjustments	(1.03)	19.84	(0.86)	-
Closing balance	**10.08**	**690.30**	**10.50**	**710.14**
Non-current provision	**10.08**	-	**10.50**	-
Current provision	-	**690.30**	-	**710.14**

a. The provision for asset retirement obligation liability has been recorded in the books of the Company in respect of certain property, plant and equipment [refer note 2(c)].

b. Provision for others is mainly towards provision for other tax matters.

22. Other liabilities

(₹ in lakhs)

	As at 31 March 2023	As at 31 March 2022
A. **Non-current**		
Accrued employee costs	352.57	257.29
Deferred Revenue (Refer note i below)	-	105.22
Total (A)	**352.57**	**362.51**
B. **Current**		
a. Deferred revenue (Refer note i below)	576.43	716.47
b. Accrued employee costs	5,972.12	6,492.24
c. Statutory liabilities	1,083.56	1,070.12
d. Other payables	-	0.02
Total (B)	**7,632.11**	**8,278.85**
(A+B)	**7,984.68**	**8,641.36**

i. Deferred revenue represents contract liabilities.

TATA Communications Transformation Services Limited

Notes forming part of the standalone financial statements
for the year ended 31 March 2023

23. Trade and other payables

(₹ in lakhs)

g		As at 31 March 2023	As at 31 March 2022
A	Total outstanding dues of micro enterprises and small enterprises (Refer note 37)	3,289.11	2,244.82
	(I)	**3,289.11**	**2,244.82**
B	Total outstanding dues of creditors other than micro enterprises and small enterprises		
	i. Other creditors	18,492.79	19,983.02
	ii. Payable to related parties (refer note 34)	5,962.26	5,356.38
	(II)	**24,455.05**	**25,339.40**
	Total (I+II)	**27,744.16**	**27,584.22**

Trade payable ageing as as on 31 March 2023

(₹ in lakhs)

	Particulars	Unbilled	Not Due	Outstanding for following payments from due date of payment				
				Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
A	Total outstanding dues of micro enterprises and small enterprises	-	3,289.05	-	-	-	-	3,289.05
B	Total outstanding dues of creditors other than micro enterprises and small enterprises	16,625.62	1,010.78	6,226.48	414.61	-0.09	125.39	24,402.79
C	Disputed dues of micro enterprises and small enterprises	-	0.06	-	-	-	-	0.06
D	Disputed dues of creditors other than micro enterprises and small enterprises	1.42	50.84	-	-	-	-	52.26

Trade payable ageing as on 31 March 2022

(₹ in lakhs)

	Particulars	Unbilled	Not Due	Outstanding for following payments from due date of payment				
				Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
A	Total outstanding dues of micro enterprises and small enterprises	-	2,244.76	-	-	-	-	2,244.76
B	Total outstanding dues of creditors other than micro enterprises and small enterprises	19,727.39	1,424.77	2,892.96	125.53	269.91	846.58	25,287.14
C	Disputed dues of micro enterprises and small enterprises	-	0.06	-	-	-	-	0.06
D	Disputed dues of creditors other than micro enterprises and small enterprises	1.42	50.84	-	-	-	-	52.26

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24. Other income

(₹ in lakhs)

		Year ended 31 March 2023	Year ended 31 March 2022
a.	Interest Income on		
	- loan to related party (refer note 34)	337.49	312.83
	- income tax refund	377.53	1,832.13
	- others	3.45	0.02
b.	Foreign exchange gain/(loss) (net)	537.07	183.52
c.	Net gain on investments carried at fair value through profit and loss	62.21	-
d.	Liabilities no longer required - written back	309.06	86.07
e.	Others	679.74	779.36
	Total	**2,306.55**	**3,193.93**

25. Operating and other expense

(₹ in lakhs)

		Year ended 31 March 2023	Year ended 31 March 2022
a.	Light and power	601.99	404.94
b.	Repairs and maintenance:		
	i. Building	359.31	247.10
	ii. Plant and machinery	3,279.54	3,717.54
	iii. Others	184.93	130.99
c.	Allowance for doubtful trade receivables	(376.23)	720.28
d.	Allowance for doubtful advances	-	0.19
e.	Rent	1,447.59	1,218.22
f.	Network management and sub-contracting charges	50,922.31	51,567.16
g.	Travelling expenses	1,375.21	571.52
h.	Local conveyance	988.25	518.18
i.	Telephone expenses	1,075.17	996.83
j.	Printing, postage and stationery	31.87	77.38
k.	Outsourced manpower cost	17,087.39	17,611.97
l.	Legal and professional charges	887.18	912.52
m.	Brand Equity and Business Promotion expenses	0.00	12.05
n.	Advertising and publicity	189.90	107.76
o.	Recruitment expenses	159.82	147.08
p.	Security charges	325.41	183.18
q.	Corporate social responsibility (Refer Note i)	-	6.74
r.	Other expenses (refer note ii)	703.28	1,260.25
	Total	**79,242.92**	**80,411.88**

TATA Communications Transformation Services Limited

Notes forming part of the standalone financial statements
for the year ended 31 March 2023

i. Disclosure in respect of Corporate Social Responsibility (CSR) expenditure:

(₹ in lakhs)

		Year ended 31 March 2023	Year ended 31 March 2022
1.	Amount required to be spent by the company during the year	-	6.74
2.	Amount spent on		
	(i) Construction / acquisition of any asset	-	-
	(ii) On purposes other than (i) above	-	6.74
3.	Shortfall at the end of the year provided for	-	-
4.	Total of previous years shortfall	-	-
5.	Unspent amount in relation to ongoing project	-	-
6.	Reason for shortfall	NA	NA
7.	Nature of CSR activities	NA	Mainly for sustainable livelihood
8.	Details of related party transactions in relation to CSR expenditure as per relevant Accounting Standard	-	-

ii. Other expenses include auditor's remuneration as follows: (excluding goods and service tax):

(₹ in lakhs)

	Year ended 31 March 2023	Year ended 31 March 2022
Auditors' remuneration and expenses		
a. Audit fees	22.77	20.90
b. Taxation matters	4.05	4.05
c. Other professional services	0.83	3.82

iii. Operating and other expenses includes an adjustment on account of liabilities no longer required written back, pertaining to prior years.

26. Employee benefits expenses

(₹ in lakhs)

		Year ended 31 March 2023	Year ended 31 March 2022
a.	Salaries and related costs	46,751.00	44,984.68
b.	Contributions to provident, gratuity and other funds (Refer note 33)	3,371.15	3,047.05
c.	Staff welfare expenses	2,736.45	2,486.64
	Total	**52,858.60**	**50,518.37**

27. Finance costs

(₹ in lakhs)

		Year ended 31 March 2023	Year ended 31 March 2022
a.	Interest on bank overdraft and loans	147.12	366.89
b.	Interest on lease liability	413.56	514.52
c.	Interest on loan from related parties (refer note 34)	200.26	643.87
d.	Other interest	85.71	37.32
	Total	**846.65**	**1,562.60**

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28. Depreciation and amortisation expense

(₹ in lakhs)

		Year ended 31 March 2023	Year ended 31 March 2022
a.	Depreciation for the year on property, plant and equipment (Refer note 3)	1,542.19	1,427.81
b.	Amortisation for the year on right of use assets (Refer note 5)	1,656.32	1,634.56
C.	Amortisation for the year on intangible assets (Refer note 6)	152.33	112.33
	Total	**3,350.84**	**3,174.70**

29. Staff cost optimization

As part of Company's initiative to enhance the long-term efficiency of the business, the Company, in FY 20-21 undertook organisational changes to align to the Company's business requirements. These changes involved certain positions in the Company becoming redundant and the Company had incurred one-time costs of ₹2,351.70 lacs in FY 2021. Based on the conditions and circumstances prevailing in previous year, the Company had reversed the costs amounting to ₹ 1,326.47 lacs (which were provided for in FY 20-21) as the Management believes that these costs would not be incurred in future.

30. Income tax

a. **Income tax recognised in Statement of Profit and Loss**

(₹ in lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Current tax		
In respect of prior years	44.32	208.72
Total current tax (a)	**44.32**	**208.72**
Deferred tax		
In respect of the current year		-
In respect of prior years	-	3,678.82
Total deferred tax (b)	-	**3,678.82**
Total income tax (a+b)	**44.32**	**3,887.54**

b. **The Income tax expense for the year can be reconciled to the accounting profit as follows**

(₹ in lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Profit/(Loss) before tax	**(186.72)**	**228.99**
Income tax expense calculated at 25.168% tax rate (2022: 25.168% Tax rate) **(A)**	(46.99)	57.63
Adjustments:		
Effect of expenses / adjustments that are not deductible in determining taxable income	6.27	4.36
Losses and temporary differences on which deferred tax asset is not recognised	40.72	-
Adjustment in respect of previous years (Refer note i)	44.32	3,825.54
Sub-total (B)	**91.31**	**3,829.90**
Income tax expense recognised in Statement of Profit and Loss (A+B)	**44.32**	**3,887.54**

i. Income tax charge of ₹ 44.32 lakhs recorded by the Company is in respect of expenses recorded in the prior years, basis the clarification issued by the tax authorities in the current year. Adjustment with respect to previous years for FY 2022 mainly includes ₹ 3,678.82 lakhs of DTA reversed by the Company, based on management's assessment of future taxable profits.

c. **Income tax recognised in Other comprehensive income**

(₹ in lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Deferred tax		
Remeasurement of the defined benefit obligations	-	(141.12)
Total deferred tax	**-**	**(141.12)**
Bifurcation of income taxes recognized in other comprehensive income into		
Items that will not be reclassified to statement of profit and loss	-	(141.12)

***31.* Segment information**

a. **Operating segments**

The Board of Directors of the Company constitute the Chief Operating Decision Makers ("CODM") which allocate resources to and assess the performance of the Company. The Company is engaged primarily in the business of providing telecommunication network management, consulting and other support services. Considering the nature of the Company's business and operations, there are no other reportable segments in accordance with the requirements of Indian Accounting Standard 108- 'Operating Segments' prescribed under section 133 of the Companies Act, 2013.

b. **Geographical information**

Geographical revenue is allocated based on the location of the customer. Information regarding geographical revenue is as follows:

(₹ in lakhs)

Geography	Year ended 31 March 2023	Year ended 31 March 2022
India	96,410.42	91,014.38
United Kingdom	19,292.45	19,583.88
Canada	6,222.18	8,708.80
Luxemburg	3,581.55	5,051.02
Others	8,299.15	7,018.06
	1,33,805.75	**1,31,376.14**

For segment, non-current assets comprises of property, plant and equipment, capital work in progress, intangible assets, intangible assets under development and other assets which are mainly located in India.

c. **Information about major customers**

(₹ in lakhs)

Customer name	As at 31 March 2023	% of total revenue	As at 31 March 2022	% of total revenue
Customer A	49,385.27	37%	44,224.87	34%
Customer B	22,873.99	17%	24,488.47	19%
Customer C	19,315.30	14%	18,183.85	14%
Customer D*	17,915.55	13%	17,025.20	13%

**Customer D includes its subsidiaries*

The Company's exposure to customers other than the four largest customers is diversified and no other single customer has more than 10% of total revenue as on 31 March 2023 and 31 March 2022.

32. Earnings per share

(₹ in lakhs)

	As at 31 March 2023	As at 31 March 2022
Net Profit after tax attributable to the equity shareholders (A)	(231.04)	(3,658.55)
Number of equity shares outstanding at the end of the year	5,00,000	5,00,000
Weighted average number of shares outstanding during the year (B)	5,00,000	5,00,000
Basic and diluted earnings per share (₹ per equity share of ₹ 10 each) (A/B)	(46.21)	(731.71)

33. Employee Benefit plans

i. **Defined Contribution Plan - Provident Fund**

The Company makes contribution towards provident fund under a defined contribution retirement benefit plan for employees. The provident fund is administered by the Regional Provident Fund Commissioner. Under this scheme, the Company is required to contribute a specified percentage of payroll cost to fund the benefits.

Provident fund contributions amounting to ₹ 2,572.01 lakhs (2022: ₹ 2,421.48 lakhs) lakhs have been charged to the Statement of Profit and Loss, under contributions to provident, gratuity and other funds in note 26 "Employee benefits".

ii. **Defined Benefit Plan - Gratuity**

The Company makes annual contributions under the Employees Gratuity scheme to a fund administered by Trustees covering all eligible employees. The plan provides for lump sum payments to employees whose right to receive gratuity had vested at the time of resignation, retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary for each completed year of service or part thereof in excess of six months. Vesting occurs upon completion of five years of service except in case of death.

These plans typically expose the Company to actuarial risk such as investment risk, interest rate risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. Currently, the plan has a relatively balanced mix of investments in government securities, high quality corporate bonds, equity and other debt instruments.
Interest rate risk	The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase
Salary risk	Higher than expected increases in salary will increase the defined benefit obligation
Demographic risk	This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

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No other post-retirement benefits are provided to these employees.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at 31 March 2023 by an accredited actuary.

The principal assumptions used for the purposes of the actuarial valuations were as follows

	As at 31 March 2023	As at 31 March 2022
Principal actuarial assumptions		
Discount rate	7.20%	6.80%
Salary escalation rate	7.00%	6.00%
Withdrawal rate		
Less than 5 years	15.00%	15.00%
5 years and more	8.00%	8.00%

The discount rate is based on the prevailing market yields of the Government of India Securities as at Balance sheet date for the estimated term of the obligation.

The estimation of the future salary increase is considered by taking into account the inflation, seniority, promotion, increments and other relevant factors.

Amounts recognised in the Statement of Profit and Loss in respect of these defined benefit plans are as follows

(₹in lakhs)

		As at 31 March 2023	As at 31 March 2022
	Expenses recognised in the statement of profit and loss		
a.	Current service cost	678.09	498.07
b.	Interest cost	(7.08)	(19.34)
	Components of defined benefit costs recognized in the Statement of Profit and Loss	**671.01**	**478.73**
	Remeasurement on the net defined benefit liability		
a.	Return on plan assets (excluding amounts included in net interest expense)	190.88	(62.27)
b.	Actuarial (gains) / losses arising from DBO assumption changes	188.47	(158.23)
c.	Actuarial (gains) / losses arising from experience adjustments	(16.03)	1,151.59
	Components of defined benefit costs recognized in other comprehensive income	**363.32**	**931.09**

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The details in respect of the status of funding and the amounts recognised in the Company's financial statements are as under

(₹ in lakhs)

		As at 31 March 2023 (Funded)	As at 31 March 2022 (Funded)
I.	**Amount recognized in the balance sheet**		
	Liability at the end of the year	(5,713.25)	(5,229.67)
	Fair value of plan assets at the end of the period	5,310.08	4,376.18
	Net (liability)/ asset in the balance sheet	(403.17)	(853.49)
	Non-current provision (Refer note 21A)	(403.17)	(853.49)
II.	**Change in the Defined Benefit Obligation (DBO)**		
	Liability at the beginning of the period	5,229.67	4,060.04
	Current service cost	678.09	498.07
	Interest cost	331.86	241.81
	Actuarial (gain) / loss on financial assumption	188.47	(158.23)
	Actuarial (gain) / loss on experience assumption	(16.03)	1,151.59
	Benefits paid	(698.81)	(563.61)
	Liability at the end of the period	**5,713.25**	**5,229.67**
III.	**Change in fair value of assets**		
	Opening fair value of plan assets	4,376.18	4,108.16
	Expected return on plan assets	324.78	261.15
	Employer's contribution	800.00	-
	Actuarial gain / (loss)	(190.88)	62.27
	Benefits paid	-	(55.40)
	Closing fair value of plan assets	**5,310.08**	**4,376.18**

Major categories of plan assets are as follows

		As at 31 March 2023	As at 31 March 2022
a.	Government of India securities (central and state)	51.71%	37.94%
b.	High quality corporate bonds (including public sector bonds)	27.19%	33.06%
c.	Equity shares of listed companies	12.17%	14.33%
d.	Cash (including special deposits)	7.41%	11.98%
f.	Other (including assets under schemes of insurance)	1.52%	2.69%
	Total	**100%**	**100%**

The fair values of the above equity and debt instruments are determined based on quoted market prices in active markets. This policy has been implemented during the current and prior years.

A quantitative sensitivity analysis for significant assumptions as at 31 March 2023 and 31 March 2022 is as shown below

Significant actuarial assumptions for the determination of the defined obligation are discount rate, salary escalation rate and withdrawal rate. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

TATA Communications Transformation Services Limited

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a. **Discount rate**

(₹ in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Effect on DBO due to 1% increase	(400.34)	(361.31)
Effect on DBO due to 1% decrease	455.61	412.06

b. **Salary escalation rate**

(₹ in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Effect on DBO due to 1% increase	364.33	353.43
Effect on DBO due to 1% decrease	(346.64)	(330.61)

c. **Withdrawal rate**

(₹ in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Effect on DBO due to 5% increase	50.17	83.05
Effect on DBO due to 5% decrease	(127.69)	(178.84)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognized in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Maturity profile of defined benefit plan

(₹ in lakhs)

		As at 31 March 2023
a.	March 31, 2024	582.58
b.	March 31, 2025	559.45
c.	March 31, 2026	679.83
d.	March 31, 2027	655.89
e.	March 31, 2028	779.20
f.	March 31, 2029 to March 31, 2033	4,835.84

There has been no change in the process used by the company to manage its risks from prior years.

iii. **Leave Plan and compensated absences**

Leaves unavailed by eligible employees may be carried forward upto 60 days and for employees who have joined post 1st January 2020 carry forward shall be restricted to 45 days. Encashment will be maximum of 30 days by them / their nominees in the event of death or permanent disablement or resignation.

The liability for compensated absences as at the year-end is ₹ 1,376.35 lakhs (2022: ₹ 1,322.91 lakhs) as shown under non-current provisions ₹ 1,174.16 lakhs (2022: ₹ 1,104.94 lakhs) and current provision ₹ 202.19 lakhs (2022: ₹ 217.97 lakhs). The amount charged to the Statement of Profit and Loss under Salaries and related costs in note 26 "Employee benefits expense" is ₹ 334.56 lakhs (2022: ₹ 506.14 lakhs).

The balance liability of ₹ 37.78 lakhs (2022: ₹ 18.76 lakhs) as shown under current provisions and amount of ₹ 28.98 lakhs charged to the Statement of Profit and Loss pertains to foreign branches.

34. Related party transactions

i. Names of related parties and nature of relationship

Sr. No	Category of related parties	Names
A	Ultimate Holding company	Tata Sons Private Limited
B	Controlling Entity	Panatone Finvest Limited
C	Holding company	Tata Communications Limited
D	Subsidiaries, associates and joint ventures of ultimate holding company/ controlling entity and their subsidiaries* ("Affiliates")	Tata Consultancy Services Limited Tata Teleservices Limited Tata Teleservices Maharashtra Limited Tata Sky Broadband Private Limited Tata projects Ltd Lokmanaya Hospitals Private Limited Tata AIG General Insurance Company Limited Sir Dorabji Tata trust Tata Capital Financial Services Limited TVS Supply Chain Solutions Limited Tata Elxsi Limited The Indian Hotels Company Ltd Piem Hotels Limited Roots Corporation Limited Infiniti Retail Limited Tata Industries Limited Tata International Limited
E	Subsidiary (Direct)	Tata Communications Transformation Services Pte Limited (Singapore)
F	Subsidiary (Indirect)	Tata Communications Transformation Services (Hungary) Kft Tata Communications Transformation Services (US) Inc Tata Communications Transformation Services South Africa (Pty) Ltd TCTS Senegal Limited SUARL
G	Fellow subsidiaries*	Tata Communications International Pte Limited Tata Communications (Australia) Pty Limited Tata Communications (America) Inc. Tata Communications (Bermuda) Limited

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Sr. No	Category of related parties	Names
		Tata Communications Collaboration Services Private Limited Tata Communication Services International Pte Ltd Tata Communications (Canada) Limited Tata Communications (Netherlands) B.V. Tata Communications (UK) Limited Tata Communications (Middle East) FZ-LLC Tata Communications (Ireland) Limited Tata Communications (Poland) SPZoo Tata Communications (Spain) SL Tata Communication (NZ) Ltd. Tata Communications Deutschland Gmbh. Tata Communications (France) SAS Tata Communications Hongkong Limited Tata Communications (Malaysia) SDN.BHD Tata Communications Payments Solutions Limited
H	Associate of holding company	STT Global Data Centers India Private Limited
I	Key managerial Personnel	Sivasamban Natarajan
J	Others	Tata Communications Transformation Services Limited Employees Gratuity Trust Peoplestrong Technologies Private Limited (formerly'Peoplestrong HR Services Private Limited') Go Digit General Insurance Limited (ceased w.e.f. 31 March 2023) Alamelu Charitable Foundation

**Where transactions have taken place / there are balances*

 # Reimbursement made of expenses incurred by related party for business purpose of the Company, or reimbursement received for expenses incurred by the Company on behalf of a related party shall not be deemed related party transactions.

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Notes forming part of the standalone financial statements
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ii. Summary of transactions with related parties

(₹ in lakhs)

Particulars	Holding company & its associates	Ultimate holding company and its affiliates	Subsidiaries (Direct and Indirect)	Fellow subsidiaries	Key management Personnel	Others	Total
Revenue from operations	**14,569.08** *14,151.08*	**27,752.02** *26,592.22*	**1,944.54** *1,748.93*	**1,742.96** *1,486.30*	- -	- -	**46,008.60** *43,978.53*
Other Income	**503.20** *501.38*	- -	**337.79** *331.16*	**8.41** *23.14*	- -	- -	**849.40** *855.68*
Rent	**431.78** *351.16*	- -	- -	- -	- -	- -	**431.78** *351.16*
Interest on lease liabilities (forms a part of lease payout of ₹ 980.46 lacs (2022: 936.29 lacs))	**242.56** *272.28*	- -	- -	- -	- -	- -	**242.56** *272.28*
Interest on loan from related parties	**200.26** *643.87*	- -	- -	- -	- -	- -	**200.26** *643.87*
Telephone expenses	**480.97** *734.65*	**24.69** *(37.81)*	- -	- *2.96*	- -	- -	**505.66** *699.80*
Brand Equity and Business Promotion expenses	- -	- *12.05*	- -	- -	- -	- -	- *12.05*
Outsourced manpower cost	**1,296.35** *860.87*	- -	- -	**2,413.92** *842.34*	- -	- -	**3,710.27** *1,703.21*
Insurance	- -	**10.86** *6.76*	- -	- -	- -	- -	**10.86** *6.76*
Car Lease Rentals	- -	- *0.10*	- -	- -	- -	- -	- *0.10*
Repairs & Maintenance	- -	**103.12** *95.52*	- -	- -	- -	- -	**103.12** *95.52*
Other expenses	- -	**54.30** *15.66*	- -	- -	- -	**368.59** -	**422.89** *15.66*
Assets – Transfer in / (Out)	@ -	- *8.25*	- -	- -	- -	- -	@ *8.25*
Additions to right of use assets	**974.07** *286.25*	- -	- -	- -	- -	- -	**974.07** *286.25*
Loan taken	- *12,500.00*	- -	- -	- -	- -	- -	- *12,500.00*
Repayment of loan taken	**7,945.77** *4,554.23*	- -	- -	- -	- -	- -	**7,945.77** *4,554.23*

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Particulars	Holding company & its associates	Ultimate holding company and its affiliates	Subsidiaries (Direct and Indirect)	Fellow subsidiaries	Key management Personnel	Others	Total
Loan given	-	-	**283.55**	-	-	-	**283.55**
	-		*130.37*	-	-	-	*130.37*
Repayment of loan given	-	-	**425.13**	-	-	-	**425.13**
	-	-	-	-	-	-	-
Key Managerial Remuneration	-	-	-	-	**444.50**	-	**444.50**
	-	-	-	-	*402.41*	-	*402.41*
Contribution to Gratuity trust	-	-	-	-	-	**800**	**800**
	-	-	-	-	-	-	-

@ represents amounts less than ₹ 500

iii. **Summary of balances with related parties**

(₹ in lakhs)

Particulars	Holding company & its associates	Ultimate holding company and its affiliates	Subsidiaries (Direct and Indirect)	Fellow subsidiaries	Key management Personnel	Others	Total
Trade Receivables	3,046.89	6,151.93	4,026.56	1,178.54	-	5.24	14,589.16
	4,518.62	*11,632.20*	*2,091.40*	*1,403.48*	-	-	*19,645.70*
Loan to	-	-	**5,751.90**	-	-	-	**5,751.90**
Subsidiaries	-	-	*5,437.07*	-	-	-	*5,437.07*
Other financial assets- Non-current	**115.37**	**0.50**	**144.80**	-	-	-	**260.67**
	115.37	*0.50*	*136.27*	-	-	-	*252.14*
Other assets- Current	**267.25**	**0.43**	-	-	-	-	**267.68**
	312.72	*2.54*	-	-	-	-	*315.26*
Trade Payables	**3,535.59**	**73.35**	**77.59**	**2,274.29**	-	**1.44**	**5,962.26**
	2,455.82	*212.37*	-	*2,688.19*	-	-	*5,356.38*
Non-Current Borrowings	-	-	-	-	-	-	-
	7,945.77	-	-	-	-	-	*7,945.77*
Other current Liabilities	**209.19**	**105.22**	-	**(4.04)**	**201.76**	-	**512.13**
	351.98	*231.49*	-	*(0.51)*	*88.67*	-	*671.63*
Other financial Liabilities	-	**20.20**	-	-	-	-	**20.20**
	-	*29.85*	-	-	-	-	*29.85*
Other non-current Liabilities	-	-	-	-	**163.61**	-	**163.61**
	-	-	-	-	*126.61*	-	*126.61*
Lease liabilities – Current	**728.14**	-	-	-	-	-	**728.14**
	698.24	-	-	-	-	-	*698.24*
Lease liabilities Non-Current	**2,651.35**	-	-	-	-	-	**2,651.35**
	2,445.08	-	-	-	-	-	*2,445.08*

 # Amount in italics denote previous year figures.

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35. Lease arrangements

As lessee

The Company has lease contracts for immovable properties across various locations used in its operations. Such leases generally have lease terms between 3 to 10 years. Generally, The Company is restricted from assigning and subleasing the leased assets. There are several lease contracts that include extension and termination options and variable lease payments.

The Company also has certain leases with lease terms of 12 months or less.

The following is the movement in lease liabilities:

(₹ in lakhs)

Particulars	Amount
Balance as at 1 April 2021	**7,014.70**
Additions	286.25
Finance cost accrued during the year	514.52
Payment/Reversal of lease liabilities	(2,032.29)
Liabilities settled against leased assets terminated	-
Balance as at 31 March 2022	**5,783.18**
Additions	1,001.61
Finance cost accrued during the year	413.56
Payment/Reversal of lease liabilities	(2,114.81)
Liabilities settled against leased assets terminated	-
Balance as at 31 March 2023	**5,083.54**

The following is the break-up of current and non-current lease liabilities.

(₹ in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Current liability	1,781.40	1,658.80
Non-current liability	3,302.14	4,124.38
Total liabilities	**5,083.54**	**5,783.18**

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

(₹ in lakhs)

	As at 31 March 2023	As at 31 March 2022
Due not later than one year	2,112.85	2,051.98
Due later than one year but not later than five years	3,313.02	4,270.71
Later than five years	521.31	521.31
	5,947.18	**6,844.00**

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

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36. Contingent liabilities and commitments

I. Contingent liabilities

(₹ in lakhs)

	As at 31 March 2023	As at 31 March 2022
Claims against the Company not acknowledged as debt		
- Claims for taxes on income* (Refer i)	504.90	504.90
- Claims for other taxes* (Refer i)	23.22	23.22
- Others (Refer ii)	813.80	592.00

*In case the above tax matters are against the Company, then the Company may be liable for interest exposure of ₹ 184.32 lakhs (2022: ₹ 129.01 lakhs lakhs) on final settlement of the claims.

i. These pertain to demand notices in respect of certain transfer pricing and other adjustments carried out by Revenue authorities and non-compliance of TDS for which the Company has preferred appeals and/ or filed rectifications which are pending at various forums.

ii. Other claims include the claim of ₹ 592.00 lakhs (2022: ₹ 592.00 lakhs) pertaining to claims raised by a service provider for alleged breach of the contract. The contract provided for arbitration as the means of dispute resolution. The arbitrator has been appointed by the honorable High Court. However, it is difficult to predict the outcome of these proceedings as the dispute is currently at a very nascent stage. While the company believes that it has reasonable defense and doesn't expect any outflow of resources against Service provider's claims.

II. Commitments

i. Capital commitments

Estimated amount of contracts remaining (net of advances) to be executed on capital account, not provided for ₹ 35.01 lakhs (2022: ₹ 7.64 lakhs).

ii. Other commitments

The Company does not have any other commitments as at March 31, 2023 (2022: Nil)

37. Disclosure required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

(₹ in lakhs)

	As at 31 March 2023	As at 31 March 2022
a. Principal amount remaining unpaid to any supplier as at the end of the accounting year	3,289.11	2,244.82
b. Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
c. The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day Includes amount of interest ₹ Nil paid during the year	6,907.29	24,103.57
d. The amount of interest due and payable for the year	-	-
e. The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
f. The amount of further interest due and payable even in the succeeding year, until such date when the interest's dues as above are actually paid	-	-
g. Total outstanding dues of micro and small enterprises	3,289.11	2,242.82

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

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38. Struck off Companies

(₹ in lakhs)

Name of Struck off Company	Nature of Transaction with Struck- off Company	As at 31 March 2023	As at 31 March 2022
Manikanta Network Communication	Payables	3.77	8.54
Ravi And Singh Communication	Payables	-	3.06
Aditya Transport Company	Payables	-	0.03
Goclinix Healthcare Private Limited	Receivables	12.50	12.50

i. Amount receivable from customers is gross of provision for doubtful debts of ₹ 12.50 lakhs and ₹ 12.50 lakhs for 31 March 23 and 31 March 22 respectively.

39. Derivatives

Derivatives not designated as hedge instruments

The Company uses foreign exchange forward contracts to manage some of its transaction exposures. The foreign exchange forward contracts are not designated as cash flow hedges and are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally within 1 year.

Outstanding derivatives instruments are as follows:

(₹ in lakhs)

	As at 31 March 2023		As at 31 March 2022	
	(Amount in Foreign Currency)	(Amount in INR)	(Amount in Foreign Currency)	(Amount in INR)
i. Forward exchange contracts (Sell)				
CAD	-	-	9.64	582.31
GBP	49.86	5,011.59	13.13	1,325.54
EUR	5.05	446.38	4.67	395.08
USD	109.74	9,074.00	78.57	6,046.77

40. Financial instruments

The significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expense are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2(q) to the financial statements.

Financial assets and liabilities

The carrying value of financial instruments by categories as at 31 March 2023 is as follows

(₹ in lakhs)

	Fair value through profit or loss	Derivatives instrument	Amortised cost	Total carrying value
Financial Assets:				
Investments	3,200.50	-	-	3,200.50
Other financial assets	-	-	1,317.73	1,317.73
Loans	-	-	5,751.90	5,751.90
Trade receivables	-	-	42,269.83	42,269.83
Cash and Cash equivalents	-	-	3,781.41	3,781.41
Total	**3,200.50**	-	**53,120.87**	**56,321.37**
Financials Liabilities:				
Borrowings	-	-	-	-
Lease liabilities	-	-	5,083.54	5,083.54
Other financial liabilities	-	84.65	79.79	164.44
Trade payables	-	-	27,744.16	27,744.16
Total	-	**84.65**	**32,907.49**	**32,992.14**

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The carrying value of financial instruments by categories as at 31 March 2022 is as follows

(₹ in lakhs)

	Fair value through profit or loss	Derivatives instrument	Amortised cost	Total carrying value
Financial Assets:				
Other financial assets	-	-	1,238.09	1,238.09
Loans	-	-	5,439.12	5,439.12
Trade receivables	-	-	54,059.28	54,059.28
Cash and Cash equivalents	-	-	8,591.96	8,591.96
Total	-	-	**69,328.45**	**69,328.45**
Financials Liabilities:				
Borrowings	-	-	18,332.37	18,332.37
Lease liabilities	-	-	5,783.18	5,783.18
Other financial liabilities	-	0.48	522.75	523.23
Trade payables	-	-	27,584.22	27,584.22
Total	-	**0.48**	**52,222.52**	**52,223.00**

Carrying amounts of cash and cash equivalents, trade receivables, loans and trade payables as at 31 March 2023 and 31 March 2022 approximate the fair value because of their short-term nature. Difference between carrying amounts and fair values of other financial assets, other financial liabilities and borrowings subsequently measured at amortised cost is not significant in each of the years presented.

Fair value hierarchy

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consist of following three levels

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

The investments included in level 2 of fair value hierarchy have been valued using quotes available for similar assets and liabilities in the active market.

(i) The following table summarises financial assets and liabilities measured at fair value on a recurring basis and financial assets that are not measured at fair value on a recurring basis (but fair value disclosure are required)

(₹ in lakhs)

	Fair value as at		Fair value hierarchy
	31 March 2023	31 March 2022	
Financial Assets			
Foreign exchange forward contracts	-	38.59	Level 2
Investments in mutual funds	3,200.50	-	Level 1
Financial Liabilities			
Foreign exchange forward contracts	84.65	0.48	Level 2

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41. Financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings and trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to support its operations. The Company's principal financial assets include loans, trade and other receivables, current investments and cash and cash equivalents that derive directly from its operations. The Company has investments in mutual funds on which gain or loss on fair value is recognised through profit or loss and also enters into derivative transactions.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks.

The Company's senior management ensures that financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the company's policies and risk objectives. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the company's policy that no trading in derivatives for speculative purposes may be undertaken. The Senior Management reviews and agrees policies for managing each of these risks, which are summarised below:

a. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, Fair Value Through Profit or Loss investments and derivative financial instruments.

b. Interest rate risk

Interest rate risk is the risk that the future cash flows with respect to interest receipts and payments on loans extended or availed will fluctuate because of changes in market interest rates. The Company does not have exposure to the risk of changes in market interest rates as it has long-term debt obligations and loan receivables with fixed interest rates and loans extended on variable rate are classified as short term.

c. Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency) and the Company's net investments in foreign subsidiaries.

The Company manages its foreign currency risk by hedging transactions that are expected to occur within a maximum 12- month period for hedges of forecasted sales and purchases.

Foreign currency sensitivity

The foreign exchange rate sensitivity is calculated by aggregation of the net foreign exchange rate exposure and a simultaneous parallel foreign exchange rate shift of all the currencies by 5% against the functional currency of the Company.

The following analysis has been worked out based on the net exposures of the Company as of the date of balance sheet which would affect the statement of Profit and Loss and equity.

The following tables sets forth information relating to foreign currency exposure (net) as at 31 March 2023 and 31 March 2022.

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(₹ in lakhs)

	As at 31 March 2023		As at 31 March 2022	
Currency	Financial liabilities	Financial Assets	Financial liabilities	Financial Assets
Omani Riyal	332.97	-	289.48	-
CAD	-	683.90	-	1,473.33
GBP	9,889.07	-	3,770.43	-
EUR	-	551.64	-	998.68
USD	-	2,510.40	-	1,716.18
AUD	-	32.30	-	46.22
Others	807.04	1.76	835.62	1.62

5% appreciation/ depreciation of the respective foreign currencies with respect to functional currency of the Company would result in decrease/ increase in the Company's profit before tax by approximately ₹ 362.45 lakhs and ₹ 32.98 lakhs for the year ended 31 March 2023 and 31 March 2022 respectively.

d. **Credit risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

The Company has applied simplified approach for computing the expected credit loss allowance for trade receivables based on provision matrix. The provision matrix takes in to consideration the historical credit loss experience and the adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due.

(₹ in lakhs)

Ageing of receivables (net)	As at 31 March 2023	As at 31 March 2022
Within credit period	26,299.60	30,115.12
01-90 days	10,307.66	17,415.71
91-180 days	1,697.11	3,749.48
181-360 days	3,063.55	1,350.62
More than 360 days	901.91	1,428.35
Total	**42,269.83**	**54,059.28**

Movement in the expected credit loss allowance

(₹ in lakhs)

	Year ended 31 March 2023	Year ended 31 March 2022
Balance at beginning of the year	2,716.60	1,996.32
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses (net)	(376.23)	720.28
Balance at the end of the year	**2,340.37**	**2,716.60**

i. Refer note 14 for balances outstanding from a large customer as at 31 March 2023

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e. **Liquidity risk**

The Company monitors its risk of a shortage of funds using a liquidity planning tool.

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's corporate treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management.

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

(₹ in lakhs)

As at 31 March 2023	On demand	0 to 12 months	1 to 2 years	2 to 5 years	>5 years	Total
Trade and other payables	10,118.91	17,625.25	-	-	-	27,744.16
Lease Liabilities	-	1,781.40	1,263.13	1,547.23	491.78	5,083.54
Borrowings	-	-	-	-	-	-
Other Financial Liability	4.11	160.33	-	-	-	164.44

(₹ in lakhs)

As at 31 March 2022	On demand	0 to 12 months	1 to 2 years	2 to 5 years	>5 years	Total
Trade and other payables	2,197.09	25,387.13	-	-	-	27,584.22
Lease Liabilities	-	1,658.80	1,605.38	1,741.18	777.82	5,783.18
Borrowings	-	10,386.60	-	7,945.77	-	18,332.37
Other Financial Liability	416.26	106.97	-	-	-	523.23

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Notes forming part of the standalone financial statements
for the year ended 31 March 2023

42. Ratios

Sr. No.	Particulars	31 March 2023	31 March 2022
1	**Net Profit Margin (%)** *(Profit/(Loss) for the period/ Income from Operations) (refer note a)*	(0.17) %	(2.78) %
2	**Debt Equity ratio** *(Total Debt (Long term borrowings + Short term borrowings (including Current maturities of long term borrowings)) / Equity) (refer note b)*	-	66.34%
3	**Debt service coverage ratio (no. of times)** *Earning before exceptional items, interest, depreciation and amortization and tax (EBIDTA)/ (Finance costs + Short term borrowings (including Current maturities of long term borrowings) (refer note b)*	-	0.04
4	**Current Ratio (no. of times)** *Total Current Assets/ Total Current Liabilities*	1.35	1.38
5	**Trade Receivables turnover (no. of times)** *Income from Operations/ Average Trade receivables*	2.78	2.44
6	**Return on equity** *Profit/ (Loss) for the year/ Average Equity (refer note c)*	(0.85) %	(12.20) %
7	**Trade Payables turnover (no. of times)** *(Operating and other expenses - Allowance for doubtful trade receivables - Allowance for doubtful advances)/ Average Trade payables (refer note d)*	2.88	2.18
8	**Net Capital turnover (no. of times)** *Income from Operations/ Working Capital (Current Assets-Current Liabilities) (refer note e)*	10.02	7.05
9	**Return on Capital Employed (no. of times)** *Earnings before interest & tax/ Capital Employed (Net worth + Total Debt) (refer note f)*	0.02	0.04

a. Decrease in losses has resulted in improvement in this ratio
b. Repayment of borrowings has resulted in improvement in ratio
c. Decrease in losses has resulted in higher return on equity
d. Increase in cost and payables has resulted in increase in this ratio
e. Decrease in current liabilities has resulted in improvement in this ratio
f. Decrease in debt has resulted in improvement in this ratio

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43. The remuneration payable to the Managing Director for the year ended 31 March 2022 is in excess of the limits applicable under section 197 of the Companies Act 2013 (the 'Act'), read with Schedule V thereto, by ₹ 324.30 lakhs. The Company proposes to obtain approval of the shareholders in a general meeting by way of a special resolution to ensure compliance with the Act.

44. **Going Concern**

For the year ended March 31, 2023, the Company has incurred loss of ₹ 231.04 lakhs (March 31, 2022: ₹ 3,658.55 lakhs).
The management continues to implement initiatives directed towards improving the profitability through operational efficiencies. The Company expects that these initiatives would result in sustainable cash flows. The Company, based on the support letter received from the parent to meet its working capital needs over next 12 months and based on the approved unutilized debt and banking facilities of more than ₹ 24,992.00 lakhs yet to be drawn, and projected cash flow to be generated from operations in FY 2024 is confident of meeting its operating and capital funding requirements. Accordingly, these financial statements have been prepared on a going concern basis.

45. **Events after the reporting period**
There are no subsequent events between the year ended 31 March 2023 and signing of financial statements as on 18 April 2023 which have material impact on the financials of the Company.

46. **Approval of financial statements**
The financial statements were approved for issue by the Board of Directors on 18 April 2023.

47. Previous year's figures have been regrouped/ re-arranged where necessary to conform to current year's classification / disclosure.

In terms of our report attached
For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

ABHISHEK NIRMAL KUMAR BURAD
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Abhishek Burad
Partner
Membership Number: 122860

Place: **Mumbai**
Date: **18 April 2023**

For and on behalf of Board of Directors

DocuSigned by: Sivasamban Natarajan 2358E5D369034FA...
Sivasamban Natarajan
Managing Director
DIN Number: 08912108

DocuSigned by: Aadesh Goyal E727DD8D964F400...
Aadesh Goyal
Director
DIN Number: 00044337

DocuSigned by: Sanjay Agarwal 117B7233499741S...
Sanjay Agarwal
Chief Financial Officer

Place: **Mumbai**
Date: **18 April 2023**

12th Floor, The Ruby
29 Senapati Bapat Marg
Dadar (West)
Mumbai - 400 028, India
Tel: +91 22 6819 8000

S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

To the Members of Tata Communications Transformation Services Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Tata Communication Transformations Services Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the consolidated Balance sheet as at March 31 2023, the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and on the other financial information of the subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2023, their consolidated loss and their consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act 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 audit opinion on the consolidated financial statements.

Emphasis of Matter

We draw attention to Note 13 to the consolidated financial statements, which describes the material uncertainty on ability of a large customer of the Group to continue as a going concern and the corresponding impact on the business operations, receivables and financial position of the Group thereon. Our opinion is not modified in this regard.

Information Other than the Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Director's report but does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether such 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 on the other information obtained prior to the date of this auditor's report, 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.

Responsibilities of Management for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Companies (Indian Accounting Standards) Rules, 2015 specified under section 133 of the Act. The Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the Companies included in the Group are responsible for assessing the ability of their respective company(ies) 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 Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements 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 ability of the Group and its associates and joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Report on Other Legal and Regulatory Requirements

1. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the 'Order' or 'CARO') issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's Report, according to the information and explanations given to us, and based on the CARO Reports issued by us for the Holding Company incorporated in India and included in the consolidated financial statements, we report that there are no qualifications or adverse remarks in the CARO report. The subsidiary companies included in the said consolidated financial statements are not incorporated in India.

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

   (a) We have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

   (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

   (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;

   (d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards (Ind AS) specified under section 133 of the act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Holding Company none of the directors of the Group's companies, is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act. The provision of this section are not applicable to the subsidiary companies;

(f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary companies incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in "Annexure 1" to this report.

(g) According to information and explanation given by the management, we report that the remuneration of the Managing Director of the Holding Company for the year ended March 31, 2023 is in excess of the limits applicable under section 197 read with Schedule V, by Rs 324.30 lakhs. We are informed by the management that it proposes to obtain approval of the shareholders in the general meeting by way of a special resolution.

In our opinion, the provisions of Section 197 read with Schedule V of the Act are not applicable to subsidiary companies.

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

i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group in its consolidated financial statements – Refer Note 36 to the consolidated financial statements;

ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2023;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiaries incorporated in India during the year ended March 31, 2023.

iv. a) The management of the Holding Company have represented to us that, to the best of its knowledge and belief, 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 Holding Company or any of such subsidiaries 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 respective Holding Company or any of such subsidiaries, or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. The Company does not have any subsidiaries incorporated in India and accordingly, the said provisions are not applicable to these subsidiaries;

b) The management of the Holding Company has represented to us that, to the best of its knowledge and belief, no funds have been received by the respective Holding Company or any of such subsidiaries, from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries 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. The Group does not have any subsidiaries incorporated in India and accordingly, the said provisions are not applicable to these subsidiaries; and

c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.

v. No dividend has been declared or paid during the year by the Holding Company or its subsidiaries, incorporated in India.

vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Holding Company only w.e.f. April 1, 2023, reporting under this clause is not applicable.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

ABHISHEK NIRMAL KUMAR BURAD

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MUMBAI

per Abhishek Burad
Partner
Membership Number: 122860

UDIN: 23122860BGXMFY8733

Place of Signature: Mumbai
Date: April 18, 2023

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF TATA COMMUNICATIONS TRANSFORMATION SERVICES LIMITED

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

In conjunction with our audit of the consolidated financial statements of Tata Communications Transformation Services Limited (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group").

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the companies included in the Group, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding 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 (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective 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 Act.

Auditor's 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 Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the 'Guidance Note') and the Standards on Auditing as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Group has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

ABHISHEK NIRMAL KUMAR BURAD

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MUMBAI

per Abhishek Burad
Partner
Membership Number: 122860

UDIN: 23122860BGXMFY8733
Place of Signature: Mumbai
Date: April 18, 2023

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Tata Communications Transformation Services Limited

Consolidated Balance Sheet as at 31 March 2023

	Particulars	Notes	As at 31 March 2023 ₹ in Lakhs	As at 31 March 2022 ₹ in Lakhs
A	**ASSETS**			
(1)	**Non-current assets**			
(a)	Property, plant and equipment	3	3,898.42	4,445.00
(b)	Capital work-in-progress	4	82.33	11.25
(c)	Right of use Asset	5	4,560.04	4,877.37
(d)	Intangible assets	6	462.41	583.27
(e)	Intangible assets under development	7	15.00	20.65
(f)	Financial assets			
	(i) Other financial assets	8A	961.91	963.65
(g)	Deferred tax assets (net)	9	-	-
(h)	Income tax assets (net)	10	3,466.08	6,781.44
(i)	Other assets	11A	98.91	178.72
	Total non-current assets		**13,545.10**	**17,861.35**
(2)	**Current assets**			
(a)	Financial assets			
	(i) Investments	12	3,200.50	-
	(i) Trade receivables	13	40,495.05	55,638.70
	(ii) Cash and cash equivalents	14	7,522.01	11,006.84
	(iii) Other financial assets	8B	232.92	104.91
(b)	Other assets	11B	2,716.31	5,643.64
	Total current assets		**54,166.79**	**72,394.09**
	Total assets		**67,711.89**	**90,255.44**
B	**EQUITY AND LIABILITIES**			
I	**Equity**			
(a)	Equity share capital	15	50.00	50.00
(b)	Other equity	16	6,579.46	9,658.89
	Total equity		**6,629.46**	**9,708.89**
II	**Liabilities**			
(1)	**Non-current liabilities**			
(a)	Financial Liabilities			
	(i) Borrowings	17A	-	7,945.77
	(ii) Lease liabilities	18A	3,568.02	4,124.38
(b)	Provisions	20A	1,821.99	2,125.82
(c)	Other liabilities	21A	352.57	362.51
	Total non-current liabilities		**5,742.58**	**14,558.48**
(2)	**Current liabilities**			
(a)	Financial Liabilities			
	(i) Borrowings	17B	13,508.02	22,550.42
	(ii) Lease liabilities	18B	1,843.03	1,658.80
	(iii) Trade and other payables	22	29,919.49	30,061.95
	(iv) Other financial liabilities	19	183.10	584.60
(b)	Provisions	20B	1,086.91	1,563.09
(c)	Other liabilities	21B	8,799.30	9,569.21
	Total current liabilities		**55,339.85**	**65,988.07**
	Total equity and liabilities		**67,711.89**	**90,255.44**

The accompanying notes are forming part of the standalone financial statements

As per our report attached
For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

ABHISHEK NIRMAL KUMAR BURAD
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Abhishek Burad
Partner
Membership Number: 122860

Place : **Mumbai**
Dated: **18 April 2023**

For and on behalf of the Board of Directors

DocuSigned by: Sivasamban Natarajan 2368E5D369034FA...
Sivasamban Natarajan
Managing Director
DIN Number: 08912108

DocuSigned by: Aadesh Goyal E727DD8D964F40D...
Aadesh Goyal
Director
DIN Number: 00044337

DocuSigned by: Sanjay Agarwal 11787234987415...
Sanjay Agarwal
Chief Financial Officer

Place : **Mumbai**
Dated: **18 April 2023**

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Tata Communications Transformation Services Limited
Consolidated Statement of Profit and Loss for the year ended 31 March 2023

	Particulars	Notes	Year Ended 31 March 2023 ₹ in Lakhs	Year Ended 31 March 2022 ₹ in Lakhs
I	Revenue from operations		1,41,993.43	1,41,172.13
			1,41,993.43	1,41,172.13
II	Other Income	23	1,986.49	2,883.98
III	**Total Income (I + II)**		**1,43,979.92**	**1,44,056.11**
IV	**Expenses:**			
	Operating and other expense	24	82,994.73	87,775.90
	Employee benefits expense	25	57,270.10	58,908.91
	Finance costs	26	1,491.00	1,804.15
	Depreciation and amortisation expense	27	3,401.89	3,221.50
	Total Expenses		**1,45,157.72**	**1,51,710.46**
V	**Profit/(Loss) before exceptional items and tax (III - IV)**		**(1,177.80)**	**(7,654.35)**
VI	Exceptional gain/(loss)	28	-	1,520.40
VII	**Profit/(Loss) before tax (V + VI)**		**(1,177.80)**	**(6,133.95)**
VIII	**Tax expense**			
	(a) Current tax	29	80.64	291.72
	(b) Deferred tax		-	7,445.99
IX	**Profit/(Loss) for the year (VII - VIII)**		**(1,258.44)**	**(13,871.66)**
X	**Other comprehensive income/(loss)**			
	Items that will not be reclassified to profit or loss			
	(i) Remeasurements of the defined benefit plans		(363.32)	(931.09)
	(ii) Tax on above		-	(141.12)
	Other comprehensive income/(loss) for the year, net of tax		**(363.32)**	**(1,072.21)**
XI	**Total comprehensive income for the year, net of tax (IX + X)**		**(1,621.76)**	**(14,943.87)**
	Basic/Diluted Earnings per share (of ₹ 10 each)		(251.69)	(2,774.33)

The accompanying notes are forming part of the standalone financial statements

As per our report attached
For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

ABHISHEK NIRMAL KUMAR BURAD
Digitally signed by ABHISHEK NIRMAL KUMAR BURAD
DN: cn=ABHISHEK NIRMAL KUMAR BURAD, c=IN, o=Personal, email=abhishek.burad@srb.in

Abhishek Burad
Partner
Membership Number: 122860

Place : **Mumbai**
Dated: 18 April 2023

For and on behalf of the Board of Directors

DocuSigned by: Sivasamban Natarajan 2358E5D389034FA...
Sivasamban Natarajan
Managing Director
DIN Number: 08912108

DocuSigned by: Aadesh Goyal E727DD8D964F400...
Aadesh Goyal
Director
DIN Number: 00044337

DocuSigned by: Sanjay Agarwal 117B72334997415...
Sanjay Agarwal
Chief Financial Officer

Place : **Mumbai**
Dated: **18 April 2023**

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Tata Communications Transformation Services Limited
Consolidated Cash Flow Statement for the year ended 31 March 2023

Particulars	Year Ended 31 March 2023 ₹ in Lakhs	Year Ended 31 March 2022 ₹ in Lakhs
Cash Flows from operating activities		
Profit/(Loss) before tax	(1,177.80)	(6,133.95)
Adjustments for :		
Depreciation and amortisation expense	3,401.89	3,221.50
Finance costs	1,491.00	1,804.15
Loss on sale of/write off assets	(20.56)	(5.75)
Exchange fluctuation on foreign exchange	(64.56)	(28.21)
Gain on investments carried at fair value through profit and loss	(62.21)	-
Interest on income tax refund	(377.53)	(1,832.13)
Allowance for doubtful advances	(4.04)	0.19
Allowance of doubtful trade receivables	(179.39)	3,669.41
Operating profit before working capital changes	**3,006.80**	**695.21**
Changes in working capital		
Adjustment for (increase) / decrease in operating assets:		
Trade receivables	15,323.04	(2,106.23)
Other assets	2,839.57	1,124.06
Adjustment for increase / (decrease) in operating liabilities:		
Trade and other payables	(142.46)	(20,308.08)
Provisions	(2,712.12)	65.77
Other liabilities	(746.24)	(1,417.42)
Cash generated from operations	**17,568.59**	**(21,946.69)**
Income tax paid (net)	3,612.25	14,070.62
Deferred tax on true up impact	-	(70.25)
Net cash flow generated from operating activities	**21,180.84**	**(7,946.32)**
Cash Flow from investing activities		
Payments for purchase of property, plant & equipment and intangibles	(1,511.98)	(1,408.96)
Proceeds from disposal of property, plant and equipment and intangibles	20.56	0.79
Purchase of current investments	(17,099.15)	-
Sale of current investments	13,960.86	-
Net cash used in investing activities	**(4,629.71)**	**(1,408.17)**
Cash flow from financing activities		
Net (decrease)/increase in working capital borrowings	(8,977.84)	9,774.31
Proceeds from long-term borrowings	-	7,945.77
Interest paid	(963.12)	(1,227.54)
Payment for acquiring right of use assets	(2,149.23)	(2,048.61)
Repayment of long term Loans	(7,945.77)	-
Net cash flow generated used in financing activities	**(20,035.96)**	**14,443.93**
Net increase in cash and cash equivalents	**(3,484.83)**	**5,089.44**
Cash and cash equivalents as at beginning of the year	11,006.84	5,917.40
Cash and cash equivalents as at end of the year	**7,522.01**	**11,006.84**

The accompanying notes are forming part of the standalone financial statements

As per our report attached
For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

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Abhishek Burad
Partner
Membership Number: 122860

Place : **Mumbai**
Dated: **18 April 2023**

For and on behalf of the Board of Directors

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Sivasamban Natarajan
Managing Director
DIN Number: 08912108

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Aadesh Goyal
Director
DIN Number: 00044337

DocuSigned by: Sanjay Agarwal 117B72334997415...
Sanjay Agarwal
Chief Financial Officer

Place : **Mumbai**
Dated: **18 April 2023**

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Tata Communications Transformation Services Limited
Consolidated Statement of changes in equity for the year ended 31 March 2023

Equity share capital

(₹ in Lakhs)

	No. of Shares	Amount
Balance as at 1 April 2021	5,00,000	50.00
Changes in equity share capital during the year	-	-
Balance as at 31 March 2022	5,00,000	50.00
Changes in equity share capital during the year	-	-
Balance as at 31 March 2023	**5,00,000**	**50.00**

Other equity

(₹ in Lakhs)

Particulars	Reserves and surplus			Items of other comprehensive income	Total
	General reserve	Retained earnings	Foreign currency translation reserve	Remeasurement of the defined benefit plans	
Balance as at 1 April 2021	**1,381.97**	**23,406.18**	**(58.40)**	**269.79**	**24,999.54**
Net loss for the year	-	(13,871.66)	-	-	(13,871.66)
Other comprehensive income / (loss) for the year	-	-	-	(931.09)	(931.09)
Tax impact in other comprehensive income/(loss) for the year	-	-	-	(141.12)	(141.12)
Foreign exchange translation Reserve	-	-	(396.78)	-	(396.78)
Total comprehensive income/(loss) for the year	**-**	**(13,871.66)**	**(396.78)**	**(1,072.21)**	**(15,340.65)**
Balance as at 31 March 2022	**1,381.97**	**9,534.52**	**(455.18)**	**(802.42)**	**9,658.89**
Net loss for the year	-	(1,258.44)	-	-	(1,258.44)
Other comprehensive income/(loss) for the year	-	-	-	(363.32)	(363.32)
Foreign exchange translation Reserve	-	-	(1,457.67)	-	(1,457.67)
Total comprehensive income/(loss) for the year	**-**	**(1,258.44)**	**(1,457.67)**	**(363.32)**	**(3,079.43)**
Balance as at 31 March 2023	**1,381.97**	**8,276.08**	**(1,912.85)**	**(1,165.74)**	**6,579.46**

The accompanying notes are forming part of the standalone financial statements

As per our report attached
For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

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Abhishek Burad
Partner
Membership Number: 122860

Place : **Mumbai**
Dated: **18 April 2023**

For and on behalf of the Board of Directors

DocuSigned by: Sivasamban Natarajan 2356E5D369034FA...
Sivasamban Natarajan
Managing Director
DIN Number: 08912108

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Aadesh Goyal
Director
DIN Number: 00044337

DocuSigned by: Sanjay Agarwal 11797233498741S...
Sanjay Agarwal
Chief Financial Officer

Place : **Mumbai**
Dated: **18 April 2023**

TATA Communications Transformation Services Limited

Notes forming part of the consolidated financial statements
for the year ended 31 March 2023

1. Corporate Information

TATA Communications Transformation Services Limited (the 'Company'), was incorporated on 6 October 2006 and is a wholly owned subsidiary of **Tata Communications Limited** (Holding Company).

The Company is domiciled in India and its registered office is at C-21/ C 36, G Block, Bandra Kurla Complex Mumbai – 400098, Maharashtra. The Company has branches in United Kingdom and Saudi Arabia.

Tata Communications Transformation Services Limited and its subsidiaries (collectively "the Group") are engaged in the business of providing telecommunication network management and support services.

2. Significant Accounting Policies

a. ***Statement of compliance***

These consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the consolidated financial statements

b. ***Basis of preparation of consolidated financial statements***

The consolidated financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

i. Derivative financial instruments

ii. Certain financial assets and liabilities measured at fair value (refer note 2(r))

The consolidated financial statements are presented in Indian Rupees (INR), and all values are rounded to the nearest lakh (INR 00,000), except when otherwise indicated.

c. ***Basis of consolidation***

The consolidated financial statements comprise the financial statements of the Group and entities controlled by the Group and its subsidiaries. Control is achieved when the Group:

i. has power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
ii. is exposed or has rights, to variable returns from its involvement with the investee, and
iii. has the ability to use its power over the investee to affect its returns

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Income and expenses of a subsidiary acquired or disposed off during the year are included in the consolidated financial statements from the date the Group obtains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the owners of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company.

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All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

i. De-recognises the assets and liabilities of the subsidiary
ii. De-recognises the carrying amount of any non-controlling interests
iii. De-recognises the cumulative translation differences recorded in equity
iv. Recognises the fair value of the consideration received
v. Recognises any surplus or deficit in profit or loss
vi. Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed off the related assets or liabilities.

*d. **Significant accounting estimates and assumptions***

The preparation of the Group's financial statements requires management to make, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Defined benefit plans

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Useful life of assets

The Group reviews the useful life of assets at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

Provisions and contingent liabilities

Provisions are recognised when the Group has a present obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. If the effect of the time value of money is material, provisions are discounted using a current

pre-tax rate that reflects, when appropriate, the risks specific to the liability. 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 occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Contingent liabilities are disclosed in the notes. Contingent assets are not recognised in the consolidated financial statements.

Provisions and contingent liabilities are reviewed at each balance sheet date.

Fair value of Financial Instruments

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Deferred taxes

Assessment of the appropriate amount and classification of income taxes is dependent on several factors, including estimates of the timing and probability of realisation of deferred income taxes and the timing of income tax payments. Deferred income taxes are provided for the effect of temporary differences between the amounts of assets and liabilities recognised for financial reporting purposes and the amounts recognised for income tax purposes. The Group measures deferred tax assets and liabilities using enacted tax rates that, if changed, would result in either an increase or decrease in the provision for income taxes in the period of change. The Group does not recognize deferred tax assets when there is no reasonable certainty that a deferred tax asset will be realized. In assessing the reasonable certainty, management considers estimates of future taxable income based on internal projections which are updated to reflect current operating trends the character of income needed to realise future tax benefits, and all available evidence.

e. ***Current versus non-current classification***

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as 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, or
- 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, or

There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

TATA Communications Transformation Services Limited

Notes forming part of the consolidated financial statements
for the year ended 31 March 2023

f. ***Cash and cash equivalents (for purposes of Cash flow statement)***

Cash comprises cash on hand. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

g. ***Property, plant and equipment***

Property, plant and equipment are stated at cost of acquisition or construction, less accumulated depreciation / amortisation and impairment loss, if any. Cost includes inward freight, duties, taxes and all incidental expenses incurred for making the asset ready for its intended use.

Capital work-in-progress includes cost of property, plant and equipment under installation/ under development as at the balance sheet date and are carried at cost, comprising of direct cost, directly attributable cost and attributable interest.

Depreciable amount for Property, plant and equipment is the cost of Property, plant and equipment, or other amount substituted for cost, less its estimated residual value (wherever applicable). Depreciation on property, plant and equipment has been provided on the straight-line method as per the estimated useful lives. The asset's residual values estimated useful lives and methods of depreciation are reviewed at each financial year end and any change in estimate is accounted for on a prospective basis.

Estimated useful lives of the assets are as follows

	Property, plant & equipment	Estimated useful life of Assets
a.	Plant and Machinery	
	- Network Equipment & Components (Refer note 1 below)	2 to 13 years
	- Electrical Equipment & Installations*	10 years
	- General Plant & Machinery*	15 years
b.	Office Equipment	
	- Integrated Building Management Systems (Refer note 1 below)	8 years
	- Others*	5 years
c.	Leasehold Improvements	Asset life or lease period, whichever is less
d.	Buildings (Temporary Structures) *	3 years
e.	Furniture & Fixtures*	8 to 10 years
f.	Computers, servers and network*	3 to 6 years

* On the above categories of assets, the depreciation has been provided as per useful life prescribed in Schedule II to the Companies Act, 2013.

1. In these cases, the lives of the assets are other than the prescribed lives in Schedule II to the Companies Act, 2013. The lives of the assets have been assessed based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, etc.

2. Property, plant and equipment are eliminated from financial statement, on disposal. Losses arising from disposal of property, plant and equipment are recognised in the Consolidated Statement of Profit and Loss in the year of occurrence.

3. Cost of property, plant and equipment also includes present value of provision for decommissioning of assets if the recognition criteria's for a provision are met.

h. ***Intangible assets***

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the assets will flow to the Group and the cost of the asset can be measured reliably.

Intangible assets under development includes expenditure on software development eligible for capitalisation which are carried as Intangible assets under development where such assets are not yet ready for their intended use.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at the end of financial year. Changes in the expected useful life are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Intangible assets are amortised as follows:

Computer (Software and Application)	3 to 6 years

An intangible asset is de-recognised on disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Consolidated Statement of Profit and Loss when the asset is de-recognised.

i. ***Impairment of non-financial asset***

The carrying values of assets / cash generating units ("CGU") at each balance sheet date are reviewed for impairment, if any indication of impairment exists. The following intangible assets are tested for impairment at the end of each financial year even if there is no indication that the asset is impaired:

i. an intangible asset that is not yet available for use; and

ii. an intangible asset with indefinite useful lives.

If the carrying amount of the assets exceed the estimated recoverable amount, impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Consolidated Statement of Profit and Loss, unless the asset is carried at a revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and the value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Consolidated Statement of Profit and Loss, to the extent the amount was previously charged to the Consolidated Statement of Profit and Loss. In case of revalued assets such reversal is not recognised.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks

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specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for the Group as a CGU. These budgets and forecast calculations generally cover a significant period. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the significant period.

j. ***Leases***

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a Right of Use the asset or assets, even if that right is not explicitly specified in an arrangement.

Lessee

The Company's lease asset classes primarily consist of leases for Land, buildings and office spaces. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. Refer to the accounting policies in note 2(i) Impairment of non-financial assets.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. The Company uses return on treasury bills with similar maturity as base rate and makes adjustments for spread based on the company's credit rating as the implicit interest rate cannot be readily determinable. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet.

Lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

For operating leases, rental income is recognized on a straight-line basis over the term of the relevant lease.

k. ***Employee benefits***

Employee benefits include contributions to provident fund, employee state insurance corporation (ESIC), gratuity fund, compensated absences, performance incentives and post-employment medical benefits.

i. **Short term employee benefits**

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

ii. **Post-employment benefits**

Contributions to defined contribution retirement benefit schemes are recognised as an expense when employees have rendered services entitling them to the contributions.

For defined benefit schemes, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling (if applicable), excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to the Consolidated Statement of Profit and Loss in subsequent periods. Past service cost is recognised in the Consolidated Statement of Profit and Loss in the period of plan amendment.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

The Group recognises changes in service costs comprising of current service costs, past-service costs, gains and losses on curtailments and non-routine settlements under employee benefit expenses in the Consolidated Statement of Profit and Loss.

The net interest expense or income is recognised as part of finance cost in the Consolidated Statement of Profit and Loss.

The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, and as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the scheme.

iii. **Other long term employee benefits**

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

l. Revenue recognition

Revenue from contracts with customers is recognised upon transfer of control of promised products or services to the customers. As per the terms of the contract with the customers and accordingly the performance obligations are determined and transactions prices are allocated. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable excluding taxes collected on behalf of the government and is reduced for estimated credit notes and other similar allowances.

The group derives its revenues from telecommunication network management consulting, supply of equipment's and other support services. Revenues from the said services are derived from unit-priced contracts. The consideration due to the group is based on the performance of these services. Revenue is recognised as the related services are performed, in accordance with the specific terms of the contract with the customers.

The group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated.

Accounting treatment of assets and liabilities arising in course of sale of goods and services is set out below:

Trade receivables
A receivable represents the group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

I. Contract assets
Contract asset is recorded when revenue is recognized in advance of group's right to bill and receive the consideration (i.e. we must perform additional services or complete a milestone of performance obligation in order to bill and receive the consideration as per the contract terms).

II. Contract liabilities
Contract liabilities represent consideration, received from customers in advance for providing the goods and services promised in the contract. The revenue recognition of the same is deferred until the related performance obligation as per the contract with the customer is satisfied.

Cost Deferment

The Company incurs certain costs for transitioning customer processes before commencement of services. Such costs are aligned to the tenure of the revenue recognition for related customer contracts.

m. Other Income

i. Dividends from investments are recognised when the right to receive payment is established and no significant uncertainty as to measurability or collectability exists.

ii. Interest income for all financial instruments measured at amortised cost is recorded on accrual basis. Interest income is included in other income in the Consolidated Statement of Profit and Loss.

n. ***Taxation***

1. **Current income tax**

i. Current income tax expense comprises taxes on income from operations in India and foreign tax jurisdictions. Income tax payable in India is determined in accordance with the provisions of the Income Tax Act, 1961. Tax expense relating to overseas operations is determined in accordance with tax laws applicable n respective countries where such operations are domiciled.

ii. Provision for current income taxes and advance taxes paid in respect of the same jurisdiction are presented in the balance sheet after offsetting them on an assessment year basis.

iii. Current income tax relating to items recognised outside the Statement of Profit and Loss is recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

2. **Deferred tax**

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognised outside the Consolidated Statement of Profit and Loss (either in Other comprehensive income or in equity) is recognised outside the Consolidated Statement of Profit and Loss. Deferred tax items are recognised in correlation to the underlying transaction either in Other comprehensive income or directly in equity.

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

Deferred tax relating to items recognised outside the Consolidated Statement of Profit and Loss is recognised outside the Consolidated Statement of Profit and Loss. Deferred tax items are recognised in correlation to the underlying transaction either in Other Comprehensive Income or directly in equity.

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

The Group in certain tax jurisdictions, has unused tax losses and tax credits for which no deferred tax asset have been recognised as it is not probable that sufficient taxable profits will be available to allow all or part of the deferred assets to be utilised.

o. ***Fair value measurement***

The Group measures financial instruments such as derivatives and certain investments, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

i. In the principal market for the asset or liability or

ii. In the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole

Level 1 — Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 — Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 — Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

For assets and liabilities that are recognised in the balance sheet on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.
For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

p. ***Foreign currencies***

The Group's financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. For each entity the Group determines the functional currency and items included in the consolidated financial statements of each entity are measured using that functional currency.
The Group uses the direct method of consolidation and on disposal of a foreign operation the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

Foreign currency transactions are converted into Indian Rupees at rates of exchange approximating those prevailing at the transaction dates or at the average exchange rate for the month in which the transaction occurs. Foreign currency monetary assets and liabilities are outstanding as at the balance sheet date are translated to Indian Rupees at the closing rates prevailing on the balance sheet date. Non-monetary assets and liabilities of the Group are carried at historical cost. Exchange differences on foreign currency transactions are recognised in the Consolidated Statement of Profit and Loss.

On consolidation, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in profit or loss.

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q. Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

r. Financial instruments

Financial assets and liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

Financial assets

i. **Financial assets at amortised cost**
Financial assets are subsequently measured at amortised cost using effective interest rate (EIR) if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

ii. **Financial assets at Fair Value Through Other Comprehensive Income (FVTOCI)**
Financial assets are measured at fair value through Other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows that give rise on specified dates to solely payments of principal and interest on the principal amount outstanding and by selling financial assets.

iii. **Financial assets at Fair Value Through Profit or Loss (FVTPL)**
Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

iv. **De-recognition**
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily de-recognised (i.e. removed from the Group's balance sheet) when

a. The rights to receive cash flows from the asset have expired, or

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

The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

v. **Impairment of financial assets**

The Group assesses impairment based on expected credit losses (ECL) model to the following:

a. Financial assets measured at amortised cost
b. Financial assets measured at Fair Value through Other Comprehensive Income

Expected credit losses are measured through a loss allowance at an amount equal to the 12-month expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date)

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract revenue receivables

Under the simplified approach, the Group does not track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The Group uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

For assessing ECL on a collective basis, financial assets have been grouped on the basis of shared risk characteristics and basis of estimation may change during the course of time due to change in risk characteristics.

Financial liabilities

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

i. **Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below

I. **Loans and borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost on accrual basis and using the effective interest rate (EIR) method.

II. **De-recognition**

A financial liability is de-recognised 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 the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Consolidated Statement of Profit and Loss.

ii. **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously

iii. **Derivative financial instruments - Initial and subsequent measurement**

The Group uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value.

Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

s. Recent accounting pronouncements

On 31 March 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from 1 April 2023, as below:

Ind AS 1 – Presentation of Financial Statements:
The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 – Income Taxes:
The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors:
The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

The amendments are extensive and the Company will give effect to them as required by law.

TATA Communications Transformation Services Limited

Notes forming part of the consolidated financial statements
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3. Property, plant and equipment

(₹ in lakhs)

	Leasehold Improvement	Building	Plant and Machinery	Furniture and Fixtures	Office Equipment	Computers	Total
Cost							
Balance as at 1 April 2021	4,075.56	21.78	5,265.54	983.67	1,075.94	5,743.19	17,165.68
Additions	-	-	196.33	-	5.88	937.78	1,139.99
Disposals	-	-	(3.89)	-	-	-	(3.89)
Effect of foreign currency translation	-	-	0.78	-	0.98	7.75	9.51
Balance as at 31 March 2022	**4,075.56**	**21.78**	**5,458.76**	**983.67**	**1,082.80**	**6,688.72**	**18,311.29**
Additions	-	-	55.82	1.41	13.91	951.60	1,022.74
Disposals	-	-	(272.39)	(7.63)	(0.18)	(11.38)	(291.58)
Assets Written Off	-	-	(240.06)	-	-	(119.78)	(359.84)
Effect of foreign currency translation	-	-	1.85	-	2.32	(98.68)	(94.51)
Balance as at 31 March 2023	**4,075.56**	**21.78**	**5,003.98**	**977.45**	**1,098.85**	**7,410.48**	**18,588.10**
Balance as at 1 April 2021	3,679.99	21.78	2,512.30	627.66	870.23	4,695.82	12,407.78
Depreciation	164.60	-	463.26	64.55	73.13	689.16	1,454.70
Disposals	-	-	(3.70)	-	-	-	(3.70)
Effect of foreign currency translation	-	-	0.17	-	0.51	6.83	7.51
Balance as at 31 March 2022	**3,844.59**	**21.78**	**2,972.03**	**692.21**	**943.87**	**5,391.81**	**13,866.29**
Depreciation	145.88	-	478.26	63.15	60.36	826.86	1,574.51
Disposals	-	-	(272.39)	(7.63)	(0.19)	(11.37)	(291.58)
Assets Written Off	-	-	(240.06)	-	-	(119.78)	(359.84)
Effect of foreign currency translation	-	-	0.40	-	1.35	(101.45)	(99.70)
Balance as at 31 March 2023	**3,990.47**	**21.78**	**2,938.24**	**747.73**	**1,005.39**	**5,986.07**	**14,689.68**
Balance as at 31 March 2022	230.97	-	2,486.73	291.46	138.93	1,296.91	4,445.00
Balance as at 31 March 2023	**85.09**	-	**2,065.74**	**229.72**	**93.46**	**1,424.41**	**3,898.42**

4. Capital work-in-progress

CWIP Ageing Schedule:

(₹ in lakhs)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress					
As on 31 March 2023	82.33	-	-	-	**82.33**
As on 31 March 2022	11.25	-	-	-	**11.25**

CWIP Ageing Schedule (for projects whose completion is overdue or whose cost has exceeded its cost compared to its original plan) :

(₹ in lakhs)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As on 31 March 2023					
Project 1	82.33	-	-	-	**82.33**

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(₹ in lakhs)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As on 31 March 2022					
Project 1	4.59	-	-	-	**4.59**

There are no projects which are temporarily suspended or whose cost has exceeded its cost compared to its original plan as at 31 March 2023 and 31 March 2022 respectively.

5. Right of use Assets

(₹ in lakhs)

Tangible assets	**ROU Asset**
Cost	**Amount**
Balance as at 1 April 2021	8,793.31
Additions	286.25
Disposal	(60.76)
Effect of foreign currency translation	1.33
Balance as at 31 March 2022	9,020.13
Additions	1,363.65
Disposal	-
Effect of foreign currency translation	(5.51)
Balance as at 31 March 2023	**10,378.27**
Accumulated Depreciation	
Balance as at 1 April 2021	2,542.62
Amortisation	1,654.46
Disposals	(54.75)
Effect of foreign currency translation	0.43
Balance as at 31 March 2022	**4,142.76**
Amortisation	1,675.05
Disposals	-
Effect of foreign currency translation	0.42
Balance as at 31 March 2023	**5,818.23**
Carrying amount	
Balance as at 31 March 2022	4,877.37
Balance as at 31 March 2023	**4,560.04**

The aggregate amortisation expense on ROU assets is included under depreciation and amortisation expenses in the Statement of Profit and Loss.

TATA Communications Transformation Services Limited

Notes forming part of the consolidated financial statements
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6. Intangible assets

(₹ in lakhs)

Intangible assets	Computer (Software and application)
Cost	
Balance as at 1 April 2021	3,719.19
Additions	414.09
Balance as at 31 March 2022	**4,133.28**
Additions	31.47
Assets written off	(2,816.56)
Balance as at 31 March 2023	**1,348.19**
Accumulated amortization	
Balance as at 1 April 2021	3,437.67
Amortisation Expense	112.34
Balance as at 31 March 2022	**3,550.01**
Amortisation Expense	152.33
Assets written off	(2,816.56)
Balance as at 31 March 2023	**885.78**
Carrying amount	
Balance as at 31 March 2022	583.27
Balance as at 31 March 2023	**462.41**

7. Intangible assets under development (ITUD)

ITUD Ageing Schedule:

(₹in lakhs)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress					
As on 31 March 2023	15.00	-	-	-	**15.00**
As on 31 March 2022	20.65	-	-	-	**20.65**

ITUD Completion Schedule (for projects whose completion is overdue or whose cost has exceeded its cost compared to its original plan):

(₹in lakhs)

Particulars	To be Completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As on 31 March 2023					
Project 1	15.00	-	-	-	**15.00**

(₹in lakhs)

Particulars	To be Completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As on 31 March 2022					
Project 1	9.73	-	-	-	**9.73**

There are no projects which are temporarily suspended or whose cost has exceeded its cost compared to its original plan as at 31 March 2023 and 31 March 2022 respectively.

TATA Communications Transformation Services Limited

Notes forming part of the consolidated financial statements
for the year ended 31 March 2023

8. Other financial assets

(₹ in lakhs)

		As at 31 March 2023	As at 31 March 2022
A.	**Non-current**		
	Security deposits – unsecured, considered good	961.91	963.65
	Total (A)	**961.91**	**963.65**
B.	**Current**		
a.	Deposits to contractors and vendors - unsecured, considered good	206.51	114.07
b.	Others	26.41	(9.16)
	Total (B)	**232.92**	**104.91**
	(A+B)	**1,194.83**	**1,068.56**

9. Deferred tax assets (net)

The Group has restricted recognition of deferred tax assets resulting from the carry forward losses and other timing differences to the extent of deferred tax liabilities, as the group has accumulated tax losses and conditions prescribed by IND AS are not met.

In the previous year, the Group had de-recognised the deferred tax asset balance in absence of reasonable certainty to utilize the same against future taxabale income. The Group continues to not recognise deferred tax asset on the tax losses and temporary differences as at March 31, 2023.

Major components of deferred tax asset and liability as at 31 March 2022 consist of the following

(₹ in lakhs)

	As at 1 April 2021	Profit or Loss Gain/(Loss)	Other comprehensive income	Translation adjustment	As at 31 March 2022
Deferred tax assets in relation to:					
Difference between accounting and tax depreciation / amortization	771.94	(771.94)	-	-	-
Provision for doubtful trade receivables & Advances	506.60	(506.73)	-	0.13	-
Provision for employee benefit obligations	1,109.32	(978.17)	(141.12)	9.97	-
Expenditure disallowed u/s. 40 (a) (ia)	156.74	(156.74)	-	-	-
Carry forward net operating losses	4,644.42	(4,706.77)	-	62.35	-
Ind AS 116 Impact	180.22	(180.22)	-	-	-
Others	147.62	(145.42)	-	(2.20)	-
Deferred tax assets (net)	**7,516.86**	**(7,445.99)**	**(141.12)**	**70.25**	**-**

i. Details of deferred tax asset on temporary differences, unused tax losses, and unused tax credits which has not been recognised in the balance sheet along with expiry date if any. (refer below table)

(₹ in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Deferred tax assets with no expiry date	4,817.68	3,001.71
Deferred tax assets with expiry date	1,622.63	1,622.63

Particulars	As at 31 March 2023	As at 31 March 2022
Deferred tax assets which would expire based on the year of origination are as follows	FY 2027 to 2028	FY 2027 to 2028

TATA Communications Transformation Services Limited

Notes forming part of the consolidated financial statements
for the year ended 31 March 2023

10. Income tax assets (net)

(₹ in lakhs)

	As at 31 March 2023	As at 31 March 2022
Advance tax (net of provision for taxes) (refer (i) below)	3,466.08	6,781.44
Total	**3,466.08**	**6,781.44**

i. Advance tax includes amount paid under dispute ₹ 82.49 lakhs (2022: ₹ 335 lakhs).

11. Other assets

(₹ in lakhs)

		As at 31 March 2023	As at 31 March 2022
	Unsecured		
A.	**Non-current**		
a.	Capital advances – unsecured, considered good	-	44.59
b.	Prepaid expenses – unsecured, considered good	98.91	134.13
	Total (A)	**98.91**	**178.72**
B.	**Current**		
a.	Advances to employees		
	Unsecured, considered good	90.80	33.58
	Unsecured, considered doubtful	3.25	3.25
		94.05	36.83
	Less: allowance for doubtful advances	(3.25)	(3.25)
		90.80	33.58
b.	Indirect tax recoverable – considered good (net)	1,400.75	2,421.05
c.	Advances to vendors		
	Unsecured, considered good	521.29	2,374.17
	Unsecured, considered doubtful	10.11	10.11
		531.40	2,384.28
	Less: allowance for doubtful advances	(10.11)	(10.11)
		521.29	2,374.17
d.	Prepaid expenses – unsecured, considered good	703.47	814.84
	Total (B)	**2,716.31**	**5,643.64**
	(A+B)	**2,815.22**	**5,822.36**

12. Investments

(₹ in lakhs)

	As at 31 March 2023	As at 31 March 2022
Current		
Investments at fair value through profit or loss		
Investments in Mutual Funds (unquoted)	3,200.50	-
Total	**3,200.50**	**-**

TATA Communications Transformation Services Limited

Notes forming part of the consolidated financial statements
for the year ended 31 March 2023

13. Trade receivables

(₹ in lakhs)

		As at 31 March 2023	As at 31 March 2022
	Unsecured (including unbilled receivables) (refer note i below)		
a.	Considered good *	40,495.05	55,638.70
b.	Doubtful debts	5,524.62	5,704.01
		46,019.67	**61,342.71**
	Less: Allowance for doubtful debt (Refer note 41 (d))	(5,524.62)	(5,704.01)
	Total	**40,495.05**	**55,638.70**

* Includes Trade Receivables from Related Parties (refer note 34)

i. The Group has significant part of the 'revenue from operations' for the year ended March 31, 2023 and trade receivables outstanding (including unbilled revenue) as at March 31, 2023 from a large customer who in its declared unaudited results for quarter ended December 31, 2022, had expressed its ability to continue as a going concern to be dependent on raising additional funds as required, successful negotiations with lenders and vendors for continued support and generation of cash flow from operations that it needs to settle its liabilities as they fall due. Further, the results stated that as at December 31, 2022, the said customer has met all its debt obligations payable to its lenders / banks and financial institutions along with applicable interest and has utilized extended credit period to discharge some of its contractual obligations. The said customer continues to be in discussion with its vendors to agree to a payment plan for the outstanding dues. Also, during February 2023, the said customer allotted equity shares to the Department of Investment and Public Asset Management, Government of India (GOI), towards conversion of net present value of the interest amount relating to deferment of certain dues and accordingly GOI now holds 33.44 % in that Customer.

As at March 31, 2023, the carrying amount of trade receivables (including unbilled revenue and net of provisions) from the said customer was ₹ 17,150 lacs (March 31, 2022 ₹ 19,738 lacs). The Group believes that the balance is good and recoverable basis its on-going interactions with that customer and accordingly the same has been included under undisputed trade receivables which have significant increase in credit risk below.

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Notes forming part of the consolidated financial statements
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Trade receivable ageing as on 31 March 2023

(₹ in lakhs)

	Particulars	Unbilled	Not Due	Outstanding for following payments from due date of payment					
				Less than 6 months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	Total
A	Undisputed trade receivables – considered good	6,736.06	11,976.53	4,500.29	234.03	169.17	166.06	54.36	23,836.50
B	Undisputed trade receivables – which have significant increase in credit risk (refer i above)	2,078.11	6,837.02	6,429.24	409.14	3,917.83	1,242.38	1,269.45	22,183.17
C	Undisputed trade receivables – credit impaired	-	-	-	-	-	-	-	-
D	Disputed trade receivables – considered good	-	-	-	-	-	-	-	-
E	Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
F	Disputed trade receivables – credit impaired	-	-	-	-	-	-	-	-
	Total	8,814.17	18,813.55	10,929.53	643.17	4,087.00	1,408.44	1,323.81	46,019.67
	Less: Allowance for doubtful receivables								(5,524.62)
	Total								**40,495.05**

TATA Communications Transformation Services Limited

Notes forming part of the consolidated financial statements
for the year ended 31 March 2023

Trade receivable ageing as on 31 March 2022

(₹ in lakhs)

	Particulars	Unbilled	Not Due	Outstanding for following payments from due date of payment					
				Less than 6 months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	Total
A	Undisputed trade receivables – considered good	10,790.34	19,334.95	23,133.34	1,589.23	1,221.46	82.44	8.58	56,160.34
B	Undisputed trade receivables – which have significant increase in credit risk	-	-	402.87	1,873.28	717.74	1,822.89	365.59	5,182.37
C	Undisputed trade receivables – credit impaired	-	-	-	-	-	-	-	-
D	Disputed trade receivables – considered good	-	-	-	-	-	-	-	-
E	Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
F	Disputed trade receivables – credit impaired	-	-	-	-	-	-	-	-
	Total	**10,790.34**	**19,334.95**	**23,536.21**	**3,462.51**	**1,939.20**	**1,905.33**	**374.17**	**61,342.71**
	Less :Allowance for doubtful receivables								(5,704.01)
	Total								**55,638.70**

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Notes forming part of the consolidated financial statements
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14. Cash and cash equivalents

(₹ in lakhs)

	As at 31 March 2023	As at 31 March 2022
Current accounts with banks	7,522.01	11,006.84
Total	**7,522.01**	**11,006.84**

15. Equity share capital

(₹ in lakhs)

	As at 31 March 2023	As at 31 March 2022
a. **Authorised:**		
1,000,000 (2022: 1,000,000) Equity shares of ₹ 10 each	100.00	100.00
	100.00	**100.00**
b. **Issued, subscribed and paid up:**		
500,000 (2022: 500,000) Equity shares of ₹ 10 each, fully paid up	50.00	50.00
Total	**50.00**	**50.00**

a. **Issued, subscribed and paid up:**
There was no movement in the issued, subscribed and paid-up share capital of the Parent Company during the year.

b. Number of shares held by each shareholder holding more than 5% of the issued share capital:

	As at 31 March 2023		As at 31 March 2022	
	No of shares	Percentage	No of shares	Percentage
Tata Communications Limited (Holding Company)	500,000	100%	500,000	100%

c. **Terms / rights attached to equity shares:**

The Company has only one class of equity shares having a face value of ₹ 10 per share. Equity shareholders are entitled to one vote per share at any General Meeting of Shareholders.
In the event of liquidation of the Group, the holders of equity shares will be entitled to receive remaining assets of the Group, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

16. Other equity

(₹ in lakhs)

		As at 31 March 2023	As at 31 March 2022
a.	General reserve (Refer Note i below)	1,381.97	1,381.97
b.	Retained earnings	8,276.08	9,534.52
c.	Other comprehensive income (Refer Note ii below)	(1,165.74)	(802.42)
d.	Foreign currency translation reserve (Refer Note iii below)	(1,912.85)	(455.18)
	Total	**6,579.46**	**9,658.89**

i. **General reserve**

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes.

ii. **Other comprehensive income**

This represents the cumulative gains and losses arising on remeasurement of defined employee benefit plans (net of tax).

iii. **Foreign currency translation reserve**

Exchange difference relating to the translation of the result and net asset of the Group's foreign operation from their functional currencies to the Group's presentation currency are recognized directly in other comprehensive income and accumulated in the foreign currency translation reserve. Exchange differences previously accumulated in the foreign currency translation reserve (in respect of translating the net assets of foreign operations) are reclassified to profit or loss on disposal of the foreign operation

17. Borrowings

(₹ in lakhs)

		As at 31 March 2023	As at 31 March 2022
A.	**Non-current**		
	Intercompany Loans (refer note 34) (refer i below)	-	7,945.77
	Total (A)	**-**	**7,945.77**
B.	**Current**		
	Unsecured		
	Loans repayable on demand (from banks)		
	a. Cash credit facility	-	10,386.60
	(Rate of Interest per annum: 2.55% to 8.80%; 2022: 1.58% to 7.50%)		
	b. Bank overdraft	13,508.02	12,163.82
	(Rate of Interest per annum in India: 6.80% to 8.80%; 2022: 7.20%)		
	(Rate of Interest per annum in subsidiary: 2.60% to 6.75%; 2022: 2.60% to 3.00%)		
	Total (B)	**13,508.02**	**22,550.42**
	(A+B)	**13,508.02**	**30,496.19**

i. The intercompany loan was an unsecured loan taken from the Holding Company for meeting the working capital requirements of the Company. It carried interest @ 7.5% per annum and was repayable on May 12, 2026. During the current year, Company has repaid the said loan along with corresponding interest due till the date of repayment.

18. Lease liabilities

(₹ in lakhs)

		As at 31 March 2023	As at 31 March 2022
A.	**Non-current**		
	Lease Liability (refer note 35)	3,568.02	4,124.38
	Total (A)	**3,568.02**	**4,124.38**
B.	**Current**		
	Lease Liability (refer note 35)	1,843.03	1,658.80
	Total (B)	**1,843.03**	**1,658.80**
	(A+B)	**5,411.05**	**5,783.18**

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19. Other financial liabilities

(₹ in lakhs)

	As at 31 March 2023	As at 31 March 2022
Current		
a. Capital goods		
- Payable to related parties (refer note 34)	20.20	29.85
- Others	55.15	478.00
b. Fair value of foreign currency forward contracts	103.31	61.75
c. Other payables	4.44	15.00
Total	**183.10**	**584.60**

20. Provisions

(₹ in lakhs)

	As at 31 March 2023	As at 31 March 2022
A. **Non-current**		
Provision for employee benefits		
a. Provision for gratuity (refer note 33)	403.17	853.49
b. Provision for compensated absences (refer note 33)	1,408.74	1,261.83
c. Provision for Asset Retirement Obligation liability	10.08	10.50
Total (A)	**1,821.99**	**2,125.82**
B. **Current**		
a. Provision for compensated absences (refer note 33)	396.61	852.95
b. Provision for others	690.30	710.14
Total (B)	**1,086.91**	**1,563.09**
(A+B)	**2,908.90**	**3,688.91**

Movement of provisions

(₹ in lakhs)

	As at 31 March 2023		As at 31 March 2022	
	Provision for Asset retirement obligation liability (refer a below)	**Provision for others (refer b below)**	Provision for Asset retirement obligation liability (refer a below)	Provision for others (refer b below)
Opening balance	**10.50**	**710.14**	**10.76**	-
Addition	0.60	-	0.60	710.14
Utilisation/ adjustments	(1.03)	19.84	(0.86)	-
Closing balance	**10.08**	**690.30**	**10.50**	**710.14**
Non-current provision	**10.08**	-	**10.50**	-
Current provision	-	**690.30**	-	**710.14**

a. The provision for asset retirement obligation liability has been recorded in the books of the Group in respect of certain property, plant and equipment [refer note 2(c)].

b. Provision for others is mainly towards provision for other tax matters.

TATA Communications Transformation Services Limited

Notes forming part of the consolidated financial statements
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21. Other liabilities

(₹ in lakhs)

		As at 31 March 2023	As at 31 March 2022
A.	**Non-current**		
a.	Accrued employee costs	352.57	257.29
b.	Deferred Revenue (Refer note i below)	0.00	105.22
	Total (A)	**352.57**	**362.51**
B.	**Current**		
a.	Deferred revenue (Refer note i below)	1,037.14	1,153.75
b.	Accrued employee costs	6,092.22	6,699.31
c.	Statutory liabilities	1,641.87	1,693.86
d.	Other liabilities	28.07	22.29
	Total (B)	**8,799.30**	**9,569.21**
	(A+B)	**9,151.87**	**9,931.72**

i. Deferred revenue represents contract liabilities.

22. Trade and other payables

(₹ in lakhs)

		As at 31 March 2023	As at 31 March 2022
a.	Trade payables	22,460.26	23,030.39
b.	Payable to related parties (refer note 34)	7,459.23	7,031.56
	Total	**29,919.49**	**30,061.95**

Trade payable ageing as on 31 March 2023

(₹ in lakhs)

	Particulars	Unbilled	Not Due	Outstanding for following payments from due date of payment				
				Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
A	Total outstanding dues of micro enterprises and small enterprises	-	3,289.11	-	-	-	-	**3,289.11**
B	Total outstanding dues of creditors other than micro enterprises and small enterprises	17,183.95	1,008.81	7,141.61	1,107.04	8.60	128.05	**26,578.06**
C	Disputed dues of micro enterprises and small enterprises	-	0.06	-	-	-	-	**0.06**
D	Disputed dues of creditors other than micro enterprises and small enterprises	1.42	50.84	-	-	-	-	**52.26**

TATA Communications Transformation Services Limited

Notes forming part of the consolidated financial statements
for the year ended 31 March 2023

Trade payable ageing as on 31 March 2022

(₹ in lakhs)

	Particulars	Unbilled	Not Due	Outstanding for following payments from due date of payment				
				Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
A	Total outstanding dues of micro enterprises and small enterprises	-	2,244.82	-	-	-	-	2,244.82
B	Total outstanding dues of creditors other than micro enterprises and small enterprises	21,599.52	1,423.32	3,479.53	142.86	265.81	853.77	27,764.81
C	Disputed dues of micro enterprises and small enterprises	-	0.06	-	-	-	-	0.06
D	Disputed dues of creditors other than micro enterprises and small enterprises	1.42	50.84	-	-	-	-	52.26

23. Other income

(₹ in lakhs)

		Year ended 31 March 2023	Year ended 31 March 2022
a.	Interest Income	5.46	0.07
b.	Interest on income tax refund	377.53	1,832.13
c.	Foreign exchange gain/(loss) (net)	553.26	202.81
d.	Net gain on investments carried at fair value through profit and loss	62.21	-
e.	Liabilities no longer required - written back	309.06	86.07
f.	Others	678.97	762.90
	Total	**1,986.49**	**2,883.98**

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Notes forming part of the consolidated financial statements
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24. Operating and other expense

(₹ in lakhs)

		Year ended 31 March 2023	Year ended 31 March 2022
a.	Light and power	601.99	406.57
b.	Repairs and maintenance		
	i. Building	362.58	247.25
	ii. Plant and machinery (refer note iv)	3,323.58	3,760.58
	iii. Others	607.89	232.41
c.	Allowance for doubtful trade receivables	(429.55)	3,617.71
d.	Allowance for doubtful advances	-	0.19
e.	Rent	1,649.12	1,388.52
f.	Network management and sub-contracting charges	50,922.31	51,567.16
g.	Travelling expenses	1,440.62	916.16
h.	Local conveyance	1,049.40	523.83
i.	Telephone expenses	1,152.05	1,050.26
j.	Printing, postage and stationery	48.06	91.97
k.	Outsourced manpower cost	18,871.52	20,683.26
l.	Legal and professional charges	1,734.49	1,287.37
m	Brand equity and business promotion expenses	-	13.48
n.	Advertising and publicity	203.65	121.51
o.	Recruitment expenses	294.98	295.25
p.	Security Charges	325.41	183.18
q.	Corporate social responsibility (Refer note i)	-	7.65
r.	Other expenses (refer note ii)	836.63	1,381.59
	Total	**82,994.73**	**87,775.90**

i. Disclosure in respect of Corporate Social Responsibility (CSR) expenditure:

(₹ in lakhs)

		Year ended 31 March 2023	Year ended 31 March 2022
1.	Amount required to be spent by the company during the year	-	6.74
2.	Amount spent on		
	(i) Construction / acquisition of any asset	-	-
	(ii) On purposes other than (i) above	-	6.74
3.	Shortfall at the end of the year provided for	-	-
4.	Total of previous years shortfall	-	-
5.	Unspent amount in relation to ongoing project	-	-
6.	Reason for shortfall	NA	NA
7.	Nature of CSR activities	NA	Mainly for sustainable livelihood
8.	Details of related party transactions in relation to CSR expenditure as per relevant Accounting Standard	-	-

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ii. Other expenses include auditor's remuneration as follows: (excluding goods and service tax):

(₹ in lakhs)

	Year ended 31 March 2023	Year ended 31 March 2022
Auditors' remuneration and expenses		
a. Audit fees	22.77	20.90
b. Taxation matters	4.05	4.05
c. Other professional services	0.83	3.82

iii. Operating and other expenses includes an adjustment on account of liabilities no longer required written back, pertaining to prior years.

iv. Repairs & maintenance – Plant & Machinery includes cost of materials supplied to a customer ₹ 415.91 lakhs.

25. Employee benefits expense

(₹ in lakhs)

	Year ended 31 March 2023	Year ended 31 March 2022
a. Salaries and related costs	51,098.34	53,266.53
b. Contributions to provident, gratuity and other funds (Refer note 33)	3,371.15	3,047.05
c. Staff welfare expenses	2,800.61	2,595.33
Total	**57,270.10**	**58,908.91**

26. Finance costs

(₹ in lakhs)

	Year ended 31 March 2023	Year ended 31 March 2022
a. Interest on bank overdraft and loans	760.90	584.11
b. Interest on lease liability	417.93	514.69
c. Interest on loan from related parties (refer note 34)	200.26	643.87
d. Other interest	111.91	61.48
Total	**1,491.00**	**1,804.15**

27. Depreciation and amortisation expense

(₹ in lakhs)

	Year ended 31 March 2023	Year ended 31 March 2022
a. Depreciation for the year on property, plant and equipment (Refer note 3)	1,574.51	1,454.70
b. Amortisation for the year on right of use assets (Refer note 5)	1,675.05	1,654.46
C. Amortisation for the year on intangible assets (Refer note 6)	152.33	112.34
Total	**3,401.89**	**3,221.50**

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28. Staff cost optimisation

As part of Group's initiative to enhance the long-term efficiency of the business, the Company, in FY 20-21 undertook organisational changes to align to the Company's business requirements. These changes involved certain positions in the Company becoming redundant and the Company had incurred one-time costs of ₹ 2,642.56 lacs in FY 2021. Based on the conditions and circumstances prevailing in previous year, the Company had reversed the costs amounting to ₹ 1,520.40 lacs (which were provided for in FY 20-21) as the Management believes that these costs would not be incurred in future.

29. Income tax

a. Income tax recognised in consolidated Statement of Profit and Loss

(₹ in lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Current tax		
In respect of current year	36.32	67.36
In respect of prior years	44.32	224.36
Total current tax (a)	**80.64**	**291.72**
Deferred tax		
In respect of the current year		-
In respect of the prior years	-	7,445.99
Total deferred tax (b)	-	7,445.99
Total income tax (a+b)	**80.64**	**7,737.71**

b. The Income tax expense for the year can be reconciled to the accounting profit as follows

(₹ in lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Profit before tax	**(1,177.80)**	**(6,133.95)**
Income tax expense calculated at 25.168% Tax rate (2022: 25.168% Tax rate)	(296.43)	(1,543.79)
Adjustments:		
Effect of expenses / adjustments that are not deductible in determining taxable profit	6.27	4.37
Adjustment in respect of previous years (refer note i)	44.32	7,670.35
Losses and temporary differences on which deferred tax assets is not recognised	290.16	1,606.78
Others	36.32	-
Total	**377.07**	**9,281.50**
Income tax expense recognised in consolidated statement of profit and loss	**80.64**	**7,737.71**

Income tax charge of ₹ 44.32 lakhs recorded by the Group in respect of expenses recorded in the prior years, basis the clarification issued by the tax authorities in the current year. Adjustment with respect to previous years for FY 2022 mainly includes ₹ 7,445.99 lakhs of DTA reversed by the Group, based on management's assessment of future taxable profits.

c. **Income tax recognised in Other comprehensive income**

(₹ in lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Deferred tax		
Remeasurement of the defined benefit obligations	-	(141.12)
Total deferred tax	-	**(141.12)**
Bifurcation of income taxes recognized in Other Comprehensive Income into		
Items that will not be reclassified to Statement of profit and loss	-	(141.12)

30. Segment information

a. **Operating segments**

The Board of Directors of the Company constitute the Chief Operating Decision Makers ("CODM") which allocate resources to and assess the performance of the Group. The Group is engaged primarily in the business of providing telecommunication network management, consulting and other support services. Considering the nature of the Group's business and operations, there are no other reportable segments in accordance with the requirements of Indian Accounting Standard 108- 'Operating Segments' prescribed under section 133 of the Companies Act, 2013.

b. **Geographical information**

Geographical revenue is allocated based on the location of the customer. Information regarding geographical revenue is as follows:

(₹ in lakhs)

Geography	Year ended 31 March 2023	Year ended 31 March 2022
India	96,410.42	89,264.61
United Kingdom	19,292.45	19,583.88
Australia	10,393.04	9,323.15
Canada	6,222.18	8,708.80
Luxemburg	3,581.55	5,051.02
Ghana	-	2,119.44
Others	6,093.79	7,121.23
	1,41,993.43	**1,41,172.13**

For segment, non-current assets comprises of property, plant and equipment, capital work in progress, intangible assets, intangible assets under development and other assets which are mainly located in India.

c. **Information about major customers**

(₹ in lakhs)

Customer name	As at 31 March 2023	% of total revenue	As at 31 March 2022	% of total revenue
Customer A	49,385.27	35%	44,224.87	31%
Customer B	22,873.99	16%	24,488.47	17%
Customer C	19,315.30	14%	18,183.85	13%
Customer D*	16,008.84	11%	15,294.62	11%

**Customer D includes its subsidiaries*

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The Group's exposure to customers other than the four largest customers is diversified and no other single customer has more than 10% of total revenue as on 31 March 2023 and 31 March 2022

31. Particulars of subsidiaries considered in the preparation of the consolidated financial statements:

		Principal activity	Country of incorporation	Percentage of holding and voting power As at 31 March 2023	As at 31 March 2022
a.	**Subsidiaries (held directly)**				
	Tata Communications Transformation Services Pte Limited	Telecommunication services	Singapore	100.00	100.00
b.	**Subsidiaries (held indirectly)**				
	Tata Communications Transformation Services (Hungary) Kft	Telecommunication services	Hungary	100.00	100.00
	Tata Communications Transformation Services (US) Inc	Telecommunication services	United States	100.00	100.00
	Tata Communications Transformation Services South Africa (PTY)	Telecommunication services	South Africa	100.00	100.00
	TCTS Senegal Limited SUARL	Telecommunication services	Senegal	100.00	100.00

32. Earnings per share

(₹ in lakhs)

	As at 31 March 2023	As at 31 March 2022
Net Profit after tax attributable to the equity shareholders (A)	(1,258.44)	(13,871.66)
Number of equity shares outstanding at the end of the year	5,00,000	5,00,000
Weighted average number of shares outstanding during the year (B)	5,00,000	5,00,000
Basic and diluted earnings per share (₹ per equity share of ₹ 10 each) (A/B)	(251.69)	(2,774.33)

33. Employee benefit plans

i. **Defined Contribution Plan - Provident Fund**

The Company makes contribution towards provident fund under a defined contribution retirement benefit plan for employees. The provident fund is administered by the Regional Provident Fund Commissioner. Under this scheme, the Company is required to contribute a specified percentage of payroll cost to fund the benefits.

Provident fund contributions amounting to ₹ 2,572.01 lakhs (2022: ₹ 2,421.48 lakhs) have been charged to the Statement of Profit and Loss, under contributions to provident, gratuity and other funds in note 25 "Employee benefits".

The Group does not have any defined contribution plans in its subsidiaries in foreign jurisdictions.

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ii. **Defined Benefit Plan - Gratuity**

The Company makes annual contributions under the Employees Gratuity scheme to a fund administered by Trustees covering all eligible employees. The plan provides for lump sum payments to employees whose right to receive gratuity had vested at the time of resignation, retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary for each completed year of service or part thereof in excess of six months. Vesting occurs upon completion of five years of service except in case of death.

These plans typically expose the Company to actuarial risk such as investment risk, interest rate risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. Currently, the plan has a relatively balanced mix of investments in government securities, high quality corporate bonds, equity and other debt instruments.
Interest rate risk	The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase
Salary risk	Higher than expected increases in salary will increase the defined benefit obligation
Demographic risk	This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

No other post-retirement benefits are provided to these employees.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at 31 March 2023 by an accredited actuary.

The principal assumptions used for the purposes of the actuarial valuations were as follows

	As at 31 March 2023	As at 31 March 2022
Principal actuarial assumptions		
Discount rate	7.20%	6.80%
Salary Escalation Rate	7.00%	6.00%
Withdrawal rate		
Less than 5 years	15.00%	15.00%
5 years and more	8.00%	8.00%

The discount rate is based on the prevailing market yields of the Government of India Securities as at Balance sheet date for the estimated term of the obligation.

The estimation of the future salary increase is considered by taking into account the inflation, seniority, promotion, increments and other relevant factors.

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Amounts recognised in the Statement of profit and loss in respect of these defined benefit plans are as follows

(₹in lakhs)

		As at 31 March 2023	As at 31 March 2022
	Expenses recognised in the Statement of Profit and Loss		
a.	Current service cost	678.09	498.07
b.	Interest cost	7.08	(19.34)
	Components of defined benefit costs recognized in the Statement of Profit and Loss	**685.17**	**478.73**
	Remeasurement on the net defined benefit liability		
a.	Return on plan assets (excluding amounts included in net interest expense)	190.88	(62.27)
b.	Actuarial (gains) / losses arising from DBO assumption changes	188.47	(158.23)
c.	Actuarial (gains) / losses arising from experience adjustments	(16.03)	1,151.59
	Components of defined benefit costs recognized in other comprehensive income	**363.32**	**931.09**

The details in respect of the status of funding and the amounts recognised in the Company's financial statements are as under

(₹in lakhs)

		As at 31 March 2023 (Funded)	As at 31 March 2022 (Funded)
I	**Amount recognized in the balance sheet**		
	Liability at the end of the year	(5,713.25)	(5,229.67)
	Fair value of plan assets at the end of the year	5,310.08	4,376.18
	Net (liability)/ asset in the balance sheet	(403.17)	**(853.49)**
	Non-current provision (Refer note 20A)	(403.17)	(853.49)
II.	**Change in the Defined Benefit Obligation (DBO)**		
	Liability at the beginning of the year	5,229.67	4,060.04
	Current service cost	678.09	498.07
	Interest cost	331.86	241.81
	Actuarial (gain) / loss on financial assumption	188.47	(158.23)
	Actuarial (gain) / loss on experience assumption	(16.03)	1,151.59
	Benefits paid	(698.81)	(563.61)
	Liability at the end of the year	**5,713.25**	**5,229.67**
III.	**Change in fair value of assets**		
	Opening fair value of plan assets	4,376.18	4,108.16
	Expected return on plan assets	324.78	261.15
	Employer's contribution	800.00	-
	Actuarial gain / (loss)	(190.88)	62.27
	Benefits paid	-	(55.40)
	Closing fair value of plan assets	**5,310.08**	**4,376.18**

Notes forming part of the consolidated financial statements
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Major categories of plan assets are as follows

		As at 31 March 2023	As at 31 March 2022
a.	Government of India securities (central and state)	51.71%	37.94%
b.	High quality corporate bonds (including public sector bonds)	27.19%	33.06%
c.	Equity shares of listed companies	12.17%	14.33%
d.	Cash (including special deposits)	7.41%	11.98%
f.	Other (including assets under schemes of insurance)	1.52%	2.69%
	Total	**100%**	**100%**

The fair values of the above equity and debt instruments are determined based on quoted market prices in active markets. This policy has been implemented during the current and prior years.

A quantitative sensitivity analysis for significant assumptions as at 31 March 2023 and 31 March 2022 is as shown below
Significant actuarial assumptions for the determination of the defined obligation are discount rate, salary escalation rate and withdrawal rate. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

a. **Discount rate**

(₹in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Effect on DBO due to 1% increase	(400.34)	(361.31)
Effect on DBO due to 1% decrease	455.61	412.06

b. **Salary escalation rate**

(₹in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Effect on DBO due to 1% increase	364.33	353.43
Effect on DBO due to 1% decrease	(346.64)	(330.61)

c. **Withdrawal rate**

(₹in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Effect on DBO due to 5% increase	50.17	83.05
Effect on DBO due to 5% decrease	(127.69)	(178.84)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognized in the balance sheet.

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There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Maturity profile of defined benefit plan

(₹in lakhs)

		As at 31 March 2023
a.	March 31, 2024	582.58
b.	March 31, 2025	559.45
c.	March 31, 2026	679.83
d.	March 31, 2027	655.89
e.	March 31, 2028	779.20
f.	March 31, 2029 to March 31, 2033	4,835.84

There has been no change in the process used by the company to manage its risks from prior years.

The Group does not have any defined benefit plans in its subsidiaries in foreign jurisdictions.

iii. **Leave plan and compensated absences**

Leaves unavailed by eligible employees may be carried forward upto 60 days and for employees who have joined post 1st January 2020 carry forward shall be restricted to 45 days. Encashment will be maximum of 30 days by them / their nominees in the event of death or permanent disablement or resignation.

The liability for compensated absences as at the year-end is ₹ 1,376.35 lakhs (2022: ₹ 1,322.91 lakhs) as shown under non-current provisions ₹ 1,174.16 lakhs (2022: ₹ 1,104.94 lakhs) and current provisions ₹ 202.19 lakhs (2022 ₹ 217.97 lakhs). The amount charged to the Statement of Profit and Loss under Salaries and related costs in note 25 "Employee benefits expense" is ₹ 334.56 lakhs (2022: ₹ 506.14 lakhs).

The balance liability of ₹ 429.00 lakhs (2022: ₹ 791.87 lakhs) as shown under non-current provisions ₹ 234.58 lakhs (2022: ₹ 156.89 lakhs) and current provisions ₹ 194.42 lakhs (2022 ₹ 634.98 lakhs) and amount of ₹ (152.52) lakhs (2022: ₹ 509.59 lakhs) charged/ (reversed) to the Statement of Profit and Loss pertains to foreign entities.

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Notes forming part of the consolidated financial statements
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34. Related party transactions

i. Names of related parties and nature of relationship

Sr. No	Category of related parties	Names
A	Ultimate holding company	Tata Sons Private Limited
B	Controlling Entity	Panatone Finvest Limited
C	Holding company	Tata Communications Limited
D	Subsidiaries, associates and joint ventures of ultimate holding company/ controlling entity and their subsidiaries* ("Affiliates")	Tata Consultancy Services Limited Tata Teleservices Limited Tata Teleservices Maharashtra Limited Tata Sky Broadband Private Limited Tata projects Ltd Lokmanya Hospitals Private Limited Tata AIG General Insurance Company Limited Sir Dorabji Tata trust Tata Capital Financial Services Limited TVS Supply Chain Solutions Limited Tata Elxsi Limited The Indian Hotels Company Ltd Piem Hotels Limited Roots Corporation Limited Infiniti Retail Limited Tata Industries Limited Tata International Unitech (Senegal) SARL (formerly Tata Africa (Senegal) S.A.R.L.) Tata International Limited
E	Fellow subsidiaries*	Tata Communications International Pte Limited Tata Communications (Australia) Pty Limited Tata Communications (America) Inc. Tata Communications (Bermuda) Limited Tata Communications (Canada) Limited Tata Communications (Netherlands) B.V. Tata Communications (UK) Limited Tata Communications (Middle East) FZ-LLC Tata Communications (Ireland) Limited Tata Communications (Poland) SPZoo Tata Communications (Spain) SL Tata Communication (NZ) Ltd. Tata Communications Deutschland Gmbh. Tata Communications (France) SAS Tata Communications Hongkong Limited Tata Communications (Malaysia) SDN.BHD Tata Communications Payments Solutions Limited Tata Communication Services International Pte Ltd Tata Communications Collaboration Services Private Limited
F	Associate of holding company	STT Global Data Centers India Private Limited

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Notes forming part of the consolidated financial statements
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Sr. No	Category of related parties	Names
G	Key managerial Personnel	Sivasamban Natarajan
H	Others	Tata Communications Transformation Services Limited Employees Gratuity Trust Peoplestrong Technologies Private Limited (formerly Peoplestrong HR Services Private Limited') Go Digit General Insurance Limited (ceased w.e.f. 31 March 2023) Alamelu Charitable Foundation

**Where transactions have taken place / there are balances*

 # Reimbursement made of expenses incurred by related party for business purpose of the Company, or reimbursement received for expenses incurred by the Company on behalf of a related party shall not be deemed related party transactions.

ii. **Summary of transactions with related parties**

(₹ in lakhs)

Particulars	Holding company & its associates	Ultimate holding company and its affiliates	Fellow subsidiaries	Key management Personnel	Others	Total
Revenue from operations	**14,569.08** *14,151.08*	**27,975.85** *26,969.94*	**1,778.45** *1,505.15*	- -	- -	**44,323.38** *42,626.17*
Other Income	**503.20** *501.38*	- -	**8.41** *23.14*	- -	- -	**511.61** *524.52*
Rent	**431.78** *351.16*	- -	- -	- -	- -	**431.78** *351.16*
Interest on lease liabilities (forms a part of lease payout of ₹ 980.46 lacs (2022: 936.29 lacs))	**242.56** *272.28*	- -	- -	- -	- -	**242.56** *272.28*
Interest on loan from related parties	**200.26** *643.87*	- -	- -	- -	- -	**200.26** *643.87*
Telephone expenses	**480.97** *734.64*	**31.04** *(35.28)*	- *2.96*	- -	- -	**512.01** *702.32*
Brand Equity and Business Promotion expenses	- -	- *13.48*	- -	- -	- -	- *13.48*
Outsource manpower cost	**1,341.26** *897.12*	- -	**3,526.02** *2,199.77*	- -	- -	**4,867.28** *3,096.89*
Insurance	- -	**10.86** *6.76*	- -	- -	- -	**10.86** *6.76*

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Particulars	Holding company & its associates	Ultimate holding company and its affiliates	Fellow subsidiaries	Key management Personnel	Others	Total
Car Lease Rentals	-	-	-	-	-	-
	-	*0.10*	-	-	-	*0.10*
Repairs & Maintenance	-	**103.12**	-	-	-	**103.12**
	-	*95.52*	-	-	-	*95.52*
Other expenses	**26.41**	**54.30**	**-0.21**	-	***368.59***	**449.09**
	23.91	*15.66*	*0.25*	-	-	*39.82*
Assets – Transfer in /(Out)	**@**	-	-	-	-	**@**
	-	*8.25*	-	-	-	*8.25*
Additions to right of use assets	**974.07**	-	-	-	-	**974.07**
	286.25	-	-	-	-	*286.25*
Loan taken	-	-	-	-	-	-
	12,500.00	-	-	-	-	*12,500.00*
Repayment of loan Taken	**7,945.77**	-	-	-	-	**7,945.77**
	4,554.23	-	-	-	-	*4,554.23*
Key Managerial Remuneration	-	-	-	**444.50**	-	**444.50**
	-	-	-	*402.41*	-	*402.41*
Contribution to Gratuity trust	-	-	-	-	**800.00**	**800.00**
	-	-	-	-	-	-

@ represents amounts less than ₹ 500

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Notes forming part of the consolidated financial statements
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iii. **Summary of balances with related parties**

(₹ in lakhs)

Particulars	Holding company & its associates	Ultimate holding company and its affiliates	Fellow subsidiaries	Key management Personnel	Others	Total
Trade Receivables	**3,046.89**	**6,226.94**	**1,501.24**	-	**5.24**	**10,780.31**
	4,518.62	*11,727.70*	*1,420.17*	-	-	*17,666.49*
Other assets-	**267.25**	**0.43**	-	-	-	**267.68**
current	*312.72*	*2.54*	-	-	-	*315.26*
Other financial assets –	**115.37**	**0.50**	-	-	-	**115.87**
non-current	*115.37*	*0.50*	-	-	-	*115.87*
Trade Payables	**3,657.47**	**73.35**	**3,726.97**	-	**1.44**	**7,459.23**
	2,519.67	*216.33*	*4,295.56*	-	-	*7,031.56*
Non Current	-	-	-	-	-	-
Borrowings	*7,945.77*	-	-	-	-	*7,945.77*
Other current	**209.19**	**105.22**	**(4.04)**	**201.76**	-	**512.13**
Liabilities	*351.98*	*231.49*	*(0.51)*	*88.67*	-	*671.63*
Other financial	-	**20.20**	-	-	-	**20.20**
liabilities	-	*29.85*	-	-	-	*29.85*
Other non-current	-	-	-	**163.61**	-	**163.61**
Liabilities	-	-	-	*126.61*	-	*126.61*
Lease	**728.14**	-	-	-	-	**728.14**
liabilities – Current	*698.24*	-	-	-	-	*698.24*
Lease liabilities -	**2,651.35**	-	-	-	-	**2,651.35**
Non-current	*2,445.08*	-	-	-	-	*2,445.08*

 # Amount in italics denote previous year figures.

35. Lease arrangements

As lessee

The Group has lease contracts for immovable properties across various locations used in its operations. Such leases generally have lease terms between 3 to 10 years. Generally, The Group is restricted from assigning and subleasing the leased assets. There are several lease contracts that include extension and termination options and variable lease payments.

The Group also has certain leases with lease terms of 12 months or less.

The following is the movement in lease liabilities.

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(₹ in lakhs)

Particulars	Amount
Balance as at 1 April 2021	7,041.09
Additions	286.25
Finance cost accrued during the year	514.68
Payment/Reversal of lease liabilities	(2,052.35)
Liabilities settled against leased assets terminated	(5.15)
Translation Difference	(1.34)
Balance as at 31 March 2022	**5,783.18**
Additions	1,359.16
Finance cost accrued during the year	417.93
Payment/Reversal of lease liabilities	(2,134.31)
Liabilities settled against leased assets terminated	-
Translation Difference	(14.91)
Balance as at 31 March 2023	**5,411.05**

The following is the break-up of current and non-current lease liabilities.

(₹ in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Current liability	1,843.03	1,658.80
Non-current liability	3,568.02	4,124.38
Total liabilities	**5,411.05**	**5,783.18**

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

(₹ in lakhs)

	As at 31 March 2023	As at 31 March 2022
Due not later than one year	2,227.50	2,051.98
Due later than one year but not later than five years	3,746.07	4,270.71
Later than five years	521.31	521.31
	6,494.88	**6,844.00**

The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

36. Contingent liabilities and commitments

I. Contingent liabilities

(₹ in lakhs)

	As at 31 March 2023	As at 31 March 2022
Claims against the Company not acknowledged as debt		
- Claims for taxes on income* (Refer i)	504.90	504.90
- Claims for other taxes* (Refer i)	23.22	23.22
- Others (Refer ii)	813.80	592.00

*In case the above tax matters are against the Company, then the Company may be liable for interest exposure of ₹ 184.32 lakhs (2022: ₹ 129.01 lakhs) on final settlement of the claims.

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i. These pertain to demand notices in respect of certain transfer pricing and other adjustments carried out by Revenue authorities and non-compliance of TDS for which the Company has preferred appeals and/ or filed rectifications which are pending at various forums.

ii. Other claims include the claim of ₹ 592.00 lakhs (2022: ₹ 592.00 lakhs) pertaining to claims raised by a service provider for alleged breach of the contract. The contract provided for arbitration as the means of dispute resolution. The arbitrator has been appointed by the honorable High Court. However, it is difficult to predict the outcome of these proceedings as the dispute is currently at a very nascent stage. While the company believes that it has reasonable defense and doesn't expect any outflow of resources against Service provider's claims.

II. **Commitments**

i. Capital commitments
Estimated amount of contracts remaining (net of advances) to be executed on capital account, not provided for ₹ 35.49 lakhs (2022: ₹ 7.64 lakhs).

ii. Other commitments
The Group does not have any other commitments as at March 31, 2023 (2022: Nil)

37. Struck off Companies

(₹ in lakhs)

Name of Struck off Company	Nature of Transaction with Struck- off Company	As at 31 March 2023	As at 31 March 2022
Manikanta Network Communication	Payables	3.77	8.54
Ravi And Singh Communication	Payables	-	3.06
Aditya Transport Company	Payables	-	0.03
Goclinix Healthcare Private Limited	Receivables	12.50	12.50

i. Amount receivable from customers is gross of provision for doubtful debts of ₹ 12.50 lakhs and ₹ 12.50 lakhs for 31 March 23 and 31 March 22 respectively.

38. Derivatives

Derivatives not designated as hedge instruments
The Company uses foreign exchange forward contracts to manage some of its transaction exposures. The foreign exchange forward contracts are not designated as cash flow hedges and are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally within 1 year.

Outstanding derivatives instruments are as follows

(₹ in lakhs)

	As at 31 March 2023 (Amount in foreign currency)	(Amount in INR)	As at 31 March 2022 (Amount in foreign currency)	(Amount in INR)
i. Forward exchange contracts (Sell)				
CAD	-	-	9.64	582.31
GBP	49.86	5,011.59	13.13	1,325.54
AUD	59.50	3,261.51	45.00	2,458.92
EUR	5.05	446.38	4.67	395.08
USD	109.74	9,074.00	78.57	6,046.77

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39. Financial instruments

The significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expense are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2(r) to the consolidated financial statements.

Financial assets and liabilities

The carrying value of financial instruments by categories as at 31 March 2023 is as follows

(₹ in lakhs)

	Fair value through profit or loss	Derivatives instrument	Amortised cost	Total carrying value
Financial Assets:				
Investments	3,200.50	-	-	3,200.50
Other financial assets	-	-	1,194.83	1,194.83
Trade receivables	-	-	40,495.05	40,495.05
Cash and Cash equivalents	-	-	7,522.01	7,522.01
Total	3,200.50	-	**49,211.89**	**52,412.39**
Financials Liabilities:				
Borrowings	-	-	13,508.02	13,508.02
Lease liabilities	-	-	5,411.05	5,411.05
Other financial liabilities	-	103.31	79.79	183.10
Trade payables	-	-	29,919.49	29,919.49
Total	-	**103.31**	**48,918.35**	**49,021.66**

The carrying value of financial instruments by categories as at 31 March 2022 is as follows

(₹ in lakhs)

	Fair value through profit or loss	Derivatives instrument	Amortised cost	Total carrying value
Financial Assets:				
Other financial assets	-	-	1,068.56	1,068.56
Trade receivables	-	-	55,638.70	55,638.70
Cash and Cash equivalents	-	-	11,006.84	11,006.84
Total	-	-	**67,714.10**	**67,714.10**
Financials Liabilities:				
Borrowings	-	-	30,496.19	30,496.19
Lease liabilities	-	-	5,783.18	5,783.18
Other financial liabilities	-	61.75	522.85	584.60
Trade payables	-	-	30,061.95	30,061.95
Total	-	**61.75**	**66,864.17**	**66,925.92**

Carrying amounts of cash and cash equivalents, trade receivables, loans and trade payables as at 31 March 2023 and 31 March 2022 approximate the fair value because of their short-term nature. Difference between carrying amounts and fair values of other financial assets, other financial liabilities and borrowings subsequently measured at amortised cost is not significant in each of the years presented.

Fair value hierarchy

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consist of following three levels:

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3: Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

The investments included in level 2 of fair value hierarchy have been valued using quotes available for similar assets and liabilities in the active market.

(i) The following table summarises financial assets and liabilities measured at fair value on a recurring basis and financial assets that are not measured at fair value on a recurring basis (but fair value disclosure are required)

(₹ in lakhs)

	Fair value as at		Fair value hierarchy
	31 March 2023	31 March 2022	
Financial Assets			
Investments in mutual funds	3,200.50	-	Level 1
Financial Liabilities			
Foreign exchange forward contracts	103.31	61.75	Level 2

40. Financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings and trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to support its operations. The Company's principal financial assets include loans, trade and other receivables, current investments and cash and cash equivalents that derive directly from its operations. The Company has investments in mutual funds on which gain or loss on fair value is recognised through profit or loss and also enters into derivative transactions.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks.

The Company's senior management ensures that financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the company's policies and risk objectives. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the company's policy that no trading in derivatives for speculative purposes may be undertaken. The Senior Management reviews and agrees policies for managing each of these risks, which are summarised below

a. **Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, Fair Value Through Profit or Loss investments and derivative financial instruments.

b. **Interest rate risk**

Interest rate risk is the risk that the future cash flows with respect to interest receipts and payments on loans extended or availed will fluctuate because of changes in market interest rates. The Company does

not have exposure to the risk of changes in market interest rates as it has long-term debt obligations and loan receivables with fixed interest rates and loans extended on variable rate are classified as short term.

c. **Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency) and the Company's net investments in foreign subsidiaries.
The Company manages its foreign currency risk by hedging transactions that are expected to occur within a maximum 12- month period for hedges of forecasted sales and purchases.

Foreign currency sensitivity

The foreign exchange rate sensitivity is calculated by aggregation of the net foreign exchange rate exposure and a simultaneous parallel foreign exchange rate shift of all the currencies by 5% against the functional currency of the Company.

The following analysis has been worked out based on the net exposures of the Company as of the date of balance sheet which would affect the statement of Profit and Loss and equity.

The following tables sets forth information relating to foreign currency exposure (net) as at 31 March 2023 and 31 March 2022.

(₹ in lakhs)

	As at 31 March 2023		As at 31 March 2022	
Currency	**Financial liabilities**	**Financial Assets**	Financial liabilities	Financial Assets
Omani Riyal	-	149.70	-	2,757.13
CAD	-	683.90	-	1,473.33
GBP	9,931.61	-	3,779.45	-
EUR	-	373.09	-	892.81
USD	-	878.96	16,048.31	-
AUD	2,321.61	-	705.41	-
Others	825.27	10.65	865.89	118.94

5% appreciation/ depreciation of the respective foreign currencies with respect to functional currency of the Group would result in decrease/ increase in the Group's profit before tax by approximately ₹ 549.11 lakhs and ₹ 807.84 lakhs for the year ended 31 March 2023 and 31 March 2022 respectively.

d. **Credit risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

The Group has applied simplified approach for computing the expected credit loss allowance for trade receivables based on provision matrix. The provision matrix takes into consideration the historical credit loss experience and the adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due.

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(₹ in lakhs)

Ageing of receivables (net)	As at 31 March 2023	As at 31 March 2022
Within credit period	27,555.08	29,882.09
01-90 days	9,402.59	18,038.63
91-180 days	1,034.17	4,923.32
181-360 days	626.96	1,482.19
More than 360 days	1,876.25	1,312.47
Total	**40,495.05**	**55,638.70**

Movement in the expected credit loss allowance

(₹ in lakhs)

	Year ended 31 March 2023	Year ended 31 March 2022
Balance at beginning of the year	5,704.01	2,034.60
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	(429.55)	3,617.71
Effect of foreign currency translation	250.16	51.70
Balance at the end of the year	**5,524.62**	**5,704.01**

i. Refer note 13 for balances outstanding from a large customer as at 31 March 2023

e. **Liquidity risk**

The Company monitors its risk of a shortage of funds using a liquidity planning tool.

Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations on time or at a reasonable price. The Group's corporate treasury is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management.

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

(₹ in lakhs)

As at 31 March 2023	On demand	0 to 12 months	1 to 2 years	2 to 5 years	>5 years	Total
Trade and other payables	11,429.23	18,490.26	-	-	-	29,919.49
Lease Liabilities	-	1,830.87	1,334.88	1,753.52	491.78	5,411.05
Borrowings	-	13,508.02	-	-	-	13,508.02
Other Financial Liability	4.11	178.99	-	-	-	183.10

TATA Communications Transformation Services Limited

Notes forming part of the consolidated financial statements
for the year ended 31 March 2023

(₹ in lakhs)

As at 31 March 2022	On demand	0 to 12 months	1 to 2 years	2 to 5 years	>5 years	Total
Trade and other payables	3,245.65	26,816.30	-	-	-	30,061.95
Lease Liabilities	-	1,658.80	1,605.38	1,741.18	777.82	5,783.18
Borrowings	-	22,550.42	-	7,945.77	-	30,496.19
Other Financial Liability	416.26	168.34	-	-	-	584.60

41. Ratios

Sr. No.	Particulars	31 March 2023	31 March 2022
1	**Net Profit Margin (%)** *(Profit/(Loss) for the period/ Income from Operations) (refer note a)*	(0.89) %	(9.83) %
2	**Debt Equity ratio** *(Total Debt (Long term borrowings + Short term borrowings (including Current maturities of long term borrowings)) / Equity) (refer note b)*	203.76%	314.11%
3	**Debt service coverage ratio (no. of times)** *Earning before exceptional items, interest, depreciation and amortization and tax (EBIDTA)/ (Finance costs + Short term borrowings (including Current maturities of long term borrowings) (refer note b)*	0.12	(0.23)
4	**Current Ratio (no. of times)** *Total Current Assets/ Total Current Liabilities*	0.98	1.10
5	**Trade Receivables turnover (no. of times)** *Income from Operations/ Average Trade receivables*	2.95	2.50
6	**Return on equity** *Profit/ (Loss) for the year/ Average Equity (refer note c)*	(15.40) %	(79.82) %
7	**Trade Payables turnover (no. of times)** *(Operating and other expenses - Allowance for doubtful trade receivables - Allowance for doubtful advances)/ Average Trade payables (refer note d)*	2.78	2.09
8	**Net Capital turnover (no. of times)** *Income from Operations/ Working Capital (Current Assets-Current Liabilities) (refer note e)*	1.30	1.02
9	**Return on Capital Employed (no. of times)** *Earnings before interest & tax/ Capital Employed (Net worth + Total Debt) (refer note f)*	0.02	(0.11)

a. Decrease in losses has resulted in improvement in this ratio
b. Repayment of borrowings has resulted in improvement in ratio

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Notes forming part of the consolidated financial statements
for the year ended 31 March 2023

c. Decrease in losses has resulted in higher return on equity
d. Increase in cost and payables has resulted in increase in this ratio
e. Decrease in current liabilities has resulted in improvement in this ratio
f. Decrease in debt has resulted in improvement in this ratio

42. As per Schedule III of the Companies Act 2013, the required information on subsidiaries is provided in the following table:

Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

Name of the entity	Net assets/(liabilities), i.e., total assets minus total liabilities		Share of profit or (Loss)		Share of Other Comprehensive Income/(Loss) (OCI)		Share of Total Comprehensive Income/(Loss)	
	As percentage of consolidated net assets	Amount in ₹ lakhs	As percentage of consolidated profit or loss	Amount in ₹ lakhs	As percentage of consolidated OCI	Amount in ₹ lakhs	As percentage of Total Comprehensive Income	Amount in ₹ lakhs
Parent								
Tata Communications Transformation Services Limited	382.03	27,039.07	19.22	(231.04)	100.00	(363.32)	37.97	(594.36)
Subsidiaries								
Foreign								
Tata Communications Transformation Services (Hungary)	0.58	41.04	0.75	(9.01)	-	-	0.58	(9.01)
Tata Communications Transformation Services Pte Limited	(259.82)	(18,389.14)	28.07	(337.35)	-	-	21.55	(337.35)
Tata Communications Transformation Services (US) Inc	(0.24)	(16.82)	5.15	(61.84)	-	-	3.95	(61.84)
Tata Communications Transformation Services South Africa (Pty) Ltd	(0.21)	(14.59)	0.49	(5.94)	-	-	0.38	(5.94)
TCTS Senegal Limited SUARL	(22.34)	(1,581.83)	46.32	(556.79)	-	-	35.57	(556.79)
Total	**100.00**	**7,077.73**	**100.00**	**(1,200.37)**	**100.00**	**(363.32)**	**100.00**	**(1,563.69)**
Adjustments on Consolidation		(448.27)		(56.47)		-		(56.47)
Grand Total		**6,629.46**		**(1,258.44)**		**(363.32)**		**(1,621.76)**

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TATA Communications Transformation Services Limited

Notes forming part of the consolidated financial statements

for the year ended 31 March 2023

43. The remuneration payable to the Managing Director for the year ended 31 March 2023 is in excess of the limits applicable under section 197 of the Companies Act 2013 (the 'Act'), read with Schedule V thereto, by ₹ 324.30 lakhs. The Company proposes to obtain approval of the shareholders in a general meeting by way of a special resolution to ensure compliance with the Act.

44. **Going Concern**
For the year ended March 31, 2023, the Group has incurred loss of ₹ 1,258.44 lakhs (March 31, 2022: ₹ 13,871.66 lakhs).
The management continues to implement initiatives directed towards improving the profitability through operational efficiencies. The Group expects that these initiatives would result in sustainable cash flows. The Group, based on the support letter received from the parent to meet its working capital needs over next 12 months and based on the approved unutilized debt and banking facilities of more than ₹ 27,924.89 lakhs yet to be drawn, and projected cash flow to be generated from operations in FY 2024 is confident of meeting its operating and capital funding requirements. Accordingly, these financial statements have been prepared on a going concern basis.

45. **Events after the reporting period**
There are no subsequent events between the year ended 31 March 2023 and signing of financial statements as on 18 April 2023 which have material impact on the consolidated financial statements of the Group.

46. **Approval of consolidated financial statements**
The consolidated financial statements were approved for issue by the Board of Directors on 18 April 2023.

47. Previous year's figures have been regrouped/ re-arranged where necessary to conform to current year's classification / disclosure.

In terms of our report attached
For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

ABHISHEK NIRMAL KUMAR BURAD
Digitally signed by ABHISHEK NIRMAL KUMAR BURAD
DN: cn=ABHISHEK NIRMAL KUMAR BURAD, c=IN, o=Personal, email=abhishek.burad@srb.in

Abhishek Burad
Partner
Membership Number: 122860

Place: **Mumbai**
Date: **18 April 2023**

For and on behalf of Board of Directors

DocuSigned by: Sivasamban Natarajan
Sivasamban Natarajan
Managing Director
DIN Number: 08912108

DocuSigned by: Aadesh Goyal
Aadesh Goyal
Director
DIN Number: 00044337

DocuSigned by: Sanjay Agarwal
Sanjay Agarwal
Chief Financial Officer

Place: **Mumbai**
Date: **18 April 2023**

S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants

12th Floor, The Ruby
29 Senapati Bapat Marg,
Dadar (West)
Mumbai - 400 028, India
Tel: +91 22 6819 8000

INDEPENDENT AUDITOR'S REPORT

To the Members of Tata Communications Payment Solutions Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Tata Communications Payment Solutions Limited (the "Company"), which comprise the Balance sheet as at March 31 2023, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity 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 financial statements give the information required by the Companies Act, 2013, as amended (the "Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its loss including other comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the 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 Act 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 audit opinion on the financial statements.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's and the Management report, but does not include the 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 such other information is materially inconsistent with the 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.

Responsibility of Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 the 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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 SAs, we exercise professional judgment and maintain professional skepticism 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 Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements 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 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.

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 sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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 purposes of our audit;

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

   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(g) The provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the year ended March 31, 2023;

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

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 38 to the financial statements;

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

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;

iv. a) The management has represented that, to the best of its knowledge and belief, 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 or entity, 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;

b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, 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

c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. No dividend has been declared or paid during the year by the Company.

vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. April 1, 2023, reporting under this clause is not applicable.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

ABHISHEK NIRMAL KUMAR BURAD

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DN: cn=ABHISHEK NIRMAL KUMAR BURAD, c=IN, o=Personal, email=abhishek.burad@srb.in

per Abhishek Burad
Partner
Membership Number: 122860
UDIN: 23122860BGXMFX7570
Place of Signature: Mumbai
Date: April 18, 2023

Annexure 1 referred to in paragraph 1 under the heading Report on other legal and regulatory requirements of our Report of even date

Re: Tata Communications Payment Solutions Limited (the "Company")

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i) (a)(A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(a)(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) Property, Plant and Equipment have been physically verified by the management during the year in accordance to with a planned programme of verifying them once in three years which is reasonable having regard to the size of the Company and the nature of its assets and no material discrepancies were identified on such verification.

(c) The title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in note 3a to the financial statements included in property, plant and equipment are held in the name of the Company except certain immovable properties as indicated in the below mentioned cases as at March 31, 2023, for which the lease agreements are not duly executed where the Company is the lessee and hence we are unable to comment on the same.

Description of Property	Gross carrying value (Rs in lakhs)	Held in name of	Whether promoter, director or their relative or employee	Period held – indicate range, where appropriate	Reason for not being held in the name of Company
Right of Use Assets	656.59	Various vendors	No	0-3 years	The Company is in the process of executing the lease agreements

(d) The Company has not revalued its property, plant and equipment (including Right of use assets) or intangible assets during the year ended March 31, 2023

(e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii)(a) The Company's business does not require maintenance of inventories and, accordingly, the requirement to report on clause 3(ii)(a) of the Order is not applicable to the Company.

(b) The Company has not been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks or financial institutions during any point of time of the year on the basis of security of current assets. Accordingly, the requirement to report on clause 3(ii)(b) of the Order is not applicable to the Company.

(iii)(a) During the year the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a) of the Order is not applicable to the Company.

(b) During the year the Company has not made investments, provided guarantees, provided security and granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(b) of the Order is not applicable to the Company.

(c) The Company has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(c) of the Order is not applicable to the Company.

(d) The Company has not granted loans or advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(d) of the Order is not applicable to the Company.

(e) There were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(e) of the Order is not applicable to the Company.

(f) There were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.

(iv) There are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Act are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.

(v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

(vi) The Central Government has not specified the maintenance of cost records under Section 148(1) of the Act, for the products/services of the Company.

(vii)(a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, income-tax, duty of customs, duty of excise, cess and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions related to employees' state insurance, is not applicable to the Company.

(b) The dues of goods and services tax, provident fund, income-tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues have not been deposited on account of any dispute, are as follows:

Name of Statute	Nature of dues	Amount (Rs lakhs)	Period to which the amount relates	Forum where dispute is pending
Bihar Value Added Tax	VAT Demand	121.23	2014-15	Deputy Commissioner of Commercial Taxes, Central Circle, Patna
Income Tax Act, 1961	TDS	37.75	AY 2018-19	The Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	TDS	5.28	AY 2019-20	The Commissioner of Income Tax (Appeals)
Goods and Service Tax, 2017	GST Demand *	25.49	2018-19	Joint Commissioner (Appeals)
Goods and Service Tax, 2017	GST Demand *	8.32	2019-20	Joint Commissioner (Appeals)
Goods and Service Tax, 2017	GST Demand *	83.47	2019-20	Joint Commissioner (Appeals)

* The Company has paid Rs 9.52 lakhs under protest towards GST demand raised.

The provisions related to employees' state insurance and sales-tax are not applicable to the Company.

(viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) The Company did not have any term loans outstanding during the year hence, the requirement to report on clause (ix)(c) of the Order is not applicable to the Company.

(d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.

(f) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on Clause 3(ix)(f) of the Order is not applicable to the Company.

(x)(a) The Company has not raised any money during the year by way of initial public offer or further public offer (including debt instruments) and hence. the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has complied with provisions of sections 42 and 62 of the Act in respect of the preferential allotment during the year. The Company has not issued any optionally convertible debentures. The funds raised, have been used for the purposes for which the funds were raised.

(xi)(a) No material fraud by or on the Company has been noticed or reported during the year.

(b) During the year, no report under sub-section (12) of section 143 of the Act has been filed by cost auditor or secretarial auditor or by us 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 as per the provisions of the Act. Therefore, the requirement to report on clause 3(xii)(a), (b) and (c) of the Order is not applicable to the Company.

(xiii) Transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the financial statements. as required by the applicable accounting standards.

(xiv)(a) The Company has an internal audit system commensurate with the size and nature of its business.

(b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

(xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.

(xvi)(a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.

(b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.

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

(d) According to the information and explanation given to us by the management, the Group has five CICs which are registered with the Reserve Bank of India and one CIC which is not required to be registered with the Reserve Bank of India.

(xvii) The Company has incurred cash losses amounting to Rs. 5,279.21 lakhs in the current year and amounting to Rs. 4,473.18 lakhs in the immediately preceding financial year respectively.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

(xix) On the basis of the financial ratios disclosed in note 41 to the financial statements, the ageing and expected dates of realization 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 and the letter of financial support obtained by the Company from the Holding Company, nothing has come to our attention, which causes us to believe that 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, further state that this is not an assurance as to the future viability of the Company and 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) (a) The provisions of Section 135 to the Act in relation to Corporate Social Responsibility is not applicable to the Company. Accordingly, the requirement to report on clause 3(xx)(a) of the Order is not applicable to the Company.

(b) The provisions of Section 135 to the Act in relation to Corporate Social Responsibility is not applicable to the Company. Accordingly, the requirement to report on clause 3(xx)(b) of the Order is not applicable to the Company.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

ABHISHEK NIRMAL KUMAR BURAD
Digitally signed by ABHISHEK NIRMAL KUMAR BURAD
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per Abhishek Burad
Partner
Membership Number: 122860
UDIN: 23122860BGXMFX7570
Place of Signature: Mumbai
Date: April 18, 2023

Annexure 2 referred to in paragraph 2 under the heading "Report on Other Legal and Regulatory requirements" of our report of even date

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

We have audited the internal financial controls with reference to financial statements of Tata Communications Payment Solutions Limited (the "Company") as of March 31, 2023 in conjunction with our audit of the 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 ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls With Reference to these Financial Statements

A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls With Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, 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 issued by the ICAI.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

ABHISHEK NIRMAL KUMAR BURAD
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MUMBAI

per Abhishek Burad
Partner
Membership Number: 122860
UDIN: 23122860BGXMFX7570
Place of Signature: Mumbai
Date: April 18, 2023

DocuSign Envelope ID: CDAE7A92-7038-4397-82CD-8B9DB3E58A2C

Tata Communications Payment Solutions Limited
Balance Sheet as at 31 March 2023

		Notes	As at 31 March 2023 ₹ in Lacs	As at 31 March 2022 ₹ in Lacs
A	**ASSETS**			
(1)	**Non-current assets**			
(a)	Property, plant and equipment	3	7,082.84	9,084.48
(b)	Right of Use Asset	4	6,436.43	10,296.03
(c)	Capital work-in-progress	5	385.14	378.31
(d)	Intangible assets	6	1.30	3.72
(e)	Financial Assets			
	(i) Other financial assets	7A	370.34	375.98
(f)	Income tax assets (net)	8	27.41	176.36
(g)	Other assets	9A	21.05	5.25
	Total non-current assets		**14,324.51**	**20,320.13**
(2)	**Current assets**			
(a)	Financial Assets			
	(i) Investments	10	2,500.39	-
	(ii) Trade receivables	11	729.50	342.93
	(iii) Cash and cash equivalents	12	28,566.86	41,348.29
	(iv) Bank balances other than (ii) above	13	22.92	22.80
	(v) Other financial assets	7B	2,775.51	2,238.14
(b)	Other assets	9B	3,100.84	3,400.47
	Total current assets		**37,696.02**	**47,352.63**
	Total assets		**52,020.53**	**67,672.76**
B	**EQUITY AND LIABILITIES**			
I	**Equity**			
(a)	Equity share capital	14	1,21,709.18	1,16,709.18
(b)	Other equity	15	(1,11,300.52)	(1,04,882.77)
	Total equity		**10,408.66**	**11,826.41**
II	**Liabilities**			
(1)	**Non-current liabilities**			
(a)	Financial Liabilities			
	(i) Lease liabilities	16A	5,342.00	8,775.11
	(ii) Other financial liabilities	21A	11,270.63	4,833.99
(b)	Provisions	17A	315.85	308.99
(c)	Other liabilities	18A	98.76	31.95
	Total non-current liabilities		**17,027.24**	**13,950.04**
(a)	Financial Liabilities			
	(i) Borrowings	19	12,000.00	28,686.90
	(ii) Lease liabilities	16B	2,313.84	2,938.30
	(iii) Trade and other payables			
	1. Total outstanding dues of micro enterprises and small enterprises	20A	2.96	35.14
	2. Total outstanding dues of creditors other than micro enterprises and small enterprises	20B	7,298.42	7,889.00
	(iv) Other financial liabilities	21B	2,067.04	1,373.52
(b)	Provisions	17B	52.67	64.52
(c)	Other liabilities	18B	849.70	908.93
	Total current liabilities		**24,584.63**	**41,896.31**
	Total equity and liabilities		**52,020.53**	**67,672.76**

The accompanying notes are an integral part of the financial statements

As per our report attached
For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

ABHISHEK NIRMAL KUMAR BURAD

Abhishek Burad
Partner
Membership Number: 122860

For and on behalf of the board of Directors

DocuSigned by: Aadesh Goyal
Aadesh Goyal
Director
DIN Number: 00044337

DocuSigned by: Sumeet Walia
Sumeet Walia
Director
DIN Number: 06758031

DocuSigned by: Ridhi Sood
Ridhi Sood
Company Secretary

DocuSigned by: Sanjeev Patel
Sanjeev Patel
Chief Executive Officer

DocuSigned by: Abhay Lahoty
Abhay Lahoty
Chief Financial Officer

Place : **Mumbai**
Dated: **18 April 2023**

Place : **Mumbai**
Dated: **18 April 2023**

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Tata Communications Payment Solutions Limited
Statement of Profit and Loss for the period ended 31 March 2023

		Notes	Year ended 31 March 2023 ₹ in Lacs	Year ended 31 March 2022 ₹ in Lacs
I	Revenue from operations		18,535.82	16,459.72
II	Other Income	22	1,046.16	649.93
III	**Total Income (I + II)**		**19,581.98**	**17,109.65**
IV	**Expenses:**			
	Employee benefit expense	23	2,359.82	2,163.07
	Operating and other expenses	24	14,541.72	13,466.52
	Depreciation and amortisation expense	25	6,300.96	7,061.86
	Finance costs	26	2,783.34	2,671.24
	Total Expenses		**25,985.84**	**25,362.69**
V	**Loss before exceptional items and tax (III - IV)**		**(6,403.86)**	**(8,253.04)**
VI	Exceptional Items	27	-	(81.67)
VII	**Loss before tax (V - VI)**		**(6,403.86)**	**(8,171.37)**
VIII	Tax expense		-	-
IX	**Loss for the period (VII - VIII)**		**(6,403.86)**	**(8,171.37)**
X	**Other comprehensive income/(loss)**			
	Items that will not be reclassified to profit or loss			
	(i) Remeasurements of the defined benefit plans		(13.89)	(42.94)
	Other comprehensive income/(loss) for the year, net of tax		**(13.89)**	**(42.94)**
XI	**Total comprehensive loss for the period, net of tax (IX + X)**		**(6,417.75)**	**(8,214.31)**
	Basic/ Diluted Earnings per share (of ₹ 10 each)	31	(0.54)	(0.73)

The accompanying notes are an integral part of the financial statements

As per our report attached
For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

ABHISHEK NIRMAL KUMAR BURAD
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Abhishek Burad
Partner
Membership Number: 122860

Place : **Mumbai**
Dated: **18 April 2023**

For and on behalf of the board of Directors

DocuSigned by: Aadesh Goyal
Aadesh Goyal
Director
DIN Number: 00044337

DocuSigned by: Sumeet Walia
Sumeet Walia
Director
DIN Number: 06758031

DocuSigned by: Ridhi Sood
Ridhi Sood
Company Secretary

DocuSigned by: Sanjeev Patel
Sanjeev Patel
Chief Executive Officer

DocuSigned by: Abhay Lahothy
Abhay Lahothy
Chief Financial Officer

Place : **Mumbai**
Dated: **18 April 2023**

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Tata Communications Payment Solutions Limited
Cash Flow Statement for the period ended 31 March 2023

	Period Ended 31 March 2023 ₹ in Lacs	Year Ended 31 March 2022 ₹ in Lacs
Cash Flows from operating activities		
Loss before tax	(6,403.86)	(8,171.37)
Adjustments for :		
Depreciation and amortisation expense	6,300.96	7,061.86
Finance cost	2,783.34	2,671.24
Loss/(Gain) on sale of property, plant and equipment and intangible assets (net)	(51.86)	(119.33)
Write off of property, plant and equipment and intangible assets	5.36	10.25
Gain on derecognition/modification of ROU	(217.12)	-
Allowance for doubtful advances	(132.60)	(58.27)
Allowance for trade receivables	(568.90)	(271.90)
Gain on investments carried at fair value through profit or loss	(16.53)	-
Operating profit before working capital changes	**1,698.79**	**1,122.48**
Adjustment for (increase) / decrease in operating assets:		
Trade receivable	182.34	414.30
Other assets	(115.32)	115.61
Adjustment for increase / (decrease) in operating liabilities:		
Trade and other payables	(622.75)	(1,815.03)
Provisions	(18.88)	(15.94)
Other Liabilities	7,282.75	5,137.58
Cash generated from operations	**8,406.93**	**4,959.00**
Income tax (paid)/refund received (net)	148.95	(29.90)
Net cash flow (Used in) or generated from operating activities	**8,555.88**	**4,929.10**
Cash flow from investing activities		
Payments for purchase of property, plant and equipment and intangible assets	(1,580.83)	(1,547.02)
Proceeds from disposal of property, plant and equipment	76.24	93.91
Purchase of current investment (Mutual Fund)	(6,999.65)	-
Sale of current investment (Mutual Fund)	4,515.79	-
Fixed deposit placed	(0.12)	(5.80)
Net cash (used in) investing activities	**(3,988.57)**	**(1,458.91)**
Cash flow from financing activities		
Proceeds from issue of equity share capital	5,000.00	11,000.00
(Repayment) / Proceeds from current borrowings	(16,686.90)	(10,827.03)
Interest paid	(1,964.48)	(1,562.66)
Payment for acquiring right of use assets	(3,697.36)	(3,755.85)
Net cash flow (used in) or generated from financing activities	**(17,348.74)**	**(5,145.54)**
Net Increase/(Decrease) an cash and cash equivalents	**(12,781.43)**	**(1,675.35)**
Cash and cash equivalents as at beginning of the year	41,348.29	43,023.64
Cash and cash equivalents as at end of the period	**28,566.86**	**41,348.29**
Note:		
Figures in bracket represent outflows.		

As per our report attached
For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

ABHISHEK NIRMAL KUMAR BURAD
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DN: cn=ABHISHEK NIRMAL KUMAR BURAD c=IN o=Personal email=abhishek.burad@srb.in

Abhishek Burad
Partner
Membership Number: 122860

Place: **Mumbai**
Dated: **18 April 2023**

For and on Behalf of the Board of Directors

DocuSigned by: Aadesh Goyal — E727DD6D963F4B3...
Aadesh Goyal
Director
DIN Number: 00044337

DocuSigned by: Sumeet Walia — 1903D4954900498...
Sumeet Walia
Director
DIN Number: 06758031

DocuSigned by: Ridhi Sood — 477B864B603F4E9...
Ridhi Sood
Company Secretary

DocuSigned by: Sanjeev Patel — C4400483584C7498...
Sanjeev Patel
Chief Executive Officer

DocuSigned by: Abhay Lahothy — 17CE8C4E2362475...
Abhay Lahothy
Chief Financial Officer

Place: **Mumbai**
Dated: **18 April 2023**

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Tata Communications Payment Solutions Limited
Statement of changes in equity for the period ended 31 March 2023

A. Equity Share Capital

(₹ in Lacs)

	No. of Shares	Amount
Balance as at 1 April 2021	1,05,70,91,784	1,05,709.18
Issue of share Capital	11,00,00,000	11,000.00
Balance as at 31 March 2022	1,16,70,91,784	1,16,709.18
Issue of share Capital	5,00,00,000	5,000.00
Balance as at 31 March 2023	**1,21,70,91,784**	**1,21,709.18**

B. Other Equity

(₹ in Lacs)

	Reserves and surplus			Items of other comprehensive income	Total
	Securities premium	Contribution from parent company	Retained earnings	Remeasurement of the defined benefit plans	
Balance as at 1 April 2021	45,490.81	5,496.42	(1,47,694.27)	38.58	(96,668.46)
Loss for the year	-	-	(8,171.37)	-	(8,171.37)
Other comprehensive income for the year	-	-	-	(42.94)	(42.94)
Total comprehensive income/(loss) for the year	-	-	(8,171.37)	(42.94)	(8,214.31)
Balance as at 31 March 2022	45,490.81	5,496.42	(1,55,865.64)	(4.36)	(1,04,882.77)
Loss for the year	-	-	(6,403.86)	-	(6,403.86)
Other comprehensive income for the year	-	-	-	(13.89)	(13.89)
Total comprehensive income/(loss) for the year	-	-	(6,403.86)	(13.89)	(6,417.75)
Balance as at 31 March 2023	45,490.81	5,496.42	(1,62,269.50)	(18.25)	(1,11,300.52)

The accompanying notes are integral part of the financial statements

As per our report attached
For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

ABHISHEK NIRMAL KUMAR BURAD
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DN: cn=ABHISHEK NIRMAL KUMAR BURAD, c=IN, o=Personal, email=abhishek.burad@srb.in

Abhishek Burad
Partner
Membership Number: 122860

Place: **Mumbai**
Dated: **18 April 2023**

For and on behalf of the Board of Directors

DocuSigned by: Aadesh Goyal
Aadesh Goyal
Director
DIN Number: 00044337

DocuSigned by: Sumeet Walia
Sumeet Walia
Director
DIN Number: 06758031

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Ridhi Sood
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Sanjeev Patel
Chief Executive Officer

DocuSigned by: Abhay Lahoty
Abhay Lahoty
Chief Financial Officer

Place: **Mumbai**
Dated: **18 April 2023**

DocuSign Envelope ID: CDAE7A92-7038-4397-82CD-8B9DB3E58A2C

Notes forming part of the financial statements

for the year ended 31 March 2023

1. Corporate information

TATA Communications Payment Solutions Limited (the 'Company') was incorporated in India on 28 February 2008 to engage in the business of providing infrastructure managed services and incidental activities to banking sector and has obtained authorization from Reserve Bank of India ('RBI') to set up, own and operate White Label Automated Teller Machine ('ATM') under the Payment and Settlement Systems Act, 2007. The Company operates under the brand name 'Indicash' for its White Label ATM Business. The Company also deals in and handling a portfolio of products that integrate white label ATM management, POS and merchant system, credit and debit card system and internet banking, mobile banking and other related services. The Company is a wholly owned subsidiary of Tata Communications Limited (Holding Company).

The Company is domiciled in India and its registered office is at Plot No. C21 & C36 'G' Block Bandra Kurla Complex Mumbai - 400 098.

2. Significant accounting policies

a. Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act,2013 (Ind AS Compliant Schedule III).

b. Basis of preparation of financial statements

The financial statements have been prepared on a historical cost basis, except certain financial assets and liabilities which have been measured at fair value or revalued amount.

i. Derivative financial instruments and
ii. Certain financial assets and liabilities measured at fair value (refer note 2 (q))

The accounting policies adopted for preparation and presentation of financial statements have been consistently applied.

The financial statements are presented in Indian Rupees (INR), and all values are rounded to the nearest lac (INR 00,000), except when otherwise indicated.

c. Significant accounting estimates and assumptions

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

Estimate and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimates are revised, and future periods are affected.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

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I. Defined benefit plans

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

II. Useful life of Property, Plant and equipment and Intangible assets

The Company reviews the useful life of property, plant and equipment and intangible assets at the end of each reporting period. This reassessment may result in change in depreciation and /or amortisation expense in future periods.

III. Fair value measurement of financial instruments

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair values are measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

IV. Provisions and contingent liabilities

A provision is recognised when the Company has a present obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by 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 or a reliable estimate of the amount cannot be made. Contingent liabilities are disclosed in the notes. Contingent assets are not recognised in the financial statements.

Provisions and contingent liabilities are reviewed at each balance sheet date.

d. Current versus non-current classification

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

An asset is treated as 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, or
- 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.

TATA Communications Payment Solutions Limited

Notes forming part of the financial statements

for the year ended 31 March 2023

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, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

e. Cash and cash equivalents (for purposes of Cash flow statement)

Cash comprises cash on hand (including cash in ATM, cash in vault held with Cash Replenishment Agencies ('CRA') and remittances in transit) and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value. Bank overdrafts do not form an integral part of the Company's cash management and so the same is not considered as component of cash and cash equivalents.

f. Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation / amortization and impairment losses, if any. The cost comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use and all incidental expenses incurred on making the asset ready for its intended use.

When significant parts of property, plant and equipment are required to be replaced at intervals, the Company derecognizes the replaced part, and recognizes the new part with its own associated useful life and it is depreciated accordingly only when it is probable that future economic benefits associated with item will flow to the Company and cost can be measured reliably. All other repairs and maintenance costs are recognized in profit and loss account as incurred.

Capital work-in-progress includes cost of property, plant and equipment under installation/under development as at the balance sheet date and are carried at cost, comprising direct cost and related incidental expenses.

The depreciable amount for property, plant and equipment is the cost of the property, plant and equipment or other amount substituted for cost, less its estimated residual value (wherever applicable). Depreciation on property, plant and equipment has been provided on the straight-line method as per the estimated useful lives. The asset's residual values, estimated useful lives and methods of depreciation are reviewed at each financial year end and any change in estimate is accounted for on a prospective basis.

For batteries, the Company keeps 5% of value of asset as residual value and depreciates the balance amount over useful life of the asset.

Estimated useful lives of the assets are as follows:

	Property, plant and equipment	Estimated Useful life of Assets
a.	Plant and Machinery (Refer 1 below)	
	- ATM & Cash Dispensers	10 years
	- Other Equipment & accessories at ATM Site (UPS, AC, Battery, VSAT)	3 to 8 years
	- Other General Plant & Machinery	3 to 8 years
b.	Leasehold Improvements	Over the customer contract or term of the lease of the site, whichever is lower
c.	Furniture*	10 years
d.	Office equipment*	5 years
e.	Computers & IT Servers*	3 to 6 years

TATA Communications Payment Solutions Limited

Notes forming part of the financial statements

for the year ended 31 March 2023

* On the above categories of assets, the depreciation has been provided as per useful life prescribed in Schedule II to the Companies Act, 2013.

1. In these cases, the life of the assets has been assessed based on technical advice, considering the nature of the asset, the estimated usage of the asset, the operating conditions of the asset.

Property, plant and equipment are eliminated from financial statement, either on disposal or when retired from active use. Losses arising in the case of retirement of property, plant and equipment and gains or losses arising from disposal of property, plant and equipment are recognised in the Statement of Profit and Loss in the year of occurrence.

g. Intangible assets

Intangible assets are recognized only if it is probable that the future economic benefits that are attributable to the asset will flow to the Company and the cost of the asset can be measured reliably.

Intangible assets under development includes expenditure on software development eligible for capitalisation which are carried as Intangible assets under development where such assets are not yet ready for their intended use.

The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Estimated useful lives of intangible assets are as follows:

Software and Application	3 to 6 years

An intangible asset is de-recognized upon disposal, or when no future economic benefits are expected from its use or disposal. Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.

h. Impairment of non-financial assets

The carrying values of assets / cash generating units ("CGU") at each balance sheet date are reviewed for impairment, if any indication of impairment exists. The following intangible assets are tested for impairment at the end of each financial year even if there is no indication that the asset is impaired:

i. an intangible asset that is not yet available for use and
ii. an intangible asset with indefinite useful lives.

If the carrying amount of the assets exceed the estimated recoverable amount, impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at a revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and the value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

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In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are considered.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such reversal is not recognised.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for the Company as a CGU. These budgets and forecast calculations generally cover a significant period. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the significant period.

i. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a Right of Use the asset or assets, even if that right is not explicitly specified in an arrangement.

Lessee

The Company's lease asset classes primarily consist of leases for ATM Sites. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. Refer to the accounting policies in note 2(h) Impairment of non-financial assets.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

Lease liability and ROU asset have been separately presented in the Balance Sheet.

Lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

j. Employee benefits

Employee benefits include provident fund, gratuity, compensated absences and performance incentives.

i. **Short term employment benefits**

The undiscounted amount of short-term employee benefits expected to be paid in exchange for services rendered by employees is recognised during the period when the employee renders the service. These benefits include compensated absences such as paid annual leave and performance incentives payable within twelve months.

ii. **Post-employment benefits**

Contributions to defined contribution retirement benefit schemes are recognized as expenses when employees have rendered services entitling them to the contributions.

For defined benefit schemes in the form of gratuity, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling (if applicable), excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to the Statement of Profit and Loss in subsequent periods. Past service cost is recognized in the Statement of Profit and Loss in the period of plan amendment.
Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

The Company recognizes changes in service costs comprising of current service costs, past-service costs, gains and losses on curtailments and non-routine settlements under employee benefit expenses in the Statement of Profit and Loss. The net interest expense or income is recognized as part of finance cost in the Statement of Profit and Loss.

The retirement benefit obligation recognized in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost, and as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the scheme.

iii. **Other long-term employment benefits**

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

k. Revenue recognition

Revenue is recognised upon transfer of control of promised products or rendering of services to the customers for an amount that reflects the consideration to which the Company expects to receive in exchange for those goods or services in normal course of business. Revenue is measured at the negotiated/ regulated transaction value of the consideration received or receivable excluding taxes collected on behalf of the government and is reduced for estimated credit notes and other similar allowances.

The consideration due to the Company is based on number of transactions in the ATMs and interchange rate fixed by Reserve Bank of India (RBI) for White Label ATM Business and Co-branding activities at white label ATMs are as per the contracts.

Accounting treatment of assets arising in course of sale of goods and services is set out below:

Trade Receivables

Trade receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

l. Other income

a. Dividends from investments are recognized when the right to receive payment is established and no significant uncertainty as to measurability or collectability exists.

b. Interest income for all financial instruments measured at amortized cost is recorded on accrual basis. Interest income is included in other income in the Statement of Profit and Loss.

m. Taxation

1. **Current Income tax**
Current tax expense is determined in accordance with the provisions of the Income Tax Act, 1961 (as amended).

Provisions for current income taxes and advance taxes paid in respect of the same jurisdiction are presented in the balance sheet after offsetting these balances on an assessment year basis. Current tax relating to items recognised outside the Statement of Profit and Loss is recognised outside the Statement of Profit and Loss. Current tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognized outside the Statement of Profit and Loss (either in Other comprehensive income or in equity) is recognized outside the Statement of Profit and Loss. Deferred tax items are recognized in correlation to the underlying transaction either in Other comprehensive income or directly in equity.

Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off.

n. Fair value measurement

The Company measures financial instruments such as derivatives and certain investments, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

a. In the principal market for the asset or liability or
b. In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of a financial asset or a liability is measured using the assumption that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.

Level 1 — Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 — Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 — Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

For assets and liabilities that are recognized in the balance sheet on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities based on the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

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Notes forming part of the financial statements

for the year ended 31 March 2023

o. Foreign currencies

The Company's financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency.

Foreign currency transactions are converted into Indian Rupees at rates of exchange approximating those prevailing at the transaction dates or at the average exchange rate for the month in which the transaction occurs. Foreign currency monetary assets and liabilities are outstanding as at the balance sheet date are translated to Indian Rupees at the closing rates prevailing on the balance sheet date. Exchange differences on foreign currency transactions are recognised in the Statement of Profit and Loss.

p. Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

q. Financial instruments

A Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

Financial assets

i. **Financial assets at amortized cost**
Financial assets are subsequently measured at amortised cost using effective interest rate (EIR) if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

ii. **Financial assets at Fair Value Through Other Comprehensive Income (FVTOCI)**
Financial assets are measured at fair value through Other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows that give rise on specified dates to solely payments of principal and interest on the principal amount outstanding and by selling financial assets.

iii. **Financial assets at Fair Value Through Profit or Loss (FVTPL)**
Financial assets are measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognized in profit or loss.

TATA Communications Payment Solutions Limited

Notes forming part of the financial statements

for the year ended 31 March 2023

iv. Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Company's balance sheet) when.

a. The rights to receive cash flows from the asset have expired, or

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

The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

v. Impairment of financial assets

The Company assesses impairment based on expected credit losses (ECL) model to the following

a. Financial assets measured at amortised cost
b. Financial assets measured at Fair Value through Other Comprehensive Income

Expected credit losses are measured through a loss allowance at an amount equal to the 12-month expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date).

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract revenue receivables.

Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at reporting date.

The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

For assessing expected credit loss on a collective basis, financial assets have been grouped on the basis of shared risk characteristics and basis of estimation may change during the course of time due to change in risk characteristics.

vi. Financial liabilities

Financial liabilities are classified, at initial recognition, as Financial Liability at FVTPL, Loans and borrowings, payables, as appropriate.

All Financial Liability are recognized initially at fair value and, in case of loans and borrowings and payable, net of directly attributable transaction costs.

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i. **Subsequent measurement**
The measurement of financial liabilities depends on their classification, as described below:

I. **Loans and borrowings**
After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost on accrual basis.

II. **Derecognition**
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 the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of Statement of Profit and Loss.

ii. **Offsetting of financial instruments**
Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

iii. **Derivative financial instruments - Initial and subsequent measurement**
The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

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Notes forming part of the financial statements

for the year ended 31 March 2023

3. Property, plant and equipment

(₹ in lacs)

	Plant and Machinery	Office Equipment	Computers	Furniture and Fixtures	Leasehold Improvements	Total
Cost						
Balance as at 1 April 2021	37,359.69	48.33	1,099.36	11.44	6,353.58	44,872.40
Additions	687.70	-	58.67	-	68.21	814.58
Disposals	(2,217.33)	-	-	-	-	(2,217.33)
Assets written off	(399.47)	-	-	-	(172.11)	(571.58)
Balance as at 31 March 2022	**35,430.59**	**48.33**	**1,158.03**	**11.44**	**6,249.68**	**42,898.07**
Additions	1,246.11	-	28.83	-	149.11	1,424.05
Disposals	(1,456.80)	(8.78)	(138.84)	-	-	(1,604.42)
Assets written off	(270.01)	-	-	-	(947.22)	(1,217.23)
Transfer	(1.01)	-	-	-	1.01	-
Balance as at 31 March 2023	**34,948.88**	**39.55**	**1,048.02**	**11.44**	**5,452.58**	**41,500.47**
Accumulated Depreciation						
Balance as at 1 April 2021	25,783.02	47.55	1,003.18	11.29	5,658.54	32,503.58
Depreciation	3,672.22	0.62	67.61	0.04	337.19	4,077.68
Disposals	(2,202.22)	-	-	-	-	(2,202.22)
Assets written off	(393.37)	-	-	-	(172.08)	(565.45)
Reclassified as held for sale	-	-	-	-	-	-
Balance as at 31 March 2022	**26,859.65**	**48.17**	**1,070.79**	**11.33**	**5,823.65**	**33,813.59**
Depreciation	3,072.94	0.12	58.87	0.04	264.03	3,396.00
Disposals	(1,432.60)	(8.78)	(138.72)	-	-	(1,579.96)
Assets written off	(264.64)	-	-	-	(947.22)	(1,211.86)
Transfer	3.30	-	-	-	(3.30)	-
Balance as at 31 March 2023	**28,238.65**	**39.51**	**990.94**	**11.37**	**5,137.16**	**34,417.63**
Carrying amount						
Balance as at 31 March 2022	8,570.94	0.16	87.24	0.11	426.03	9,084.48
Balance as at 31 March 2023	**6,710.23**	**0.04**	**57.08**	**0.07**	**315.42**	**7,082.84**

The aggregate depreciation expense on Property, plant and equipment is included under depreciation and amortisation expenses in the statement of Profit and Loss.

a. Title deeds of Immovable Property not held in the name of the Company.

Description of item of property	Gross book value 31 March 23 (₹ in lacs)	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/ director or employee of promoter/ director	Property held since which date	Reason for not being held in the name of the Company
Right of use assets	656.59	Various parties	No	Various lease agreements	Lease agreements execution is in process

TATA Communications Payment Solutions Limited

Notes forming part of the financial statements

for the year ended 31 March 2023

4. Right of use Assets

(₹ in lacs)

Particulars	Amount
Cost	
Balance as at 1 April 2021	**16,562.63**
Additions	1,765.03
Terminations	(412.82)
Balance as at 31 March 2022	**17,914.84**
Additions	885.60
Terminations	(3,967.96)
Balance as at 31 March 2023	**14,832.48**
Accumulated amortization	
Balance as at 1 April 2021	**4,808.48**
Amortization	2,972.21
Terminations	(161.88)
Balance as at 31 March 2022	**7,618.81**
Amortization	2,901.11
Terminations	(2,123.87)
Balance as at 31 March 2023	**8,396.05**
Carrying amount	
Balance as at 31 March 2022	**10,296.03**
Balance as at 31 March 2023	**6,436.43**

The aggregate amortisation expense on ROU assets is included under depreciation and amortisation expenses in the statement of Profit and Loss.

5. Capital Work in-progress (CWIP)

CWIP Ageing Schedule :

(₹ in lacs)

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress					
As on 31 March 2023	385.14	-	-	-	385.14
As on 31 March 2022	378.31	-	-	-	378.31

There are no projects which are temporarily suspended or whose cost has exceeded its cost compared to its original plan as at 31 March 2023 and 31 March 2022 respectively.

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Notes forming part of the financial statements

for the year ended 31 March 2023

6. Intangible assets

(₹ in lacs)

	Computer Software
Cost	
Balance as at 1 April 2021	**500.46**
Assets written off	-
Balance as at 31 March 2022	500.46
Additions	1.43
Assets written off	(16.60)
Balance as at 31 March 2023	**485.29**
Accumulated amortization	
Balance as at 1 April 2021	484.77
Amortization Expense	11.97
Assets written off	-
Balance as at 31 March 2022	496.74
Amortization Expense	3.85
Assets written off	(16.60)
Balance as at 31 March 2023	**483.99**
Carrying amount	
Balance as at 31 March 2022	3.72
Balance as at 31 March 2023	**1.30**

The aggregate depreciation expense on Property, plant and equipment is included under depreciation and amortisation expenses in the statement of Profit and Loss.

TATA Communications Payment Solutions Limited

Notes forming part of the financial statements

for the year ended 31 March 2023

7. Other financial assets

(₹ in lacs)

		As at 31 March 2023	As at 31 March 2022
A.	**Non-Current**		
	Security deposits		
	Unsecured, considered good	370.34	375.98
	Unsecured, considered doubtful	113.43	113.43
		483.77	489.41
	Less: Allowance for doubtful security deposits	(113.43)	(113.43)
	Total (A)	**370.34**	**375.98**
B.	**Current**		
	Advance to vendors and contractors		
	Unsecured, considered good	2,775.51	2,238.14
	Unsecured, considered doubtful	264.76	397.36
		3,040.27	2,635.50
	Less: Allowance for doubtful advances	(264.76)	(397.36)
	Total (B)	**2,775.51**	**2,238.14**
	(A+B)	**3,145.85**	**2,614.12**

8. Income tax assets (net)

(₹ in lacs)

	As at 31 March 2023	As at 31 March 2022
Advance tax (net of provision for taxes)	27.41	176.36
Total	**27.41**	**176.36**

9. Other assets

(₹ in lacs)

		As at 31 March 2023	As at 31 March 2022
A.	**Non-current**		
a.	Prepaid expenses – Unsecured, Considered good	21.05	5.25
	Total (A)	**21.05**	**5.25**
B.	**Current**		
a.	Taxes recoverable (net) – Considered good	2,082.46	1,887.51
b.	Advance to Vendors		
	Unsecured, considered good	957.48	1,150.53
	Unsecured, considered doubtful	163.59	163.59
		1,121.07	1,314.12
	Less: Allowance for doubtful advances	(163.59)	(163.59)
		957.48	1,150.53
c.	Prepaid expenses – Unsecured, Considered good	55.95	357.41
d.	Other receivables – Unsecured, Considered good	2.27	1.97
e.	Advances to Employees – Unsecured, Considered good	2.68	3.05
	Total (B)	**3,100.84**	**3,400.47**
	(A+B)	**3,121.89**	**3,405.72**

TATA Communications Payment Solutions Limited

Notes forming part of the financial statements

for the year ended 31 March 2023

10. Current Investments

(₹ in lacs)

	As at 31 March 2023	As at 31 March 2022
Measured at Fair Value through Profit and Loss		
Investments in Mutual Funds	2,500.39	-
Total	**2,500.39**	**-**

11. Trade receivables

(₹ in lacs)

		As at 31 March 2023	As at 31 March 2022
	Unsecured (including unbilled receivables)		
a.	Considered good	729.50	342.93
b.	Considered doubtful	213.99	2,063.89
		943.49	**2,406.82**
	Less: Allowance for doubtful debts (Refer note 35 (c))	(213.99)	(2,063.89)
	Total	**729.50**	**342.93**

Trade Receivables ageing schedule as at 31 March 2023

(₹ in lacs)

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment					
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	14.35	10.54	21.56	11.21	11.83	0.12	659.89	729.50
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	0.03	1.80	0.32	3.41	208.43	213.99
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
Total	**14.35**	**10.54**	**21.59**	**13.01**	**12.15**	**3.53**	**868.32**	**943.49**
Less: Allowance for doubtful receivables								(213.99)
Net Total								**729.50**

TATA Communications Payment Solutions Limited

Notes forming part of the financial statements

for the year ended 31 March 2023

Trade Receivables ageing schedule as at 31 March 2022

(₹ in lacs)

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment					
			Less than 6 months	6 months-1year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	89.30	70.53	93.98	-	-	30.99	8.97	293.77
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	0.31	-	-	6.50	588.31	595.12
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	49.16	49.16
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	57.62	1,411.15	1,468.77
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
Total	**89.30**	**70.53**	**94.29**	**-**	**-**	**95.11**	**2,057.59**	**2,406.82**
Less: Allowance for doubtful receivables								(2,063.89)
Net Total								**342.93**

12. Cash and cash equivalents

(₹ in lacs)

		As at 31 March 2023	As at 31 March 2022
a.	Balances at ATM	22,182.26	32,352.86
b.	Remittance in transit	964.87	1,324.25
c.	Cash in vault	2,543.41	3,147.31
d.	Balances with banks	2,876.32	4,523.87
	Total	**28,566.86**	**41,348.29**

13. Bank balances (other than note 12 above)

(₹ in lacs)

		As at 31 March 2023	As at 31 March 2022
	Other bank balances:		
a.	Restricted bank deposits (refer note i below)	22.92	22.80
	Total	**22.92**	**22.80**

i. ₹ 22.92 lacs (2022: ₹ 22.80 lacs) represents the amount withheld towards legal matters

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14. Equity share capital

(₹ in lacs)

	As at 31 March 2023	As at 31 March 2022
a. **Authorised:**		
1,500,000,000 (2022: 1,200,000,000) Equity Shares of ₹ 10 each	150,000.00	120,000.00
1,100,000,000 (2022: 1,100,000,000) 12% Convertible Preference Shares of face value ₹ 10/- each	110,000.00	110,000.00
	260,000.00	**230,000.00**
b. **Issued, Subscribed and Paid up:**		
1,217,091,784 (2022: 1,167,091,784) Equity Shares of ₹ 10 each, fully paid up	121,709.18	116,709.18
Total	**121,709.18**	**116,709.18**

a. **Number of shares held by each shareholder holding more than 5% of the issued share capital:**

Tata Communications Limited	As at 31 March 2023		As at 31 March 2022	
(Holding Company)	No of shares	Percentage	No of shares	Percentage
Equity shares	1,217,091,784	100%	1,167,091,784	100%

b. **Terms/Rights attached to shares:**

The Company has only one class of equity shares having a face value of ₹ 10 per share. Equity shareholders are entitled to one vote per share at any General Meeting of Shareholders.

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

15. Other equity

(₹ in lacs)

		As at 31 March 2023	As at 31 March 2022
a.	Retained earnings	(1,62,269.51)	(1,55,865.64)
b.	Other comprehensive income (refer note i below)	(18.25)	(4.36)
c.	Securities premium (refer note ii below)	45,490.81	45,490.81
d.	Contribution from parent company (refer note iii below)	5,496.43	5,496.42
	Total	**(1,11,300.52)**	**(1,04,882.77)**

i. **Other Comprehensive Income**

This represents the cumulative gains and losses arising from remeasurement of defined employee benefit plans.

ii. **Securities premium**

It is the additional amount which shareholders have paid for shares issued; that was in excess of the face value of those shares. This premium can be used to write off equity related expenses and issue of bonus shares.

iii. **Contribution from holding company**

The interest on the debt component of the preference shares is disclosed as contribution from holding company on conversion to equity shares.

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16. Lease liabilities

(₹ in lacs)

		As at 31 March 2023	As at 31 March 2022
A.	**Non-current**		
	Lease liability	5,342.00	8,775.11
	Total (A)	**5,342.00**	**8,775.11**
B.	**Current**		
	Lease liability	2,313.84	2,938.30
	Total (B)	**2,313.84**	**2,938.30**
	(A+B)	**7,655.84**	**11,713.41**

17. Provisions

(₹ in lacs)

		As at 31 March 2023	As at 31 March 2022
A.	**Non-current**		
	Provision for employee benefits		
	a. Provision for gratuity (refer note 30 (ii))	258.75	252.55
	b. Provision for compensated absences (refer note 30 (iii))	57.10	56.44
	Total (A)	**315.85**	**308.99**
B.	**Current**		
	a. Provision for compensated absences (refer note 30 (iii))	7.57	7.22
	b. Provision for Others	45.10	57.30
	Total (B)	**52.67**	**64.52**
	(A+B)	**368.52**	**373.51**

18. Other liabilities

(₹ in lacs)

		As at 31 March 2023	As at 31 March 2022
A.	**Non-current**		
	Accrued employee benefits	98.76	31.95
	Total (A)	**98.76**	**31.95**
B.	**Current**		
a.	Accrued employee benefits	305.94	366.60
b.	Statutory liabilities		
	TDS payable	246.47	271.34
	GST payable	278.09	251.11
	Others statutory dues	18.97	19.88
c.	Customer Advances	0.23	-
	Total (B)	**849.70**	**908.93**
	(A+B)	**948.46**	**940.88**

TATA Communications Payment Solutions Limited

Notes forming part of the financial statements

for the year ended 31 March 2023

19. Borrowings

(₹ in lacs)

	As at 31 March 2023	As at 31 March 2022
Current		
Loans repayable on demand (from banks)		
a. Bank overdraft (Rate of interest per annum: 7.50% to 8.60%; 2022: 7.50% to 7.70%)	-	8,086.90
b. Working capital demand loan (Rate of interest: 6.80% to 8.15%; 2022: 6.80% to 7.90%)	12,000.00	20,600.00
Total	**12,000.00**	**28,686.90**

20. Trade and other payables

(₹ in lacs)

		As at 31 March 2023	As at 31 March 2022
A	Total outstanding dues of micro enterprises and small enterprises (Refer note 39)	2.96	35.14
	(A)	**2.96**	**35.14**
B	Total outstanding dues of creditors other than micro enterprises and small enterprises		
	i. Trade payables	6,803.13	7,384.72
	ii. Payable to related parties	495.29	504.28
	(B)	**7,298.42**	**7,889.00**
	Total (A+B)	**7,301.38**	**7,924.14**

Trade Payable ageing Schedule as on 31 March 2023

(₹ in lacs)

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment				
			Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Total Outstanding dues to Micro enterprises and small enterprises	-	2.96	-	-	-	-	**2.96**
(ii) Total Outstanding due to Creditors other than Micro enterprises and small enterprises	5,977.48	568.49	631.71	35.44	26.69	49.43	**7,289.24**
(iii) Disputed dues to Micro enterprises and small enterprises	-	-	-	-	-	-	-
(iv) Disputed dues to Creditors other than Micro enterprises and small enterprises	9.18						**9.18**

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for the year ended 31 March 2023

Trade Payable ageing Schedule as on 31 March 2022

(₹ in lacs)

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment				
			Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Total Outstanding dues to Micro enterprises and small enterprises	-	34.40	0.74	-	-	-	**35.14**
(ii) Total Outstanding due to Creditors other than Micro enterprises and small enterprises	6,554.77	184.44	439.25	11.63	17.52	245.47	**7,453.08**
(iii) Disputed dues to Micro enterprises and small enterprises	-	-	-	-	-	-	-
(iv) Disputed dues to Creditors other than Micro enterprises and small enterprises	435.92	-	-	-	-	-	**435.92**

21. Other financial liabilities

(₹ in lacs)

		As at 31 March 2023	As at 31 March 2022
A.	**Non-Current**		
a.	Franchisee deposit	10,496.91	4,381.59
b.	Deferred Interest Cost	773.72	452.40
	Total (A)	**11,270.63**	**4,833.99**
B.	**Current**		
a.	Capital goods		
	i. Other	259.27	370.81
	ii. Payable to related parties	15.15	52.10
b.	Accrued interest	0.13	34.57
c.	Fair value of Foreign currency forward contracts	0.01	0.01
d.	Deferred Interest Cost	730.20	307.90
e.	Franchisee deposits	1,062.24	608.08
f.	Other payables	0.04	0.05
	Total (B)	**2,067.04**	**1,373.52**
	(A+B)	**13,337.67**	**6,207.51**

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Notes forming part of the financial statements

for the year ended 31 March 2023

22. Other income

(₹ in lacs)

		Year ended 31 March 2023	Year ended 31 March 2022
a.	Interest on income tax refund	7.38	-
b.	Net gain on current investments	16.53	-
c.	Provision/Liabilities no longer required written back	90.37	422.34
d.	Profit on sale of Property, Plant and equipment (net)	51.86	82.93
e.	Gain on terminations of ROU asset	216.37	15.63
f.	Others (net) (refer note i)	663.65	129.03
	Total	**1,046.16**	**649.93**

i. Others include Interest income on fair valuation of Franchisee deposits of ₹ 522.17 lacs (2022: ₹ 165.38 lacs)

23. Employee benefit expense

(₹ in lacs)

		Year ended 31 March 2023	Year ended 31 March 2022
a.	Salaries and related costs	2,142.10	1,958.28
b.	Contributions to provident and other funds (Refer note 30)	151.31	137.07
c.	Staff welfare expenses	66.41	67.72
	Total	**2,359.82**	**2,163.07**

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Notes forming part of the financial statements

for the year ended 31 March 2023

24. Operating and other expense

(₹ in lacs)

		Year ended 31 March 2023	Year ended 31 March 2022
a.	Network cost	532.30	751.49
b.	Cash management fees	3,680.41	4,208.84
c.	Caretaker charges	286.32	178.51
d.	Lease rental		
	i. Site rent charges	16.75	156.95
	ii. Rent for hired building	239.30	110.72
e.	Revenue Share to Franchisees	3,525.45	642.99
f.	Electricity expenses	161.36	707.57
g.	Consumables	31.80	22.56
h.	Cash handling loss (net of recoveries)	(38.86)	(91.21)
i.	Repairs and maintenance	3,861.42	4,254.24
j.	Legal and professional fees	533.05	463.08
k.	Services rendered by agencies	1,192.19	1,034.85
l.	Rates and taxes	320.82	287.86
m.	Travelling expenses	404.28	292.26
n.	Advertising and publicity	54.66	68.23
o.	Insurance	42.54	25.27
p.	Write off or sale of property, plant and equipment and intangible assets	5.36	10.25
q.	**Bad debts:**		
	Bad Debts written off	1,281.00	186.87
	Less: Utilized from allowance for doubtful trade receivables	(1,281.00)	(186.87)
r.	Allowance for doubtful trade receivables	(568.90)	(271.90)
s.	Allowance for doubtful advances	(132.60)	(58.27)
t.	Telephone expenses	14.58	16.10
u.	Printing, postage and stationery	8.03	1.19
v.	Management fees WLA	16.72	6.59
w.	Commission	16.50	-
x.	Other expenses (refer note i below)	338.24	648.35
	Total	**14,541.72**	**13,466.52**

i. Other expenses include auditor's remuneration as follows:

(₹ in lacs)

	Year ended 31 March 2023	Year ended 31 March 2022
Auditor's remuneration and expenses (excluding goods and service tax)		
a. Audit fees	21.04	16.50
b. Tax Audit fees	3.30	3.30
c. Other professional services	2.05	0.09

ii. Operating and other expenses include an adjustment on account of liabilities no longer required written back, pertaining to prior years.

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for the year ended 31 March 2023

25. Depreciation and amortisation expense

(₹ in lacs)

		Year ended 31 March 2023	Year ended 31 March 2022
a.	Depreciation for the year on property, plant and equipment (refer note 3)	3,396.00	4,077.68
b.	Depreciation for the year on right-to-use assets (refer note 4)	2,901.11	2,972.21
c.	Amortization for the year on intangible assets (refer note 6)	3.85	11.97
	Total	**6,300.96**	**7,061.86**

a. During the current year, the Company has provided depreciation of ₹ 242.31 lacs (2022: ₹ 566.07 lacs) on certain assets that are not in use.

26. Finance costs

(₹ in lacs)

		Year ended 31 March 2023	Year ended 31 March 2022
a.	Interest on bank overdraft	30.05	39.94
b.	Interest on Working capital demand loan	1,419.98	1,503.80
c.	Interest on lease liability	815.40	954.06
d.	Others (refer i below)	517.91	173.44
	Total	**2,783.34**	**2,671.24**

i. Others include Interest expense on fair valuation of franchisee deposits of ₹ 498.77 lacs (2022: ₹ 157.91 lacs)

27. Staff cost optimisation

As part of Company's initiative to enhance the long-term efficiency of the business, the Company, in the FY 20-21 undertook organizational changes to align to the Company's business requirements. These changes involved certain positions in the Company becoming redundant and the Company had incurred one-time costs of ₹ 81.67 lacs in FY 20-21. Based on the conditions and circumstances prevailing in the previous year, the Company had reversed the said costs as the Management believes that these costs would not be incurred in future.

28. Deferred taxes

The Company has restricted recognition of deferred tax assets resulting from the carry forward tax losses and other timing differences to the extent of deferred tax liabilities, as the Company has accumulated tax losses and the conditions prescribed by Ind AS are not met.

TATA Communications Payment Solutions Limited

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for the year ended 31 March 2023

29. Unrecognised deductible temporary differences, unused tax losses and unused tax credits

(₹ in lacs)

		As at 31 March 2023	As at 31 March 2022
	Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following		
a.	Business loss	23,221.52	32,230.92
b.	Unabsorbed depreciation	69,761.83	65,105.19
	Total	**92,983.35**	**97,336.11**

The carried forward losses will expire as below

	Particulars	Expiration of losses
a.	Business losses	Between FY 2025 to 2031
b.	Unabsorbed depreciation	Unlimited

30. Employee Benefits

i. **Defined Contribution Plan**

Provident Fund

The Company makes contribution towards Provident fund under a defined contribution retirement benefit plan for employees. The Provident Fund is administered by the Regional Provident Fund Commissioner. Under this Scheme, the Company is required to contribute a specified percentage of payroll cost to fund the benefits.

Provident fund contributions amounting to ₹ 110.75 lacs (2022: ₹ 102.04 lacs) have been charged to the Statement of Profit and Loss under contributions to provident and other funds (Refer note 23).

ii. **Defined Benefit Plan**

Gratuity

The plan provides for lump sum payments to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary for each completed year of service or part thereof in excess of six months. Vesting occurs upon completion of five years of service. The cost of providing benefits for defined benefit schemes is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date.

These plans typically expose the Company to actuarial risk such as interest rate risk and salary risk.

Interest rate risk	The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase
Salary risk	Higher than expected increases in salary will increase the defined benefit obligation

The most recent actuarial valuation of the defined benefit obligation was carried out as at 31 March 2023 by an accredited actuary.

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for the year ended 31 March 2023

The principal assumptions used for the purposes of the actuarial valuations were as follows:

	As at 31 March 2023	As at 31 March 2022
Principal Actuarial assumptions		
Discount rate	7.20%	6.80%
Salary Escalation Rate	7.00%	6.00%
Withdrawal rate		
Less than 5 years	15%	15%
5 years and more	8%	8%

The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.
The estimates of future compensation cost considered in the actuarial valuation take account of inflation, seniority, promotion and other relevant factors.

Amounts recognised in the Statement of Profit and Loss in respect of these defined benefit plans are as follows:

(₹ in lacs)

		As at 31 March 2023	As at 31 March 2022
	Expenses recognized in the Statement of Profit and Loss		
a.	Current service cost	32.20	29.85
b.	Interest cost	15.30	12.55
	Components of defined benefit costs recognized in the Statement of Profit and Loss	**47.50**	42.40
	Remeasurement on the net defined benefit liability		
a.	Actuarial (gains) / losses arising from Defined benefit obligation assumption changes	8.18	(7.56)
b.	Actuarial (gains) / losses arising from the changes in experience adjustments	5.71	50.50
	Components of defined benefit costs recognized in other comprehensive income	**13.89**	**42.94**

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The details in respect of the unfunded amounts recognized in the balance sheet for these defined benefit schemes are as under:

(₹ in lacs)

		As at 31 March 2023 (Unfunded)	As at 31 March 2022 (Unfunded)
I	**Amount recognized in the balance sheet**		
	Liability at the end of the year	(258.75)	(252.55)
	Net liability in the balance sheet	**(258.75)**	**(252.55)**
	Non-current provision (refer note 17A)		
II.	**Change in the Defined Benefit Obligation (DBO)**		
	Present value of DBO at the beginning of the year	(252.55)	(224.44)
	Current service cost	(32.20)	(29.85)
	Interest cost	(15.30)	(12.55)
	Amount recognized in Other Comprehensive income	(13.89)	(42.94)
	Benefits paid	55.19	57.23
	Present value of DBO at the end of the year	**(258.75)**	**(252.55)**

A quantitative sensitivity analysis for significant assumptions as at 31 March 2023 and 31 March 2022 is as shown below

Significant actuarial assumptions for the determination of the defined obligation are discount rate, salary escalation rate and withdrawal rate. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

1. Discount rate

(₹ in lacs)

	As at 31 March 2023	As at 31 March 2022
Effect on DBO due to 1% increase	(17.42)	(17.38)
Effect on DBO due to 1% decrease	19.61	19.63

2. Salary escalation rate

(₹ in lacs)

	As at 31 March 2023	As at 31 March 2022
Effect on DBO due to 1% increase	15.76	17.66
Effect on DBO due to 1% decrease	(15.08)	(16.67)

3. Withdrawal rate

(₹ in lacs)

	As at 31 March 2023	As at 31 March 2022
Effect on DBO due to 5% increase	3.31	3.98
Effect on DBO due to 5% decrease	(6.65)	(7.02)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

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Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognized in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Maturity profile of defined benefit plan

(₹ in lacs)

		As at 31 March 2023
a.	31 March 2024	25.91
b.	31 March 2025	25.39
c.	31 March 2026	27.54
d.	31 March 2027	29.65
e.	31 March 2028	32.49
f.	31 March 2029 to 31 March 2033	225.29

There has been no change in the process used by the Company to manage its risks from prior years.

iii. **Leave plan and compensated absences**

Leaves unavailed by eligible employees may be carried forward up to 60 days and for employees who have joined post 1 January 2020 carry forward shall be restricted to 45 days. Encashment will be maximum of 30 days by them / their nominees in the event of death or permanent disablement or resignation.

The liability for compensated absences as at the year-end is ₹ 64.67 lacs (2022: ₹ 63.66 lacs) as shown under non-current provisions ₹ 57.10 lacs (2022: ₹ 56.44 lacs) and current provisions ₹ 7.57 lacs (2022: ₹ 7.22 lacs). Compensated absences expenses amounting to ₹ 12.70 lacs (2022: ₹ 26.33 lacs) have been charged to the Statement of Profit and Loss under salaries and related costs in note 23 "Employee Benefit Expenses".

31. Earnings per share

(₹ in lacs)

	As at 31 March 2023	As at 31 March 2022
Net (Loss) after tax attributable to the equity shareholders (A)	(6,403.86)	(8,171.37)
Number of equity shares outstanding at the end of the year	1,217,091,784	1,167,091,784
Weighted average number of shares outstanding during the year (B)	1,195,820,551	1,112,872,606
Basic and diluted earnings per share (equity share of ₹ 10 each) (A/B)	**(0.54)**	**(0.73)**

32. Segment reporting

The Board of Directors of the Company constitute the Chief Operating Decision Makers ("CODM") which allocate resources to and assess the performance of the Company. The Company is engaged in end-to-end ATM deployment, end-to-end POS enablement, hosted core banking, end to end financial inclusion and card issuance and related managed services, switching services to banking sector. Considering the nature of the Company's business and operations, there are no other reportable segments in accordance with the requirements of Indian Accounting Standard 108- 'Operating Segments' prescribed under section 133 of the Companies Act, 2013. Further, the Company provides services only in India and accordingly, no disclosures are required under geographical segment reporting.

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33. Derivatives

Derivatives not designated as hedge instruments

The Company uses foreign exchange forward contracts to manage some of its transaction exposures. The foreign exchange forward contracts are not designated as cash flow hedges and are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally for a period of 1 to 3 months.
Outstanding derivatives instruments are as follows:

(₹ in lacs)

	As at 31 March 2023		As at 31 March 2022	
	(Amount in foreign currency)	(Amount in INR)	(Amount in foreign currency)	(Amount in INR)
i. Forward exchange contracts (Buy)				
CAD	-	-	@	@
USD	2.05	168.80	0.10	7.47

@ represents amount less than ₹1,000

34. Financial Instruments

The significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expense are recognized, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2(q) to the financial statements.

Financial assets and liabilities

The carrying value of financial instruments by categories as at 31 March 2023 is as follows:

(₹in lacs)

	Derivative instrument	Amortized cost	Fair value through Profit & Loss	Total carrying value
Financial Assets:				
Investment	-	-	2,500.39	2,500.39
Other financial assets	-	3,145.85	-	3,145.85
Trade receivables	-	729.50	-	729.50
Cash and Cash equivalents	-	28,566.86	-	28,566.86
Other bank balances	-	22.92	-	22.92
Total	**-**	**34,965.53**	**2,500.39**	**34,965.52**
Financials Liabilities:				
Lease Liabilities	-	7,655.84	-	7,655.84
Borrowings	-	12,000.00	-	12,000.00
Other financial liabilities	0.01	13,337.66	-	13,337.67
Trade payables	-	7,301.38	-	7,301.38
Total	**0.01**	**40,294.88**	**-**	**40,294.89**

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The carrying value of financial instruments by categories as at 31 March 2022 is as follows:

(₹ in lacs)

	Derivative instrument	Amortised cost	Total carrying value
Financial Assets:			
Other financial assets	-	2,614.12	2,614.12
Trade receivables	-	342.93	342.93
Cash and Cash equivalents	-	41,348.29	41,348.29
Other bank balances	-	22.80	22.80
Total	-	**44,328.14**	**44,328.14**
Financials Liabilities:			
Lease Liabilities	-	11,713.41	11,713.41
Borrowings	-	28,686.90	28,686.90
Other financial liabilities	0.01	6,207.50	6,207.51
Trade payables	-	7,924.14	7,924.14
Total	**0.01**	**53,771.65**	**53,771.66**

Carrying amounts of cash and cash equivalents, trade receivables, borrowings and trade payables as at 31 March 2023 and 31 March 2022 approximate the fair value because of their short-term nature. The difference between the carrying amounts and fair values of other financial assets, other financial liabilities and borrowings subsequently measured at amortized cost is not significant in each of the years presented.

Fair value hierarchy

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consist of the following three levels.

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

The investments included in level 1 of fair value hierarchy have been valued using quotes available for similar assets and liabilities in the active market.

(i) The following table summarizes financial assets and liabilities measured at fair value on a recurring basis and financial assets that are not measured at fair value on a recurring basis (but fair value disclosure are required)

(₹in lacs)

Financial assets/liabilities	Fair value as at		Fair value hierarchy
	31 March 2023	31 March 2022	
Financial Liabilities			
Foreign exchange forward contracts	0.01	0.01	Level 2
Financial Assets			
Investment in mutual funds	2,500.39	-	Level 1

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Notes forming part of the financial statements

for the year ended 31 March 2023

35. Financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, and trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to support its operations. The Company's principal financial assets include loans, trade and other receivables, current investments and cash and cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks.

The Company's senior management ensures that financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Senior Management reviews and agrees policies for managing each of these risks, which are summarized below.

a. **Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, FVTPL investments and derivative financial instruments.

b. **Interest rate risk**

Interest rate risk is the risk that the future cash flows with respect to interest receipts and payments on loans extended or availed will fluctuate because of changes in market interest rates. The Company does not have exposure to the risk of changes in market interest rates as it does not have long-term debt obligations and loans extended at variable rates are classified as short term.

c. **Credit risk**

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

In determining the allowances for doubtful trade receivables, the Company has used a simplified approach by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix considers historical credit loss experience and is adjusted for forward looking information.

The expected credit loss allowance is based on the ageing of the receivables as mentioned below:

(₹ in lacs)

Ageing of receivables net of provisions	As at 31 March 2023	As at 31 March 2022
Within credit period	24.54	159.93
1-90 days	24.28	93.97
91-180 days	-	-
181-360 days	8.83	-
More than 360 days	671.85	89.03
Total	**729.50**	**342.93**

TATA Communications Payment Solutions Limited

Notes forming part of the financial statements

for the year ended 31 March 2023

Movement in the expected credit loss allowance

(₹in lacs)

	Year ended 31 March 2023	Year ended 31 March 2022
Balance at beginning of the year	2,063.89	2,522.66
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses (net)	(568.90)	(271.90)
Less: Bad debts	(1,281.00)	(186.87)
Balance at the end of the year	**213.99**	**2,063.89**

d. **Liquidity risk**

The Company monitors its risk of a shortage of funds using a liquidity planning tool.
The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts.

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's corporate treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. The table below summarizes the maturity profile of the Company's financial liabilities based on contractual payments.

(₹in lacs)

As at 31 March 2023	On demand	0 to 12 months	1 to 5 years	>5 years	Total
Lease liabilities Non-Current	-	-	4,759.86	582.14	5,342.00
Other Non-Current Financial Liabilities	-	-	11,270.63	-	11,270.63
Current borrowings	12,000.00		-	-	12,000.00
Lease liabilities Current	-	2,313.84	-	-	2,313.84
Trade and other payables	473.35	6,828.03	-	-	7,301.38
Other Current Financial Liabilities	5.41	2,061.63	-	-	2,067.04

(₹in lacs)

As at 31 March 2022	On demand	0 to 12 months	1 to 5 years	>5 years	Total
Lease liabilities Non-Current	-	-	8,775.11	-	8,775.11
Other Non-Current Financial Liabilities	-	-	-	4,833.99	4,833.99
Current borrowings	28,686.90	-	-	-	28,686.90
Trade and other payables	47.37	7,876.77	-	-	7,924.14
Lease liabilities Current	-	2,938.30	-	-	2,938.30
Other Current Financial Liabilities	34.59	1,338.93	-	-	1,373.52

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Notes forming part of the financial statements

for the year ended 31 March 2023

36. Related party transactions

i. **Names of related parties and nature of relationship**

	Category of related parties	Names
1	Ultimate Holding Company	Tata Sons Private Limited
2	Controlling Entity	Panatone Finvest Limited
3	Holding Company	Tata Communications Limited
4	Fellow Subsidiaries*	Tata Communications Transformation Services Limited Tata Communication (Ireland) Limited Tata Communication (UK) Limited Tata Communications (Canada) Limited Tata Communications (America) Inc. Tata Communications (Netherlands) B.V. Tata Communications (Middle East) FZ-LLC Tata Communications International Pte Limited
5	Associate of Holding Company	STT Global Data Centers India Private Limited
6	Subsidiaries, associates and joint ventures of ultimate holding company/ controlling entity and their subsidiaries* ("Affiliates")	TRIL Infopark Limited Tata Consultancy Services Limited Tata Teleservices Limited Titan Company Limited Tata Teleservices (Maharashtra) Limited Nelco Limited Vortex Engineering Private Limited Nelco Network Products Limited The Indian Hotels Company Limited Voltas Limited The Tata Power Company Limited Tata Capital Housing Finance Limited Tata Capital Financial Services Limited Tata Motors Limited Tata AIA Life Insurance Company Limited Tata AIG General Insurance Company Limited
7	Others	Peoplestrong Technologies Private Limited (formerly Peoplestrong HR Services Private Limited) Go Digit General Insurance Limited (ceased w.e.f. 31.03.2023)

**Where transactions have taken place / there are balances*

 # Reimbursement made of expenses incurred by the related party for business purpose of the Company, or reimbursement received for expenses incurred by the Company on behalf of a related party shall not be deemed related party transactions.

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Notes forming part of the financial statements

for the year ended 31 March 2023

i. Summary of transactions with related parties

(₹ in lacs)

Particulars	Holding company & its associates	Fellow subsidiaries	Affiliates	Others	Total
Revenue from operations	-	-	**1.20**	-	**1.20**
	-	-	*1.20*	-	*1.20*
Other Income					
Business support services	**33.13**	-	-	-	**33.13**
	-	-	-	-	-
Operating and other expenses					
Network cost	**280.44**	-	**162.37**	-	**442.81**
	485.25	-	*124.29*	-	*609.54*
Rent on hired building	**237.48**	-	-	-	**237.48**
	108.43	-	-	-	*108.43*
Interest on lease liabilities (forms a part of lease payout of ₹ 244.90 lacs 2022: ₹ 241.61 lacs))	**102.52**	-	**0.09**	-	**102.61**
	114.83	-	*0.04*	-	*114.87*
Services rendered by agencies	**192.14**	**10.13**	-	-	**202.27**
	186.99	*21.42*	-	-	*208.41*
Site rent charges	-	-	**(0.62)**	-	**(0.62)**
	-	-	*0.83*	-	*0.83*
Telephone expenses	-	-	**0.67**	-	**0.67**
	-	-	*1.72*	-	*1.72*
Other expenses	-	-	**(4.11)**	**8.03**	**3.92**
	-	-	*2.54*	-	*2.54*
AMCs and Repairs & Maintenance	-	-	**204.01**	-	**204.01**
	-	-	*159.07*	-	*159.07*
Capital Contribution	**5,000.00**	-	-	-	**5,000.00**
	11,000.00	-	-	-	*11,000.00*
Assets purchased	**68.52**	-	**189.19**	-	**257.71**
	-	-	*24.06*	-	*24.06*
Additions to right of use assets	-	-	-	-	-
	1,049.60	-	-	-	*1,049.60*

TATA Communications Payment Solutions Limited

Notes forming part of the financial statements

for the year ended 31 March 2023

ii. **Balances with related parties as at 31 March 2023**

(₹ in lacs)

Particulars	Holding company & its associates	Fellow subsidiaries	Affiliates	Others	Total
Trade and other payables					
	368.36	**13.27**	**113.62**	**0.04**	**495.29**
	372.08	*20.36*	*111.84*	-	*504.28*
Other financials liabilities	-	-	**15.15**	-	**15.15**
	-	-	*52.10*	-	*52.10*
Trade Receivables	**2.94**	**1.33**	**0.86**	-	**5.13**
	-	*0.10*	*0.09*	-	*0.19*
Lease liabilities					
Current	**159.76**	-	-	-	**159.76**
	192.10	-	-	-	*192.10*
Lease liabilities					
Non-current	**987.43**	-	-	-	**987.43**
	1,113.05	-	-	-	*1,113.05*
Other current assets	**137.94**	-	**30.61**	-	**168.55**
	-	-	*12.70*	-	*12.70*

#Amounts in italics denote previous year figures

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37. Operating lease arrangements

As lessee

The Company has lease contracts for immovable properties across various locations used in its operations. Such leases generally have lease terms between 3 to 10 years. Generally, the Company is restricted from assigning and subleasing the leased assets. There are several lease contracts that include extension and termination options and variable lease payments.

The Company also has certain leases with lease terms of 12 months or less.

The following is the movement in lease liabilities:

(₹ in lacs)

Particulars	Amount
Balance as at 1 April 2021	**13,016.43**
Additions	1,765.03
Finance cost accrued during the year	954.06
Payment of lease liabilities	(3,755.85)
Liabilities settled against leased assets terminated	(266.26)
Balance as at 31 March 2022	**11,713.41**
Additions	885.60
Finance cost accrued during the year	815.40
Payment of lease liabilities	(3,697.36)
Liabilities settled against leased assets terminated	(2,061.21)
Balance as at 31 March 2023	**7,655.84**

The following is the break-up of current and non-current lease liabilities

(₹ in lacs)

Particulars	Amount 31 March 2023	Amount 31 March 2022
Current liability	2,313.84	2,938.30
Non-current liability	5,342.00	8,775.11
Total liabilities	**7,655.84**	**11,713.41**

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

(₹ in lacs)

	As at 31 March 2023	As at 31 March 2022
Due not later than one year	2,812.22	3,737.48
Due later than one year but not later than five years	5,017.68	8,965.48
Later than five years	1,086.08	1,139.40
	8,915.98	**13,842.36**

The Company is confident that it shall meet the lease liabilities obligations as and when they fall due.

TATA Communications Payment Solutions Limited

Notes forming part of the financial statements

for the year ended 31 March 2023

38. Contingent liabilities and commitments

I. **Contingent liabilities**

(₹ in lacs)

	As at 31 March 2023	As at 31 March 2022
a. Claims for taxes on income* (refer note i & ii)	53.80	47.25
b. Claims for other taxes * (refer note ii)	261.27	306.45

* If the above cases are against the Company, then the Company may be liable for interest exposure of ₹ 208.74 lacs on final settlement of the claims.

The Company has contested the claims with the relevant authorities and has preferred appeals which are pending. The Company believes these claims are not probable and would not result in outflow:

i. The Company has received Order u/s 201/201(A) of the Income Tax Act, 1961 on account of alleged non-deduction of taxes on year-end provisions.

ii. The Company has various claims from authorities for entry tax, value added tax and sales taxes related to various states on account of movement of ATM machines and related equipment's from one state to another.

iii. a. The Company has filed a statement of claim against one of its customer claiming ₹ 1,094.49 lacs - excluding interest on account of wrongful withholding/deduction of payment due towards penalties, delay in delivery, cash shortage etc. under managed service agreement. The Customer in turn filed a Statement of Defense and also a counter claim of approximately ₹ 3,703.61 lacs (includes Interest ₹ 650.06 lacs and damages ₹2,000.00 lacs) against the Company. An Arbitrator had been appointed mutually by the parties to resolve the dispute between the parties.

b. Also, the Company has filed a statement of claim against one of its customer claiming ₹ 723.49 lacs excluding interest account on of wrongful withholding/deduction of payment due towards services, penalties, cash shortage etc. The Customer in turn filed a Statement of Defense and a counter claim of approximately ₹ 11,384.86 lacs (includes interest ₹ 6,521.40 lacs) against the Company. An Arbitrator had been appointed mutually by the parties to resolve the dispute between the parties.

The Company and the customer have entered into a settlement agreement dated 30 March 2023 to conclusively settle all the disputes and issues between the parties. As per the said agreement, the customer has agreed to pay a sum of ₹ 675 lacs as full and final settlement consideration. Both the parties have agreed to drop all the claims filed against each other and post receipt of the consideration by the Company, both the parties will execute a joint compromise memo recording the settlement of the arbitral proceedings out of the court.

II. **Commitments**

Capital commitments

Estimated amount of contracts remaining (net of advances) to be executed on capital account not provided for ₹239.61 lacs (2022: ₹ 266.42 lacs).

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39. Disclosure required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

(₹ in lacs)

		As at 31 March 2023	As at 31 March 2022
a.	Principal amount remaining unpaid to any supplier as at the end of the accounting year	2.96	35.14
b.	Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	@
c.	The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	522.31	247.63
d.	The amount of interest due and payable for the year	-	@
e.	The amount of interest accrued and remaining unpaid at the end of the accounting year	-	@
f.	The amount of further interest due and payable even in the succeeding year, until such date when the interest's dues as above are actually paid	-	-
g.	Total outstanding dues of micro and small enterprises	2.96	35.14

@ Indicates amounts below ₹1,000

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified based on information collected by the Management. This has been relied upon by the auditors.

40. Relationship with Struck off Companies

(₹ in lacs)

Name of Struck off Company	Nature of Transaction with Struck- off Company	As on 31 March 23	As on 31 March 22
Paramount Infra Services Private Limited	Trade Payable	@	0.20
Horus Facility and Security	Advance Receivable	3.36	-
Robopay Technology Pvt Ltd	Trade Payable	50.19	-
Shri Yash Towers Pvt. Ltd.	Trade Receivable	1.93	1.93

i. The amount receivable from customers is gross of provision for doubtful debts of ₹ 1.93 lakhs and ₹ 1.93 lakhs for 31 March 23 and 31 March 22 respectively.

ii. @ Indicates amounts below ₹1,000

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Notes forming part of the financial statements

for the year ended 31 March 2023

41. Ratio analysis and its elements

Sr. No.	Particulars	31 March 2023	31 March 2022
1	**Net Profit Margin (%)** *(Profit/(Loss) for the period/ Income from Operations) (refer note i)*	(34.55%)	(49.64%)
2	**Debt Equity ratio** *(Total Debt (Long term borrowings + Short term borrowings (including Current maturities of long-term borrowings)) / Equity) (refer note ii)*	1.15	2.43
3	**Debt service coverage ratio (no. of times)** *(EBITDA/ (Finance costs + Short term borrowings (including Current maturities of long-term borrowings) (refer note ii)*	0.11	0.03
4	**Current Ratio (no. of times)** *(Total Current Assets/ Total Current Liabilities) (refer note ii)*	1.53	1.13
5	**Trade Receivables turnover (no. of times)** *(Income from Operations/ Average Trade receivables)*	34.57	39.74
6	**Return on equity** *(Profit/ (Loss) for the year/ Average Equity) (refer note iii)*	(57.60%)	(78.32%)
7	**Trade payables turnover ratio (no of times)** *(Operating and other expenses - Bad Debts written off - Allowance for doubtful trade receivables - Allowance for doubtful advances)/ Average Trade payables (refer note iv)*	2.00	1.53
8	**Net Capital turnover (no. of times)** *(Income from Operations/ Working Capital (Current Assets-Current Liabilities)) (refer note v)*	1.41	3.02
9	**Return on Capital Employed (no. of times)** *(Earnings before interest & tax/ Capital Employed (Net worth + Total Debt)) (refer note vi)*	(0.19)	(0.14)

i. Improvement is on account of Improvement in Income from operations.
ii. Repayment of borrowings has resulted in improvement in the ratio.
iii. Capital Infusion and Improvement in the earnings has resulted in Improvement in ratio.
iv. Improvement is on account of improvement in Trade payments.
v. Higher efficiency on working capital improvement has resulted in an improvement in the ratio.
vi. Reduction is on account of losses incurred during the current year.

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Notes forming part of the financial statements

for the year ended 31 March 2023

42. Going Concern

The Company has incurred a loss of ₹ 6,403.86 lacs (2022: ₹ 8,253.04 lacs) and a cash loss of ₹ 5,279.23 lacs during the year (2022: ₹ 4,473.18 lacs). It has accumulated losses of ₹ 162,269.50 lacs as at 31 March 2023 (2022: of ₹ 155,865.64 lacs). The license issued by the Reserve Bank of India ('RBI') authorising the Company for setting up and operating payment system for White Label ATMs is due for renewal on 30 June 2023 and the Company is in the process of filing the application with the RBI for the renewal of the said license.

The Company as at March 31, 2023, has balance with banks of ₹ 2,876.32 lacs and investment in liquid funds of ₹ 2,500.39 lacs as at 31 March 2023, which is available for working capital use. Further, the Company has unutilized sanctioned fund-based facilities of ₹ 43,900.00 lacs that is available for use in its WLA business. The Holding Company has committed to provide financial support to the Company to meet its operational, capital requirements and settle its obligations as they fall due over next twelve months from the date of the approval of the said financial statements. Also, the management continues to implement various initiatives directed towards improving the profitability through transforming the business model and operational efficiencies. The Company expects that these initiatives would result in sustainable cash flows.

Based on the above factors, these financial statements are prepared on going concern basis.

43. Events after reporting period

There are no subsequent events between the year ended 31 March 2023 and signing of financial statements as on 18 April 2023 which have material impact on the financials of the Company.

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Notes forming part of the financial statements

for the year ended 31 March 2023

44. Approval of financial statements

The financial statements were approved for issue by the Board of Directors on 18 April 2023.

45. Previous year's figures have been regrouped/ re-arranged where necessary to confirm to current year's classification / disclosure.

As per our report attached
For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

ABHISHEK NIRMAL KUMAR BURAD
Digitally signed by ABHISHEK NIRMAL KUMAR BURAD
DN: cn=ABHISHEK NIRMAL KUMAR BURAD, c=IN, o=Personal, email=abhishek.burad@srb.in

Abhishek Burad
Partner
Membership Number: 122860

For and on behalf of Board of Directors

DocuSigned by: Aadesh Goyal
Aadesh Goyal
Director
DIN Number: 00044337

DocuSigned by: Sumeet Walia
Sumeet Walia
Director
DIN Number: 06758031

DocuSigned by: Sanjeev Patel
Sanjeev Patel
Chief Executive Officer

DocuSigned by: Abhay Lahothy
Abhay Lahothy
Chief Financial Officer

DocuSigned by: Ridhi Sood
Ridhi Sood
Company Secretary

Place: **Mumbai**
Date: **18 April 2023**

Place: **Mumbai**
Date: **18 April 2023**

S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants

12th Floor, The Ruby
29 Senapati Bapat Marg
Dadar (West)
Mumbai - 400 028, India
Tel: +91 22 6819 8000

INDEPENDENT AUDITOR'S REPORT

To the Members of Tata Communications Collaboration Services Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Collaboration Services Private Limited Limited (the "Company"), which comprise the Balance sheet as at March 31 2023, the Statement of Profit and Loss, including the Statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity 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 financial statements give the information required by the Companies Act, 2013, as amended (the "Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the 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 Act 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 audit opinion on the financial statements.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's and the Management report, but does not include the standalone 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 such other information is materially inconsistent with the 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.

Responsibility of Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 the 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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 SAs, we exercise professional judgment and maintain professional skepticism 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 Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements 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 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.

Other Matter

The Company has restated the financial statements for the comparative period and reinstated the results for the current year to include the impact of the business combination as detailed in Note 3, basis the management certified accounts.

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 sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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 purposes of our audit;

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

   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(g) The provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the year ended March 31, 2023;

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

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 37 to the financial statements;

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

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;

iv. a) The management has represented that, to the best of its knowledge and belief, 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 or entity, 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;

b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, 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

c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. No dividend has been declared or paid during the year by the Company.

vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. April 1, 2023, reporting under this clause is not applicable.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

ABHISHEK NIRMAL KUMAR BURAD

Digitally signed by ABHISHEK NIRMAL KUMAR BURAD
DN: cn=ABHISHEK NIRMAL KUMAR BURAD c=IN, o=Personal, email =abhishek.burad@srb.in

per Abhishek Burad
Partner
Membership Number: 122860
UDIN: 23122860BGXMGA2541
Place of Signature: Mumbai
Date: April 19, 2023

Annexure 1 referred to in paragraph 1 under the heading Report on other legal and regulatory requirements of our Report of even date

Re: Tata Communications Collaboration Services Private Limited (the "Company")

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i) (a)(A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(a)(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) All property, plant and equipment were physically verified by the management in the earlier years in accordance with a planned programme of verifying them once in three years which is reasonable having regard to the size of the Company and the nature of its assets.

(c) There is no immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), held by the Company and accordingly, the requirement to report on clause 3(i)(c) of the Order is not applicable to the Company.

(d) The Company has not revalued its property, plant and equipment (including Right of use assets) or intangible assets during the year ended March 31, 2023

(e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii)(a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate.

(b) The Company has not been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks or financial institutions during any point of time of the year on the basis of security of current assets. Accordingly, the requirement to report on clause 3(ii)(b) of the Order is not applicable to the Company.

(iii)(a) During the year the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a) of the Order is not applicable to the Company.

(b) During the year the Company has not made investments, provided guarantees, provided security and granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(b) of the Order is not applicable to the Company.

(c) The Company has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(c) of the Order is not applicable to the Company.

(d) The Company has not granted loans or advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(d) of the Order is not applicable to the Company.

(e) There were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(e) of the Order is not applicable to the Company.

(f) There were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.

(iv) There are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Act are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.

(v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act, related to voicemail/ audiotex services, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii)(a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, income-tax, duty of customs, cess and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions related to sales tax, value added tax, service tax, duty of excise and employees' state insurance, are not applicable to the company.

(b) According to the records of the Company, the dues outstanding of income tax which have not been deposited on account of a dispute, are as follows:

Sr No	Name of Statute	Nature of dues	Amount (Rs lakhs)	Period to which the amount relates	Forum where dispute is pending
1	Income Tax Act, 1961	TDS	119.92	AY 2018-19	The Commissioner of Income Tax (Appeals). Mumbai
2	Income Tax Act, 1961	Income Tax	1.44	AY 2018-19	The Commissioner of Income Tax (Appeals). Mumbai

There are no dues of goods and services tax, provident fund, duty of customs, cess and other statutory dues which have not been deposited on account of any dispute.

(viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) The Company did not have any outstanding loans or borrowings or interest thereon due to any lender during the year. Accordingly, the requirement to report on clause ix(a) of the Order is not applicable to the Company.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) The Company did not have any term loans outstanding during the year hence, the requirement to report on clause (ix)(c) of the Order is not applicable to the Company.

(d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.

(f) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on Clause 3(ix)(f) of the Order is not applicable to the Company.

(x) (a) The Company has not raised any money during the year by way of initial public offer or further public offer (including debt instruments) and hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) No material fraud by or on the Company has been noticed or reported during the year.

(b) During the year, no report under sub-section (12) of section 143 of the Act has been filed by cost auditor or secretarial auditor or by us 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 as per the provisions of the Act. Therefore, the requirement to report on clause 3(xii)(a), (b) and (c) of the Order is not applicable to the Company.

(xiii) Transactions with the related parties are in compliance with sections 188 of the Act, where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of section 177 are not applicable to the Company and accordingly the requirements to report under clause 3(xiii) of the Order insofar as it relates to section 177 of the Act is not applicable to the Company.

(xiv)(a) The Company has implemented internal audit system on a voluntary basis which is commensurate with the size of the Company and nature of its business though it is not required to have an internal audit system under Section 138 of the Act.

(b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

(xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.

(xvi)(a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause 3(xvi)(b) of the Order is not applicable to the Company.

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

(d) According to the information and explanation given to us by the management, the Group has five CICs which are registered with the Reserve Bank of India and one CIC which is not required to be registered with the Reserve Bank of India.

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

(xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

(xix) On the basis of the financial ratios disclosed in note 41 to the financial statements, ageing and expected dates of realization 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 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 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) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Act, in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 24 to the financial statements.

(b) There are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Act, in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 24 to the financial statements.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

ABHISHEK NIRMAL KUMAR BURAD
Digitally signed by ABHISHEK NIRMAL KUMAR BURAD
DN: cn=ABHISHEK NIRMAL KUMAR BURAD, c=IN, o=Personal, email=abhishek.burad@srb.in

MUMBAI

per Abhishek Burad
Partner
Membership Number: 122860
UDIN: 23122860BGXMGA2541

Place of Signature: Mumbai
Date: April 19, 2023

Annexure 2 referred to in paragraph 2 under the heading "Report on Other Legal and Regulatory requirements" of our report of even date

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

We have audited the internal financial controls with reference to financial statements of Tata Communications Collaboration Services Private Limited (the "Company") as of March 31, 2023 in conjunction with our audit of the 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 ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls With Reference to these Financial Statements

A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls With Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, 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 issued by the ICAI.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

ABHISHEK NIRMAL KUMAR BURAD

Digitally signed by ABHISHEK NIRMAL KUMAR BURAD
DN: cn=ABHISHEK NIRMAL KUMAR BURAD, c=IN, o=Personal, email=abhishek.burad@srb.in

MUMBAI

per Abhishek Burad
Partner
Membership Number: 122860
UDIN: 23122860BGXMGA2541
Place of Signature: Mumbai
Date: April 19, 2023

TATA COMMUNICATIONS COLLABORATION SERVICES PRIVATE LIMITED
BALANCE SHEET AS AT 31 MARCH 2023

₹ in lakhs

		Note No.	As at 31-Mar-23	As at 31-Mar-22
I	**ASSETS**			
	1 Non-current assets			
	(a) Property, plant and equipment	4	3,744.27	2,049.40
	(b) Other intangible assets	6	739.03	565.21
	(c) Capital work-in-progress	5	188.65	1,657.02
	(d) Right of Use assets	7	3.20	1.93
	(e) Intangible assets under development	8	8.40	229.27
	(f) Deferred tax assets (net)	9	209.79	141.47
	(g) Non current tax assets (net)		163.58	137.56
	(h) Other non-current assets	10A	17.38	16.20
	Total non-current assets		**5,074.30**	**4,798.06**
	2 Current assets			
	(a) Inventories		251.18	321.03
	(b) Financial assets			
	(i) Investments	11	1,071.39	1,297.58
	(ii) Trade receivables	12	5,310.49	2,338.92
	(iii) Cash and cash equivalents	13	197.61	32.66
	(iv) Other financial assets	14	34.73	19.95
	(c) Other assets	10B	3,207.03	4,964.35
	Total current assets		**10,072.43**	**8,974.49**
	Total assets		**15,146.73**	**13,772.55**
II	**EQUITY AND LIABILITIES**			
	1 Equity			
	(a) Share capital	15	3.70	2.00
	(b) Other equity	16	10,954.19	5,483.82
			10,957.89	**5,485.82**
	2 Non-current liabilities			
	(a) Financial Libilities			
	(i) Lease Liabilities	33	1.91	1.58
	(b) Provisions	17A	190.96	154.68
	(c) Other non-current liabilities	18A	257.44	7.10
	Total non-current liabilities		**450.31**	**163.36**
	2 Current liabilities			
	(a) Financial liabilities			
	(i) Lease Liabilities	33	1.49	0.35
	(ii) Trade payables	19		
	(A) Total outstanding dues of micro enterprises and small enterprises		8.67	12.27
	(B) Total outstanding dues of creditors other than micro enterprises and small enterprises		2,202.08	6,610.48
	(iii) Other financial liabilities	20	307.77	402.46
	(b) Provisions	17B	120.94	136.85
	(c) Current tax liability (net)		229.58	132.14
	(d) Other liabilities	18B	868.00	828.82
	Total current liabilities		**3,738.53**	**8,123.37**
	Total equity and liabilities		**15,146.73**	**13,772.55**

See accompanying notes forming part of the financial statements

In terms of our report attached

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration No. 101049W/ E300004

ABHISHEK NIRMAL KUMAR BURAD — Digitally signed by ABHISHEK NIRMAL KUMAR BURAD

ABHISHEK BURAD
Partner
Membership No: 122860

Place: Mumbai
Date: 19 April 2023

For and on behalf of the Board of Directors

Kabir Ahmed Shakir — Digitally signed by Kabir Ahmed Shakir

ADESH GOYAL — Digitally signed by ADESH GOYAL

KABIR AHMED SHAKIR
DIN : 03584898
Director

AADESH GOYAL
DIN : 00044337
Director

Mumbai
Date: 19 April 2023

Mumbai

TATA COMMUNICATIONS COLLABORATION SERVICES PRIVATE LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2023

₹ in lakhs

		Note No.	For the year ended	
			31-Mar-23	31-Mar-22
	INCOME			
I	Revenue from operations		9,186.09	12,052.18
II	Other Income	21	106.98	124.59
III	**Total income (I + II)**		**9,293.07**	**12,176.77**
IV	**EXPENSES**			
	Network and transmission	22	2,705.16	5,470.15
	Employee benefits	23	2,108.75	1,645.88
	Operating and other expenses	24	1,804.92	1,794.48
	Finance costs	25	10.37	7.78
	Depreciation and amortisation	26	1,204.49	944.33
	Total expenses		**7,833.69**	**9,862.62**
V	**Profit before tax (III-IV)**		**1,459.38**	**2,314.15**
VI	**Tax expense**	27		
(a)	Current tax expense		296.89	670.00
(b)	Deferred tax - (credit)/ charge		(68.32)	(77.56)
VII	**Profit/(Loss) for the year (V - VI)**		**1,230.81**	**1,721.71**
VIII	**Other comprehensive income/ (loss)**			
a.	**Items that will not be reclassified to profit or loss**			
	(i) Remeasurement of the defined benefit plans		(17.16)	(25.17)
b.	Income tax relating to items that will not be reclassified to profit or loss		0.56	-
	Total other comprehensive income/ (loss) (a+b)		**(16.60)**	**(25.17)**
IX	**Total Comprehensive Income (VII+VIII)**		**1,214.21**	**1,696.54**
	Earnings per equity share	30		
	Basic and diluted (of ₹ 10 each)		**5,058.40**	**8,608.55**

See accompanying notes forming part of the financial statements

In terms of our report attached

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration No. 101049W/ E300004

ABHISHEK NIRMAL KUMAR BURAD
Digitally signed by ABHISHEK NIRMAL KUMAR BURAD

ABHISHEK BURAD
Partner
Membership No: 122860

Place: Mumbai
Date: 19 April 2023

For and on behalf of the Board of Directors

Kabir Ahmed Shakir
Digitally signed by Kabir Ahmed Shakir

KABIR AHMED SHAKIR
DIN : 03584898
Director

Mumbai
Date: 19 April 2023

ADESH GOYAL
Digitally signed by ADESH GOYAL

AADESH GOYAL
DIN : 00044337
Director

Mumbai

TATA COMMUNICATIONS COLLABORATION SERVICES PRIVATE LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023

A. Equity share capital

₹ in lakhs

Particulars	No. of shares	Amount
Balance as at 01 April 2021	**20,000**	**2.00**
Changes in equity share capital during the year	-	-
Balance as at 31 March 2022	**20,000**	**2.00**

₹ in lakhs

Particulars	No. of shares	Amount
Balance as at 01 April 2022	**20,000**	**2.00**
Changes in equity share capital during the year	17,000	1.70
Balance as at 31 March 2023	**37,000**	**3.70**

B. Other equity

₹ in lakhs

Particulars	Reserves & Surplus	Items of other comprehensive income	Total Other Equity
	Retained earnings	Remeasurement of the defined benefit plans	
Balance as at 01 April 2021	**14,936.84**	-	**14,936.84**
Profit for the year	1,721.71	-	1,721.71
Other comprehensive income/(loss)	-	(25.17)	(25.17)
Dividend paid	(11,000.00)	-	(11,000.00)
Tax impact on other comprehensive income/(loss)	-	-	-
Business Combination (Refer Note - 3)	(174.73)	25.17	(149.56)
Total comprehensive income/(loss)	(9,453.02)	-	(9,453.02)
Balance as at 31 March 2022	**5,483.82**	-	**5,483.82**

₹ in lakhs

Particulars	Reserves & Surplus		Items of other comprehensive income	Total Other Equity
	Securities premium	Retained earnings	Remeasurement of the defined benefit plans	
Balance as at 01 April 2022	-	5,483.82	-	5,483.82
Profit for the year	-	1,230.81		1,230.81
Other comprehensive income/(loss)			(17.16)	(17.16)
Premium on issue of shares	4,857.04	-		4,857.04
Tax impact on other comprehensive income/(loss)			0.56	0.56
Business Combination (Refer Note - 3)		(615.81)	14.93	(600.88)
Total comprehensive income/(loss)	4,857.04	615.00	(1.67)	5,470.37
Balance as at 31 March 2023	**4,857.04**	**6,098.82**	**(1.67)**	**10,954.19**

See accompanying notes forming part of the financial statements

In terms of our report attached

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration No. 101049W/ E300004

ABHISHEK NIRMAL KUMAR BURAD
Digitally signed by ABHISHEK NIRMAL KUMAR BURAD
DN: cn=ABHISHEK NIRMAL KUMAR BURAD, o=Personal, email=abhishek.burad@gmail.com

ABHISHEK BURAD
Partner
Membership No: 122860

Place: Mumbai
Date: 19 April 2023

For and on behalf of the Board of Directors

Kabir Ahmed Shakir
Digitally signed by Kabir Ahmed Shakir

KABIR AHMED SHAKIR
DIN : 03584898
Director

Mumbai
Date: 19 April 2023

ADESH GOYAL
Digitally signed by ADESH GOYAL

AADESH GOYAL
DIN : 00044337
Director

Mumbai

TATA COMMUNICATIONS COLLABORATION SERVICES PRIVATE LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2023

₹ in lakhs

	Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
1	**CASH FLOWS FROM OPERATING ACTIVITIES**		
	PROFIT BEFORE TAX	1,459.38	**2,314.15**
	Adjustment as per Ind AS 103 (refer note 3)	(600.88)	(149.55)
	Adjustments for:		
	Depreciation and amortisation expense	1,204.49	944.33
	Finance cost	10.37	7.79
	Gain on investments at fair value through profit and loss (net)	(103.18)	(184.42)
	(Profit)/loss on sale of fixed assets	0.16	-
	Provisions for Doubtful advances	21.46	-
	Provisions for doubtful trade receivables	(23.15)	(22.14)
	Provisions for diminution in value of inventories	43.19	(17.62)
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	**2,011.84**	**2,892.54**
	Changes in working capital		
	Adjustment for (increase)/decrease in operating assets		
	Inventories	69.85	87.82
	Trade receivables	(2,948.43)	2,446.36
	Other current assets	1,757.33	(1,319.30)
	Other financial assets	(36.24)	18.14
	Other non current assets	(1.46)	0.73
	Adjustment for increase/ (decrease) in operating liabilities		
	Trade payables	(4,412.00)	(1,481.05)
	Other Current liabilities	39.20	(48.49)
	Short term provisions	(15.91)	128.46
	Long Term Provisions	12.26	(12.67)
	Other Financial liabilities	31.47	11.10
	Other non current liabilities	250.34	7.00
	Cash generated from operations before tax	**(3,241.75)**	**2,730.64**
	Income tax paid	(225.47)	(1,001.20)
	NET CASH FROM OPERATING ACTIVITIES	**(3,467.22)**	**1,729.44**
2	**CASH FLOWS FROM INVESTING ACTIVITIES**		
	Purchase of property, plant and equipment and intangible assets	(1,551.80)	(2,021.48)
	Purchase of current investments	(11,734.95)	(12,551.77)
	Proceeds from sale of current investments	12,064.32	23,796.59
	NET CASH USED IN INVESTING ACTIVITIES	**(1,222.43)**	**9,223.34**
3	**CASH FLOWS FROM FINANCING ACTIVITIES**		
	Dividend	-	(11,000.00)
	Payment for acquiring right of use assets	(1.67)	(0.04)
	Proceeds from issue of share capital	4,858.74	-
	Interest paid	(2.47)	(0.04)
	NET CASH USED IN FINANCING ACTIVITIES	**4,854.60**	**(11,000.08)**
	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	164.95	(47.30)
	CASH AND CASH EQUIVALENTS AS AT BEGINNING OF THE YEAR	32.66	79.96
	CASH AND CASH EQUIVALENTS AS AT THE END OF THE YEAR (refer note 13)	**197.61**	**32.66**
	I.Figures in brackets represent outflows.		

See accompanying notes forming part of the financial statements

In terms of our report attached

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration No. 101049W/ E300004

ABHISHEK NIRMAL KUMAR BURAD
Digitally signed by ABHISHEK NIRMAL KUMAR BURAD
DN: cn=ABHISHEK NIRMAL KUMAR BURAD, c=IN, o=Personal, email=abhishek.burad@srb.in

ABHISHEK BURAD
Partner
Membership No: 122860

Place: Mumbai
Date: 19 April 2023

For and on behalf of the Board of Directors

Kabir Ahmed Shakir — Digitally signed by Kabir Ahmed Shakir

ADESH GOYAL — Digitally signed by ADESH GOYAL

KABIR AHMED SHAKIR
DIN : 03584898
Director

Mumbai

AADESH GOYAL
DIN : 00044337
Director

Mumbai
Date: 19 April 2023

1. Corporate Information

Tata Communications Collaboration Services Private Limited ('the Company') was incorporated in India on 24 April 2008. The name of the Company was changed from Wirefree Internet Services Private Limited to Tata Communications Collaboration Services Private Limited with effect from 25 February 2016. The Company holds licenses from the Department of Telecommunications for providing voice mail / audiotex services in Mumbai, New Delhi, Bangalore and Chennai SDCAs. The shareholders of the Company, vide a special resolution passed at the Extraordinary General Meeting held on 25 November 2021, altered the Objects Clause of the Memorandum of Association of the Company to *inter alia* include carrying out the business of designing, developing, manufacturing, importing, exporting, distributing, licensing Information, Automation, Communication, Mobility, Analytics and Entertainment Technology Software, Hardware, Content, Applications and Services, in the domains of Machine-to-Machine, Internet-of-Things, Big Data, Cloud, Surveillance, Security, Tracking and Navigation for the benefit of Consumers and Enterprises, through foreign collaboration and local development and ancillary services and to design, develop, supply software for SIM cards and eSIM, and to build, operate, maintain, consult, host (e)SIM provisioning platforms, connectivity platforms and solutions, vehicle data platforms and solutions, and all related software and applications.

Pursuant to the approval of Board of Directors at the meeting held on 14 December 2022, the Internet of Things Machine-to-Machine business comprising of Device, Application, Platform and Managed Services components ('identified business undertaking') along with its respective assets and liabilities, of Tata Communications Limited, the parent company, was transferred to the Company as a going concern on a 'slump sale basis', by way of a business transfer agreement.

2. Significant accounting policies

a. *Statement of compliance*

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with section 133 of the Companies Act 2013.

b. *Basis of preparation of financial statements*

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

- Derivative financial instruments,
- Certain financial assets and liabilities measured at fair value (refer note 2(s)).

The financial statements are presented in Indian Rupees ("INR") and all values are rounded to the nearest lakhs (INR 00,000), except when otherwise indicated.

c. Significant accounting judgements, estimates and assumptions

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

Estimate and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimate are revised and future periods are affected.

i. Judgements

In the process of applying the Company's accounting policies, the management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Operating lease commitments – Company as lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

ii. Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Defined benefit plans

The cost of the defined benefit gratuity plan and other post-employment benefits and the present value of such obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Useful lives of property plant and equipment and intangible assets

The Company reviews the useful life of assets at the end of each reporting year. This reassessment may result in change in depreciation expense in future years.

Fair value measurement of financial instruments

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair values are measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Provision for decommissioning of assets

Provision for decommissioning of assets relates to the costs associated with the removal of long-lived assets when they will be retired. The Company records a liability at the estimated current fair value of the costs associated with the removal obligations, discounted at present value using risk-free rate of return. The liability for decommissioning of assets is capitalised by increasing the carrying amount of the related asset and is depreciated over its useful life. The estimated removal liabilities are based on historical cost information, industry factors and engineering estimates.

Deferred Taxes

Assessment of the appropriate amount and classification of income taxes is dependent on several factors, including estimates of the timing and probability of realisation of deferred income taxes and the timing of income tax payments. Deferred income taxes are provided for the effect of temporary differences between the amounts of assets and liabilities recognised for financial reporting purposes and the amounts recognised for income tax purposes. The Company measures deferred tax assets and liabilities using enacted tax rates that, if changed, would result in either an increase or decrease in the provision for income taxes in the period of change. The Company does not recognize deferred tax assets when there is no reasonable certainty that a deferred tax asset will be realized. In assessing the reasonable certainty, management considers estimates of future taxable income based on internal projections which

are updated to reflect current operating trends the character of income needed to realise future tax benefits, and all available evidence.

Provisions and contingent liabilities

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation in respect of which a reliable estimate can be made.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by 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 or a reliable estimate of the amount cannot be made. Contingent liabilities are disclosed in the notes. Contingent assets are not recognised in the financial statements.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provisions and contingent liabilities are reviewed at each balance sheet date.

d. Cash and cash equivalents

Cash comprises cash on hand. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

e. Property, plant and equipment

i. Property, plant and equipment are stated at cost of acquisition or construction, less accumulated depreciation/ amortisation and impairment loss, if any. Cost includes purchase price, inward freight, duties, taxes and all incidental expenses incurred to bring the assets to its working condition for their intended use.

ii. Capital work-in-progress includes cost of property, plant and equipment under installation/ under development as at the balance sheet date are carried at cost, comprising of direct cost, directly attributable cost and attributable interest.

The depreciable amount for property, plant and equipment is the cost or other amount substituted for cost, less its estimated residual value (wherever applicable). Depreciation on property, plant and equipment has been provided on the straight-line method as per the estimated useful lives.The asset's residual values, estimated useful lives and methods of depreciation are reviewed at each financial year end and any change in estimate is accounted for on a prospective basis.

Estimated useful lives of the asset is as follows:

Property, plant and equipment's	Useful lives of Assets
i. Plant and machinery (Refer 1 below)	
Switches, equipment's and components	2 to 10 years
ii. Computers and IT servers	3 to 6 years
iii. Office Equipment	5 years

1. In the above case, the useful lives of the assets are different from the useful lives prescribed in Schedule II to the Companies Act, 2013. The useful lives of the assets have been assessed based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, etc.

Property, plant and equipment are eliminated from financial statement, either on disposal or when retired from active use. Losses arising in the case of retirement of property, plant and equipment and gains or losses arising from disposal of property, plant and equipment are recognised in the Statement of Profit and Loss in the year of occurrence.

Cost of property, plant and equipment also includes present value of provision for decommissioning of assets if the recognition criterias for a provision are met.

f. Intangible assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of the asset can be measured reliably. Cost incurred on intangible assets not ready for their intended use is disclosed as intangible assets under development.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at the end of financial year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Intangible assets are amortised as follows:

Intangible asset	Useful economic lives
Software and Application	3 to 6 years
License	Over the license period

An intangible assets is de-recognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is de-recognised.

g. Impairment of non-financial assets

The carrying values of assets/ cash generating units ("CGU") at each balance sheet date are reviewed for impairment, if any indication of impairment exists.

If the carrying amount of the assets exceed the estimated recoverable amount, impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at a revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the fair value less costs of disposal and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such reversal is not recognised.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for the Company as a CGU. These budgets and forecast calculations generally cover a significant period. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the significant period.

S.R. BATLIBOI & ASSOCIATES LLP MUMBAI CHARTERED ACCOUNTANTS

Tata Communications Collaboration Services Pvt. Ltd.

h. Revenue recognition

Revenue is recognized upon transfer of control of promised goods or services to the customers for an amount, that reflects the consideration which the Company expects to receive in exchange of those goods or services in normal course of business. Revenue is measured at the fair value of the consideration received or receivable excluding taxes collected on behalf of the government and is reduced for estimated credit notes and other similar allowances.

Types of products and services and their revenue recognition criterian are as follows:

i. Revenue from Voice Solutions (VS) is recognised at the end of each month based on minutes of traffic carried during the month.

ii. Revenue from Audio conferencing services is recognised over the period of the respective arrangements based on contracted fee schedules and usage revenue is recognised based on minutes of traffic carried during the month.

iii. Revenue from Data Managed Services (DMS) is recognised over the period of the arrangement based on contracted fee schedule or based on usage. In respect of sale of equipment (ancillary to DMS) revenue is recognised when the control over the goods has been passed to the customer and/ or the performance obligation has been fulfilled.

Accounting treatment of assets and liabilities arising in course of sale of goods and services is set out below:

I. Trade receivable
Trade receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

II. Contract assets
Contract asset is recorded when revenue is recognized in advance of the Company's right to bill and receive the consideration (i.e. the Company must perform additional services or complete a milestone of performance obligation in order to bill and receive the consideration as per the contract terms).

III. Contract liabilities
Contract liabilities represent consideration received from customers in advance for providing the goods and services promised in the contract. The Company defers recognition of the consideration until the related performance obligation is satisfied. Contract liabilities include recurring services billed in advance and the non-recurring charges recognized over the contract/ service period. Contract liabilities have been disclosed as deferred revenue in the financial statements.

i. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Lessee

The Company's lease asset classes primarily consist of leases for Land, buildings and colocation spaces. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any.

ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. Refer to the accounting policies in note 2(g) Impairment of non-financial assets.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. The Company uses return on treasury bills with similar maturity as base rate and makes adjustments for spread based on the Company's credit rating as the implicit interest rate cannot be readily determinable. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet.

j. Inventories

Inventories of traded goods, required to provide Data Managed Services ("DMS"), are valued at the lower of cost or net realisable value. Cost includes cost of purchase and all expenses incurred to bring the inventory to its present location and condition. Cost is determined on a weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost necessary to make the sale.

k. Employee benefits

Employee benefits include provident fund, gratuity, compensated absences and performance incentives.

i. Short term employment benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for services rendered by employees is recognised during the period when the employee renders the service. These benefits include compensated absences such as paid annual leave and performance incentives payable within twelve months.

ii. Post-employment benefits

Contributions to defined contribution retirement benefit schemes are recognized as expenses when employees have rendered services entitling them to the contributions.

For defined benefit schemes in the form of gratuity, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling (if applicable), excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to the Statement of Profit and Loss in subsequent periods.

Past service cost is recognized in the Statement of Profit and Loss in the period of plan amendment.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

The Company recognizes changes in service costs comprising of current service costs, past-service costs, gains and losses on curtailments and non-routine settlements under employee benefit expenses in the Statement of Profit and Loss. The net interest expense or income is recognized as part of finance cost in the Statement of Profit and Loss. The retirement benefit obligation recognized in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost, and as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the scheme.

iii. **Other long-term employment benefits**

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

l. Other Income

Interest income for all financial instruments measured at amortised cost is recorded on accrual basis. Interest income is included in Other income in the Statement of Profit and Loss.

m. Taxation

Current income tax

Current tax expense is determined in accordance with the provisions of the Income Tax Act, 1961.

Provision for current income taxes and advance taxes paid in respect of the same jurisdiction are presented in the balance sheet after offsetting these balances on an assessment year basis.

Current tax relating to items recognised outside the Statement of Profit and Loss is recognised outside the Statement of Profit and Loss. Current tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Deferred tax relating to items recognised outside the Statement of Profit and Loss is recognised outside the Statement of Profit and Loss. Deferred tax items are recognised in correlation to the underlying transaction either in Other Comprehensive Income or directly in equity.

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

n. Fair value measurement

The Company measures financial instruments such as derivatives and certain investments, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of a financial asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 — Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 — Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

For assets and liabilities that are recognised in the balance sheet on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting year.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

o. *Foreign currencies*

The Company's financial statements are presented in INR, which is also the Company's functional currency.

Foreign currency transactions are converted into INR at rates of exchange approximating those prevailing at the transaction dates or at the average exchange rate for the month in which the transaction occurs. Foreign currency monetary assets and liabilities are outstanding as at the balance sheet date are translated to INR at the closing rates prevailing on the balance sheet date. Exchange differences on foreign currency transactions are recognised in the Statement of Profit and Loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not re-translated.

p. *Borrowing costs*

Borrowing costs are expensed in the year in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

q. *Earnings per share*

Basic and diluted earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

r. Provisions and contingent liabilities

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation in respect of which a reliable estimate can be made.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by 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 or a reliable estimate of the amount cannot be made. Contingent liabilities are disclosed in the notes. Contingent assets are not recognised in the financial statements.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provisions and contingent liabilities are reviewed at each balance sheet date.

s. Financial instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of an instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

A. Financial assets

i. **Financial assets at amortised cost**

Financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

ii. **Financial assets at Fair Value Through Profit or Loss (FVTPL)**

Financial assets are measured at FVTPL unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

iii. **De-recognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily de-recognised (i.e. removed from the Company's balance sheet) when:

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

  The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

  Continuing involvement that takes the form of a guarantee over the transferred asset is measured at lower of the original carrying amount of the asset and maximum amount of consideration that the Company could be required to repay.

iv. **Impairment of financial assets**

The Company assesses impairment based on expected credit losses (ECL) model to the following:

- Financial assets measured at amortised cost;

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables

Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECL at reporting date.

The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. The historical observed default rates are updated and changes in the forward-looking estimates are analysed annually.

For assessing ECL on a collective basis, financial assets have been grouped on the basis of shared risk characteristics and basis of estimation may change during the course of time due to change in risk characteristics.

B. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

C. Derivative financial instruments - Initial and subsequent measurement

The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

D. Embedded derivatives

Derivatives embedded in a host contract that is an asset within the scope of Ind AS 109 are not separated. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest. Derivatives embedded in all other host contract are separated only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss. Embedded derivatives closely related to the host contracts are not separated.

t. Recent pronouncements

On 31 March 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from 1 April 2023, as below:

Ind AS 1 – Presentation of Financial Statements: The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general-purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 – Income Taxes: The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors: The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

The amendments are extensive, and the Company will give effect to them as required by law.

3. Business Combination

The Company has entered into Business Transfer Agreement dated 14 December 2022 with Tata Communications Limited ("TCL", the holding company) for purchase of the Internet of Things (IoT) business undertaking engaged in providing non-network services, including IoT enabled applications, devices, and other managed services (the "Non-network IoT Business Undertaking").

In accordance to above, the Company has acquired below assets and liabilities as at 1 January 2023 from TCL at their carrying values for a consideration of ₹ 5,082.10 lakhs.

Amount in ₹ lakhs

Particulars	Amounts
Property, plant and equipment, Intangible assets and Capital work in progress (A)	4,181.93
Other Non-current assets (B)	135.12
Current assets (C)	2,652.85
Total Assets (D = A + B + C)	**6,969.90**
Non-current liabilities (E)	209.25
Current liabilities (F)	1,678.55
Total Liabilities (G=E+F)	**1,887.80**
Purchase Consideration (H=D-G)	**5,082.10**

As per Appendix C to Ind AS 103, Business combinations involving entities or businesses under common control shall be accounted for using the pooling of interests method. Accordingly, the financial statement have been restated for the comparative year ended 31 March 2022 as if the acquisition had occurred on 1 April 2021. Additionally, the results for current year have been reinstated to include the financial statements for the period from 1 April 2022 to 31 December 2022.

In accordance to above, the Company has reinstated below assets and liabilities as at 31 March 2022. Excess of total assets over total liabilities has been disclosed under "Trade Payables".

Amount in ₹ lakhs

	Particulars	Before effect of Business Combination	Effect of Business Combination	Revised amount post effect of Business Combination
I	**ASSETS**			
1.	**Non-current assets**			
a.	Property, plant and equipment	376.03	1,673.37	2,049.40
b.	Other Intangible assets	105.97	459.24	565.21
c.	Capital work-in-progress	33.99	1,623.03	1,657.02
d.	Right of Use assets	1.93	-	1.93
e.	Intangible assets under development	229.27	-	229.27
f.	Deferred tax assets (net)	80.70	60.77	141.47
g.	Non current tax assets (net)	137.56	-	137.56
h.	Other non-current assets	-	16.20	16.20
	Total non-current assets	**965.45**	**3,832.61**	**4,798.06**
2.	**Current assets**			
a.	Inventories	-	321.03	321.03
b.	**Financial assets**			
	i. Investments	1,297.58	-	1,297.58

	Particulars	Before effect of Business Combination	Effect of Business Combination	Revised amount post effect of Business Combination
	ii. Trade receivables	669.23	1,669.69	2,338.92
	iii. Cash and cash equivalents	32.66	-	32.66
	iv. Other financial assets	3.90	16.05	19.95
	v. Other assets	4,961.00	3.35	4,964.35
	Total current assets	**6,964.37**	**2,010.12**	**8,974.49**
	Total Assets	**7,929.82**	**5,842.73**	**13,772.55**
II	**EQUITY AND LIABILITIES**			
1.	**Equity**			
a.	Share capital	2.00	-	2.00
b.	Other equity	5,483.82	-	5,483.82
	Total Equity	**5,485.82**	**-**	**5,485.82**
2.	**Non-current liabilities**			
a.	**Financial Liabilities**			
	i. Lease Liabilities	1.58	-	1.58
b.	Provisions	-	154.68	154.68
c.	Other non-current liabilities	-	7.10	7.10
	Total non-current liabilities	**1.58**	**161.78**	**163.36**
3.	**Current liabilities**			
a.	Financial liabilities			
	i. Lease Liabilities	0.35	-	0.35
	ii. Trade payables			
	(A) Total outstanding dues of micro enterprises and small enterprises	0.15	12.12	12.27
	(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	1,790.26	4,820.22	6,610.48
	iii. Other financial liabilities	287.80	114.66	402.46
b.	Provisions	130.34	6.51	136.85
c.	Current tax liability (net)	132.14	-	132.14
d.	Other liabilities	101.38	727.44	828.82
	Total current liabilities	**2,442.42**	**5,680.95**	**8,123.37**
	Total equity and liabilities	**7,929.82**	**5,842.73**	**13,772.55**

Further, the Company has reinstated Statement of Profit and loss accounts for the year ended 31 March 2022 as below. Net Profit for the year ended 31 March 2022 has been added to "Other equity".

Amount in ₹ lakhs

Sr No	Particulars	Before effect of Business Combination	Effect of Business Combination	Revised amount post effect of Business Combination
I	Revenue from operations	7,913.85	4,138.33	12,052.18
II	Other income	124.59	-	124.59
III	**Total Revenue (I + II)**	**8,038.44**	**4,138.33**	**12,176.77**
IV	**Expenses**			
	Network and transmission	4,830.55	639.60	5,470.15
	Employee benefits	-	1,645.88	1,645.88
	Operating and other expenses	854.66	939.82	1,794.48
	Finance costs	0.05	7.73	7.78
	Depreciation and amortisation expense	146.86	797.47	944.33
	Total Expenses	**5,832.12**	**4,030.50**	**9,862.62**
V	**Profit before tax (III – IV)**	**2,206.32**	**107.83**	**2,314.15**
VI	Tax expense	(659.33)	(66.89)*	(592.44)
VII	**Profit after tax (V – VI)**	**1,546.99**	**174.72**	**1,721.71**
VIII	Other comprehensive income			
	Items that will not be reclassified to profit or loss			

Sr No	Particulars	Before effect of Business Combination	Effect of Business Combination	Revised amount post effect of Business Combination
	Remeasurements of the defined benefit plans	-	(25.17)	(25.17)
IX	**Total comprehensive income (VII + VIII)**	**1,546.99**	**149.55**	**1,696.54**

Further, the Company has reinstated Statement of Profit and loss accounts for the period ended 31 December 2022 as below. Net Profit for the period ended 31 December 2022 has been added to "Other equity".

Amount in ₹ lakhs

Sr No	Particulars	For Period ended 31 December 2022
I	Revenue from operations	3,745.77
II	Other income	(0.16)
III	**Total Revenue (I + II)**	**3,745.61**
IV	**Expenses**	
	Network and transmission	155.95
	Employee benefits	1,485.45
	Operating and other expenses	824.08
	Finance costs	7.42
	Depreciation and amortisation expense	716.09
	Total Expenses	**3,188.99**
V	**Profit before tax (III – IV)**	**556.62**
VI	Tax expense*	(59.19)
VII	**Profit after tax (V – VI)**	**615.81**
VIII	Other comprehensive income	
	Items that will not be reclassified to profit or loss	-
	Remeasurements of the defined benefit plans	(14.93)
IX	**Total comprehensive income (VII + VIII)**	**600.88**

* In accordance with the Income Tax regulation, the profit upto the date of business transfer is taxable as the income of the holding company ("the transferor company") and accordingly the Company has not accounted current tax expense on the said profit. However, the Company has recorded deferred tax on the temporary difference between the tax base and book base.

Further, the Company has reinstated Cash flow statement for the year ended 31 March 2022 as below:

Amount in ₹ lakhs

	Particulars	Before effect of Business Combination	Effect of Business Combination	Revised amount post effect of Business Combination
I	**Cash flows from Operating activities**			
	Profit before tax	**2,206.32**	**107.83**	**2,314.15**
	Effect of Business combination	-	(149.55)	(149.55)
	Adjustments for:			
	Depreciation and amortisation expense	146.86	797.47	944.33
	Finance cost	0.05	7.74	7.79
	Gain on investments at fair value through profit and loss (net)	(184.42)	-	(184.42)
	Allowance for doubtful trade receivables	(21.13)	(1.01)	(22.14)
	Provisions for diminution in value of inventories	-	(17.62)	(17.62)
	Operating profit before working capital changes	**2,147.68**	**744.86**	**2,892.54**
	Changes in working capital			
	Adjustment for (increase) decrease in operating assets			
	Inventories	-	87.82	87.82

	Particulars	Before effect of Business Combination	Effect of Business Combination	Revised amount post effect of Business Combination
	Trade receivables	2,955.51	(509.15)	2,446.36
	Other current assets	(1,327.58)	8.28	(1,319.30)
	Other financial assets	(3.80)	21.94	18.14
	Other non current assets	-	0.73	0.73
	Adjustment for increase/ (decrease) in operating liabilities			
	Trade payables	(3,034.56)	1,553.51	(1,481.05)
	Other current liabilities	(46.92)	(1.57)	(48.49)
	Short term provisions	130.34	(1.88)	128.46
	Long term provisions	-	(12.67)	(12.67)
	Other financial liabilities	11.10	-	11.10
	Other non current liabilities	-	7.00	7.00
	Cash generated from operations before tax	**831.77**	**1,898.87**	**2,730.64**
	Income tax paid	(1,001.20)	-	(1,001.20)
	Net cash from Operating activities	**(169.43)**	**1,898.87**	**1,729.44**
II	**Cash flows from investing activities**			
	Purchase of property, plant and equipment and intangible assets	(122.61)	(1,898.87)	(2,021.48)
	Purchase of current investments	(12,551.77)	-	(12,551.77)
	Proceeds from sale of current investments	23,796.59	-	23,796.59
	Net cash used in investing activities	**11,122.21**	**(1,898.87)**	**9,223.34**
III	**Cash flows from financing activities**			
	Dividend	(11,000.00)	-	(11,000.00)
	Payment for acquiring right of use assets	(0.04)	-	(0.04)
	Interest paid	(0.04)	-	(0.04)
	Net cash used in financing activities	**(11,000.08)**	-	**(11,000.08)**
	Net increase in Cash and Cash equivalents	**(47.30)**	-	**(47.30)**
	Cash and Cash equivalents at the beginning of the year	79.96	-	79.96
	Cash and Cash equivalents at the end of the year	**32.66**	-	**32.66**

4. Property, plant and equipment

Amount in ₹ Lakhs

Particulars	Plant and Machinery	Computers	Office Equipment	Total
Cost				
Balance as at 1 April 2021	**3,788.51**	**31.90**	**6.27**	**3,826.68**
Additions	207.61	30.92	1.71	240.24
Disposals/ adjustments	-	(0.01)		(0.01)
Balance as at 31 March 2022	**3,996.12**	**62.81**	**7.98**	**4,066.91**
Additions	2,643.56	27.76	0.92	2,672.24
Disposals/ adjustments	(17.86)	(2.80)	-	(20.66)
Balance as at 31 March 2023	**6,621.82**	**87.77**	**8.90**	**6,718.49**
Accumulated depreciation				
Balance at as 1 April 2021	**1,243.27**	**21.26**	**3.20**	**1.267.73**
Depreciation	738.17	10.46	1.16	749.79
Disposals/ adjustments	-	(0.01)	-	(0.01)
Balance at 31 March 2022	**1,981.44**	**31.71**	**4.36**	**2,017.51**
Depreciation	942.51	19.04	1.49	963.04
Disposals/ adjustments	(3.53)	(2.80)	-	(6.33)
Balance as at 31 March 2023	**2,920.42**	**47.95**	**5.85**	**2,974.22**
Carrying amount				
Balance as at 31 March 2022	**2,014.68**	**31.10**	**3.62**	**2,049.40**
Balance as at 31 March 2023	**3,701.40**	**39.82**	**3.05**	**3,744.27**

5. Capital work-in-progress (CWIP)

a) CWIP Ageing Schedule:

Amount in ₹ lakhs

Particulars	Ageing				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress					
As on 31 March 2023	181.88	6.77	-	-	188.65
As on 31 March 2022	1,642.52	14.50	-	-	1,657.02

b) CWIP completion schedule (for projects whose completion is overdue):

Amount in ₹ lakhs

Particulars	Ageing			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
As on 31 March 2023	**153.06**	**22.14**	-	-
Project 1	7.92	-	-	-
Project 2	145.14	22.14	-	-
As on 31 March 2022				
Project 1	1,636.98	-	-	-

There are no projects which are temporarily suspended or whose cost has exceeded its cost compared to its original plan as at 31 March 2023 and 31 March 2022, respectively.

6. Intangible assets

Amount in ₹ lakhs

Particulars	Software	License Fees	Total
Cost			
Balance as at 1 April 2021	**909.10**	**-**	**909.10**
Additions	237.01	-	237.01
Disposals/ adjustments	-	-	-
Balance as at 31 March 2022	**1,146.11**	**-**	**1,146.11**
Additions	392.63	21.25	413.88
Disposals/ adjustments	-	-	-
Balance as at 31 March 2023	**1,538.74**	**21.25**	**1,559.99**
Accumulated amortization			
Balance as at 1 April 2021	**386.39**	**-**	**386.39**
Amortization	194.51	-	194.51
Disposals/ adjustments	-	-	-
Balance as at 31 March 2022	**580.90**	**-**	**580.90**
Amortization	238.14	1.92	240.06
Disposals/ adjustments	-	-	-
Balance as at 31 March 2023	**819.04**	**1.92**	**820.96**
Carrying amount			
Balance as at 31 March 2022	**565.21**	**-**	**565.21**
Balance as at 31 March 2023	**719.70**	**19.33**	**739.03**

7. Right of Use assets

Amount in ₹ lakhs

Particulars	Amount
Balance as at 1 April 2021	-
Additions	1.96
Termination	-
Depreciation	(0.03)
Balance as at 31 March 2022	**1.93**
Additions	2.66
Termination	-
Depreciation	(1.39)
Balance as at 31 March 2023	**3.20**

a. The aggregate depreciation expense on ROU assets is included under depreciation and amortisation expense in the Statement of Profit and Loss.

8. Intangibles Under development (ITUD)

a. ITUD Ageing Schedule:

Amount in ₹ lakhs

Particulars	Ageing				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress					
As on 31 March 2023	8.40	-	-	-	8.40
As on 31 March 2022	229.27	-	-	-	229.27

b. ITUD Completion Schedule (for projects whose completion is overdue):

Amount in ₹ lakhs

Particulars	To be Completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
As on 31 March 2023				
Project 1	-	-	-	-
As on 31 March 2022				
Project 1	18.22	-	-	-

There are no projects which are temporarily suspended or whose cost has exceeded its cost compared to its original plan as at 31 March 2023 and 31 March 2022 respectively.

9. Deferred tax asset (net)

Amount in ₹ lakhs

Major components of deferred tax asset and liability consist of the following:

	As at 1 April 2022	Recognised in statement of profit or loss	As at 31 March 2023
Deferred tax asset arising out of timing differences on:			
Provision for doubtful debts and advances	**27.50**	(0.36)	**27.14**
Expenditure disallowed under section 40 (a) (ia)	**0.46**	-	**0.46**
Difference between accounting and tax depreciation/ amortization	**78.83**	54.73	**133.56**
Interest received on provisional income-tax assessment	**10.99**	2.47	**13.46**
Accrued expenditure	**32.81**	0.04	**32.85**
Provision for employee benefits	-	3.93	**3.93**
Deferred tax liability arising out of timing differences on:			
MTM gain on Mutual Funds	**9.12**	(7.64)	**1.48**
Expenditure on License Fees	-	0.13	**0.13**
Total Deferred tax (liabilities)/assets	**141.47**	**68.32**	**209.79**

Major components of deferred tax asset and liability consist of the following:

Amount in ₹ lakhs

	As at 1 April 2021	Recognised in statement of profit or loss	As at 31 March 2022
Deferred tax asset arising out of timing differences on:			
Provision for doubtful debts and advances	**32.56**	(5.06)	**27.50**
Expenditure disallowed under section 40 (a) (ia)	**16.40**	(15.94)	**0.46**
Difference between accounting and tax depreciation/ amortisation	**5.27**	73.56	**78.83**
Interest received on provisional income-tax assessment	**10.67**	0.32	**10.99**
Accrued expenditure	-	32.81	**32.81**
Deferred tax liability arising out of timing differences on:			
MTM gain on Mutual Funds	**0.99**	8.13	**9.12**
Total Deferred tax (liabilities)/ assets	**63.91**	**77.56**	**141.47**

10. Other assets

Amount in ₹ lakhs

		As at 31 March 2023	As at 31 March 2022
A	**Non current**		
	Unsecured – considered good		
a.	Capital advances	10.40	10.67
b.	Prepaid expenses	6.98	5.53
	Sub-total (A)	**17.38**	16.20
B	**Current**		
	Unsecured – considered good		
a.	Goods and Service tax receivable	2,720.61	4,496.62
b.	Unamortised premium on forward contracts	1.34	-
c.	Prepaid expenses		
	Related parties	475.46	462.94
	Others	9.62	4.79
	Sub-total (B)	**3,207.03**	4,964.35
	Total (A + B)	**3,224.41**	4,980.55

11. Investments

Amount in ₹ lakhs

	As at 31 March 2023	As at 31 March 2022
Current		
Investments at FVTPL (Mutual Funds)	1,071.39	1,297.58
Total	**1,071.39**	**1,297.58**

12. Trade Receivables

Amount in ₹ lakhs

	As at 31 March 2023	As at 31 March 2022
Unsecured		
Considered good *	5,310.49	2,338.92
Considered doubtful	86.09	109.24
	5,396.58	2,448.16
Less: allowance for doubtful debts (refer note 36(c))	(86.09)	(109.24)
Total	**5,310.49**	2,338.92

* Includes Trade Receivables from Related Parties (refer note 32)

S.R. Mittal & Associates LLP MUMBAI Chartered Accountants

Tata Communications Collaboration Services Pvt. Ltd.

Trade receivable ageing schedule

As at 31 March 2023

Amount in ₹ lakhs

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment					
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	473.22	2,865.70	1,888.86	40.55	3.73	42.48	6.79	5,321.33
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	0.57	11.93	11.96	0.07	6.61	10.36	33.75	75.25
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
Total	**473.79**	**2,877.63**	**1,900.82**	**40.62**	**10.34**	**52.84**	**40.54**	**5,396.58**
Less: allowances for doubtful debts								(86.09)
Total								**5,310.49**

As at 31 March 2022

Amount in ₹ lakhs

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment					
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	729.20	763.42	748.12	58.40	22.92	10.29	2.63	2,334.98
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	11.05	3.60	0.53	39.84	31.30	26.76	113.08
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	0.08	-	-	0.02	0.10
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
Total	**729.20**	**774.47**	**751.72**	**59.01**	**62.76**	**41.59**	**29.41**	**2,448.16**
Less: allowances for doubtful debts								(109.24)
Total								**2,338.92**

13. Cash and cash equivalents

Amount in ₹ lakhs

	As at 31 March 2023	As at 31 March 2022
Current accounts with scheduled banks	197.61	32.66
Total	**197.61**	**32.66**

14. Other financial assets - current

Amount in ₹ lakhs

		As at 31 March 2023	As at 31 March 2022
a.	Advances to contractors and vendors		
	Unsecured, considered good	30.97	18.51
	Unsecured, considered doubtful	21.46	-
	Less: allowance for doubtful advances	(21.46)	-
		30.97	18.51
b.	Security deposits		
	- Related parties – Unsecured considered good	1.56	1.32
	- Others – Unsecured considered good	0.24	0.12
c.	Other advances	1.96	-
	Total	**34.73**	19.95

15. Equity share capital

Amount in ₹ lakhs

		As at 31 March 2023	As at 31 March 2022
a.	**Authorised:**		
	150,000 (31 March 2022: 150,000) Equity shares of ₹ 10 each	15.00	15.00
b.	**Issued, subscribed and paid up:**		
	37,000 (31 March 2022: 20,000) Equity shares of ₹ 10 each fully paid up	3.70	2.00

a. Issued, subscribed and paid up:
During the current year, the Company has allotted 17,000 equity shares of face value of ₹10 per share to Tata Communications Limited, the holding company.

b. Terms/ rights attached to equity shares:
The Company has only one class of equity shares with a face value of ₹10 per share. Each shareholder of equity shares is entitled to one vote per share at any general meeting of shareholders. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion to their shareholding.

c. The Board of Directors have recommended a dividend of ₹ Nil per share (2021 - 2022 : Nil) per share.

d. Number of shares held by each shareholder holding more than 5% of the issued share capital:

	As at 31 March 2023		As at 31 March 2022	
	No of shares	Percentage	No of shares	Percentage
Tata Communications Limited (Holding Company)	37,000	100%	20,000	100%

e. Details of shares held by the promoter and promoter group

	As at 31 March 2023		As at 31 March 2022	
	No of shares	Percentage	No of shares	Percentage
Tata Communications Limited (Holding Company)	37,000	100%	20,000	100%

16. Other equity

Amount in ₹ lakhs

		As at 31 March 2023	As at 31 March 2022
a.	Securities Premium Reserve (refer i below)	4,857.04	-
b.	Retained Earnings	6,098.82	5,483.82
c.	Other comprehensive income (refer ii below)	(1.67)	-
	Total	**10,954.19**	5,483.82

i. **Securities premium:** It is the additional amount which shareholders have paid for shares issued: that was in excess of the face value of those shares. This premium can be used to write off equity related expenses and issue of bonus shares.

ii. **Other comprehensive income:** This represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, net of amounts reclassified to retained earnings when those assets have been disposed off and remeasurement of defined employee benefit plans (net of taxes).

17. Provisions

Amount in ₹ lakhs

		As at 31 March 2023	As at 31 March 2022
A	**Non current**		
a.	Provision for compensated absences	46.88	38.67
b.	Provision for Gratuity	144.08	116.01
	Sub total (A)	**190.96**	**154.68**
B	**Current**		
a.	Provision for compensated absences	8.39	6.51
b.	Provision for others (refer note below)	112.55	130.34
	Sub total (B)	**120.94**	**136.85**
	Total (A + B)	**311.90**	**291.53**

i. Provision for others is towards other tax matters.

18. Other liabilities

Amount in ₹ lakhs

		As at 31 March 2023	As at 31 March 2022
A	**Non current**		
a.	Deferred revenue		
	- Related parties	174.55	-
	- Others	41.29	0.12
b.	Accrued employee cost	41.60	6.98
	Sub total (A)	**257.44**	**7.10**
B	**Current**		
a.	Statutory dues payable	119.69	91.94
b.	Deferred revenue		
	- Related parties	282.16	435.00
	- Others	146.90	80.52
c.	Accrued employee cost	303.75	207.75
d.	Others	15.50	13.61
	Sub total (B)	**868.00**	**828.82**
	Total (A+B)	**1,125.44**	**835.92**

19. Trade payables

Amount in ₹ lakhs

		As at 31 March 2023	As at 31 March 2022
A.	Total outstanding dues of micro enterprises and small enterprises (refer note 39)	8.67	12.27
	Sub-total (A)	**8.67**	**12.27**
B.	Total outstanding dues of creditors other than micro enterprises and small enterprises		
	- Payable to related parties	1,363.20	1,470.06
	- Other creditors	838.88	987.87
	Sub-total (B)	**2,202.08**	**2,457.93**
C.	Consideration payable for business combination (refer note 3)	-	4,152.55
	Sub-total (C)	**-**	**4,152.55**
	Total (A+B+C)	**2,210.75**	**6,622.75**

Trade payable ageing schedule

As at 31 March 2023

Amount in ₹ lakhs

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment				
			Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Total outstanding dues of micro enterprises and small enterprises	-	8.67	-	-	-	-	8.67
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	1,216.28	234.28	522.05	26.48	121.62	81.37	2,202.08
(iii) Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
(iv) Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
Total	**1,216.28**	**242.95**	**522.05**	**26.48**	**121.62**	**81.37**	**2,210.75**

As at 31 March 2022

Amount in ₹ lakhs

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment				
			Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Total outstanding dues of micro enterprises and small enterprises	-	12.27	-	-	-	-	12.27
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	5,893.34	411.85	159.33	75.66	15.68	54.62	6,610.48
(iii) Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
(iv) Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
Total	**5,893.34**	**424.12**	**159.33**	**75.66**	**15.68**	**54.62**	**6,622.75**

20. Other financial liabilities

Amount in ₹ lakhs

		As at 31 March 2023	As at 31 March 2022
	Current		
a.	Deposits from customers and contractors	2.96	0.10
b.	Capital creditors		
	- Related parties	95.46	263.71
	- Others	169.64	127.55
		265.10	391.26
c.	Other liabilities	39.71	11.10
	Total	**307.77**	402.46

21. Other income

Amount in ₹ lakhs

	For the year ended 31 March 2023	For the year ended 31 March 2022
a. Gain on investments carried at fair value through profit and loss	103.18	184.42
b. Gain/(loss) on disposal of property, plant and equipment (net)	(0.16)	-
c. Foreign exchange (loss)/ gain (net)	(15.01)	(63.81)
d. Others	18.97	3.98
Total	**106.98**	124.59

22. Network and Transmission

Amount in ₹ lakhs

	For the year ended 31 March 2023	For the year ended 31 March 2022
a. Charges for use of transmission facilities	2,531.66	5,374.46
b. Royalty and license fee to Department of Telecommunications	173.50	95.69
Total	**2,705.16**	**5,470.15**

23. Employee benefits

Amount in ₹ lakhs

	For the year ended 31 March 2023	For the year ended 31 March 2022
a. Salaries and related costs	1,967.12	1,526.45
b. Contributions to provident and other funds	124.39	102.25
c. Staff welfare	17.24	17.18
Total	**2,108.75**	1,645.88

Refer note 28 for disclosures required under Ind As 19 – Employee benefits.

24. Operating and other expenses

Amount in ₹ lakhs

	For the year ended 31 March 2023	For the year ended 31 March 2022
a. Services rendered to agencies	634.42	647.68
b. Provision for doubtful trade receivables	(23.15)	(22.14)
c. Provision for doubtful advances	21.46	-
d Legal and professional fees	161.08	70.16
e. Corporate social responsibility expenditure (Refer i below)	204.94	237.44
f. Repairs and Maintenance:		
Buildings	10.08	3.19
Plant and Machinery	396.23	486.99
Others	2.30	-
g. Rent	36.33	31.76
h. Travelling	136.85	63.11
i. Advertising & publicity	27.47	64.92
j. Other expenses (Refer note 29)	196.91	211.37
Total	**1,804.92**	**1,794.48**

i. Disclosure in respect of Corporate social responsibility (CSR) expenditure:

Amount in ₹ lakhs

		For the year ended 31 March 2023	For the year ended 31 March 2022
1	Amount required to be spent by the Company during the year	203.47	237.44
2	Amount of expenditure incurred on		
	(i) Construction / acquisition of any asset	-	61.12
	(ii) On purposes other than (i) above	204.94	36.60
3	Shortfall at the end of the year	-	139.72
4	Total of previous years shortfall (spent during the year)	139.72	-
5	Unspent amount in relation to ongoing project	-	139.72
6	Reason for shortfall	NA	NA
7	Nature of CSR activities	Pertains to ongoing projects Mainly for sustainable livelihoods and environmental sustainability	Pertains to ongoing projects Mainly for sustainable livelihoods and environmental sustainability
8	Details of related party transactions in relation to CSR expenditure as per relevant Accounting Standard	-	-

As required by the relevant rules, the Company has deposited the unspent amount in a specified bank account subsequent to the year ended 31 March 2022.

25. Finance cost

Amount in ₹ lakhs

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest on lease liabilities	0.48	0.01
Other interest (refer i below)	9.89	7.77
Total	**10.37**	**7.78**

i. Includes interest cost on actuarial valuation (refer note 28)

26. Depreciation and amortization

Amount in ₹ lakhs

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Depreciation on property, plant and equipment (note 4)	963.04	749.79
Amortization of intangible assets (note 5)	240.06	194.51
Depreciation on Right of use assets (note 6)	1.39	0.03
Total	**1,204.49**	**944.33**

27. Income tax

i. Income tax recognised in Statement of Profit and Loss

Amount in ₹ lakhs

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Current tax		
In respect of current year*	288.25	670.10
In respect of prior years	8.64	(0.10)
Total Current tax (a)	**296.89**	**670.00**
Deferred tax		
In respect of the current year*	(68.32)	(121.95)
In respect of prior years	-	44.39
Total deferred tax (b)	**(68.32)**	**(77.56)**
Total Income tax (a + b)	**228.57**	**592.44**

* includes impact of Business Combination (Refer Note 3)

ii. **The income tax expense for the year can be reconciled to the accounting profit as follows:**

Amount in ₹ lakhs

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Profit before tax	**1,459.38**	**2,314.45**
Income tax expense calculated at 25.168% tax rate (2021 - 2022: 25.168% tax rate)	367.30	582.50
Reasoning		
Effect of expenses /adjustments that are not deductible in determining taxable profit	51.92	59.75
Tax pertaining to prior years	8.64	44.29
Business Combination (Refer note 3)		
Deferred tax	(59.19)	(66.89)
Current tax	(140.10)	(27.14)
Total	**(138.73)**	**10.01**
Income tax expense recognised in Profit or Loss	228.57	592.44

28. Employee benefits (Defined benefit plan)

Provident Fund

The Company makes contribution towards Provident fund under a defined contribution retirement benefit plan for employees. The Provident Fund is administered by the Regional Provident Fund Commissioner. Under this Scheme, the Company is required to contribute a specified percentage of payroll cost to fund the benefits.

Provident fund contributions amounting to ₹ 94.77 lacs (2022: ₹ 79.85 lacs) have been charged to the Statement of Profit and Loss under contributions to provident and other funds (Refer note 23)

Gratuity

The plan provides for lump sum payments to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary for each completed year of service or part thereof in excess of six months. Vesting occurs upon completion of five years of service. The cost of providing benefits for defined benefit schemes is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date.

These plans typically expose the Company to actuarial risk such as interest rate risk and salary risk.

Interest rate risk	The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase
Salary risk	Higher than expected increases in salary will increase the defined benefit obligation
Demographic risk	This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

The most recent actuarial valuation of the defined benefit obligation were carried out as at 31 March 2023 by an accredited actuary.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

	As at 31 March 2023	As at 31 March 2022
Principal Actuarial assumptions		
Discount rate	7.20%	6.80%
Salary Escalation Rate	7.00%	6.00%
Withdrawal rate		
Less than 5 years	15%	15%
5 years and more	8%	8%

The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.

The estimates of future compensation cost considered in the actuarial valuation take account of inflation, seniority, promotion and other relevant factors.

Amounts recognised in the statement of profit and loss in respect of these defined benefit plans are as follows:

Amount in ₹ lakhs

		As at 31 March 2023	As at 31 March 2022
	Expenses recognized in the statement of profit and loss		
a.	Current service cost	21.91	16.57
b.	Interest cost	7.27	5.06
	Components of defined benefit costs recognized in the Statement of Profit and Loss	**29.18**	**21.63**
	Remeasurement on the net defined benefit liability		
a.	Actuarial (gains) / losses arising from Defined benefit obligation assumption changes	5.11	(3.80)
b.	Actuarial (gains) / losses arising from the changes in experience adjustments	12.05	28.97
	Components of defined benefit costs recognized in other comprehensive income	**17.16**	**25.17**

The details in respect of the unfunded amounts recognized in the balance sheet for these defined benefit schemes are as under:

Amount in ₹ lakhs

		As at 31 March 2023 (Unfunded)	As at 31 March 2022 (Unfunded)
I	**Amount recognized in the balance sheet**		
	Liability at the end of the year	144.08	116.01
	Net liability in the balance sheet	**144.08**	**116.01**
	Non-current provision (Refer note 17A)		
II.	**Change in the Defined Benefit Obligation (DBO)**		
	Present value of DBO at the beginning of the year	116.01	88.88
	Current service cost	21.91	16.57
	Interest cost	7.27	5.06
	Amount recognized in Other Comprehensive income	17.16	25.17
	Benefits paid	(18.27)	(19.67)
	Present value of DBO at the end of the year	**144.08**	**116.01**

A quantitative sensitivity analysis for significant assumptions as at 31 March 2023 and 31 March 2022 is as shown below

Significant actuarial assumptions for the determination of the defined obligation are discount rate, salary escalation rate and withdrawal rate. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Discount rate

Amount in ₹ lakhs

	As at 31 March 2023	As at 31 March 2022
Effect on DBO due to 1% increase	(10.53)	(3.20)
Effect on DBO due to 1% decrease	11.98	3.61

Salary escalation rate

Amount in ₹ lakhs

	As at 31 March 2023	As at 31 March 2022
Effect on DBO due to 1% increase	7.64	3.60
Effect on DBO due to 1% decrease	(7.32)	(3.26)

Withdrawal rate

Amount in ₹ lakhs

	As at 31 March 2023	As at 31 March 2022
Effect on DBO due to 5% increase	3.93	0.80
Effect on DBO due to 5% decrease	(8.30)	(1.49)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognized in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Maturity profile of defined benefit plan

Amount in ₹ lakhs

	As at 31 March 2023
31 March 2024	13.44
31 March 2025	14.61
31 March 2026	16.13
31 March 2027	18.14
31 March 2028	22.06
31 March 2029 to 31 March 2033	130.90

There has been no change in the process used by the Company to manage its risks from prior years.

i. **Leave plan and compensated absences**

Leaves unavailed by eligible employees may be carried forward up to 60 days and for employees who have joined post 1st January 2020 carry forward shall be restricted to 45 days. Encashment will be maximum of 30 days by them / their nominees in the event of death or permanent disablement or resignation.

The liability for compensated absences as at the year-end is ₹ 55.27 lacs (2022: ₹ 45.18 lacs) as shown under non-current provisions ₹ 46.88 lacs (2022: ₹ 38.67 lacs) and current provisions 8.39 lacs (2022: ₹ 6.51 lacs). Compensated absences expenses amounting to ₹ 4.74 lacs (2022: ₹ 12.74 lacs) have been charged to the Statement of Profit and Loss under salaries and related costs in note 23 "Employee Benefit Expenses".

29. Auditor's remuneration:

(Included in Other expenses under operating and other expenses – Refer note 24)

Amount in ₹ lakhs

	For the year ended 31 March 2023	For the year ended 31 March 2022
a. Payment to statutory auditors		
i. Audit fees	11.18	8.25
ii. Taxation Matters	1.55	0.75
iii. Others	2.28	3.63
b. Payment to cost auditor		
i. For cost audit services	0.89	0.04

Above amount excludes GST/ Service tax

30. Earnings per share

Amount in ₹ lakhs

	As at 31 March 2023	As at 31 March 2022
Net profit after tax attributable to the equity shareholders (A)	**1,230.81**	**1,721.71**
Number of equity shares outstanding at the end of the year	37,000	20,000
Weighted average number of shares outstanding during the year (B)	**24,332**	**20,000**
Basic and diluted earnings per share (₹ per equity share of ₹ 10 each) (A/B)	**5,058.40**	**8,608.55**

31. Segment reporting

The Company is engaged in telecommunication services in the form of voice mail / audiotex licenses for Mumbai, New Delhi, Bangalore and Chennai SDCAs granted by the Department of Telecommunications.

The revenues from operation have been allocated to countries based on location of the customers as shown below:

Amount in ₹ lakhs

Country	For the year ended 31 March 2023	For the year ended 31 March 2022
India	7,079.84	8,856.51
United States of America	2,035.44	3,074.43
United Kingdom	14.43	78.74
Others	56.38	42.50
Total	**9,186.09**	**12,052.18**

For segment, non-current assets comprises of property, plant and equipment, capital work in progress and other intangible assets which are mainly located in India.

Information about major customers:

Amount in ₹ lakhs

Name	For the year ended 31 March 2023	For the year ended 31 March 2022
Customer F	4,770.62	3,703.00
Customer C	2,035.44	3,074.43
Customer E	826.34	2,963.40

32. Related Party Transactions

i. ***Names of related parties and nature of relationship***

Sr No	Category of related parties	Names
A	Holding Company	Tata Communications Limited
B	Ultimate Holding Company/ Controlling party and its affiliates*	Tata Sons Private Limited
		Tata Teleservices Limited

Sr No	Category of related parties	Names
		Tata Consultancy Services Limited
		Tata AIG General Insurance Company Limited
		AIX Connect Private Limited *(Formerly AirAsia (India) Limited)*
		Automotive Stampings and Assemblies Limited
		Hampi Expressways Private Limited
		Tata Advanced Systems Limited
		Tata AutoComp GY Batteries Private Limited *(Formerly known as Tata AutoComp GY Batteries Limited)*
		Tata AIA Life Insurance Company Limited
		Tata Autocomp Hendrickson Suspensions Private Limited *(Formerly known as Taco Hendrickson Suspensions Private Limited)*
		Tata Autocomp Katcon Exhaust Systems Private Limited *(Formerly known as Katcon India Private Limited)*
		Tata Autocomp Systems Limited
		Tata Boeing Aerospace Limited *(Formerly known as Tata Aerospace Limited)*
		Tata Capital Financial Services Limited
		Tata Consulting Engineers Limited
		Tata Housing Development Company Limited
		Tata International Limited
		Tata SIA Airlines Limited
		Tata Sikorsky Aerospace Limited *(Formerly Tata Aerospace Systems Limited)*
		Tata Play Broadband Private Limited *(Formerly Tata Sky Broadband Private Limited)*
		Tata Play Limited *(Formerly Tata Sky Limited)*
		Tata Toyo Radiator Limited
		Tata Technologies Limited
		Tata Motors Limited
		Tata Asset Management Private Limited *(Formerly Tata Asset Management Limited)*
		TML Business Services Limited *(Formerly Concorde Motors (India) Limited)*
		Tata Chemicals Limited
		Tata Coffee Ltd.
		Tata Metaliks Ltd.

Sr No	Category of related parties	Names
		Tata Power Solar Systems Limited
		Tata Projects Limited
		Tata Steel Limited
		Tata Teleservices (Maharashtra) Limited
		The Indian Hotels Company Limited
		The Tinplate Company of India Limited
		Titan Company Limited
		Indian Steel & Wire Products Ltd.
		Nelco Limited
		Tata Steel Long Products Limited *(Formerly Tata Sponge Iron Limited)*
		Tata Steel Mining Limited *(Formerly known as T S Alloys Limited)*
		Tata Steel Utilities and Infrastructure Services Limited *(Formerly known as Jamshedpur Utilities & Services Company Limited)*
		Tata Unistore Limited *(w.e.f. 09.12.2022)*
		The Tata Power Company Limited
		TP Luminaire Private Limited
		TVS Supply Chain Solutions Limited
		Voltas Limited
		Conneqt Business Solutions Limited *(formerly Tata Business Support Services Limited) (ceased w.e.f 16 April 21)*
		Tata Steel BSL Limited (formerly Bhushan Steel Limited *(Amalgamed with Tata Steel Limited w.e.f 11 November 21)*
		Tata Steel Downstream Products Limited *(formerly Tata Steel Processing and Distribution Limited)*
C	Fellow subsidiaries*	Tata Communications Transformation Services Limited
		Tata Communications (America) Inc.
		Tata Communications (UK) Limited
		Tata Communications (Canada) Limited
		Tata Communications Deutschland GmbH
		Tata Communications (Hong Kong) Limited
		Tata Communications (Netherlands) BV
		Tata Communications International Pte Ltd
		Tata Communications (Australia) Pty Limited

Sr No	Category of related parties	Names
		Tata Communications (Ireland) DAC
		Tata Communications (Poland) Sp. Zoo
		Tata Communications (Switzerland) GmbH
		Tata Communications (France) SAS
		Tata Communications (Sweden) AB
		Tata Communications Lanka Limited
		Tata Communications Comunicações E Multimídia (Brazil) Limitada
		Oasis Smart SIM Europe SAS
		Tata Communications (Belgium) Srl *(Formerly Tata Communications (Belgium) S.P.R.L.)*
		Tata Communications (Italy) SRL
		Tata Communications Services (International) Pte Limited
D	Associates of holding company *	STT Global Data Centres India Private Limited *(Formerly Tata Communications Data Centers Private Limited)*
E	Others *	Go Digit Infoworks Services Private Limited
		Peoplestrong Technologies Private Limited (Formerly Peoplestrong HR Services Private Limited")

* *Where transactions have taken place or there are balances*

\# *Reimbursement made of expenses incurred by related party for business purpose of the Company, or reimbursement received for expenses incurred by the Company on behalf of a related party shall not be deemed related party transactions.*

ii. ***Summary of transactions and balances with related parties***

Amount in ₹ lakhs

Particulars	Holding company	Ultimate Holding Company/ Controlling party and its Affiliates	Fellow subsidiaries	Associates of holding company	Others	Total
Transactions during the year						
Revenue from operations	**-**	**4,842.59**	**2,099.71**	**0.06**	**-**	**6,942.36**
	(0.82)	*3,808.47*	*3,198.62*	*0.12*	*0.06*	*7,006.45*
Operating and other expenses (including services rendered by related parties)	**405.76**	**1,387.30**	**1,771.04**	**-**	**0.05**	**3,564.15**
	213.07	*2,130.52*	*2,816.89*	-	-	*5,160.48*
Purchase of Mutual Funds	**-**	**-**	**-**	**-**	**-**	**-**
	-	*364.98*	-	-	-	*364.98*
Redemption of Mutual Funds	**-**	**670.72**	**-**	**-**	**-**	**670.72**
	-	*212.69*	-	-	-	*212.69*
Dividend paid	**-**	**-**	**-**	**-**	**-**	**-**
	11,000.00	-	-	-	-	*11,000.00*

Particulars	Holding company	Ultimate Holding Company/ Controlling party and its Affiliates	Fellow subsidiaries	Associates of holding company	Others	Total
Purchase of PPE and Intangible assets (including CWIP and ITUD)	**122.22**	**-**	**33.51**	**-**	**-**	**155.73**
	1.96	*73.97*	*260.27*	-	-	*336.20*
Finance Cost	**0.28**	**-**	**-**	**-**	**-**	**0.28**
	-	-	-	-	-	-
Addition to Right of Use	**2.67**	**-**	**-**	**-**	**-**	**2.67**
	-	-	-	-	-	-
Purchase for transfer of business from holding company	**5,082.10**	**-**	**-**	**-**	**-**	**5,082.10**
	-	-	-	-	-	-
Proceeds from issue of equity shares	**4,858.74**	**-**	**-**	**-**	**-**	**4,858.74**
	-	-	-	-	-	-
Closing balances						
Trade receivables	853.04	1,415.39	2,700.68	-	-	4,969.11
	32.45	*1,397.54*	*340.19*	-	-	*1,770.18*
Current investments	-	-	-	-	-	-
	-	*704.44*	-	-	-	*704.44*
Other assets (current)	-	0.19	475.28	-	-	475.47
	-	*0.15*	*462.79*	-	-	*462.94*
Trade payables (including capital creditors)	945.32	306.54	206.80	-	-	1,458.66
	4,381.45	*410.12*	*1,094.75*	-	-	*5,886.32*
Other liabilities – non - current	-	174.55	-	-	-	174.55
	-	-	-	-	-	-
Other liabilities – current	-	282.16	-	-	-	282.16
	-	*435.00*	-	-	-	*435.00*
Other financial assets – current	0.24	1.32	-	-	-	1.56
	-	*1.32*	-	-	-	*1.32*
Lease liabilities - current	1.49	-	-	-	-	*1.49*
	0.35	-	-	-	-	*0.35*
Lease liabilities – non - current	1.91	-	-	-	-	*1.91*
	1.58	-	-	-	-	*1.58*

Previous year figures are in italics

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. For the year ended 31 March 2023, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2022: ₹ Nil).

33. Operating lease arrangements

a) As lessee

The Company has lease contracts for immovable properties across various locations used in its operations. Such leases generally have lease terms between 3 to 10 years. Generally, the Company is restricted from assigning and subleasing the leased assets. There are several lease contracts that include extension and termination options and variable lease payments.

The Company also has certain leases with lease terms of 12 months or less.

The following is the break-up of current and non-current lease liabilities -

	Amount in ₹ lakhs	
Particulars	**As at 31 March 2023**	**As at 31 March 2022**
Current liability	1.49	0.35
Non current liability	1.91	1.58
Balances	**3.40**	**1.93**

The following is the movement in lease liabilities during the year ended 31 March 2022 and 31 March 2021

	Amount in ₹ lakhs
Particulars	**Amount**
Balance as at 31 March 2021	**-**
Additions	1.96
Finance cost accrued during the year	0.01
Payment/ Reversal of lease liabilities	(0.04)
Balance as at 31 March 2022	**1.93**
Additions	2.66
Finance cost accrued during the year	0.28
Payment/ Reversal of lease liabilities	(1.47)
Balance as at 31 March 2023	**3.40**

The table below provides details regarding the contractual maturities of lease liabilities as at 31 March 2023 and 31 March 2022 on an undiscounted basis:

	Amount in ₹ lakhs	
	As at 31 March 2023	**As at 31 March 2022**
Due not later than one year	1.68	0.47
Due later than one year but not later than five years	2.05	1.79
Later than five years	-	-
	3.73	**2.26**

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

34. Derivatives

Derivatives are not designated as hedging instruments.

The Company uses foreign exchange forward contracts to manage some of its transaction exposures. The foreign exchange forward contracts are not designated as cash flow hedges and are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally within 1 year.

Outstanding derivatives instruments are as follows

	As at 31 March 2023			As at 31 March 2022		
	(Amount in foreign currency in millions)	(Amount in ₹ lakhs)	Fair value gain / (loss) (Amount in ₹ lakhs)	(Amount in foreign currency in millions)	(Amount in ₹ lakhs)	Fair value gain / (loss) (Amount in ₹ lakhs)
i. Forward exchange contracts (Sell)						
USD	1.10	905.33	1.34	-	-	-

35. Financial instruments

The significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expense are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2(q) to the financial statements.

Financial assets and liabilities

The carrying value of financial instruments by categories as at 31 March 2023 and 31 March 2022 are as follows:

Amount in ₹ lakhs

	As at 31 March 2023			As at 31 March 2022		
	Fair value through profit or loss	Amortised cost	Total carrying value	Fair value through profit or loss	Amortised cost	Total carrying value
Financial assets:						
Investments	1,071.39	-	1,071.39	1,297.58	-	1,297.58
Trade receivables	-	5,310.49	5,310.49	-	2,338.92	2,338.92
Other financial assets	-	34.73	34.73	-	19.95	19.95
Cash and cash equivalents	-	197.61	197.61	-	32.66	32.66
Total	**1,071.39**	**5,542.83**	**6,614.22**	**1,297.58**	**2,391.53**	**3,689.11**

Amount in ₹ lakhs

	As at 31 March 2023			As at 31 March 2022		
	Fair value through profit or loss	Amortised cost	Total carrying value	Fair value through profit or loss	Amortised cost	Total carrying value
Financials liabilities:						
Lease Liabilities	3.40	-	3.40	1.93	-	1.93
Trade payables	-	2,210.75	2,210.75	-	6,622.75	6,622.75
Other financial liabilities	-	307.77	307.77	-	402.46	402.46
Total	**3.40**	**2,518.52**	**2,521.92**	**1.93**	**7,025.21**	**7,027.14**

Carrying amounts of cash and cash equivalents, trade receivables and trade payables as at 31 March 2023 and 31 March 2022 approximate the fair value because of their short-term nature. Difference between carrying amount and fair value of other financial assets and other financial liabilities subsequently measured at amortised cost is not significant in each of the years presented.

The following table summarizes financial assets and liabilities measured at fair value on a recurring basis and financial assets that are not measured at fair value on a recurring basis (but fair value disclosure is required)

As at 31 March 2023

Amount in ₹ lakhs

		Level 1	Level 2	Level 3	Total
	Financial assets				
i.	Investment in mutual funds	1,071.39	-	-	1,071.39
	Total	**1,071.39**	-	-	**1,071.39**

As at 31 March 2022

Amount in ₹ lakhs

		Level 1	Level 2	Level 3	Total
	Financial assets				
i.	Investment in mutual funds	1,297.58	-	-	1,297.58
	Total	**1,297.58**	-	-	**1,297.58**

36. Financial risk management objectives and policies

The Company's principal financial liabilities comprise of trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivables and cash and cash equivalents that derive directly from its operations. The Company also enters into derivative transactions.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks.

The Company's senior management ensures that financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The senior management reviews and agrees policies for managing each of these risks, which are summarised below.

a. **Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include deposits.

b. **Foreign currency sensitivity**

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

The Company's objective is to try and protect the underlying values of the Company's balance sheet forex exposures. Exposures are broadly categorized into receivables and payable exposures.

The Company manages its foreign currency risk by entering into derivatives on Net Exposures, i.e. netting off the Receivable and Payable exposures in order to take full benefit of natural hedge.

Non-crystalised (not in books) exposures for which cash flows are highly probable are considered for hedging after due consideration of cost of cover, impact of such derivatives on Statement of Profit and Loss due to MTMs (mark to market loss or gains), market / industry practices, regulatory restrictions etc.

The foreign exchange rate sensitivity is calculated by aggregation of the net foreign exchange rate exposure and a simultaneous parallel foreign exchange rate shift of all the currencies by 5% against the functional currency of the Company.

The following analysis has been worked out based on the net exposures of the Company as of the date of balance sheet which would affect the Statement of Profit and Loss and equity.

The following table sets forth information relating to foreign currency exposure (net) as at 31 March 2023 and 31 March 2022.

Amount in ₹ lakhs

Currency	USD	EUR
As at 31 March 2023		
Financial assets	1,512.11	-
Financial Liabilities	-	15.01

Currency	USD	GBP
As at 31 March 2022		
Financial assets	-	-
Financial Liabilities	985.73	9.88

5% appreciation/ depreciation of the respective foreign currencies with respect to functional currency of the Company would result in increase/ decrease in the Company's profit before tax by approximately ₹ 74.86 lakhs (2021 - 2022: ₹ 49.78 lakhs) for the year ended 31 March 2022.

c. **Credit risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

In determining the allowances for doubtful trade receivables, the Company will use simplified approach by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the gross receivables as at the reporting date and the net receivables after considering expected credit loss allowance is as mentioned below:

Amount in ₹ lakhs

Ageing of receivables	As at 31 March 2023	As at 31 March 2022
Within credit period	3,366.92	1,494.02
1-90 days	1,837.23	683.28
91-180 days	47.91	67.81
181-360 days	39.20	58.99
More than 360 days	19.23	34.82
Total	**5,310.49**	**2,338.92**

Movement in expected credit loss allowance

Amount in ₹ lakhs

	For the year ended 31 March 2023	For the year ended 31 March 2022
Opening balance	109.24	131.38
Movement in expected credit loss calculated based on lifetime expected credit loss method	(23.15)	(22.14)
Balance at the end of the year	**86.09**	**109.24**

d. **Liquidity risk**

The Company monitors its risk of shortage of funds using a liquidity planning tool.

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's corporate treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

Amount in ₹ lakhs

	On demand	0 to 12 months	1 to 5 years	Total
As at 31 March 2023				
Other financials liabilities	102.37	205.40	-	**307.77**
Trade Payables	588.51	1,622.24	-	**2,210.75**

Amount in ₹ lakhs

	On demand	0 to 12 months	1 to 5 years	Total
As at 31 March 2022				
Other financials liabilities	25.84	376.62	-	**402.46**
Trade Payables	383.77	6,238.98	-	**6,622.75**

37. Contingent liabilities and commitments:

a. **Contingent liabilities**

Amount in ₹ lakhs

Particulars	As at 31 March 2023	As at 31 March 2022
Income Tax* (refer note 38)	180.41	121.49

* In case the above cases are against the Company, then the Company may be liable for interest exposure of ₹ 33.30 lakhs on final settlement of the claims.

b. **Commitments**

i. **Capital commitments**

Estimated amount of contracts remaining to be executed on capital account, not provided for amount to ₹ 601.98 lakhs (31 March 2022: ₹ 301.28 lakhs) (net of capital advances).

38. During the earlier years, the Company has received Order u/s 201/201(A) of the Income Tax Act, 1961 for FY 2017-18 (AY 2018-19) raising demand of ₹ 119.93 lakhs on account of alleged non-deduction of taxes on year-end provisions. The Company has contested the claim with the relevant authority and has preferred appeal which is pending. The Company believes that the claim is not probable and would not result in outflow, subject to favourable outcome of the appeal filed thereagainst.

39. Micro and small enterprises

Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management:

Amount in ₹ lakhs

		As at 31 March 2023	As at 31 March 2022
a.	Principal amount remaining unpaid to any supplier as at the end of the accounting year	8.67	12.27
b.	Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
c.	The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	8.83	8.36
d.	The amount of interest due and payable for the year	-	-
e.	The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
f.	The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-
g.	Total outstanding dues of micro and small enterprises	8.67	12.27

40. Struck off Companies:

Amount in ₹ lakhs

Name of struck off Company	Nature of transactions with struck-off Company	As at 31 March 23	As at 31 March 22
Transworld Rugby (India) Private Limited	Trade Receivables	-	0.08
Ashcroft India Private Limited	Trade Receivables	0.01	0.01
JRP Software Solutions India Private Limited	Trade Receivables	-	0.01
Transworld Rugby (India) Private Limited	Trade Payables	0.01	-
United Engineering Company	Trade Payables	-	5.20
Faraji E Consulting Private Limited	Trade Receivables	0.01	-
Qubera IT Solutions India Private L	Trade Receivables	0.01	-
Rebeca Technologies Private Limited	Trade Receivables	0.36	-
Process & Machines Automation System	Trade Receivables	0.01	-
Total Receivable (net off payable)		**0.40**	**(5.10)**

Gross receivable from struck off companies is ₹ 0.41 lakhs (allowance for doubtful receivable is ₹ 0.40 lakhs) & ₹ 0.10 lakhs (allowance for doubtful receivable is ₹ 0.02 lakhs) as of March 23 & March 22 respectively.

41. Ratios:

Ratios	31 March 2023	31 March 2022
Current ratio (no of times) (refer a below) *Total Current Assets / Total Current Liabilities*	2.69	1.10
Debt-Equity ratio (no of times) *Total Debt (Long term borrowings + Short term borrowings (including Current maturities of long term borrowings)) / Equity*	NA	NA
Debt Service Coverage ratio (no of times) *Earning before exceptional items, interest, depreciation and amortization and tax (EBITDA) / (Finance costs + Short term borrowings (including Current maturities of long - term borrowings)*	NA	NA
Return on Equity ratio (%) *Profit / (Loss) for the year / Average Equity*	14.97%	16.86%
Inventory turnover ratio	NA	NA
Trade receivables turnover ratio (no of times) (refer b below) *Income from Operations/ Average Trade receivables*	2.40	3.39
Trade payables turnover ratio (no of times) *(Operating and other expenses - Bad Debts written off - Advances written off - Allowance for doubtful trade receivables - Allowance for doubtful advances) / Average Trade payables*	1.02	0.99
Net capital turnover ratio (no of times) (refer c below) *Income from Operations/ Working Capital (Current Assets-Current Liabilities)*	1.45	14.16
Net profit ratio (%) *Profit (Loss) for the period* *Income from Operations*	13.40%	14.29%
Return on capital employed (no of times) (refer d below) *Earnings before interest & tax / Capital Employed (Net worth + Total Debt)*	0.13	0.42
Return on investment (%) *Profit / (Loss) for the year / Average Equity*	14.97%	16.86%

a. Reduction in trade payables has resulted in increase in ratio.

b. Reduction in revenue from operations and increase in average trade receivables has resulted in decrease in ratio.

c. Reduction in revenue from operations and trade payables has resulted in decrease in ratio.

d. Increase in net worth due to shares issued at premium which has resulted in decrease in ratio.

42. Events after the reporting period

There are no subsequent events between the year ended 31 March 2023 and signing of financial statements as on 19 April 2023 which have material impact on the financials of the Company.

43. Approval of financial statements

The financial statements were approved for issue by the board of directors on 19 April 2023.

Tata Communications Collaboration Services Private Limited

Notes forming part of the financial statements

for the year ended 31 March 2023

44. Previous year's figures have been regrouped/rearranged where necessary to confirm to current year's classification/disclosure

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration No. 101049W/E300004

ABHISHEK NIRMAL KUMAR BURAD
Digitally signed by ABHISHEK NIRMAL KUMAR BURAD
DN: cn=ABHISHEK NIRMAL KUMAR BURAD, c=IN, o= Personal, email= abhishek.burad@srb.in

Abhishek Burad

Partner

Membership No. 122860

MUMBAI

DATE: 19 April 2023

For and on behalf of the Board of Directors

Kabir Ahmed Shakir
Digitally signed by Kabir Ahmed Shakir

Kabir Ahmed Shakir

Director

DIN : 03584898

MUMBAI

DATE: 19 April 2023

ADESH GOYAL
Digitally signed by ADESH GOYAL

Aadesh Goyal

Director

DIN : 00044337

MUMBAI

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APPENDIX - 1

ACCOUNTANT'S REPORT ON COMPILATION OF UNAUDITED FINANCIAL STATEMENTS

To
The Board of Directors
Tata Communications Limited

On the basis of the trial balance and explanations provided to us by the management, we have compiled the balance sheet of **Tata Communications (UK) Limited** ("the subsidiary") registered in England and Wales as at 31 March 2023 and the related statement of profit and loss for the year then ended, attached herewith.

We performed this compilation engagement in accordance with the Standard on Related Services 4410 (Revised), Compilation Engagements, issued by the Institute of Chartered Accountants of India.

We have applied our expertise in accounting and financial reporting to assist you in preparation of these financial information. We have complied with relevant ethical requirements.

The management of the subsidiary is responsible for:

a) These financial information and the accuracy and completeness of the information used to compile them.

b) Maintaining adequate accounting and other records and internal controls and selecting and applying appropriate accounting policies;

c) Preparation and presentation of financial statements in accordance with the applicable laws and regulations;

d) Establishing controls to safeguard the assets of the entity and preventing and detecting frauds or other irregularities;

e) Establishing controls for ensuring that the activities of the entity are carried out in accordance with the applicable laws and regulations and preventing and detecting any non-compliance.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information provided to us by management to compile the balance sheet and the related statement of profit and loss. Accordingly, we do not express an audit opinion or a review conclusion on whether the financial information are prepared in accordance with an accounting principal generally accepted in India.

SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
MUMBAI

Registered Office:
302-303, Technopolis Knowledge Park, Mahakali Caves Road,
Andheri (E), Mumbai - 400 093, India. T +91 (22) 6141 5555

This balance sheet and the related statement of profit and loss has been compiled by us only for the purpose of preparation of statement pursuant to Section 129(3) of the Companies Act, 2013, based on trial balance and explanations provided by the management. Accordingly these financial information may not suitable for other purposes.

FOR SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
Firm's Reg. No. 121750W /W100010

(Rahul Bhansali)
PARTNER
Membership No. 126549

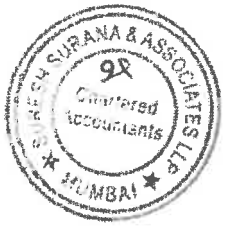
Place Mumbai
Date: 19 April 2023

Tata Communications (UK) Limited

BALANCE SHEET AS AT 31 MARCH 2023

	Particulars	Note No.	As at 31 March 2023		As at 31 March 2022	
			USD	INR*	USD	INR*
(A)	**ASSETS**					
(1)	**Non-current assets**					
	Property, plant and equipment	1	2,53,00,582	2,07,89,48,824	2,83,79,739	2,15,09,00,418
	Capital work-in-progress		28,96,897	23,80,38,026	12,82,134	9,71,72,936
	Right-of-use assets		1,16,98,523	96,12,67,635	2,20,40,086	1,67,04,18,118
	Other Intangible assets	2	1,48,29,354	1,21,85,28,018	1,68,72,777	1,27,87,87,769
	Intangible assets under development		3,68,883	3,03,11,116	57,426	43,52,317
	Investments in subsidiaries & associates	3	1,56,552	1,28,63,878	1,56,552	1,18,65,076
	Financial assets					
	(i) Other financial assets	4	4,67,563	3,84,19,652	4,95,539	3,75,56,901
	Deferred tax assets (net)		39,20,852	32,21,76,409	-	-
	Advance tax (net)		1,94,645	1,59,93,980	-	-
	Other Non-current assets	5	6,66,138	5,47,36,559	15,69,906	11,89,83,176
			6,04,99,989	4,97,12,84,097	7,08,54,159	5,37,00,36,711
(2)	**Current assets**					
	Financial assets					
	(i) Trade receivables	6	3,67,50,175	3,01,97,61,880	2,89,88,873	2,19,70,66,685
	(ii) Cash and cash equivalents	7	4,37,108	3,59,17,164	2,21,828	1,68,12,344
	(iii) Other financial assets	8	24,762	20,34,694	82,381	62,43,656
	Other Current assets	9	65,89,396	54,14,50,669	87,49,436	66,31,19,754
			4,38,01,441	3,59,91,64,407	3,80,42,518	2,88,32,42,439
	TOTAL ASSETS		10,43,01,430	8,57,04,48,504	10,88,96,677	8,25,32,79,150
(B)	**EQUITY AND LIABILITIES**					
(1)	**Equity**					
	Equity share capital	10	1,35,42,142	1,11,27,57,808	1,35,42,142	1,02,63,58,942
	Other equity	11	(5,33,82,201)	(4,38,64,15,459)	(6,95,63,025)	(5,27,21,81,664)
	Total Equity		(3,98,40,059)	(3,27,36,57,651)	(5,60,20,883)	(4,24,58,22,722)
(2)	**Non-current liabilities**					
	Financial liabilities					
	(i) Lease liabilities		65,57,427	53,88,23,777	1,93,80,888	1,46,88,77,502
	Provisions	12	95,15,422	78,18,82,225	81,96,151	62,11,86,284
	Other liabilities (Deferred revenue)		3,44,80,677	2,83,32,77,229	4,05,27,912	3,07,16,10,450
			5,05,53,526	4,15,39,83,231	6,81,04,951	5,16,16,74,236
(3)	**Current liabilities**					
	Financial liabilities					
	(i) Borrowings	13	1,65,59,934	1,36,07,29,777	2,59,57,257	1,96,73,00,508
	(ia) Lease liabilities		61,42,317	50,47,14,188	64,85,733	49,15,53,704
	(ii) Trade payables	14	5,15,34,982	4,23,46,29,475	4,63,85,875	3,51,55,85,467
	(iii) Other financial liabilities	15	8,23,983	6,77,06,684	5,76,212	4,36,71,107
	Other current liabilities	16	1,77,59,381	1,45,92,88,336	1,68,20,661	1,27,48,37,897
	Provisions	17	7,67,366	6,30,54,464	5,86,871	4,44,78,953
			9,35,87,963	7,69,01,22,924	9,68,12,609	7,33,74,27,636
	TOTAL EQUITY AND LIABILITIES		10,43,01,430	8,57,04,48,504	10,88,96,677	8,25,32,79,150

*Exchange rate as at 31 March 2023 1 USD = INR 82.17 (as at 31 March 2022 1 USD = INR 75.79)



Tata Communications (UK) Limited

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2023

	Particulars	Note No.	Current year 2022-23		Previous year 2021-22	
			USD	INR*	USD	INR*
i	Revenue from operations		23,54,12,478	19,34,38,43,317	24,08,13,242	18,25,12,35,611
ii	Other income	18	44,97,492	36,95,58,918	20,17,635	15,29,16,556
iii	Total income (i + ii)		23,99,09,970	19,71,34,02,235	24,28,30,877	18,40,41,52,167
iv	Expenses:					
	Network and transmission expenses	19	14,51,80,279	11,92,94,63,525	15,72,15,682	11,91,53,76,539
	Employee benefits expenses	20	3,78,21,225	3,10,77,70,059	2,96,95,563	2,25,06,26,719
	Finance costs	21	9,94,170	8,16,90,949	18,04,733	13,67,80,714
	Depreciation and amortisation expenses		1,07,99,728	88,74,13,650	1,18,02,945	89,45,45,202
	Operating and other expenses	22	3,28,54,596	2,69,96,62,156	3,30,64,007	2,50,59,21,089
	Total expenses		22,76,49,998	18,70,60,00,339	23,35,82,930	17,70,32,50,263
v	Profit before exceptional items and taxes (iii - iv)		1,22,59,972	1,00,74,01,896	92,47,947	70,09,01,904
vi	Exceptional items:					
	Staff cost optimisation		-	-	2,12,971	1,61,41,072
vii	Profit before taxes (v - vi)		1,22,59,972	1,00,74,01,896	94,60,918	71,70,42,976
viii	Tax expenses					
	(i) Current tax expense/(benefit)		-	-	-	-
	(ii) Deferred tax expense/(benefit)		(39,20,852)	(32,21,76,409)	-	-
	Net tax expenses		(39,20,852)	(32,21,76,409)	-	-
ix	Profit / (loss) for the year (vii-viii)		1,61,80,824	1,32,95,78,305	94,60,918	71,70,42,976

*Exchange rate as at 31 March 2023 1 USD = INR 82.17 (as at 31 March 2022 1 USD = INR 75.79)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1 Property, plant and equipment

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Gross block:				
Land	**5,24,909**	**4,31,31,773**	5,24,909	3,97,82,853
Building	**18,65,475**	**15,32,86,081**	18,65,475	14,13,84,350
Lease hold improvement	**98,07,434**	**80,58,76,852**	93,93,562	71,19,38,064
Cables	**2,12,91,026**	**1,74,94,83,606**	2,15,01,975	1,62,96,34,685
Plant and machinery	**10,68,04,669**	**8,77,61,39,652**	10,24,61,339	7,76,55,44,883
Furniture and fixtures	**6,64,955**	**5,46,39,352**	18,00,623	13,64,69,217
Computers	**52,52,577**	**43,16,04,252**	52,38,203	39,70,03,405
Office equipment	**7,79,288**	**6,40,34,095**	8,05,694	6,10,63,548
(a)	**14,69,90,333**	**12,07,81,95,663**	14,35,91,780	10,88,28,21,005
Accumulated depreciation:				
Building	**13,14,959**	**10,80,50,181**	12,38,334	9,38,53,334
Lease hold improvement	**60,64,600**	**49,83,28,182**	70,54,980	53,46,96,934
Cables	**1,62,77,693**	**1,33,75,38,034**	1,51,91,808	1,15,13,87,128
Plant and machinery	**9,30,51,981**	**7,64,60,81,279**	8,53,68,410	6,47,00,71,794
Furniture and fixtures	**4,99,285**	**4,10,26,248**	10,29,489	7,80,24,971
Computers	**38,78,432**	**31,86,90,757**	47,64,072	36,10,69,017
Office equipment	**6,02,801**	**4,95,32,158**	5,64,948	4,28,17,409
(b)	**12,16,89,751**	**9,99,92,46,839**	11,52,12,041	8,73,19,20,587
Net block (a) - (b)	**2,53,00,582**	**2,07,89,48,824**	2,83,79,739	2,15,09,00,418

2 Other Intangible assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Gross block:				
Computer software	**78,84,082**	**64,78,35,018**	77,21,829	58,52,37,420
Indefeasible right to use assets	**2,48,30,506**	**2,04,03,22,678**	2,89,44,442	2,19,36,99,259
(a)	**3,27,14,588**	**2,68,81,57,696**	3,66,66,271	2,77,89,36,679
Accumulated amortisation:				
Computer software	**60,57,741**	**49,77,64,578**	54,20,324	41,08,06,356
Indefeasible right to use assets	**1,18,27,493**	**97,18,65,100**	1,43,73,170	1,08,93,42,554
(b)	**1,78,85,234**	**1,46,96,29,678**	1,97,93,494	1,50,01,48,910
Net block (a) - (b)	**1,48,29,354**	**1,21,85,28,018**	1,68,72,777	1,27,87,87,769

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3 Investments in subsidiaries & associates

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Investments in subsidiaries	**1,56,552**	**1,28,63,878**	1,56,552	1,18,65,076
Total	**1,56,552**	**1,28,63,878**	1,56,552	1,18,65,076

4 Non-current assets - financial assets - other financial assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Vendor deposits	**4,67,563**	**3,84,19,652**	4,95,539	3,75,56,901
Total	**4,67,563**	**3,84,19,652**	4,95,539	3,75,56,901

5 Non-current assets - others

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Prepaid expenses	**6,66,138**	**5,47,36,559**	15,69,906	11,89,83,176
Total	**6,66,138**	**5,47,36,559**	15,69,906	11,89,83,176

6 Trade receivables

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Trade receivables	**3,95,54,510**	**3,25,01,94,087**	3,17,29,552	2,40,47,82,746
Provision for doubtful debts	**(28,04,335)**	**(23,04,32,207)**	(27,40,679)	(20,77,16,061)
Total	**3,67,50,175**	**3,01,97,61,880**	2,89,88,873	2,19,70,66,685

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7 Cash and cash equivalents

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Balance with bank	4,37,108	3,59,17,164	2,21,828	1,68,12,344
Total	4,37,108	3,59,17,164	2,21,828	1,68,12,344

8 Current assets - other financial assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Security Deposit	24,762	20,34,694	25,151	19,06,194
Others	-	-	57,230	43,37,462
Total	24,762	20,34,694	82,381	62,43,656

9 Current assets - other assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Advances to Vendors / Suppliers	5,60,114	4,60,24,567	3,72,373	2,82,22,150
Advances to employees	1,03,699	85,20,947	1,49,476	1,13,28,786
Prepaid expenses	58,99,788	48,47,85,580	74,44,256	56,42,00,162
Others	25,795	21,19,575	7,83,331	5,93,68,656
Total	65,89,396	54,14,50,669	87,49,436	66,31,19,754

10 Equity share capital

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Equity share capital	1,35,42,142	1,11,27,57,808	1,35,42,142	1,02,63,58,942
Total	1,35,42,142	1,11,27,57,808	1,35,42,142	1,02,63,58,942

11 Other Equity

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Surplus / (Deficit)				
Opening balance	**(8,14,71,025)**	**(6,69,44,74,124)**	(9,09,31,943)	(6,89,17,31,960)
Profit / (loss) for the year	**1,61,80,824**	**1,32,95,78,305**	94,60,918	71,70,42,976
Closing balance	**(6,52,90,201)**	**(5,36,48,95,819)**	(8,14,71,025)	(6,17,46,88,984)
Share premium	**1,19,08,000**	**97,84,80,360**	1,19,08,000	90,25,07,320
Total	**(5,33,82,201)**	**(4,38,64,15,459)**	(6,95,63,025)	(5,27,21,81,664)

12 Non-current liabilities - provisions

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Asset retirement obligation and others	**90,52,490**	**74,38,43,103**	79,42,417	60,19,55,784
Retention liability	**4,62,932**	**3,80,39,122**	2,53,734	1,92,30,500
Total	**95,15,422**	**78,18,82,225**	81,96,151	62,11,86,284

13 Current liabilities - borrowings

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Inter company loans taken (Net)	**1,65,59,934**	**1,36,07,29,777**	2,59,57,257	1,96,73,00,508
Total	**1,65,59,934**	**1,36,07,29,777**	2,59,57,257	1,96,73,00,508

14 Current liabilities - Trade payables

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Trade payable	**4,12,96,497**	**3,39,33,33,163**	4,17,98,579	3,16,79,14,303
Inter Company - Payables (Net)	**1,02,38,485**	**84,12,96,312**	45,87,296	34,76,71,164
Total	**5,15,34,982**	**4,23,46,29,475**	4,63,85,875	3,51,55,85,467

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15 Current liabilities - other financial liabilities

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Deposit from customers and contractors	4,40,610	3,62,04,924	4,42,767	3,35,57,311
Interest accrued but not due on Inter Co. loan (Net)	1,97,256	1,62,08,526	85,561	64,84,668
Others	1,86,117	1,52,93,234	47,884	36,29,128
Total	8,23,983	6,77,06,684	5,76,212	4,36,71,107

16 Current liabilities - other current liabilities

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Deferred revenue and advance from customers	89,54,236	73,57,69,572	1,05,14,296	79,68,78,494
Other Employee dues	70,46,355	57,89,98,990	45,66,714	34,61,11,254
Other Statutory dues	17,58,790	14,45,19,774	17,39,651	13,18,48,149
Total	1,77,59,381	1,45,92,88,336	1,68,20,661	1,27,48,37,897

17 Current liabilities - provisons

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Leave entitlement	7,67,366	6,30,54,464	5,86,871	4,44,78,953
Total	7,67,366	6,30,54,464	5,86,871	4,44,78,953

18 Other income

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Interest income - others	3,719	3,05,590	-	-
Interest on loan to subsidiaries	33,574	27,58,776	22,408	16,98,302
Profit on sale of fixed assets	-	-	12	909
Exchange gain -Net	34,03,688	27,96,81,043	14,42,748	10,93,45,871
Miscellaneous income	10,56,511	8,68,13,509	5,52,467	4,18,71,474
Total	44,97,492	36,95,58,918	20,17,635	15,29,16,556

19 Network and transmission expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Charges for use of transmission facilities	**14,49,16,278**	**11,90,77,70,563**	15,79,45,005	11,97,06,51,929
Rent of satellite channels	**2,64,001**	**2,16,92,962**	(7,29,323)	(5,52,75,390)
Total	**14,51,80,279**	**11,92,94,63,525**	15,72,15,682	11,91,53,76,539

20 Employee benefit expenses

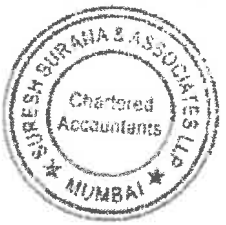
Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Salaries, bonus and allowances	**3,59,33,809**	**2,95,26,81,086**	2,81,40,047	2,13,27,34,162
Contribution to provident and other funds	**15,51,354**	**12,74,74,758**	13,47,294	10,21,11,412
Staff welfare expenses	**3,36,062**	**2,76,14,215**	2,08,222	1,57,81,145
Total	**3,78,21,225**	**3,10,77,70,059**	2,96,95,563	2,25,06,26,719

21 Finance costs

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Interest expenses	**1,98,888**	**1,63,42,627**	1,99,632	1,51,30,109
Interest on inter companies loan	**7,95,282**	**6,53,48,322**	12,50,319	9,47,61,677
Guarantee fees	**-**	**-**	3,54,782	2,68,88,928
Total	**9,94,170**	**8,16,90,949**	18,04,733	13,67,80,714

22 Operating and other expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Advertising and publicity	**83,81,818**	**68,87,33,985**	44,65,279	33,84,23,495
Auditors remuneration	**2,44,662**	**2,01,03,877**	2,23,132	1,69,11,174
Communication expenses	**4,65,138**	**3,82,20,389**	4,76,332	3,61,01,202
Donations	**-**	**-**	(3,507)	(2,65,796)
Electricity	**37,13,391**	**30,51,29,338**	36,98,983	28,03,45,922
Entertainment expenses	**38,819**	**31,89,757**	15,615	11,83,461
Insurance expenses	**1,35,787**	**1,11,57,618**	99,095	75,10,410
IT consumables	**82,090**	**67,45,335**	18,922	14,34,098
Legal and professional fees	**28,97,606**	**23,80,96,285**	19,07,475	14,45,67,530
Miscellaneous expenses	**15,36,376**	**12,62,44,016**	13,55,548	10,27,36,983
Printing and stationery	**87,515**	**71,91,108**	1,02,647	77,79,616
Provision for doubtful debts	**63,656**	**52,30,614**	(3,84,182)	(2,91,17,154)
Provision For Doubtful advances	**28,739**	**23,61,484**	-	-
Rates and Taxes	**19,42,483**	**15,96,13,828**	25,62,725	19,42,28,928
Recruitment expenses	**8,10,634**	**6,66,09,796**	7,26,962	5,50,96,450
Relocation Expense	**2,53,763**	**2,08,51,706**	2,42,742	1,83,97,416
Rent	**10,64,305**	**8,74,53,942**	34,56,585	26,19,74,577
Repairs and Maintenance - Plant & Machinery	**47,03,122**	**38,64,55,535**	55,34,995	41,94,97,271
Repairs and Maintenance -Building	**4,68,994**	**3,85,37,237**	2,38,286	1,80,59,696
Security charges	**4,19,703**	**3,44,86,996**	5,25,020	3,97,91,266
Seminars, trainings and conferences	**1,49,153**	**1,22,55,902**	58,430	44,28,410
Services rendered by agencies	**22,96,280**	**18,86,85,328**	65,12,305	49,35,67,596
Bad debts written off	**1,95,869**	**1,60,94,556**	1,46,146	1,10,76,405
Travelling and conveyance expenses	**28,74,693**	**23,62,13,524**	10,84,472	8,21,92,133
Total	**3,28,54,596**	**2,69,96,62,156**	3,30,64,007	2,50,59,21,089



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APPENDIX - 2

ACCOUNTANT'S REPORT ON COMPILATION OF UNAUDITED FINANCIAL STATEMENTS

To
The Board of Directors
Tata Communications Limited

On the basis of the trial balance and explanations provided to us by the management, we have compiled the balance sheet of **Tata Communications (Canada) Limited** ("the subsidiary") registered in Canada as at 31 March 2023 and the related statement of profit and loss for the year then ended, attached herewith.

We performed this compilation engagement in accordance with the Standard on Related Services 4410 (Revised), Compilation Engagements, issued by the Institute of Chartered Accountants of India.

We have applied our expertise in accounting and financial reporting to assist you in preparation of these financial information. We have complied with relevant ethical requirements.

The management of the subsidiary is responsible for:

a) These financial information and the accuracy and completeness of the information used to compile them.

b) Maintaining adequate accounting and other records and internal controls and selecting and applying appropriate accounting policies;

c) Preparation and presentation of financial statements in accordance with the applicable laws and regulations;

d) Establishing controls to safeguard the assets of the entity and preventing and detecting frauds or other irregularities;

e) Establishing controls for ensuring that the activities of the entity are carried out in accordance with the applicable laws and regulations and preventing and detecting any non-compliance.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information provided to us by management to compile the balance sheet and the related statement of profit and loss. Accordingly, we do not express an audit opinion or a review conclusion on whether the financial information are prepared in accordance with an accounting principal generally accepted in India.

SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
MUMBAI

Registered Office:
303-309, Technology Knowledge Park, Marol Naka Road,
Andheri (E), Mumbai - 400 093, India. T +91 (22) 6491 8555

This balance sheet and the related statement of profit and loss has been compiled by us only for the purpose of preparation of statement pursuant to Section 129(3) of the Companies Act, 2013, based on trial balance and explanations provided by the management. Accordingly these financial information may not suitable for other purposes.

FOR SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
Firm's Reg. No. 121750W /W100010

(Rahul Bhansali)
PARTNER
Membership No. 126549

Place Mumbai
Date: 19 April 2023

Tata Communications (Canada) Ltd

BALANCE SHEET AS AT 31 MARCH 2023

	Particulars	Note No.	As at 31 March 2023		As at 31 March 2022	
			USD	INR*	USD	INR*
(A)	**ASSETS**					
(1)	**Non-current assets**					
	Property, plant and equipment	1	1,97,34,522	1,62,15,85,672	2,10,75,846	1,59,73,38,367
	Capital work-in-progress		10,55,783	8,67,53,689	6,02,665	4,56,75,980
	Other Intangible assets	2	22,77,087	18,71,08,239	41,83,993	31,71,04,830
	Intangible assets under development		8,92,184	7,33,10,759	7,22,728	5,47,75,555
	Financial assets					
	(i) Investments -others	3	805	66,147	805	61,011
	(ii) Other financial assets	4	475	39,031	344	26,072
	Advance tax (net)		12,07,188	9,91,94,638	12,71,328	9,63,53,949
	Other Non-current assets	5	1,94,26,823	1,59,63,02,045	2,53,69,799	1,92,27,77,066
			4,45,94,867	3,66,43,60,220	5,32,27,508	4,03,41,12,830
(2)	**Current assets**					
	Financial assets					
	(i) Trade receivables	6	1,67,94,170	1,37,99,76,949	2,28,07,364	1,72,85,70,118
	(ii) Cash and cash equivalents	7	1,64,022	1,34,77,688	1,88,477	1,42,84,672
	(iii) Other financial assets	8	6,64,149	5,45,73,123	2,83,755	2,15,05,791
	Other Current assets	9	19,41,243	15,95,11,936	18,98,306	14,38,72,613
			1,95,63,584	1,60,75,39,696	2,51,77,902	1,90,82,33,194
	TOTAL ASSETS		6,41,58,451	5,27,18,99,916	7,84,05,410	5,94,23,46,024
(B)	**EQUITY AND LIABILITIES**					
(1)	**Equity**					
	Equity share capital	10	7,35,20,000	6,04,11,38,400	7,35,20,000	5,57,20,80,800
	Other equity	11	(30,29,57,775)	(24,89,40,40,371)	(29,76,82,145)	(22,56,13,29,768)
	Total Equity		(22,94,37,775)	(18,85,29,01,971)	(22,41,62,145)	(16,98,92,48,968)
(2)	**Non-current liabilities**					
	Financial liabilities					
	(i) Borrowings	12	10,00,00,000	8,21,70,00,000	15,00,00,000	11,36,85,00,000
	(ii) Other financial liabilities	13	5,13,993	4,22,34,805	-	-
	Provisions	14	1,98,287	1,62,93,243	2,21,516	1,67,88,697
	Other liabilities (Deferred revenue)		65,087	53,48,199	52,915	40,10,428
			10,07,77,367	8,28,08,76,247	15,02,74,431	11,38,92,99,125
(3)	**Current liabilities**					
	Financial liabilities					
	(i) Borrowings	15	14,27,13,404	11,72,67,60,407	9,78,87,540	7,41,88,96,657
	(ii) Trade payables	16	4,25,66,174	3,49,76,62,514	4,89,36,982	3,70,89,33,865
	(iii) Other financial liabilities	17	51,45,842	42,28,33,837	31,89,523	24,17,33,948
	Other current liabilities	18	18,94,501	15,56,71,147	17,81,382	13,50,10,941
	Provisions	19	4,98,938	4,09,97,735	4,97,697	3,77,20,456
			19,28,18,859	15,84,39,25,640	15,22,93,124	11,54,22,95,867
	TOTAL EQUITY AND LIABILITIES		6,41,58,451	5,27,18,99,916	7,84,05,410	5,94,23,46,024

*Exchange rate as at 31 March 2023 1 USD = INR 82.17 (as at 31 March 2022 1 USD = INR 75.79)

Tata Communications (Canada) Ltd

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2023

	Particulars	Note No.	Current year 2022-23		Previous year 2021-22	
			USD	INR*	USD	INR*
i	Revenue from operations		14,89,64,944	12,24,04,49,448	18,13,26,344	13,74,27,23,612
ii	Other Income	20	7,30,628	6,00,35,703	17,97,284	13,62,16,153
iii	Total income (i + ii)		14,96,95,572	12,30,04,85,151	18,31,23,628	13,87,89,39,765
iv	Expenses:					
	Network and transmission expenses	21	10,60,92,767	8,71,76,42,664	13,62,37,747	10,32,54,58,845
	Employee benefits expenses	22	1,31,18,041	1,07,79,09,429	1,14,66,856	86,90,73,017
	Finance costs	23	1,30,23,785	1,07,01,64,414	81,46,870	61,74,51,276
	Depreciation and amortisation expenses		51,90,777	42,65,26,146	78,05,218	59,15,57,472
	Operating and other expenses	24	1,22,67,690	1,00,80,36,086	1,14,44,707	86,73,94,342
	Total expenses		14,96,93,060	12,30,02,78,739	17,51,01,398	13,27,09,34,952
v	Profit before exceptional items and taxes (iii - iv)		2,512	2,06,412	80,22,230	60,80,04,813
vi	Exceptional items:					
	Staff cost optimisation		-	-	(2,83,565)	(2,14,91,391)
vii	Profit before taxes (v - vi)		2,512	2,06,412	77,38,665	58,65,13,422
viii	Tax expenses					
	(i) Current tax expense/(benefit)		64,158	52,71,863	75	5,684
	(ii) Deferred tax expense/(benefit)		-	-	-	-
	Net tax expenses		64,158	52,71,863	75	5,684
ix	Profit / (loss) for the year (vii-viii)		(61,646)	(50,65,451)	77,38,590	58,65,07,738

*Exchange rate as at 31 March 2023 1 USD = INR 82.17 (as at 31 March 2022 1 USD = INR 75.79)

Tata Communications (Canada) Ltd

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1 Property, plant and equipment

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Gross block:				
Land	73,80,000	60,64,14,600	73,80,000	55,93,30,200
Building	71,83,701	59,02,84,711	71,40,286	54,11,62,276
Lease hold improvement	86,908	71,41,230	86,908	65,86,757
Cables	50,291	41,32,411	50,291	38,11,555
Plant and machinery	4,99,10,084	4,10,11,11,602	4,36,30,486	3,30,67,54,534
Furniture and fixtures	34,61,181	28,44,05,243	34,34,580	26,03,06,818
Computers	55,66,011	45,73,59,124	1,06,28,951	80,55,68,196
Office equipment	9,90,714	8,14,06,969	9,90,714	7,50,86,214
(a)	7,46,28,890	6,13,22,55,890	7,33,42,216	5,55,86,06,550
Accumulated depreciation:				
Building	42,49,720	34,91,99,492	39,45,768	29,90,49,757
Lease hold improvement	86,908	71,41,230	73,209	55,48,510
Cables	40,615	33,37,335	38,980	29,54,294
Plant and machinery	4,18,52,855	3,43,90,49,095	3,41,45,896	2,58,79,17,458
Furniture and fixtures	28,33,314	23,28,13,411	27,11,216	20,54,83,061
Computers	49,51,322	40,68,50,129	1,05,21,914	79,74,55,862
Office equipment	8,79,634	7,22,79,526	8,29,387	6,28,59,241
(b)	5,48,94,368	4,51,06,70,218	5,22,66,370	3,96,12,68,183
Net block (a) - (b)	1,97,34,522	1,62,15,85,672	2,10,75,846	1,59,73,38,367

2 Other Intangible assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Gross block:				
Computer software	7,79,52,818	6,40,53,83,055	7,79,17,707	5,90,53,83,014
Indefeasible right to use assets	35,861	29,46,698	35,861	27,17,905
(a)	7,79,88,679	6,40,83,29,753	7,79,53,568	5,90,81,00,919
Accumulated amortisation:				
Computer software	7,56,75,731	6,21,82,74,816	7,37,33,786	5,58,82,83,641
Indefeasible right to use assets	35,861	29,46,698	35,789	27,12,448
(b)	7,57,11,592	6,22,12,21,514	7,37,69,575	5,59,09,96,089
Net block (a) - (b)	22,77,087	18,71,08,239	41,83,993	31,71,04,830

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3 Financial asset - Investment others

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Investments - others	805	66,147	805	61,011
Total	805	66,147	805	61,011

4 Non-current assets - financial assets - other financial assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Vendor deposits	475	39,031	344	26,072
Total	475	39,031	344	26,072

5 Non-current assets - others

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Prepaid expenses	13,59,526	11,17,12,251	16,50,612	12,50,99,883
Prepaid pension asset	1,80,67,297	1,48,45,89,794	2,37,19,187	1,79,76,77,183
Total	1,94,26,823	1,59,63,02,045	2,53,69,799	1,92,27,77,066

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

6 Trade receivables

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Trade receivables	1,43,21,565	1,17,68,02,996	1,74,15,657	1,31,99,32,644
Intercompany receivables (Net)	52,97,664	43,53,09,051	94,45,101	71,58,44,205
Provision for doubtful debts	(28,25,059)	(23,21,35,098)	(40,53,394)	(30,72,06,731)
Total	1,67,94,170	1,37,99,76,949	2,28,07,364	1,72,85,70,118

7 Cash and cash equivalents

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Balance with bank	1,64,022	1,34,77,688	1,88,477	1,42,84,672
Total	1,64,022	1,34,77,688	1,88,477	1,42,84,672

8 Current assets - other financial assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Security Deposit	8,832	7,25,725	9,179	6,95,676
MTM on IRS	3,79,912	3,12,17,369	-	-
Others	2,75,405	2,26,30,029	2,74,576	2,08,10,115
Total	6,64,149	5,45,73,123	2,83,755	2,15,05,791

9 Current assets - other assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Advances to Vendors / Suppliers	31,913	26,22,291	5,852	4,43,523
Advances to employees	21,779	17,89,580	773	58,586
Prepaid expenses	17,30,896	14,22,27,724	17,64,635	13,37,41,687
Indirect tax receivable	1,54,941	1,27,31,502	49,901	37,81,997
Others	1,714	1,40,839	77,145	58,46,820
Total	19,41,243	15,95,11,936	18,98,306	14,38,72,613

10 Equity share capital

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Equity share capital	7,35,20,000	6,04,11,38,400	7,35,20,000	5,57,20,80,800
Total	7,35,20,000	6,04,11,38,400	7,35,20,000	5,57,20,80,800

11 Other Equity

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Surplus / (Deficit)				
Opening balance	(28,22,51,479)	(23,19,26,04,029)	(28,99,90,069)	(21,97,83,47,330)
Profit / (loss) for the year	(61,646)	(50,65,451)	77,38,590	58,65,07,738
Closing balance	(28,23,13,125)	(23,19,76,69,480)	(28,22,51,479)	(21,39,18,39,592)
OCI - Reserves derivatives	(1,34,082)	(1,10,17,518)	-	-
OCI Reserves Employee Benefit Plan	(2,05,10,568)	(1,68,53,53,373)	(1,54,30,666)	(1,16,94,90,176)
Total	(30,29,57,775)	(24,89,40,40,371)	(29,76,82,145)	(22,56,13,29,768)

12 Non-current liabilities - borrowings

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Loan from banks	10,00,00,000	8,21,70,00,000	15,00,00,000	11,36,85,00,000
Total	10,00,00,000	8,21,70,00,000	15,00,00,000	11,36,85,00,000

13 Non-current liabilities - other financial liabilities

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Derivative liabilities	5,13,993	4,22,34,805	-	-
Total	5,13,993	4,22,34,805	-	-

14 Non-current liabilities - provisions

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Asset retirement obligation and others	-	-	50,000	37,89,500
Pension liablity	29,247	24,03,226	48,303	36,60,884
Retention liability	1,69,040	1,38,90,017	1,23,213	93,38,313
Total	1,98,287	1,62,93,243	2,21,516	1,67,88,697

15 Current liabilities - borrowings

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Current portion of long term loans	5,00,00,000	4,10,85,00,000	-	-
Inter company loans taken (Net)	9,27,13,404	7,61,82,60,407	9,78,87,540	7,41,88,96,657
Total	14,27,13,404	11,72,67,60,407	9,78,87,540	7,41,88,96,657

16 Current liabilities - Trade payables

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Trade payable	**4,25,66,174**	**3,49,76,62,514**	4,89,36,982	3,70,89,33,865
Total	**4,25,66,174**	**3,49,76,62,514**	4,89,36,982	3,70,89,33,865

17 Current liabilities - other financial liabilities

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Deposit from customers and contractors	**5,85,651**	**4,81,22,943**	6,51,198	4,93,54,296
Interest accrued but not due on Inter Co. loan (Net)	**42,88,983**	**35,24,25,733**	20,31,767	15,39,87,621
Interest accrued but not due -others	**2,71,208**	**2,22,85,161**	4,34,400	3,29,23,176
Others	**-**	**-**	72,158	54,68,855
Total	**51,45,842**	**42,28,33,837**	31,89,523	24,17,33,948

18 Current liabilities - other current liabilities

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Deferred revenue and advance from customers	**1,99,477**	**1,63,91,025**	2,53,298	1,91,97,455
Other Employee dues	**15,16,257**	**12,45,90,838**	15,28,084	11,58,13,486
Other Statutory dues	**1,78,767**	**1,46,89,284**	-	-
Total	**18,94,501**	**15,56,71,147**	17,81,382	13,50,10,941

19 Current liabilities - provisons

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Leave entitlement	**4,98,938**	**4,09,97,735**	4,97,697	3,77,20,456
Total	**4,98,938**	**4,09,97,735**	4,97,697	3,77,20,456

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20 Other income

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Interest income - others	207	17,009	218	16,522
Profit on sale of fixed assets	-	-	12	909
Exchange gain -Net	-	-	7,94,136	6,01,87,567
Miscellaneous income	7,30,421	6,00,18,694	10,02,918	7,60,11,155
Total	7,30,628	6,00,35,703	17,97,284	13,62,16,153

21 Network and transmission expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Charges for use of transmission facilities	10,60,92,767	8,71,76,42,664	13,62,37,747	10,32,54,58,845
Total	10,60,92,767	8,71,76,42,664	13,62,37,747	10,32,54,58,845

22 Employee benefit expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Salaries, bonus and allowances	1,20,82,947	99,28,55,755	1,13,12,025	85,73,38,375
Contribution to provident and other funds	9,31,556	7,65,45,957	71,986	54,55,819
Staff welfare expenses	1,03,538	85,07,717	82,845	62,78,823
Total	1,31,18,041	1,07,79,09,429	1,14,66,856	86,90,73,017

23 Finance costs

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Interest expenses	62,61,654	51,45,20,109	30,86,936	23,39,58,879
Interest on inter companies loan	61,53,798	50,56,57,582	40,43,598	30,64,64,292
Guarantee fees	6,08,333	4,99,86,723	10,16,336	7,70,28,105
Total	1,30,23,785	1,07,01,64,414	81,46,870	61,74,51,276

24 Operating and other expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Advertising and publicity	-	-	(1)	(76)
Auditors remuneration	16,327	13,41,590	18,308	13,87,563
Communication expenses	1,07,048	87,96,134	93,847	71,12,664
Electricity	9,47,072	7,78,20,906	10,96,996	8,31,41,327
Entertainment expenses	3,753	3,08,384	(367)	(27,815)
Exchange loss -Net	59,155	48,60,766	-	-
Insurance expenses	1,94,564	1,59,87,324	1,91,956	1,45,48,345
IT consumables	6,120	5,02,880	5,158	3,90,925
Legal and professional fees	17,66,673	14,51,67,520	20,10,367	15,23,65,715
Miscellaneous expenses	8,25,653	6,78,43,907	10,62,802	8,05,49,764
Printing and stationery	26,921	22,12,099	31,750	24,06,333
Provision for doubtful debts	(12,28,335)	(10,09,32,287)	(5,84,440)	(4,42,94,708)
Provision For Doubtful advances	6,479	5,32,379	-	-
Rates and Taxes	4,40,257	3,61,75,918	4,34,575	3,29,36,439
Recruitment expenses	1,16,838	96,00,578	20,251	15,34,823
Relocation Expense	5,699	4,68,287	6,485	4,91,498
Rent	81,547	67,00,717	25,546	19,36,131
Repairs and Maintenance - Plant & Machinery	46,02,558	37,81,92,191	42,13,058	31,93,07,666
Repairs and Maintenance -Building	4,40,157	3,61,67,701	5,46,036	4,13,84,068
Security charges	2,51,063	2,06,29,847	2,50,741	1,90,03,660
Seminars, trainings and conferences	4,477	3,67,875	18,254	13,83,471
Services rendered by agencies	27,36,685	22,48,73,406	17,90,437	13,56,97,220
Bad debts written off	4,54,547	3,73,50,127	1,88,377	1,42,77,093
Travelling and conveyance expenses	4,02,432	3,30,67,837	24,571	18,62,236
Total	1,22,67,690	1,00,80,36,086	1,14,44,707	86,73,94,342

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APPENDIX - 3

ACCOUNTANT'S REPORT ON COMPILATION OF UNAUDITED FINANCIAL STATEMENTS

To
The Board of Directors
Tata Communications Limited

On the basis of the trial balance and explanations provided to us by the management, we have compiled the balance sheet of **Tata Communications (France), SAS** ("the subsidiary") registered in (France) as at 31 March 2023 and the related statement of profit and loss for the year then ended, attached herewith.

We performed this compilation engagement in accordance with the Standard on Related Services 4410 (Revised), Compilation Engagements, issued by the Institute of Chartered Accountants of India.

We have applied our expertise in accounting and financial reporting to assist you in preparation of these financial information. We have complied with relevant ethical requirements.

The management of the subsidiary is responsible for:

a) These financial information and the accuracy and completeness of the information used to compile them.

b) Maintaining adequate accounting and other records and internal controls and selecting and applying appropriate accounting policies;

c) Preparation and presentation of financial statements in accordance with the applicable laws and regulations;

d) Establishing controls to safeguard the assets of the entity and preventing and detecting frauds or other irregularities;

e) Establishing controls for ensuring that the activities of the entity are carried out in accordance with the applicable laws and regulations and preventing and detecting any non-compliance.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information provided to us by management to compile the balance sheet and the related statement of profit and loss. Accordingly, we do not express an audit opinion or a review conclusion on whether the financial information are prepared in accordance with an accounting principal generally accepted in India.

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Andheri (E), Mumbai - 400 093, India. T +91 (22) 6691 6666

This balance sheet and the related statement of profit and loss has been compiled by us only for the purpose of preparation of statement pursuant to Section 129(3) of the Companies Act, 2013, based on trial balance and explanations provided by the management. Accordingly these financial information may not suitable for other purposes.

FOR SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
Firm's Reg. No. 121750W /W100010

(Rahul Bhansali)
PARTNER
Membership No. 126549

Place Mumbai
Date: 19 April 2023

Tata Communications (France), SAS

BALANCE SHEET AS AT 31 MARCH 2023

	Particulars	Note No.	As at 31 March 2023		As at 31 March 2022	
			USD	INR*	USD	INR*
(A)	**ASSETS**					
(1)	**Non-current assets**					
	Property, plant and equipment	1	1,06,16,780	87,23,80,813	1,21,19,534	91,85,39,482
	Capital work-in-progress		6,03,926	4,96,24,599	6,34,220	4,80,67,534
	Right-of-use assets		31,93,205	26,23,85,655	28,64,246	21,70,81,204
	Other Intangible assets	2	49,61,505	40,76,86,866	66,47,522	50,38,15,692
	Intangible assets under development		-	-	3,621	2,74,436
	Financial assets					
	(i) Loans	3	3,80,54,396	3,12,69,29,719	2,79,04,721	2,11,48,98,805
	(ii) Other financial assets	4	4,20,885	3,45,84,120	4,31,034	3,26,68,067
	Other Non-current assets	5	2,48,605	2,04,27,873	2,65,763	2,01,42,178
			5,80,99,302	4,77,40,19,645	5,08,70,661	3,85,54,87,398
(2)	**Current assets**					
	Financial assets					
	(i) Trade receivables	6	40,28,699	33,10,38,197	42,12,054	31,92,31,573
	(ii) Cash and cash equivalents	7	-	-	82,126	62,24,330
	(iii) Other financial assets	8	9,74,154	8,00,46,234	5,91,903	4,48,60,328
	Other Current assets	9	17,15,088	14,09,28,782	17,20,321	13,03,83,129
			67,17,941	55,20,13,213	66,06,404	50,06,99,360
	TOTAL ASSETS		6,48,17,243	5,32,60,32,858	5,74,77,065	4,35,61,86,758
(B)	**EQUITY AND LIABILITIES**					
(1)	**Equity**					
	Equity share capital	10	2,03,91,358	1,67,55,57,887	2,03,91,358	1,54,54,61,023
	Other equity	11	67,531	55,49,022	(81,25,448)	(61,58,27,700)
	Total Equity		2,04,58,889	1,68,11,06,909	1,22,65,910	92,96,33,323
(2)	**Non-current liabilities**					
	Financial liabilities					
	(i) Lease liabilities		25,99,170	21,35,73,799	22,21,386	16,83,58,845
	Provisions	12	9,12,504	7,49,80,454	7,75,224	5,87,54,227
	Other liabilities (Deferred revenue)		1,95,12,972	1,60,33,80,909	2,14,46,795	1,62,54,52,593
			2,30,24,646	1,89,19,35,162	2,44,43,405	1,85,25,65,665
(3)	**Current liabilities**					
	Financial liabilities					
	(i) Lease liabilities		5,85,343	4,80,97,634	5,54,893	4,20,55,340
	(ii) Trade payables	13	1,23,53,111	1,01,50,55,131	1,08,60,936	82,31,50,337
	(iii) Other financial liabilities	14	71,640	58,86,659	72,832	55,19,937
	Other current liabilities	15	67,44,841	55,42,23,585	86,10,342	65,25,77,821
	Provisions	16	7,52,209	6,18,09,014	3,99,486	3,02,77,044
	Current tax liability (Net)		8,26,564	6,79,18,764	2,69,261	2,04,07,291
			2,13,33,708	1,75,29,90,787	2,07,67,750	1,57,39,87,770
	TOTAL EQUITY AND LIABILITIES		6,48,17,243	5,32,60,32,858	5,74,77,065	4,35,61,86,758

*Exchange rate as at 31 March 2023 1 USD = INR 82.17 (as at 31 March 2022 1 USD = INR 75.79)

Tata Communications (France), SAS

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2023

	Particulars	Note No.	Current year 2022-23		Previous year 2021-22	
			USD	INR*	USD	INR*
i	Revenue from operations		4,56,82,398	3,75,37,22,644	4,60,21,539	3,48,79,72,441
ii	Other Income	17	18,43,225	15,14,57,799	16,06,482	12,17,55,271
iii	Total income (i + ii)		4,75,25,623	3,90,51,80,443	4,76,28,021	3,60,97,27,712
iv	Expenses:					
	Network and transmission expenses	18	2,13,02,750	1,75,04,46,968	2,72,04,542	2,06,18,32,238
	Employee benefits expenses	19	62,49,962	51,35,54,448	43,29,552	32,81,36,746
	Finance costs	20	13,488	11,08,309	48,239	36,56,033
	Depreciation and amortisation expenses		44,41,813	36,49,83,774	49,33,238	37,38,90,108
	Operating and other expenses	21	58,42,129	48,00,47,740	75,11,327	56,92,83,471
	Total expenses		3,78,50,082	3,11,01,41,239	4,40,26,898	3,33,67,98,596
v	Profit before exceptional items and taxes (iii - iv)		96,75,541	79,50,39,204	36,01,123	27,29,29,116
vi	Exceptional items:					
	Staff cost optimisation		-	-	22,58,314	17,11,57,618
vii	Profit before taxes (v - vi)		96,75,541	79,50,39,204	58,59,437	44,40,86,734
viii	Tax expenses					
	(i) Current tax expense/(benefit)		14,82,562	12,18,22,120	12,36,938	9,37,47,531
	(ii) Deferred tax expense/(benefit)		-	-	-	-
	Net tax expenses		14,82,562	12,18,22,120	12,36,938	9,37,47,531
ix	Profit / (loss) for the year (vii-viii)		81,92,979	67,32,17,084	46,22,499	35,03,39,203

*Exchange rate as at 31 March 2023 1 USD = INR 82.17 (as at 31 March 2022 1 USD = INR 75.79)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1 Property, plant and equipment

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Gross block:				
Lease hold improvement	**5,53,314**	**4,54,65,811**	4,04,287	3,06,40,912
Cables	**1,37,52,333**	**1,13,00,29,203**	1,37,72,547	1,04,38,21,337
Plant and machinery	**3,74,27,680**	**3,07,54,32,466**	3,69,01,501	2,79,67,64,761
Furniture and fixtures	**24,345**	**20,00,429**	24,345	18,45,108
Computers	**1,31,800**	**1,08,30,006**	74,214	56,24,679
Office equipment	**54,447**	**44,73,910**	54,447	41,26,538
(a)	**5,19,43,919**	**4,26,82,31,825**	5,12,31,341	3,88,28,23,335
Accumulated depreciation:				
Lease hold improvement	**3,09,104**	**2,53,99,076**	2,83,785	2,15,08,065
Cables	**73,61,752**	**60,49,15,162**	63,75,394	48,31,91,111
Plant and machinery	**3,35,16,091**	**2,75,40,17,197**	3,23,19,140	2,44,94,67,621
Furniture and fixtures	**24,345**	**20,00,429**	24,345	18,45,108
Computers	**69,161**	**56,82,959**	68,765	52,11,699
Office equipment	**46,686**	**38,36,189**	40,378	30,60,249
(b)	**4,13,27,139**	**3,39,58,51,012**	3,91,11,807	2,96,42,83,853
Net block (a) - (b)	**1,06,16,780**	**87,23,80,813**	1,21,19,534	91,85,39,482

2 Other Intangible assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Gross block:				
Computer software	**13,10,404**	**10,76,75,897**	13,10,404	9,93,15,519
Indefeasible right to use assets	**2,64,81,148**	**2,17,59,55,931**	2,64,81,148	2,00,70,06,207
(a)	**2,77,91,552**	**2,28,36,31,828**	2,77,91,552	2,10,63,21,726
Accumulated amortisation:				
Computer software	**11,57,699**	**9,51,28,127**	11,02,024	8,35,22,399
Indefeasible right to use assets	**2,16,72,348**	**1,78,08,16,835**	2,00,42,006	1,51,89,83,635
(b)	**2,28,30,047**	**1,87,59,44,962**	2,11,44,030	1,60,25,06,034
Net block (a) - (b)	**49,61,505**	**40,76,86,866**	66,47,522	50,38,15,692

3 Non-current assets - financial assets - loans

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Inter company loans given (Net)	**3,80,54,396**	**3,12,69,29,719**	2,79,04,721	2,11,48,98,805
Total	**3,80,54,396**	**3,12,69,29,719**	2,79,04,721	2,11,48,98,805

4 Non-current assets - financial assets - other financial assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Vendor deposits	**4,20,885**	**3,45,84,120**	4,31,034	3,26,68,067
Total	**4,20,885**	**3,45,84,120**	4,31,034	3,26,68,067

5 Non-current assets - others

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Prepaid expenses	**2,48,605**	**2,04,27,873**	2,65,763	2,01,42,178
Total	**2,48,605**	**2,04,27,873**	2,65,763	2,01,42,178

6 Trade receivables

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Trade receivables	**44,37,586**	**36,46,36,442**	52,01,876	39,42,50,182
Provision for doubtful debts	**(4,08,887)**	**(3,35,98,245)**	(9,89,822)	(7,50,18,609)
Total	**40,28,699**	**33,10,38,197**	42,12,054	31,92,31,573

7 Cash and cash equivalents

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Balance with bank	-	-	82,126	62,24,330
Total	-	-	82,126	62,24,330

8 Current assets - other financial assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Security Deposit	-	-	14,745	11,17,524
Interest Receivable on Inter Co. Loan (Net)	9,60,105	7,88,91,828	5,32,341	4,03,46,124
Others	14,049	11,54,406	44,817	33,96,680
Total	9,74,154	8,00,46,234	5,91,903	4,48,60,328

9 Current assets - other assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Advances to Vendors / Suppliers	89,598	73,62,268	3,57,701	2,71,10,159
Advances to employees	9,716	7,98,364	7,436	5,63,574
Prepaid expenses	15,77,959	12,96,60,891	10,50,637	7,96,27,778
Indirect tax receivable	-	-	72,883	55,23,803
Others	37,815	31,07,259	2,31,664	1,75,57,815
Total	17,15,088	14,09,28,782	17,20,321	13,03,83,129

10 Equity share capital

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Equity share capital	2,03,91,358	1,67,55,57,887	2,03,91,358	1,54,54,61,023
Total	2,03,91,358	1,67,55,57,887	2,03,91,358	1,54,54,61,023

11 Other Equity

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Surplus / (Deficit)				
Opening balance	**(81,25,448)**	**(66,76,68,062)**	(1,27,47,947)	(96,61,66,903)
Profit / (loss) for the year	**81,92,979**	**67,32,17,084**	46,22,499	35,03,39,203
Total	**67,531**	**55,49,022**	(81,25,448)	(61,58,27,700)

12 Non-current liabilities - provisions

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Asset retirement obligation and others	**9,12,504**	**7,49,80,454**	7,75,224	5,87,54,227
Total	**9,12,504**	**7,49,80,454**	7,75,224	5,87,54,227

13 Current liabilities - Trade payables

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Trade payable	**1,01,11,162**	**83,08,34,182**	79,47,396	60,23,33,140
Inter Company - Payables (Net)	**22,41,949**	**18,42,20,949**	29,13,540	22,08,17,197
Total	**1,23,53,111**	**1,01,50,55,131**	1,08,60,936	82,31,50,337

14 Current liabilities - other financial liabilities

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Deposit from customers and contractors	**71,640**	**58,86,659**	72,609	55,03,036
Others	**-**	**-**	223	16,901
Total	**71,640**	**58,86,659**	72,832	55,19,937

15 Current liabilities - other current liabilities

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Deferred revenue and advance from customers	53,85,080	44,24,92,024	70,24,207	53,23,64,649
Other Employee dues	12,15,442	9,98,72,869	15,86,135	12,02,13,172
Other Statutory dues	1,44,319	1,18,58,692	-	-
Total	67,44,841	55,42,23,585	86,10,342	65,25,77,821

16 Current liabilities - provisons

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Leave entitlement	7,52,209	6,18,09,014	3,99,486	3,02,77,044
Total	7,52,209	6,18,09,014	3,99,486	3,02,77,044

17 Other income

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Interest on loan to subsidiaries	18,12,975	14,89,72,156	10,95,143	8,30,00,888
Profit on sale of fixed assets	-	-	3	227
Exchange gain -Net	-	-	4,86,864	3,68,99,423
Miscellaneous income	30,250	24,85,643	24,472	18,54,733
Total	18,43,225	15,14,57,799	16,06,482	12,17,55,271

18 Network and transmission expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Charges for use of transmission facilities	2,13,02,052	1,75,03,89,613	2,72,60,744	2,06,60,91,788
Rent of satellite channels	698	57,355	(56,202)	(42,59,550)
Total	2,13,02,750	1,75,04,46,968	2,72,04,542	2,06,18,32,238

19 Employee benefit expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Salaries, bonus and allowances	61,84,492	50,81,79,708	43,01,980	32,60,47,064
Staff welfare expenses	65,410	53,74,740	27,572	20,89,682
Total	62,49,902	51,35,54,448	43,29,552	32,81,36,746

20 Finance costs

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Interest expenses	13,488	11,08,309	41,412	31,38,615
Guarantee fees	-	-	6,827	5,17,418
Total	13,488	11,08,309	48,239	36,56,033

21 Operating and other expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Advertising and publicity	79,078	64,97,839	17,008	12,89,036
Auditors remuneration	45,675	37,53,115	43,500	32,96,865
Communication expenses	56,162	46,14,832	28,749	21,78,887
Electricity	8,78,435	7,21,81,004	7,70,364	5,83,85,888
Entertainment expenses	7,640	6,27,779	2,099	1,59,083
Exchange loss -Net	7,35,751	6,04,56,660	-	-
Insurance expenses	32,687	26,85,891	35,029	26,54,848
IT consumables	4,835	3,97,292	522	39,562
Legal and professional fees	3,58,317	2,94,42,908	7,11,431	5,39,19,355
Miscellaneous expenses	1,69,107	1,38,95,522	11,62,031	8,80,70,329
Printing and stationery	5,100	4,19,067	8,425	6,38,531
Provision for doubtful debts	(5,80,936)	(4,77,35,511)	4,23,475	3,20,95,170
Provision For Doubtful advances	13,495	11,08,884	-	-
Rates and Taxes	87,229	71,67,607	1,51,463	1,14,79,381
Recruitment expenses	89,624	73,64,404	1,03,286	78,28,046
Rent	1,97,818	1,62,54,705	1,43,393	1,08,67,755
Repairs and Maintenance - Plant & Machinery	31,62,726	25,98,81,195	34,66,399	26,27,18,380
Repairs and Maintenance -Building	9,565	7,85,956	-	-
Seminars, trainings and conferences	20,204	16,60,163	1,238	93,828
Services rendered by agencies	3,13,120	2,57,29,070	3,54,209	2,68,45,500
Bad debts written off	-	-	32,260	24,44,985
Travelling and conveyance expenses	1,56,497	1,28,59,358	56,446	42,78,042
Total	58,42,129	48,00,47,740	75,11,327	56,92,83,471

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APPENDIX - 4

ACCOUNTANT'S REPORT ON COMPILATION OF UNAUDITED FINANCIAL STATEMENTS

To
The Board of Directors
Tata Communications Limited

On the basis of the trial balance and explanations provided to us by the management, we have compiled the balance sheet of **Tata Communications (Brazil) Participacoes Limitada** ("the subsidiary") registered in Brazil as at 31 March 2023 and the related statement of profit and loss for the year then ended, attached herewith.

We performed this compilation engagement in accordance with the Standard on Related Services 4410 (Revised), Compilation Engagements, issued by the Institute of Chartered Accountants of India.

We have applied our expertise in accounting and financial reporting to assist you in preparation of these financial information. We have complied with relevant ethical requirements.

The management of the subsidiary is responsible for:

a) These financial information and the accuracy and completeness of the information used to compile them.

b) Maintaining adequate accounting and other records and internal controls and selecting and applying appropriate accounting policies;

c) Preparation and presentation of financial statements in accordance with the applicable laws and regulations;

d) Establishing controls to safeguard the assets of the entity and preventing and detecting frauds or other irregularities;

e) Establishing controls for ensuring that the activities of the entity are carried out in accordance with the applicable laws and regulations and preventing and detecting any non-compliance.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information provided to us by management to compile the balance sheet and the related statement of profit and loss. Accordingly, we do not express an audit opinion or a review conclusion on whether the financial information are prepared in accordance with an accounting principal generally accepted in India.

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This balance sheet and the related statement of profit and loss has been compiled by us only for the purpose of preparation of statement pursuant to Section 129(3) of the Companies Act, 2013, based on trial balance and explanations provided by the management. Accordingly these financial information may not suitable for other purposes.

FOR SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
Firm's Reg. No. 121750W/W100010

(Rahul Bhansali)
PARTNER
Membership No. 126549

Place Mumbai
Date: 19 April 2023

Tata Communications (Brazil) Participacoes Limitada

BALANCE SHEET AS AT 31 MARCH 2023

	Particulars	Note No.	As at 31 March 2023		As at 31 March 2022	
			USD	INR*	USD	INR*
(A)	**ASSETS**					
(1)	**Non-current assets**					
	Investments in subsidiaries & associates	1	11,28,038	9,26,90,882	11,28,038	8,54,94,000
	Advance tax (net)		1,023	84,060	-	-
			11,29,061	9,27,74,942	11,28,038	8,54,94,000
(2)	**Current assets**					
	Financial assets					
	(i) Cash and cash equivalents	2	51,275	42,13,267	79,013	59,88,395
	Other Current assets	3	1,694	1,39,196	125	9,474
			52,969	43,52,463	79,138	59,97,869
	TOTAL ASSETS		11,82,030	9,71,27,405	12,07,176	9,14,91,869
(B)	**EQUITY AND LIABILITIES**					
(1)	**Equity**					
	Equity share capital	4	14,49,493	11,91,04,840	14,49,493	10,98,57,074
	Other equity	5	(2,73,726)	(2,24,92,066)	(2,42,872)	(1,84,07,268)
	Total Equity		11,75,767	9,66,12,774	12,06,621	9,14,49,806
(2)	**Current liabilities**					
	Financial liabilities					
	(i) Trade payables	6	6,263	5,14,631	555	42,063
			6,263	5,14,631	555	42,063
	TOTAL EQUITY AND LIABILITIES		11,82,030	9,71,27,405	12,07,176	9,14,91,869

*Exchange rate as at 31 March 2023 1 USD = INR 82.17 (as at 31 March 2022 1 USD = INR 75.79)

Tata Communications (Brazil) Participacoes Limitada

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2023

	Particulars	Note No.	Current year 2022-23		Previous year 2021-22	
			USD	INR*	USD	INR*
i	Revenue from operations		-	-	-	-
ii	Other income	7	770	63,271	15,893	12,04,531
iii	Total income (i + ii)		770	63,271	15,893	12,04,531
iv	Expenses:					
	Operating and other expenses	8	31,624	25,98,545	24,143	18,29,798
	Total expenses		31,624	25,98,545	24,143	18,29,798
v	Profit before taxes (iii-iv)		(30,854)	(25,35,274)	(8,250)	(6,25,267)
vi	Tax expenses					
	(i) Current tax expense/(benefit)		-	-	-	-
	(ii) Deferred tax expense/(benefit)		-	-	-	-
	Net tax expenses		-	-	-	-
vii	Profit / (loss) for the year (v-vi)		(30,854)	(25,35,274)	(8,250)	(6,25,267)

*Exchange rate as at 31 March 2023 1 USD = INR 82.17 (as at 31 March 2022 1 USD = INR 75.79)

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

Tata Communications (Brazil) Participacoes Limitada

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1 Investments in subsidiaries & associates

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Investments in subsidiaries	**11,28,038**	**9,26,90,882**	11,28,038	8,54,94,000
Total	**11,28,038**	**9,26,90,882**	11,28,038	8,54,94,000

2 Cash and cash equivalents

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Balance with bank	**51,275**	**42,13,267**	79,013	59,88,395
Total	**51,275**	**42,13,267**	79,013	59,88,395

3 Current assets - other assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Indirect tax receivable	**1,694**	**1,39,196**	125	9,474
Total	**1,694**	**1,39,196**	125	9,474

4 Equity share capital

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Equity share capital	**14,49,493**	**11,91,04,840**	14,49,493	10,98,57,074
Total	**14,49,493**	**11,91,04,840**	14,49,493	10,98,57,074

5 Other Equity

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Surplus / (Deficit)				
Opening balance	**(2,42,872)**	**(1,99,56,792)**	(2,34,622)	(1,77,82,001)
Profit / (loss) for the year	**(30,854)**	**(25,35,274)**	(8,250)	(6,25,267)
Total	**(2,73,726)**	**(2,24,92,066)**	(2,42,872)	(1,84,07,268)

6 Current liabilities - Trade payables

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Trade payable	6,263	5,14,631	555	42,063
Total	6,263	5,14,631	555	42,063

7 Other income

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Interest income - others	746	61,299	691	52,371
Exchange gain -Net	-	-	15,202	11,52,160
Miscellaneous income	24	1,972	-	-
Total	770	63,271	15,893	12,04,531

8 Operating and other expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Exchange loss -Net	5,016	4,12,165	-	-
Legal and professional fees	28,339	23,28,616	24,072	18,24,417
Miscellaneous expenses	-	-	58	4,396
Rates and Taxes	(1,731)	(1,42,236)	13	985
Total	31,624	25,98,545	24,143	18,29,798

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APPENDIX - 5

ACCOUNTANT'S REPORT ON COMPILATION OF UNAUDITED FINANCIAL STATEMENTS

To
The Board of Directors
Tata Communications Limited

On the basis of the trial balance and explanations provided to us by the management, we have compiled the balance sheet of Tata Communications Comunicações E Multimídia (Brazil) Limitada ("the subsidiary") registered in Brazil as at 31 March 2023 and the related statement of profit and loss for the year then ended, attached herewith.

We performed this compilation engagement in accordance with the Standard on Related Services 4410 (Revised), Compilation Engagements, issued by the Institute of Chartered Accountants of India.

We have applied our expertise in accounting and financial reporting to assist you in preparation of these financial information. We have complied with relevant ethical requirements.

The management of the subsidiary is responsible for:

a) These financial information and the accuracy and completeness of the information used to compile them.

b) Maintaining adequate accounting and other records and internal controls and selecting and applying appropriate accounting policies;

c) Preparation and presentation of financial statements in accordance with the applicable laws and regulations;

d) Establishing controls to safeguard the assets of the entity and preventing and detecting frauds or other irregularities;

e) Establishing controls for ensuring that the activities of the entity are carried out in accordance with the applicable laws and regulations and preventing and detecting any non-compliance.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information provided to us by management to compile the balance sheet and the related statement of profit and loss. Accordingly, we do not express an audit opinion or a review conclusion on whether the financial information are prepared in accordance with an accounting principal generally accepted in India.

SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
MUMBAI

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This balance sheet and the related statement of profit and loss has been compiled by us only for the purpose of preparation of statement pursuant to Section 129(3) of the Companies Act, 2013, based on trial balance and explanations provided by the management. Accordingly these financial information may not suitable for other purposes.

FOR SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
Firm's Reg. No. 121750W /W100010

(Rahul Bhansali)
PARTNER
Membership No. 126549

Place Mumbai
Date: 19 April 2023

Tata Communications Comunicações E Multimidia (Brazil) Limitada

BALANCE SHEET AS AT 31 MARCH 2023

	Particulars	Note No.	As at 31 March 2023		As at 31 March 2022	
			USD	INR*	USD	INR*
(A)	**ASSETS**					
(1)	**Non-current assets**					
	Property, plant and equipment	1	6,15,928	5,06,10,804	7,66,194	5,80,69,843
	Capital work-in-progress		1,60,622	1,31,98,310	1,24,954	94,70,264
	Advance tax (net)		-	-	1,38,779	1,05,18,060
	Other Non-current assets	2	27,972	22,98,459	22,961	17,40,214
			8,04,522	6,61,07,573	10,52,888	7,97,98,381
(2)	**Current assets**					
	Financial assets					
	(i) Trade receivables	3	6,73,357	5,53,29,745	5,28,518	4,00,56,380
	(ii) Cash and cash equivalents	4	4,86,538	3,99,78,827	4,45,561	3,37,69,068
	(iii) Other financial assets	5	6,238	5,12,576	2,32,888	1,76,50,582
	Other Current assets	6	2,35,659	1,93,64,100	50,773	38,48,086
			14,01,792	11,51,85,248	12,57,740	9,53,24,116
	TOTAL ASSETS		22,06,314	18,12,92,821	23,10,628	17,51,22,497
(B)	**EQUITY AND LIABILITIES**					
(1)	**Equity**					
	Equity share capital	7	12,53,787	10,30,23,678	12,53,787	9,50,24,517
	Other equity	8	(2,87,701)	(2,36,48,388)	(86,441)	(65,51,366)
	Total Equity		9,66,086	7,93,83,290	11,67,346	8,84,73,151
(2)	**Current liabilities**					
	Financial liabilities					
	(i) Trade payables	9	9,91,075	8,14,36,629	5,41,618	4,10,49,232
	Other current liabilities	10	1,81,869	1,49,44,176	6,01,664	4,56,00,114
	Current tax liability (Net)		67,284	55,28,726	-	-
			12,40,228	10,19,09,531	11,43,282	8,66,49,346
	TOTAL EQUITY AND LIABILITIES		22,06,314	18,12,92,821	23,10,628	17,51,22,497

*Exchange rate as at 31 March 2023 1 USD = INR 82.17 (as at 31 March 2022 1 USD = INR 75.79)

Tata Communications Comunicações E Multimídia (Brazil) Limitada

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2023

	Particulars	Note No.	Current year 2022-23		Previous year 2021-22	
			USD	INR*	USD	INR*
i	Revenue from operations		33,17,692	27,26,14,752	15,84,688	12,01,03,504
ii	Other income	11	6,492	5,33,448	66,738	50,58,073
iii	Total income (i + ii)		33,24,184	27,31,48,200	16,51,426	12,51,61,577
iv	Expenses:					
	Network and transmission expenses	12	19,22,672	15,79,85,958	5,51,002	4,17,60,442
	Employee benefits expenses	13	16	1,315	-	-
	Finance costs	14	3	247	-	-
	Depreciation and amortisation expenses		2,19,213	1,80,12,732	2,09,172	1,58,53,146
	Operating and other expenses	15	7,77,739	6,39,06,811	8,49,134	6,43,55,868
	Total expenses		29,19,643	23,99,07,063	16,09,308	12,19,69,456
v	Profit before taxes (iii - iv)		4,04,541	3,32,41,137	42,118	31,92,121
vi	Tax expenses					
	(i) Current tax expense/(benefit)		6,05,801	4,97,78,668	-	-
	(ii) Deferred tax expense/(benefit)		-	-	-	-
	Net tax expenses		6,05,801	4,97,78,668	-	-
vii	Profit / (loss) for the year (v-vi)		(2,01,260)	(1,65,37,531)	42,118	31,92,121

*Exchange rate as at 31 March 2023 1 USD = INR 82.17 (as at 31 March 2022 1 USD = INR 75.79)

Tata Communications Comunicações E Multimídia (Brazil) Limitada

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1 Property, plant and equipment

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Gross block:				
Plant and machinery	**13,94,033**	**11,45,47,692**	13,24,027	10,03,48,006
(a)	**13,94,033**	**11,45,47,692**	13,24,027	10,03,48,006
Accumulated depreciation:				
Plant and machinery	**7,78,105**	**6,39,36,888**	5,57,833	4,22,78,163
(b)	**7,78,105**	**6,39,36,888**	5,57,833	4,22,78,163
Net block (a) - (b)	**6,15,928**	**5,06,10,804**	7,66,194	5,80,69,843

2 Non-current assets - others

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Prepaid expenses	**27,972**	**22,98,459**	22,961	17,40,214
Total	**27,972**	**22,98,459**	22,961	17,40,214

3 Trade receivables

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Trade receivables	6,84,627	5,62,55,801	4,22,439	3,20,16,652
Intercompany receivables (Net)	-	-	1,06,282	80,55,113
Provision for doubtful debts	(11,270)	(9,26,056)	(203)	(15,385)
Total	**6,73,357**	**5,53,29,745**	5,28,518	4,00,56,380

4 Cash and cash equivalents

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Balance with bank	4,86,538	3,99,78,827	4,45,561	3,37,69,068
Total	**4,86,538**	**3,99,78,827**	4,45,561	3,37,69,068

5 Current assets - other financial assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Others	6,238	5,12,576	2,32,888	1,76,50,582
Total	**6,238**	**5,12,576**	2,32,888	1,76,50,582

6 Current assets - other assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Prepaid expenses	34,328	28,20,732	37,324	28,28,786
Indirect tax receivable	2,01,331	1,65,43,368	-	-
Others	-	-	13,449	10,19,300
Total	**2,35,659**	**1,93,64,100**	50,773	38,48,086

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

7 Equity share capital

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Equity share capital	12,53,787	10,30,23,678	12,53,787	9,50,24,517
Total	12,53,787	10,30,23,678	12,53,787	9,50,24,517

8 Other Equity

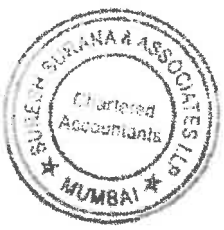
Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Surplus / (Deficit)				
Opening balance	(86,441)	(71,02,857)	(1,28,559)	(97,43,487)
Profit / (loss) for the year	(2,01,260)	(1,65,37,531)	42,118	31,92,121
Total	(2,87,701)	(2,36,40,388)	(86,441)	(65,51,366)

9 Current liabilities - Trade payables

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Trade payable	7,97,947	6,55,67,301	5,41,618	4,10,49,232
Inter Company - Payables (Net)	1,93,128	1,58,69,328	-	-
Total	9,91,075	8,14,36,629	5,41,618	4,10,49,232

10 Current liabilities - other current liabilities

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Deferred revenue and advance from customers	1,375	1,12,984	-	-
Other Employee dues	33,150	27,23,936	30,398	23,03,864
Other Statutory dues	1,47,344	1,21,07,256	5,71,266	4,32,96,250
Total	1,81,869	1,49,44,176	6,01,664	4,56,00,114



11 Other income

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Interest income - others	7,575	6,22,438	1,058	80,186
Exchange gain -Net	-	-	64,212	48,66,627
Miscellaneous income	(1,083)	(88,990)	1,468	1,11,260
Total	**6,492**	**5,33,448**	66,738	50,58,073

12 Network and transmission expenses

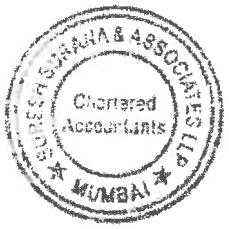
Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Charges for use of transmission facilities	19,22,672	15,79,85,958	5,51,002	4,17,60,442
Total	**19,22,672**	**15,79,85,958**	5,51,002	4,17,60,442

13 Employee benefit expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Salaries, bonus and allowances	(12)	(986)	-	-
Staff welfare expenses	28	2,301	-	-
Total	**16**	**1,315**	-	-

14 Finance costs

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Interest expenses	3	247	-	-
Total	**3**	**247**	-	-



15 Operating and other expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Advertising and publicity	(2,527)	(2,07,644)	5,804	4,39,885
Communication expenses	559	45,933	153	11,596
Directors fees	19,066	15,66,653	19,225	14,57,063
Electricity	1,10,148	90,50,861	1,05,207	79,73,639
Exchange loss -Net	39,879	32,76,857	-	-
Insurance expenses	11,236	9,23,262	10,896	8,25,808
Legal and professional fees	3,61,370	2,96,93,773	2,89,771	2,19,61,744
Miscellaneous expenses	(1,409)	(1,15,778)	62,449	47,33,010
Provision for doubtful debts	11,067	9,09,375	106	8,034
Rates and Taxes	(22,516)	(18,50,140)	2,09,654	1,58,89,677
Rent	10,269	8,43,804	9,867	7,47,820
Repairs and Maintenance - Plant & Machinery	83,767	68,83,134	53,178	40,30,361
Repairs and Maintenance -Building	9,222	7,57,772	-	-
Seminars, trainings and conferences	49	4,026	-	-
Services rendered by agencies	1,47,366	1,21,09,064	82,824	62,77,231
Travelling and conveyance expenses	193	15,859	-	-
Total	7,77,739	6,39,06,811	8,49,134	6,43,55,868

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APPENDIX - 6

ACCOUNTANT'S REPORT ON COMPILATION OF UNAUDITED FINANCIAL STATEMENTS

To
The Board of Directors
Tata Communications Limited

On the basis of the trial balance and explanations provided to us by the management, we have compiled the balance sheet of **Tata Communications (America) Inc** ("the subsidiary") registered in Delaware, USA as at 31 March 2023 and the related statement of profit and loss for the year then ended, attached herewith.

We performed this compilation engagement in accordance with the Standard on Related Services 4410 (Revised), Compilation Engagements, issued by the Institute of Chartered Accountants of India.

We have applied our expertise in accounting and financial reporting to assist you in preparation of these financial information. We have complied with relevant ethical requirements.

The management of the subsidiary is responsible for:

a) These financial information and the accuracy and completeness of the information used to compile them.

b) Maintaining adequate accounting and other records and internal controls and selecting and applying appropriate accounting policies;

c) Preparation and presentation of financial statements in accordance with the applicable laws and regulations;

d) Establishing controls to safeguard the assets of the entity and preventing and detecting frauds or other irregularities;

e) Establishing controls for ensuring that the activities of the entity are carried out in accordance with the applicable laws and regulations and preventing and detecting any non-compliance.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information provided to us by management to compile the balance sheet and the related statement of profit and loss. Accordingly, we do not express an audit opinion or a review conclusion on whether the financial information are prepared in accordance with an accounting principal generally accepted in India.

Registered Office:
301, 302, Technopolis Knowledge Park, Mahakali Caves Road,
Andheri (E), Mumbai - 400 093. India. T +91 (22) 6761 5555

This balance sheet and the related statement of profit and loss has been compiled by us only for the purpose of preparation of statement pursuant to Section 129(3) of the Companies Act, 2013, based on trial balance and explanations provided by the management. Accordingly these financial information may not suitable for other purposes.

FOR SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
Firm's Reg. No. 121750W/W100010

(Rahul Bhansali)
PARTNER
Membership No. 126549

Place Mumbai
Date: 19 April 2023

Tata Communications (America) Inc

BALANCE SHEET AS AT 31 MARCH 2023

	Particulars	Note No.	As at 31 March 2023		As at 31 March 2022	
			USD	INR*	USD	INR*
(A)	**ASSETS**					
(1)	**Non-current assets**					
	Property, plant and equipment	1	6,27,26,500	5,15,42,36,507	7,60,64,934	5,76,49,61,347
	Capital work-in-progress		48,19,458	39,60,14,864	24,81,020	18,80,36,506
	Right-of-use assets		2,88,05,029	2,36,69,09,233	3,66,78,423	2,77,98,57,679
	Other Intangible assets	2	66,03,848	54,26,38,190	67,60,329	51,23,65,336
	Intangible assets under development		4,59,287	3,77,39,613	6,20,243	4,70,08,217
	Financial assets					
	(i) Investments -others	3	3,51,12,813	2,88,52,19,844	3,51,20,002	2,66,17,44,952
	(ii) Loans	4	14,08,31,011	11,57,20,84,174	10,65,35,648	8,07,43,36,762
	(iii) Other financial assets	5	8,47,886	6,96,70,793	10,08,239	7,64,14,434
	Deferred tax assets (net)		1,10,75,325	91,00,59,455	-	-
	Advance tax (net)		1,55,924	1,28,12,275	4,97,529	3,77,07,723
	Other Non-current assets	6	7,05,876	5,80,01,831	10,22,763	7,75,15,208
			29,21,42,957	24,00,53,86,779	26,67,89,130	20,21,99,48,164
(2)	**Current assets**					
	Financial assets					
	(i) Trade receivables	7	3,28,86,469	2,69,57,07,557	3,28,53,057	2,48,99,33,190
	(ii) Cash and cash equivalents	8	26,157	21,49,321	25,987	19,69,555
	(iii) Other financial assets	9	51,99,146	42,72,13,827	23,47,470	17,79,14,751
	Other Current assets	10	64,50,076	53,00,02,745	76,05,263	57,64,02,882
			4,44,81,848	3,65,50,73,450	4,28,31,777	3,24,62,20,378
	TOTAL ASSETS		33,66,24,805	27,66,04,60,229	30,96,20,907	23,46,61,68,542
(B)	**EQUITY AND LIABILITIES**					
(1)	**Equity**					
	Equity share capital	11	22,66,03,995	18,62,00,50,269	22,66,03,995	17,17,43,16,781
	Other equity	12	(1,73,01,995)	(1,42,17,04,929)	(5,30,52,829)	(4,02,08,73,907)
	Total Equity		20,93,02,000	17,19,83,45,340	17,35,51,166	13,15,34,42,874
(2)	**Non-current liabilities**					
	Financial liabilities					
	(i) Lease liabilities		1,98,65,824	1,63,23,74,758	2,84,41,880	2,15,56,10,085
	Provisions	13	1,25,49,712	1,03,12,09,835	94,37,354	71,52,57,059
	Other liabilities (Deferred revenue)		1,86,92,264	1,53,59,43,333	2,49,18,307	1,88,85,58,488
			5,11,07,800	4,19,95,27,926	6,27,97,541	4,75,94,25,632
(3)	**Current liabilities**					
	Financial liabilities					
	(i) Lease liabilities		1,16,72,334	95,91,15,685	1,14,38,124	86,68,95,418
	(ii) Trade payables	14	4,38,66,268	3,60,44,91,242	4,15,55,714	3,14,95,07,563
	(iii) Other financial liabilities	15	15,00,938	12,33,32,076	17,29,887	13,11,08,135
	Other current liabilities	16	1,77,27,490	1,45,66,67,854	1,73,23,571	1,31,29,53,446
	Provisions	17	14,47,975	11,89,80,106	12,24,904	9,28,35,474
			7,62,15,805	6,26,25,86,963	7,32,72,200	5,55,33,00,036
	TOTAL EQUITY AND LIABILITIES		33,66,24,805	27,66,04,60,229	30,96,20,907	23,46,61,68,542

*Exchange rate as at 31 March 2023 1 USD = INR 82.17 (as at 31 March 2022 1 USD = INR 75.79)

Tata Communications (America) Inc

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2023

	Particulars	Note No.	Current year 2022-23		Previous year 2021-22	
			USD	INR*	USD	INR*
i	Revenue from operations		26,14,50,975	21,48,34,26,616	27,41,45,983	20,77,75,24,052
ii	Other Income	18	1,14,61,407	94,17,83,814	82,21,196	62,30,84,445
iii	Total income (i + ii)		27,29,12,382	22,42,52,10,430	28,23,67,179	21,40,06,08,497
iv	Expenses:					
	Network and transmission expenses	19	11,12,18,151	9,13,87,95,468	12,57,95,801	9,53,40,63,758
	Employee benefits expenses	20	6,22,90,079	5,11,83,75,792	5,46,02,632	4,13,83,33,479
	Finance costs	21	18,43,748	15,15,00,773	10,00,928	7,58,60,333
	Depreciation and amortisation expenses		2,61,06,924	2,14,52,05,945	2,69,20,143	2,04,02,77,638
	Operating and other expenses	22	4,63,13,435	3,80,55,74,954	5,45,86,213	4,13,70,89,082
	Total expenses		24,77,72,337	20,35,94,52,932	26,29,05,717	19,92,56,24,290
v	Profit before exceptional items and taxes (iii - iv)		2,51,40,045	2,06,57,57,498	1,94,61,462	1,47,49,84,207
vi	Exceptional items:					
	Staff cost optimisation		-	-	7,60,459	5,76,35,188
vii	Profit before taxes (v - vi)		2,51,40,045	2,06,57,57,498	2,02,21,921	1,53,26,19,395
viii	Tax expenses					
	(i) Current tax expense/(benefit)		4,64,536	3,81,70,923	(1,09,968)	(83,34,475)
	(ii) Deferred tax expense/(benefit)		(1,10,75,325)	(91,00,59,455)	-	-
	Net tax expenses		(1,06,10,789)	(87,18,88,532)	(1,09,968)	(83,34,475)
ix	Profit / (loss) for the year (vii-viii)		3,57,50,834	2,93,76,46,030	2,03,31,889	1,54,09,53,870

*Exchange rate as at 31 March 2023 1 USD = INR 82.17 (as at 31 March 2022 1 USD = INR 75.79)

Tata Communications (America) Inc

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1 Property, plant and equipment

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Gross block:				
Land	**14,65,964**	**12,04,58,262**	14,98,991	11,36,08,528
Leasehold land	**33,027**	**27,13,829**	33,027	25,03,116
Building	**51,37,839**	**42,21,76,231**	51,37,839	38,93,96,818
Lease hold improvement	**1,38,98,976**	**1,14,20,78,858**	1,31,92,591	99,98,66,472
Cables	**12,34,71,396**	**10,14,56,44,609**	12,36,87,267	9,37,42,57,966
Plant and machinery	**30,49,74,424**	**25,05,97,48,420**	27,65,16,560	20,95,71,90,082
Furniture and fixtures	**16,67,772**	**13,70,40,825**	18,84,532	14,28,28,680
Computers	**97,71,904**	**80,29,57,352**	1,70,50,846	1,29,22,83,618
Office equipment	**12,57,415**	**10,33,21,791**	12,74,284	9,65,77,984
Vehicles	**28,208**	**23,17,851**	28,208	21,37,884
(a)	**46,17,06,925**	**37,93,84,58,028**	44,03,04,145	33,37,06,51,148
Accumulated depreciation:				
Leasehold land	**12**	**986**	15,243	11,55,267
Building	**36,45,590**	**29,95,58,130**	34,39,211	26,06,57,802
Lease hold improvement	**76,17,157**	**62,59,01,791**	78,12,053	59,20,75,497
Cables	**10,40,52,637**	**8,55,00,05,182**	9,80,08,961	7,42,80,99,154
Plant and machinery	**27,38,24,120**	**22,50,01,27,940**	23,65,49,541	17,92,80,89,712
Furniture and fixtures	**11,93,920**	**9,81,04,406**	11,35,266	8,60,41,810
Computers	**76,44,599**	**62,81,56,700**	1,63,41,139	1,23,84,94,925
Office equipment	**9,74,182**	**8,00,48,535**	9,09,589	6,89,37,750
Vehicles	**28,208**	**23,17,851**	28,208	21,37,884
(b)	**39,89,80,425**	**32,78,42,21,521**	36,42,39,211	27,60,56,89,801
Net block (a) - (b)	**6,27,26,500**	**5,15,42,36,507**	7,60,64,934	5,76,49,61,347

2 Other Intangible assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Gross block:				
Computer software	**6,04,12,639**	**4,96,41,06,547**	6,01,01,049	4,55,50,58,504
Indefeasible right to use assets	**58,18,661**	**47,81,19,374**	1,92,53,038	1,45,91,87,750
(a)	**6,62,31,300**	**5,44,22,25,921**	7,93,54,087	6,01,42,46,254
Accumulated amortisation:				
Computer software	**5,60,98,525**	**4,60,96,15,799**	5,49,74,160	4,16,64,91,586
Indefeasible right to use assets	**35,28,927**	**28,99,71,932**	1,76,19,598	1,33,53,89,332
(b)	**5,96,27,452**	**4,89,95,87,731**	7,25,93,758	5,50,18,80,918
Net block (a) - (b)	**66,03,848**	**54,26,38,190**	67,60,329	51,23,65,336

3 Financial asset - Investment others

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Investments - others	3,51,12,813	2,88,52,19,844	3,51,20,002	2,66,17,44,952
Total	3,51,12,813	2,88,52,19,844	3,51,20,002	2,66,17,44,952

4 Non-current assets - financial assets - loans

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Inter company loans given (Net)	14,08,31,011	11,57,20,84,174	10,65,35,648	8,07,43,36,762
Total	14,08,31,011	11,57,20,84,174	10,65,35,648	8,07,43,36,762

5 Non-current assets - financial assets - other financial assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Vendor deposits	8,47,886	6,96,70,793	10,08,239	7,64,14,434
Total	8,47,886	6,96,70,793	10,08,239	7,64,14,434

6 Non-current assets - others

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Prepaid expenses	7,05,876	5,80,01,831	10,22,763	7,75,15,208
Total	7,05,876	5,80,01,831	10,22,763	7,75,15,208

7 Trade receivables

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Trade receivables	3,69,67,883	3,03,76,50,946	3,77,33,106	2,85,97,92,104
Intercompany receivables (Net)	7,45,091	6,12,24,127	-	-
Provision for doubtful debts	(49,06,505)	(40,31,67,516)	(48,80,049)	(36,98,58,914)
Total	3,28,06,469	2,69,57,07,557	3,28,53,057	2,48,99,33,190

8 Cash and cash equivalents

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Balance with bank	26,157	21,49,321	25,987	19,69,555
Total	26,157	21,49,321	25,987	19,69,555

9 Current assets - other financial assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Security Deposit	74,020	60,82,223	74,332	56,33,622
Interest Receivable on Inter Co. Loan (Net)	46,50,340	38,21,18,438	20,74,503	15,72,26,582
Others	4,74,786	3,90,13,166	1,98,635	1,50,54,547
Total	51,99,146	42,72,13,827	23,47,470	17,79,14,751

10 Current assets - other assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Advances to Vendors / Suppliers	71,481	58,73,594	15,45,609	11,71,41,706
Advances to employees	1,82,524	1,49,97,997	24,112	18,27,448
Prepaid expenses	59,20,069	48,64,52,070	57,93,284	43,90,72,994
Others	2,76,002	2,26,79,084	2,42,258	1,83,60,734
Total	64,50,076	53,00,02,745	76,05,263	57,64,02,882

11 Equity share capital

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Equity share capital	22,66,03,995	18,62,00,50,269	22,66,03,995	17,17,43,16,781
Total	22,66,03,995	18,62,00,50,269	22,66,03,995	17,17,43,16,781

12 Other Equity

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Surplus / (Deficit)				
Opening balance	(5,30,52,829)	(4,35,93,50,959)	(7,33,84,718)	(5,56,18,27,777)
Profit / (loss) for the year	3,57,50,834	2,93,76,46,030	2,03,31,889	1,54,09,53,870
Total	(1,73,01,995)	(1,42,17,04,929)	(5,30,52,829)	(4,02,08,73,907)

13 Non-current liabilities - provisions

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Asset retirement obligation and others	1,16,00,271	95,31,94,268	90,43,584	68,54,13,231
Retention liability	9,49,441	7,80,15,567	3,93,770	2,98,43,828
Total	1,25,49,712	1,03,12,09,835	94,37,354	71,52,57,059

14 Current liabilities - Trade payables

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Trade payable	4,38,66,268	3,60,44,91,242	4,03,78,779	3,06,03,07,659
Inter Company - Payables (Net)	-	-	11,76,935	8,91,99,904
Total	4,38,66,268	3,60,44,91,242	4,15,55,714	3,14,95,07,563

15 Current liabilities - other financial liabilities

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Deposit from customers and contractors	14,72,003	12,09,54,487	15,16,936	11,49,68,579
Others	28,935	23,77,589	2,12,951	1,61,39,556
Total	15,00,938	12,33,32,076	17,29,887	13,11,08,135

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

16 Current liabilities - other current liabilities

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Deferred revenue and advance from customers	68,05,910	55,92,41,625	94,06,643	71,29,29,473
Other Employee dues	1,00,55,215	82,62,37,017	76,75,075	58,16,93,934
Other Statutory dues	4,33,439	3,56,15,683	2,41,853	1,83,30,039
Others	4,32,926	3,55,73,529	-	-
Total	**1,77,27,490**	**1,45,66,67,854**	1,73,23,571	1,31,29,53,446

17 Current liabilities - provisons

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Leave entitlement	14,47,975	11,89,80,106	12,24,904	9,28,35,474
Total	**14,47,975**	**11,89,80,106**	12,24,904	9,28,35,474

18 Other income

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Dividend income	209	17,174	626	47,445
Interest on loan to subsidiaries	87,24,339	71,68,78,936	46,13,420	34,96,51,102
Profit on sale of fixed assets	-	-	18	1,364
Exchange gain -Net	-	-	8,92,062	6,76,09,379
Miscellaneous income	27,36,859	22,48,87,704	27,15,070	20,57,75,155
Total	**1,14,61,407**	**94,17,83,814**	82,21,196	62,30,84,445

19 Network and transmission expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Charges for use of transmission facilities	11,12,18,151	9,13,87,95,468	12,57,95,801	9,53,40,63,758
Total	**11,12,18,151**	**9,13,87,95,468**	12,57,95,801	9,53,40,63,758

20 Employee benefit expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Salaries, bonus and allowances	6,03,51,028	4,95,90,43,971	5,28,62,561	4,00,64,53,498
Contribution to provident and other funds	16,72,483	13,74,27,928	15,53,439	11,77,35,142
Staff welfare expenses	2,66,568	2,19,03,893	1,86,632	1,41,44,839
Total	6,22,90,079	5,11,83,75,792	5,46,02,632	4,13,83,33,479

21 Finance costs

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Interest expenses	3,95,807	3,25,23,461	2,01,451	1,52,67,971
Interest on inter companies loan	14,47,941	11,89,77,312	7,99,477	6,05,92,362
Total	18,43,748	15,15,00,773	10,00,928	7,58,60,333

22 Operating and other expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Advertising and publicity	13,98,968	11,49,53,201	16,15,781	12,24,60,042
Auditors remuneration	20,572	16,90,401	26,274	19,91,306
Communication expenses	4,32,273	3,55,19,872	3,81,562	2,89,18,584
CSR expenses	4,261	3,50,126	-	-
Electricity	91,59,648	75,26,48,276	90,36,757	68,48,95,813
Entertainment expenses	70,626	58,03,338	38,686	29,32,012
Exchange loss -Net	12,36,957	10,16,40,757	-	-
Insurance expenses	3,78,204	3,10,77,023	3,86,016	2,92,56,153
IT consumables	56,507	46,43,180	65,679	49,77,811
Legal and professional fees	31,82,842	26,15,34,127	33,48,834	25,38,08,129
Miscellaneous expenses	20,87,280	17,15,11,798	24,31,155	18,42,57,237
Printing and stationery	52,234	42,92,068	1,16,232	88,09,223
Provision for doubtful debts	26,456	21,73,890	(3,90,943)	(2,96,29,570)
Provision For Doubtful advances	12,033	9,88,752	-	-
Rates and Taxes	39,86,400	32,75,62,488	51,94,026	39,36,55,231
Recruitment expenses	13,95,637	11,46,79,492	9,16,964	6,94,96,702
Relocation Expense	95,372	78,36,717	54,453	41,26,993
Rent	19,45,382	15,98,52,039	1,09,88,279	83,28,01,665
Repairs and Maintenance - Plant & Machinery	1,59,26,617	1,30,86,90,119	1,49,21,859	1,13,09,27,694
Repairs and Maintenance -Building	2,49,114	2,04,69,697	5,84,895	4,43,29,192
Security charges	2,10,739	1,73,16,424	1,92,260	1,45,71,385
Seminars, trainings and conferences	9,51,876	7,82,15,651	12,09,456	9,16,64,670
Services rendered by agencies	18,96,298	15,58,18,807	27,87,143	21,12,37,568
Bad debts written off	10,125	8,31,971	3,98,194	3,01,79,123
Travelling and conveyance expenses	15,27,014	12,54,74,740	2,82,651	2,14,22,119
Total	4,63,13,435	3,80,55,74,954	5,45,86,213	4,13,70,89,082

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APPENDIX - 7

ACCOUNTANT'S REPORT ON COMPILATION OF UNAUDITED FINANCIAL STATEMENTS

To
The Board of Directors
Tata Communications Limited

On the basis of the trial balance and explanations provided to us by the management, we have compiled the balance sheet of **Tata Communications Deutschland Gmbh** ("the subsidiary") registered in Germany as at 31 March 2023 and the related statement of profit and loss for the year then ended, attached herewith.

We performed this compilation engagement in accordance with the Standard on Related Services 4410 (Revised), Compilation Engagements, issued by the Institute of Chartered Accountants of India.

We have applied our expertise in accounting and financial reporting to assist you in preparation of these financial information. We have complied with relevant ethical requirements.

The management of the subsidiary is responsible for:

a) These financial information and the accuracy and completeness of the information used to compile them.

b) Maintaining adequate accounting and other records and internal controls and selecting and applying appropriate accounting policies;

c) Preparation and presentation of financial statements in accordance with the applicable laws and regulations;

d) Establishing controls to safeguard the assets of the entity and preventing and detecting frauds or other irregularities;

e) Establishing controls for ensuring that the activities of the entity are carried out in accordance with the applicable laws and regulations and preventing and detecting any non-compliance.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information provided to us by management to compile the balance sheet and the related statement of profit and loss. Accordingly, we do not express an audit opinion or a review conclusion on whether the financial information are prepared in accordance with an accounting principal generally accepted in India.

SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
MUMBAI

Registered Office
801-808, Technopolis Knowledge Park, Mahakali Caves Road,
Andheri (E), Mumbai - 400 093, India. T +91 (22) 6649 3500

This balance sheet and the related statement of profit and loss has been compiled by us only for the purpose of preparation of statement pursuant to Section 129(3) of the Companies Act, 2013, based on trial balance and explanations provided by the management. Accordingly these financial information may not suitable for other purposes.

FOR SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
Firm's Reg. No. 121750W /W100010

(Rahul Bhansali)
PARTNER
Membership No. 126549

Place Mumbai
Date: 19 April 2023

Tata Communications Deutschland Gmbh

BALANCE SHEET AS AT 31 MARCH 2023

	Particulars	Note No.	As at 31 March 2023		As at 31 March 2022	
			USD	INR*	USD	INR*
(A)	**ASSETS**					
(1)	**Non-current assets**					
	Property, plant and equipment	1	67,22,943	55,24,24,226	81,50,238	61,77,06,538
	Capital work-in-progress		6,51,088	5,34,99,901	5,50,613	4,17,30,959
	Right-of-use assets		4,08,607	3,35,75,237	8,18,759	6,20,53,745
	Other Intangible assets	2	16,789	13,79,552	14,135	10,71,292
	Intangible assets under development		1,770	1,45,441	-	-
	Financial assets					
	(i) Other financial assets	3	1,31,957	1,08,42,907	1,40,592	1,06,55,468
	Other Non-current assets	4	3,46,794	2,84,96,063	5,40,522	4,09,66,162
			82,79,948	68,03,63,327	1,02,14,859	77,41,84,164
(2)	**Current assets**					
	Financial assets					
	(i) Trade receivables	5	84,05,512	69,06,80,921	94,68,793	71,76,39,822
	(ii) Cash and cash equivalents	6	-	-	2,107	1,59,690
	(iii) Other financial assets	7	-	-	46,078	34,92,252
	Other Current assets	8	26,80,462	22,02,53,562	31,77,624	24,08,32,122
			1,10,85,974	91,09,34,483	1,26,94,602	96,21,23,886
	TOTAL ASSETS		1,93,65,922	1,59,12,97,810	2,29,09,461	1,73,63,08,050
(B)	**EQUITY AND LIABILITIES**					
(1)	**Equity**					
	Equity share capital	9	33,795	27,76,935	33,795	25,61,323
	Other equity	10	(4,36,59,119)	(3,58,74,69,810)	(4,41,78,017)	(3,34,82,51,913)
	Total Equity		(4,36,25,324)	(3,58,46,92,875)	(4,41,44,222)	(3,34,56,90,590)
(2)	**Non-current liabilities**					
	Financial liabilities					
	(i) Lease liabilities		1,89,496	1,55,70,886	4,13,070	3,13,06,575
	Provisions	11	3,76,363	3,09,25,748	3,62,004	2,74,36,283
	Other liabilities (Deferred revenue)		5,46,216	4,48,82,569	10,40,751	7,88,78,518
			11,12,075	9,13,79,203	18,15,825	13,76,21,376
(3)	**Current liabilities**					
	Financial liabilities					
	(i) Borrowings	12	4,49,94,574	3,69,72,04,146	4,76,66,181	3,61,26,19,858
	(ia) Lease liabilities		2,10,156	1,72,68,519	3,88,960	2,94,79,278
	(ii) Trade payables	13	1,22,87,023	1,00,96,24,681	1,46,44,114	1,10,98,77,408
	(iii) Other financial liabilities	14	8,42,879	6,92,59,367	2,41,054	1,82,69,482
	Other current liabilities	15	29,78,730	24,47,62,244	21,85,153	16,56,12,745
	Provisions	16	1,62,295	1,33,35,780	1,12,396	85,18,493
	Current tax liability (Net)		4,03,514	3,31,56,745	-	-
			6,18,79,171	5,08,46,11,482	6,52,37,858	4,94,43,77,264
	TOTAL EQUITY AND LIABILITIES		1,93,65,922	1,59,12,97,810	2,29,09,461	1,73,63,08,050

*Exchange rate as at 31 March 2023 1 USD = INR 82.17 (as at 31 March 2022 1 USD = INR 75.79)

Tata Communications Deutschland Gmbh

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2023

	Particulars	Note No.	Current year 2022-23		Previous year 2021-22	
			USD	INR*	USD	INR*
i	Revenue from operations		6,28,79,277	5,16,67,90,191	7,19,88,246	5,45,59,89,164
ii	Other Income	17	1,22,986	1,01,05,759	3,58,766	2,71,90,874
iii	**Total income (i + ii)**		6,30,02,263	5,17,68,95,950	7,23,47,012	5,48,31,80,038
iv	**Expenses:**					
	Network and transmission expenses	18	4,67,57,428	3,84,20,57,859	5,62,61,866	4,26,40,86,824
	Employee benefits expenses	19	67,13,694	55,16,64,236	51,61,776	39,12,11,003
	Finance costs	20	26,73,047	21,96,44,272	22,40,444	16,98,03,251
	Depreciation and amortisation expenses		25,82,821	21,22,30,402	29,18,082	22,11,61,435
	Operating and other expenses	21	33,52,861	27,55,04,589	35,02,371	26,54,44,701
	Total expenses		6,20,79,851	5,10,11,01,358	7,00,84,539	5,31,17,07,214
v	**Profit before exceptional items and taxes (iii - iv)**		9,22,412	7,57,94,592	22,62,473	17,14,72,824
vi	**Exceptional Items:**					
	Staff cost optimisation		-	-	45,102	34,18,281
vii	**Profit before taxes (v - vi)**		9,22,412	7,57,94,592	23,07,575	17,48,91,105
viii	**Tax expenses**					
	(i) Current tax expense/(benefit)		4,03,514	3,31,56,745	-	-
	(ii) Deferred tax expense/(benefit)		-	-	-	-
	Net tax expenses		4,03,514	3,31,56,745	-	-
ix	**Profit / (loss) for the year (vii-viii)**		5,18,898	4,26,37,847	23,07,575	17,48,91,105

*Exchange rate as at 31 March 2023 1 USD = INR 82.17 (as at 31 March 2022 1 USD = INR 75.79)

Tata Communications Deutschland Gmbh

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1 **Property, plant and equipment**

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Gross block:				
Lease hold improvement	2,53,762	2,08,51,624	2,54,165	1,92,63,165
Cables	27,89,802	22,92,38,030	27,89,045	21,13,81,721
Plant and machinery	3,30,42,731	2,71,51,21,206	3,22,53,034	2,44,44,57,447
Furniture and fixtures	2,91,098	2,39,19,523	2,88,905	2,18,96,110
Computers	3,91,232	3,21,47,533	2,65,252	2,01,03,449
Office equipment	7,004	5,75,519	7,004	5,30,833
(a)	3,67,75,629	3,02,18,53,435	3,58,57,405	2,71,76,32,725
Accumulated depreciation:				
Lease hold improvement	1,49,950	1,23,21,392	11,938	9,04,781
Cables	22,39,732	18,40,38,778	21,25,329	16,10,78,685
Plant and machinery	2,73,11,186	2,24,41,60,154	2,51,40,167	1,90,53,73,257
Furniture and fixtures	1,99,357	1,63,81,165	1,73,994	1,31,87,005
Computers	1,45,588	1,19,62,966	2,49,654	1,89,21,277
Office equipment	6,873	5,64,754	6,085	4,61,182
(b)	3,00,52,686	2,46,94,29,209	2,77,07,167	2,09,99,26,187
Net block (a) - (b)	67,22,943	55,24,24,226	81,50,238	61,77,06,538

2 **Other Intangible assets**

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Gross block:				
Computer software	10,99,070	9,03,10,582	10,81,597	8,19,74,237
(a)	10,99,070	9,03,10,582	10,81,597	8,19,74,237
Accumulated amortisation:				
Computer software	10,82,281	8,89,31,030	10,67,462	8,09,02,945
(b)	10,82,281	8,89,31,030	10,67,462	8,09,02,945
Net block (a) - (b)	16,789	13,79,552	14,135	10,71,292

3 Non-current assets - financial assets - other financial assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Vendor deposits	1,31,957	1,08,42,907	1,40,592	1,06,55,468
Total	1,31,957	1,08,42,907	1,40,592	1,06,55,468

4 Non-current assets - others

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Prepaid expenses	3,46,794	2,84,96,063	5,40,522	4,09,66,162
Total	3,46,794	2,84,96,063	5,40,522	4,09,66,162

5 Trade receivables

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Trade receivables	89,20,969	73,30,36,023	1,00,22,015	75,95,68,517
Provision for doubtful debts	(5,15,457)	(4,23,55,102)	(5,53,222)	(4,19,28,695)
Total	84,05,512	69,06,80,921	94,68,793	71,76,39,822

6 Cash and cash equivalents

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Balance with bank	-	-	2,107	1,59,690
Total	-	-	2,107	1,59,690

7 Current assets - other financial assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Others	-	-	46,078	34,92,252
Total	-	-	46,078	34,92,252

8 Current assets - other assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Advances to Vendors / Suppliers	**95,297**	**78,30,554**	86,968	65,91,305
Advances to employees	**23,650**	**19,43,321**	43,141	32,69,656
Prepaid expenses	**25,40,654**	**20,87,65,539**	29,09,884	22,05,40,108
Others	**20,861**	**17,14,148**	1,37,631	1,04,31,053
Total	**26,80,462**	**22,02,53,562**	31,77,624	24,08,32,122

9 Equity share capital

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Equity share capital	**33,795**	**27,76,935**	33,795	25,61,323
Total	**33,795**	**27,76,935**	33,795	25,61,323

10 Other Equity

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Surplus / (Deficit)				
Opening balance	**(4,41,78,017)**	**(3,63,01,07,657)**	(4,64,85,592)	(3,52,31,43,018)
Profit / (loss) for the year	**5,18,898**	**4,26,37,847**	23,07,575	17,48,91,105
Total	**(4,36,59,119)**	**(3,58,74,69,810)**	(4,41,78,017)	(3,34,82,51,913)

11 Non-current liabilities - provisions

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Asset retirement obligation and others	3,76,363	3,09,25,748	3,62,004	2,74,36,283
Total	3,76,363	3,09,25,748	3,62,004	2,74,36,283

12 Current liabilities - borrowings

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Inter company loans taken (Net)	4,49,94,574	3,69,72,04,146	4,76,66,181	3,61,26,19,858
Total	4,49,94,574	3,69,72,04,146	4,76,66,181	3,61,26,19,858

13 Current liabilities - Trade payables

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Trade payable	89,94,885	73,91,09,702	1,06,01,594	80,34,94,817
Inter Company - Payables (Net)	32,92,138	27,05,14,979	40,42,520	30,63,82,591
Total	1,22,87,023	1,00,96,24,681	1,46,44,114	1,10,98,77,408

14 Current liabilities - other financial liabilities

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Deposit from customers and contractors	1,07,393	88,24,483	85,889	65,09,527
Interest accrued but not due on Inter Co. loan (Net)	7,24,207	5,95,08,089	1,46,360	1,10,92,624
Others	11,279	9,26,795	8,805	6,67,331
Total	8,42,879	6,92,59,367	2,41,054	1,82,69,482

15 Current liabilities - other current liabilities

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Deferred revenue and advance from customers	15,76,107	12,95,08,712	16,03,979	12,15,65,568
Other Employee dues	11,24,612	9,24,09,368	5,25,889	3,98,57,127
Other Statutory dues	2,78,011	2,28,44,164	55,285	41,90,050
Total	29,78,730	24,47,62,244	21,85,153	16,56,12,745

16 Current liabilities - provisons

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Leave entitlement	1,62,295	1,33,35,780	1,12,396	85,18,493
Total	1,62,295	1,33,35,780	1,12,396	85,18,493

17 Other income

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Interest on loan to subsidiaries	1,08,797	89,39,849	97,441	73,85,053
Profit on sale of fixed assets	-	-	109	8,261
Exchange gain -Net	-	-	2,01,727	1,52,88,889
Miscellaneous income	14,189	11,65,910	59,489	45,08,671
Total	1,22,986	1,01,05,759	3,58,766	2,71,90,874

18 Network and transmission expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Charges for use of transmission facilities	4,67,57,428	3,84,20,57,859	5,62,61,866	4,26,40,86,824
Total	4,67,57,428	3,84,20,57,859	5,62,61,866	4,26,40,86,824

19 Employee benefit expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Salaries, bonus and allowances	66,38,438	54,54,80,450	51,10,481	38,73,23,355
Staff welfare expenses	75,256	61,83,786	51,295	38,87,648
Total	67,13,694	55,16,64,236	51,61,776	39,12,11,003

20 Finance costs

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Interest expenses	14,359	11,79,879	4,330	3,28,171
Interest on inter companies loan	26,58,688	21,84,64,393	18,87,742	14,30,71,966
Guarantee fees	-	-	3,48,372	2,64,03,114
Total	26,73,047	21,96,44,272	22,40,444	16,98,03,251

21 Operating and other expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Advertising and publicity	1,29,413	1,06,33,866	1,43,572	1,08,81,322
Auditors remuneration	71,400	58,66,938	68,000	51,53,720
Communication expenses	55,218	45,37,263	36,768	27,86,647
Electricity	6,78,107	5,57,20,052	4,43,601	3,36,20,520
Entertainment expenses	7,207	5,92,199	378	28,649
Exchange loss -Net	2,31,530	1,90,24,820	-	-
Insurance expenses	10,283	8,44,954	10,873	8,24,065
IT consumables	7,356	6,04,443	208	15,764
Legal and professional fees	1,79,863	1,47,79,343	5,06,164	3,83,62,170
Miscellaneous expenses	1,78,691	1,46,83,039	1,81,276	1,37,38,908
Printing and stationery	10,703	8,79,466	7,963	6,03,516
Provision for doubtful debts	(37,766)	(31,03,232)	(2,01,574)	(1,52,77,293)
Provision For Doubtful advances	1,825	1,49,960	-	-
Rates and Taxes	244	20,049	1,125	85,264
Recruitment expenses	1,01,494	83,39,762	1,18,980	90,17,494
Relocation Expense	10,772	8,85,135	13,358	10,12,403
Rent	1,70,033	1,39,71,612	2,50,953	1,90,19,728
Repairs and Maintenance - Plant & Machinery	8,99,956	7,39,49,385	15,01,454	11,37,95,199
Repairs and Maintenance -Building	8,495	6,98,034	(364)	(27,588)
Seminars, trainings and conferences	28,965	23,80,054	8,878	6,72,864
Services rendered by agencies	3,84,069	3,15,58,950	3,55,189	2,69,19,774
Travelling and conveyance expenses	2,25,003	1,84,88,497	55,569	42,11,575
Total	33,52,861	27,55,04,589	35,02,371	26,54,44,701

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APPENDIX - 8

ACCOUNTANT'S REPORT ON COMPILATION OF UNAUDITED FINANCIAL STATEMENTS

To
The Board of Directors
Tata Communications Limited

On the basis of the trial balance and explanations provided to us by the management, we have compiled the balance sheet of **Tata Communications (Italy) S.R.L.** ("the subsidiary") registered in Italy as at 31 March 2023 and the related statement of profit and loss for the year then ended, attached herewith.

We performed this compilation engagement in accordance with the Standard on Related Services 4410 (Revised), Compilation Engagements, issued by the Institute of Chartered Accountants of India.

We have applied our expertise in accounting and financial reporting to assist you in preparation of these financial information. We have complied with relevant ethical requirements.

The management of the subsidiary is responsible for:

a) These financial information and the accuracy and completeness of the information used to compile them.

b) Maintaining adequate accounting and other records and internal controls and selecting and applying appropriate accounting policies;

c) Preparation and presentation of financial statements in accordance with the applicable laws and regulations;

d) Establishing controls to safeguard the assets of the entity and preventing and detecting frauds or other irregularities;

e) Establishing controls for ensuring that the activities of the entity are carried out in accordance with the applicable laws and regulations and preventing and detecting any non-compliance.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information provided to us by management to compile the balance sheet and the related statement of profit and loss. Accordingly, we do not express an audit opinion or a review conclusion on whether the financial information are prepared in accordance with an accounting principal generally accepted in India.

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Andheri (E), Mumbai - 400 093, India. T: +91 (22) 6691 5555

This balance sheet and the related statement of profit and loss has been compiled by us only for the purpose of preparation of statement pursuant to Section 129(3) of the Companies Act, 2013, based on trial balance and explanations provided by the management. Accordingly these financial information may not suitable for other purposes.

FOR SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
Firm's Reg. No. 121750W /W100010

(Rahul Bhansali)
PARTNER
Membership No. 126549

Place Mumbai
Date: 19 April 2023

Tata Communications (Italy) S.R.L.

BALANCE SHEET AS AT 31 MARCH 2023

	Particulars	Note No.	As at 31 March 2023		As at 31 March 2022	
			USD	INR*	USD	INR*
(A)	**ASSETS**					
(1)	**Non-current assets**					
	Property, plant and equipment	1	6,19,815	5,09,30,198	5,30,609	4,02,14,857
	Capital work-in-progress		40,567	33,33,390	1,96,547	1,48,96,297
	Intangible assets under development		-	-	1,791	1,35,740
	Advance tax (net)		1,25,264	1,02,92,943	1,32,095	1,00,11,480
	Other Non-current assets	2	25,998	21,36,256	35,619	26,99,564
			8,11,644	6,66,92,787	8,96,661	6,79,57,938
(2)	**Current assets**					
	Financial assets					
	(i) Trade receivables	3	30,83,666	25,33,84,836	11,97,404	9,07,51,249
	(ii) Other financial assets	4	4,525	3,71,819	2,164	1,64,010
	Other Current assets	5	22,72,959	18,67,69,041	15,14,246	11,47,64,705
			53,61,150	44,05,25,696	27,13,814	20,56,79,964
	TOTAL ASSETS		61,72,794	50,72,18,483	36,10,475	27,36,37,902
(B)	**EQUITY AND LIABILITIES**					
(1)	**Equity**					
	Equity share capital	6	71,49,315	58,74,59,214	71,49,315	54,18,46,584
	Other equity	7	(69,98,353)	(57,50,54,666)	(68,65,813)	(52,03,59,966)
	Total Equity		1,50,962	1,24,04,548	2,83,502	2,14,86,618
(2)	**Current liabilities**					
	Financial liabilities					
	(i) Borrowings	8	37,43,395	30,75,94,767	18,60,518	14,10,08,659
	(ii) Trade payables	9	19,76,633	16,24,19,933	12,91,122	9,78,54,136
	(iii) Other financial liabilities	10	1,13,095	92,93,016	26,385	19,99,720
	Other current liabilities	11	1,43,776	1,18,14,074	1,18,928	90,13,553
	Provisions	12	44,933	36,92,145	30,020	22,75,216
			60,21,832	49,48,13,935	33,26,973	25,21,51,284
	TOTAL EQUITY AND LIABILITIES		61,72,794	50,72,18,483	36,10,475	27,36,37,902

*Exchange rate as at 31 March 2023 1 USD = INR 82.17 (as at 31 March 2022 1 USD = INR 75.79)

Tata Communications (Italy) S.R.L.

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2023

	Particulars	Note No.	Current year 2022-23		Previous year 2021-22	
			USD	INR*	USD	INR*
i	Revenue from operations		76,39,790	62,77,61,544	95,31,078	72,23,60,402
ii	Other income	13	83,842	68,89,297	67,124	50,87,328
iii	Total income (i + ii)		77,23,632	63,46,50,841	95,98,202	72,74,47,730
iv	Expenses:					
	Network and transmission expenses	14	64,78,448	53,23,34,072	83,25,808	63,10,12,988
	Employee benefits expenses	15	1,90,312	1,56,37,937	1,94,793	1,47,63,361
	Finance costs	16	1,79,447	1,47,45,160	2,48,312	1,88,19,566
	Depreciation and amortisation expenses		2,08,740	1,71,52,166	2,02,363	1,53,37,092
	Operating and other expenses	17	7,99,225	6,56,72,318	7,44,127	5,63,97,386
	Total expenses		78,56,172	64,55,41,653	97,15,403	73,63,30,393
v	Profit before exceptional items and taxes (iii - iv)		(1,32,540)	(1,08,90,812)	(1,17,201)	(88,82,663)
vi	Exceptional items:					
	Staff cost optimisation		-	-	(2,180)	(1,65,222)
vii	Profit before taxes (v - vi)		(1,32,540)	(1,08,90,812)	(1,19,381)	(90,47,885)
viii	Tax expenses					
	(i) Current tax expense/(benefit)		-	-	-	-
	(ii) Deferred tax expense/(benefit)		-	-	-	-
	Net tax expenses		-	-	-	-
ix	Profit / (loss) for the year (vii-viii)		(1,32,540)	(1,08,90,812)	(1,19,381)	(90,47,885)

*Exchange rate as at 31 March 2023 1 USD = INR 82.17 (as at 31 March 2022 1 USD = INR 75.79)

Tata Communications (Italy) S.R.L.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1 **Property, plant and equipment**

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Gross block:				
Plant and machinery	**20,37,466**	**16,74,18,581**	19,17,525	14,53,29,220
Computers	**1,78,997**	**1,47,08,183**	4,053	3,07,177
(a)	**22,16,463**	**18,21,26,764**	19,21,578	14,56,36,397
Accumulated depreciation:				
Plant and machinery	**15,81,982**	**12,99,91,461**	13,88,566	10,52,39,417
Computers	**14,666**	**12,05,105**	2,403	1,82,123
(b)	**15,96,648**	**13,11,96,566**	13,90,969	10,54,21,540
Net block (a) - (b)	**6,19,815**	**5,09,30,198**	5,30,609	4,02,14,857

2 **Non-current assets - others**

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Prepaid expenses	**25,998**	**21,36,256**	35,619	26,99,564
Total	**25,998**	**21,36,256**	35,619	26,99,564

3 Trade receivables

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Trade receivables	1,20,076	98,66,645	1,66,261	1,26,00,921
Intercompany receivables (Net)	30,08,792	24,72,32,439	10,77,053	8,16,29,847
Provision for doubtful debts	(45,202)	(37,14,248)	(45,910)	(34,79,519)
Total	30,83,666	25,33,84,836	11,97,404	9,07,51,249

4 Current assets - other financial assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Others	4,525	3,71,819	2,164	1,64,010
Total	4,525	3,71,819	2,164	1,64,010

5 Current assets - other assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Prepaid expenses	2,13,671	1,75,57,346	2,38,821	1,81,00,244
Indirect tax receivable	20,59,288	16,92,11,695	12,75,425	9,66,64,461
Total	22,72,959	18,67,69,041	15,14,246	11,47,64,705

6 Equity share capital

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Equity share capital	71,49,315	58,74,59,214	71,49,315	54,18,46,584
Total	71,49,315	58,74,59,214	71,49,315	54,18,46,584

7 Other Equity

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Surplus / (Deficit)				
Opening balance	**(68,65,813)**	**(56,41,63,854)**	(67,46,432)	(51,13,12,081)
Profit / (loss) for the year	**(1,32,540)**	**(1,08,90,812)**	(1,19,381)	(90,47,885)
Total	**(69,98,353)**	**(57,50,54,666)**	(68,65,813)	(52,03,59,966)

8 Current liabilities - borrowings

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Inter company loans taken (Net)	**37,43,395**	**30,75,94,767**	18,60,518	14,10,08,659
Total	**37,43,395**	**30,75,94,767**	18,60,518	14,10,08,659

9 Current liabilities - Trade payables

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Trade payable	**19,76,633**	**16,24,19,933**	12,91,122	9,78,54,136
Total	**19,76,633**	**16,24,19,933**	12,91,122	9,78,54,136

10 Current liabilities - other financial liabilities

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Deposit from customers and contractors	**10,881**	**8,94,092**	11,102	8,41,421
Interest accrued but not due on Inter Co. loan (Net)	**1,02,214**	**83,98,924**	15,283	11,58,299
Total	**1,13,095**	**92,93,016**	26,385	19,99,720

11 Current liabilities - other current liabilities

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Deferred revenue and advance from customers	7,339	6,03,046	-	-
Other Employee dues	1,33,460	1,09,66,408	1,18,890	90,10,673
Other Statutory dues	2,977	2,44,620	-	-
Others	-	-	38	2,880
Total	**1,43,776**	**1,18,14,074**	1,18,928	90,13,553

12 Current liabilities - provisons

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Leave entitlement	44,933	36,92,145	30,020	22,75,216
Total	**44,933**	**36,92,145**	30,020	22,75,216

13 Other income

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Interest on loan to subsidiaries	14,415	11,84,481	20,659	15,65,746
Profit on sale of fixed assets	-	-	3	227
Exchange gain -Net	67,531	55,49,022	43,958	33,31,577
Miscellaneous income	1,896	1,55,794	2,504	1,89,778
Total	**83,842**	**68,89,297**	67,124	50,87,328

14 Network and transmission expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Charges for use of transmission facilities	63,62,647	52,28,18,704	81,85,781	62,04,00,342
Rent of satellite channels	1,15,801	95,15,368	1,40,027	1,06,12,646
Total	**64,78,448**	**53,23,34,072**	83,25,808	63,10,12,988

15 Employee benefit expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Salaries, bonus and allowances	1,89,931	1,56,06,630	1,90,974	1,44,73,919
Staff welfare expenses	381	31,307	3,819	2,89,442
Total	1,90,312	1,56,37,937	1,94,793	1,47,63,361

16 Finance costs

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Interest on inter companies loan	1,79,447	1,47,45,160	1,67,223	1,26,73,831
Guarantee fees	-	-	81,089	61,45,735
Total	1,79,447	1,47,45,160	2,48,312	1,88,19,566

17 Operating and other expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Advertising and publicity	(24,981)	(20,52,689)	10,321	7,82,229
Auditors remuneration	42,000	34,51,140	40,000	30,31,600
Communication expenses	1,457	1,19,722	2,275	1,72,422
Electricity	1,30,869	1,07,53,506	31,733	24,05,044
Insurance expenses	6,323	5,19,561	7,630	5,78,278
IT consumables	176	14,462	-	-
Legal and professional fees	2,66,756	2,19,19,341	1,71,187	1,29,74,263
Miscellaneous expenses	19,519	16,03,876	2,767	2,09,711
Printing and stationery	102	8,381	(62)	(4,699)
Provision for doubtful debts	(708)	(58,176)	(4,531)	(3,43,404)
Rates and Taxes	1,77,844	1,46,13,441	1,98,917	1,50,75,919
Rent	6,791	5,58,016	3,066	2,32,372
Repairs and Maintenance - Plant & Machinery	1,41,401	1,16,18,920	2,32,057	1,75,87,600
Seminars, trainings and conferences	13,569	11,14,965	-	-
Services rendered by agencies	16,060	13,19,650	48,767	36,96,051
Travelling and conveyance expenses	2,047	1,68,202	-	-
Total	7,99,225	6,56,72,318	7,44,127	5,63,97,386

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APPENDIX - 9

ACCOUNTANT'S REPORT ON COMPILATION OF UNAUDITED FINANCIAL STATEMENTS

To
The Board of Directors
Tata Communications Limited

On the basis of the trial balance and explanations provided to us by the management, we have compiled the balance sheet of **Tata Communications (Spain), S.L.** ("the subsidiary") registered in Spain as at 31 March 2023 and the related statement of profit and loss for the year then ended, attached herewith.

We performed this compilation engagement in accordance with the Standard on Related Services 4410 (Revised), Compilation Engagements, issued by the Institute of Chartered Accountants of India.

We have applied our expertise in accounting and financial reporting to assist you in preparation of these financial information. We have complied with relevant ethical requirements.

The management of the subsidiary is responsible for:

a) These financial information and the accuracy and completeness of the information used to compile them.

b) Maintaining adequate accounting and other records and internal controls and selecting and applying appropriate accounting policies;

c) Preparation and presentation of financial statements in accordance with the applicable laws and regulations;

d) Establishing controls to safeguard the assets of the entity and preventing and detecting frauds or other irregularities;

e) Establishing controls for ensuring that the activities of the entity are carried out in accordance with the applicable laws and regulations and preventing and detecting any non-compliance.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information provided to us by management to compile the balance sheet and the related statement of profit and loss. Accordingly, we do not express an audit opinion or a review conclusion on whether the financial information are prepared in accordance with an accounting principal generally accepted in India.

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This balance sheet and the related statement of profit and loss has been compiled by us only for the purpose of preparation of statement pursuant to Section 129(3) of the Companies Act, 2013, based on trial balance and explanations provided by the management. Accordingly these financial information may not suitable for other purposes.

FOR SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
Firm's Reg. No. 121750W /W100010

(Rahul Bhansali)
PARTNER
Membership No. 126549

Place Mumbai
Date: 19 April 2023

Tata Communications (Spain), S.L.

BALANCE SHEET AS AT 31 MARCH 2023

	Particulars	Note No.	As at 31 March 2023		As at 31 March 2022	
			USD	INR*	USD	INR*
(A)	**ASSETS**					
(1)	**Non-current assets**					
	Property, plant and equipment	1	38,80,534	31,88,63,480	39,39,270	29,85,57,272
	Capital work-in-progress		1,82,210	1,49,72,196	2,41,343	1,82,91,386
	Right-of-use assets		1,33,961	1,10,07,575	2,14,442	1,62,52,559
	Other Intangible assets	2	1,79,839	1,47,77,371	4,15,834	3,15,16,059
	Financial assets					
	(i) Loans	3	1,43,83,618	1,18,19,01,891	1,53,18,860	1,16,10,16,399
	(ii) Other financial assets	4	18,942	15,56,464	19,327	14,64,793
	Deferred tax assets (net)		1,87,551	1,54,11,066	1,35,606	1,02,77,579
	Advance tax (net)		1,30,675	1,07,37,565	-	-
	Other Non-current assets	5	52,431	43,08,255	29,884	22,64,908
			1,91,49,761	1,57,35,35,863	2,03,14,566	1,53,96,40,955
(2)	**Current assets**					
	Financial assets					
	(i) Trade receivables	6	46,80,383	38,45,87,071	27,19,434	20,61,05,904
	(ii) Cash and cash equivalents	7	12,909	10,60,733	16,313	12,36,362
	(iii) Other financial assets	8	2,34,415	1,92,61,881	2,05,217	1,55,53,396
	Other Current assets	9	22,09,917	18,15,88,880	18,41,567	13,95,72,363
			71,37,624	58,64,98,565	47,82,531	36,24,68,025
	TOTAL ASSETS		2,62,87,385	2,16,00,34,428	2,50,97,097	1,90,21,08,980
(B)	**EQUITY AND LIABILITIES**					
(1)	**Equity**					
	Equity share capital	10	5,37,610	4,41,75,414	5,37,610	4,07,45,462
	Other equity	11	2,07,34,003	1,70,37,13,027	1,99,59,284	1,51,27,14,133
	Total Equity		2,12,71,613	1,74,78,88,441	2,04,96,894	1,55,34,59,595
(2)	**Non-current liabilities**					
	Financial liabilities					
	(i) Lease liabilities		82,232	67,57,003	1,40,911	1,06,79,645
	Provisions	12	7,26,627	5,97,06,941	7,26,627	5,50,71,060
	Other liabilities (Deferred revenue)		5,54,212	4,55,39,600	1,12,818	85,50,476
			13,63,071	11,20,03,544	9,80,356	7,43,01,181
(3)	**Current liabilities**					
	Financial liabilities					
	(i) Lease liabilities		43,016	35,34,625	69,727	52,84,609
	(ii) Trade payables	13	30,52,003	25,07,83,088	28,16,360	21,34,51,924
	(iii) Other financial liabilities	14	13,058	10,72,976	21,650	16,40,854
	Other current liabilities	15	5,07,123	4,16,70,297	2,64,729	2,00,63,811
	Provisions	16	37,501	30,81,457	34,643	26,25,593
	Current tax liability (Net)		-	-	4,12,738	3,12,81,413
			36,52,701	30,01,42,443	36,19,847	27,43,48,204
	TOTAL EQUITY AND LIABILITIES		2,62,87,385	2,16,00,34,428	2,50,97,097	1,90,21,08,980

*Exchange rate as at 31 March 2023 1 USD = INR 82.17 (as at 31 March 2022 1 USD = INR 75.79)

Tata Communications (Spain), S.L.

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2023

	Particulars	Note No.	Current year 2022-23		Previous year 2021-22	
			USD	INR*	USD	INR*
i	Revenue from operations		1,35,86,751	1,11,64,23,330	1,52,44,623	1,15,53,89,977
ii	Other income	17	10,63,348	8,73,75,305	5,65,523	4,28,60,988
iii	Total income (i + ii)		1,46,50,099	1,20,37,98,635	1,58,10,146	1,19,82,50,965
iv	Expenses:					
	Network and transmission expenses	18	62,99,678	51,76,44,541	75,71,273	57,38,26,781
	Employee benefits expenses	19	21,77,929	17,89,60,426	20,86,261	15,81,17,721
	Finance costs	20	19,634	16,13,326	34,334	26,02,174
	Depreciation and amortisation expenses		11,39,762	9,36,54,244	11,49,416	8,71,14,239
	Operating and other expenses	21	41,14,390	33,80,79,426	32,90,787	24,94,08,747
	Total expenses		1,37,51,393	1,12,99,51,963	1,41,32,071	1,07,10,69,662
v	Profit before exceptional items and taxes (iii - iv)		8,98,706	7,38,46,672	16,78,075	12,71,81,303
vi	Exceptional items:					
	Staff cost optimisation		-	-	84,260	63,86,065
vii	Profit before taxes (v - vi)		8,98,706	7,38,46,672	17,62,335	13,35,67,368
viii	Tax expenses					
	(i) Current tax expense/(benefit)		1,75,932	1,44,56,332	9,45,872	7,16,87,639
	(ii) Deferred tax expense/(benefit)		(51,945)	(42,68,321)	(1,35,606)	(1,02,77,579)
	Net tax expenses		1,23,987	1,01,88,011	8,10,266	6,14,10,060
ix	Profit / (loss) for the year (vii-viii)		7,74,719	6,36,58,661	9,52,069	7,21,57,308

*Exchange rate as at 31 March 2023 1 USD = INR 82.17 (as at 31 March 2022 1 USD = INR 75.79)

Tata Communications (Spain), S.L.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1 Property, plant and equipment

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Gross block:				
Land	**1,15,191**	**94,65,244**	1,15,191	87,30,326
Building	**7,01,401**	**5,76,34,120**	7,01,401	5,31,59,182
Lease hold improvement	**3,55,725**	**2,92,29,923**	3,55,725	2,69,60,398
Cables	**55,02,556**	**45,21,45,027**	55,50,754	42,06,91,646
Plant and machinery	**1,17,24,868**	**96,34,32,404**	1,10,96,404	84,09,96,459
Furniture and fixtures	**77,874**	**63,98,907**	77,874	59,02,070
Computers	**53,376**	**43,85,906**	45,561	34,53,068
Office equipment	**1,54,151**	**1,26,66,588**	1,54,151	1,16,83,104
(a)	**1,86,85,142**	**1,53,53,58,119**	1,80,97,061	1,37,15,76,253
Accumulated depreciation:				
Building	**5,72,594**	**4,70,50,049**	5,55,943	4,21,34,920
Lease hold improvement	**3,55,725**	**2,92,29,923**	3,55,725	2,69,60,398
Cables	**48,66,855**	**39,99,09,475**	47,53,235	36,02,47,681
Plant and machinery	**87,98,837**	**72,30,00,436**	83,03,083	62,92,90,661
Furniture and fixtures	**53,541**	**43,99,464**	50,879	38,56,119
Computers	**40,892**	**33,60,096**	34,448	26,10,814
Office equipment	**1,16,164**	**95,45,196**	1,04,478	79,18,388
(b)	**1,48,04,608**	**1,21,64,94,639**	1,41,57,791	1,07,30,18,981
Net block (a) - (b)	**38,80,534**	**31,88,63,480**	39,39,270	29,85,57,272

2 Other Intangible assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Gross block:				
Computer software	**49,145**	**40,38,245**	49,145	37,24,700
Indefeasible right to use assets	**30,67,053**	**25,20,19,745**	30,69,475	23,26,35,510
(a)	**31,16,198**	**25,60,57,990**	31,18,620	23,63,60,210
Accumulated amortisation:				
Computer software	**45,079**	**37,04,141**	42,251	32,02,203
Indefeasible right to use assets	**28,91,280**	**23,75,76,478**	26,60,535	20,16,41,948
(b)	**29,36,359**	**24,12,80,619**	27,02,786	20,48,44,151
Net block (a) - (b)	**1,79,839**	**1,47,77,371**	4,15,834	3,15,16,059

SURESH SURANA & ASSOCIATES Chartered Accountants MUMBAI

3 Non-current assets - financial assets - loans

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Inter company loans given (Net)	1,43,83,618	1,18,19,01,891	1,53,18,860	1,16,10,16,399
Total	1,43,83,618	1,18,19,01,891	1,53,18,860	1,16,10,16,399

4 Non-current assets - financial assets - other financial assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Vendor deposits	18,942	15,56,464	19,327	14,64,793
Total	18,942	15,56,464	19,327	14,64,793

5 Non-current assets - others

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Prepaid expenses	52,431	43,08,255	29,884	22,64,908
Total	52,431	43,08,255	29,884	22,64,908

6 Trade receivables

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Trade receivables	18,58,323	15,26,98,401	18,18,859	13,78,51,324
Intercompany receivables (Net)	29,05,511	23,87,45,839	9,80,006	7,42,74,655
Provision for doubtful debts	(83,451)	(68,57,169)	(79,431)	(60,20,075)
Total	46,80,383	38,45,87,071	27,19,434	20,61,05,904

7 Cash and cash equivalents

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Balance with bank	12,909	10,60,733	16,313	12,36,362
Total	12,909	10,60,733	16,313	12,36,362

8 Current assets - other financial assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Interest Receivable on Inter Co. Loan (Net)	2,17,799	1,78,96,544	1,80,919	1,37,11,851
Others	16,616	13,65,337	24,298	18,41,545
Total	2,34,415	1,92,61,881	2,05,217	1,55,53,396

9 Current assets - other assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Advances to Vendors / Suppliers	2,30,666	1,89,53,825	1,28,197	97,16,051
Advances to employees	-	-	969	73,441
Prepaid expenses	4,32,601	3,55,46,824	2,62,317	1,98,81,005
Indirect tax receivable	15,46,650	12,70,88,231	14,45,766	10,95,74,605
Others	-	-	4,318	3,27,261
Total	22,09,917	18,15,88,880	18,41,567	13,95,72,363

10 Equity share capital

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Equity share capital	**5,37,610**	**4,41,75,414**	5,37,610	4,07,45,462
Total	**5,37,610**	**4,41,75,414**	5,37,610	4,07,45,462

11 Other Equity

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Surplus / (Deficit)				
Opening balance	**18,24,496**	**14,99,18,836**	8,72,427	6,61,21,242
Profit / (loss) for the year	**7,74,719**	**6,36,58,661**	9,52,069	7,21,57,308
Closing balance	**25,99,215**	**21,35,77,497**	18,24,496	13,82,78,550
Share premium	**1,81,34,788**	**1,49,01,35,530**	1,81,34,788	1,37,44,35,583
Total	**2,07,34,003**	**1,70,37,13,027**	1,99,59,284	1,51,27,14,133

12 Non-current liabilities - provisions

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Asset retirement obligation and others	**7,26,627**	**5,97,06,941**	7,26,627	5,50,71,060
Total	**7,26,627**	**5,97,06,941**	7,26,627	5,50,71,060

13 Current liabilities - Trade payables

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Trade payable	**30,52,003**	**25,07,83,088**	28,16,360	21,34,51,924
Total	**30,52,003**	**25,07,83,088**	28,16,360	21,34,51,924

14 Current liabilities - other financial liabilities

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Deposit from customers and contractors	**13,058**	**10,72,976**	21,650	16,40,854
Total	**13,058**	**10,72,976**	21,650	16,40,854

15 Current liabilities - other current liabilities

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Deferred revenue and advance from customers	2,59,781	2,13,46,205	1,23,968	93,95,535
Other Employee dues	2,41,328	1,98,29,922	1,40,744	1,06,66,988
Other Statutory dues	6,014	4,94,170	-	-
Others	-	-	17	1,288
Total	**5,07,123**	**4,16,70,297**	2,64,729	2,00,63,811

16 Current liabilities - provisons

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Leave entitlement	37,501	30,81,457	34,643	26,25,593
Total	**37,501**	**30,81,457**	34,643	26,25,593

17 Other income

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Interest on loan to subsidiaries	8,36,895	6,87,67,662	5,02,933	3,81,17,292
Profit on sale of fixed assets	-	-	1	76
Exchange gain -Net	-	-	5,281	4,00,247
Miscellaneous income	2,26,453	1,86,07,643	57,308	43,43,373
Total	**10,63,348**	**8,73,75,305**	5,65,523	4,28,60,988

18 Network and transmission expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Charges for use of transmission facilities	62,99,678	51,76,44,541	75,71,273	57,38,26,781
Total	**62,99,678**	**51,76,44,541**	75,71,273	57,38,26,781

19 Employee benefit expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Salaries, bonus and allowances	21,00,548	17,26,02,029	20,04,582	15,19,27,270
Staff welfare expenses	77,381	63,58,397	81,679	61,90,451
Total	21,77,929	17,89,60,426	20,86,261	15,81,17,721

20 Finance costs

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Interest expenses	31	2,547	5	379
Interest on inter companies loan	19,603	16,10,779	10,918	8,27,475
Guarantee fees	-	-	23,411	17,74,320
Total	19,634	16,13,326	34,334	26,02,174

21 Operating and other expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Advertising and publicity	7,16,562	5,88,79,900	7,61,263	5,76,96,123
Auditors remuneration	55,650	45,72,761	53,000	40,16,870
Communication expenses	15,466	12,70,841	34,601	26,22,410
CSR expenses	-	-	(893)	(67,680)
Donations	-	-	899	68,135
Electricity	3,84,451	3,15,90,339	4,10,098	3,10,81,327
Entertainment expenses	161	13,229	3,170	2,40,254
Exchange loss -Net	1,32,822	1,09,13,984	-	-
Insurance expenses	23,418	19,24,257	27,997	21,21,893
IT consumables	226	18,570	906	68,666
Legal and professional fees	9,64,618	7,92,62,661	2,20,806	1,67,34,887
Miscellaneous expenses	4,18,219	3,43,65,055	3,30,662	2,50,60,873
Printing and stationery	2,947	2,42,155	3,847	2,91,564
Provision for doubtful debts	4,020	3,30,323	47,848	36,26,400
Provision For Doubtful advances	20	1,643	-	-
Rates and Taxes	44,692	36,72,342	97,599	73,97,028
Recruitment expenses	612	50,288	389	29,482
Rent	92,766	76,22,582	99,414	75,34,587
Repairs and Maintenance - Plant & Machinery	3,89,536	3,20,08,173	2,96,634	2,24,81,891
Repairs and Maintenance -Building	4,62,567	3,80,09,130	54,818	41,54,656
Security charges	-	-	178	13,491
Seminars, trainings and conferences	2,762	2,26,954	(565)	(42,821)
Services rendered by agencies	3,44,207	2,82,83,489	8,15,179	6,17,82,416
Travelling and conveyance expenses	58,668	48,20,750	32,937	24,96,295
Total	41,14,390	33,80,79,426	32,90,787	24,94,08,747

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APPENDIX - 10

ACCOUNTANT'S REPORT ON COMPILATION OF UNAUDITED FINANCIAL STATEMENTS

To
The Board of Directors
Tata Communications Limited

On the basis of the trial balance and explanations provided to us by the management, we have compiled the balance sheet of **Tata Communications (Nordic) AS** ("the subsidiary") registered in Norway as at 31 March 2023 and the related statement of profit and loss for the year then ended, attached herewith.

We performed this compilation engagement in accordance with the Standard on Related Services 4410 (Revised), Compilation Engagements, issued by the Institute of Chartered Accountants of India.

We have applied our expertise in accounting and financial reporting to assist you in preparation of these financial information. We have complied with relevant ethical requirements.

The management of the subsidiary is responsible for:

a) These financial information and the accuracy and completeness of the information used to compile them.

b) Maintaining adequate accounting and other records and internal controls and selecting and applying appropriate accounting policies;

c) Preparation and presentation of financial statements in accordance with the applicable laws and regulations;

d) Establishing controls to safeguard the assets of the entity and preventing and detecting frauds or other irregularities;

e) Establishing controls for ensuring that the activities of the entity are carried out in accordance with the applicable laws and regulations and preventing and detecting any non-compliance.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information provided to us by management to compile the balance sheet and the related statement of profit and loss. Accordingly, we do not express an audit opinion or a review conclusion on whether the financial information are prepared in accordance with an accounting principal generally accepted in India.

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This balance sheet and the related statement of profit and loss has been compiled by us only for the purpose of preparation of statement pursuant to Section 129(3) of the Companies Act, 2013, based on trial balance and explanations provided by the management. Accordingly these financial information may not suitable for other purposes.

FOR SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
Firm's Reg. No. 121750W /W100010

(Rahul Bhansali)
PARTNER
Membership No. 126549

Place Mumbai
Date: 19 April 2023

Tata Communications (Nordic) AS

BALANCE SHEET AS AT 31 MARCH 2023

	Particulars	Note No.	As at 31 March 2023		As at 31 March 2022	
			USD	INR*	USD	INR*
(A)	**ASSETS**					
(1)	**Non-current assets**					
	Property, plant and equipment	1	1,65,410	1,35,91,739	2,30,677	1,74,83,009
	Capital work-in-progress		7,946	6,52,923	5,909	4,47,843
	Right-of-use assets		9,544	7,84,230	41,716	31,61,656
	Financial assets					
	(i) Loans	2	60,57,759	49,77,66,057	5,76,975	4,37,28,935
	(ii) Other financial assets	3	5,027	4,13,069	5,130	3,88,803
	Deferred tax assets (net)		48,776	40,07,924	88,184	66,83,465
	Other Non-current assets	4	1,532	1,25,884	9,962	7,55,020
			62,95,994	51,73,41,826	9,58,553	7,26,48,731
(2)	**Current assets**					
	Financial assets					
	(i) Trade receivables	5	5,33,644	4,38,49,528	4,02,842	3,05,31,395
	(ii) Cash and cash equivalents	6	23,509	19,31,735	51,004	38,65,593
	(iii) Other financial assets	7	90,171	74,09,351	30,189	22,88,024
	Other Current assets	8	4,72,722	3,88,43,566	6,90,102	5,23,02,831
			11,20,046	9,20,34,180	11,74,137	8,89,87,843
	TOTAL ASSETS		74,16,040	60,93,76,006	21,32,690	16,16,36,574
(B)	**EQUITY AND LIABILITIES**					
(1)	**Equity**					
	Equity share capital	9	16,708	13,72,896	16,708	12,66,299
	Other equity	10	6,19,255	5,08,84,185	5,32,939	4,03,91,445
	Total Equity		6,35,963	5,22,57,081	5,49,647	4,16,57,744
(2)	**Non-current liabilities**					
	Financial liabilities					
	(i) Lease liabilities		-	-	8,538	6,47,095
	Other liabilities (Deferred revenue)		-	-	13,230	10,02,702
			-	-	21,768	16,49,797
(3)	**Current liabilities**					
	Financial liabilities					
	(i) Lease liabilities		8,359	6,86,859	33,180	25,14,712
	(ii) Trade payables	11	65,82,449	54,08,79,832	12,93,348	9,80,22,846
	(iii) Other financial liabilities	12	-	-	1,411	1,06,940
	Other current liabilities	13	1,65,130	1,35,68,732	2,05,871	1,56,02,963
	Provisions	14	24,139	19,83,502	27,465	20,81,572
			67,80,077	55,71,18,925	15,61,275	11,83,29,033
	TOTAL EQUITY AND LIABILITIES		74,16,040	60,93,76,006	21,32,690	16,16,36,574

*Exchange rate as at 31 March 2023 1 USD = INR 82.17 (as at 31 March 2022 1 USD = INR 75.79)

Tata Communications (Nordic) AS

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2023

	Particulars	Note No.	Current year 2022-23		Previous year 2021-22	
			USD	INR*	USD	INR*
i	Revenue from operations		54,57,710	44,84,60,031	54,90,959	41,61,59,783
ii	Other income	15	1,22,939	1,01,01,898	62,197	47,13,910
iii	Total income (i + ii)		55,80,649	45,85,61,929	55,53,156	42,08,73,693
iv	Expenses:					
	Network and transmission expenses	16	44,22,990	36,34,37,088	50,97,178	38,63,15,121
	Employee benefits expenses	17	1,87,159	1,53,78,855	1,88,380	1,42,77,320
	Finance costs	18	-	-	64	4,851
	Depreciation and amortisation expenses		83,170	68,34,079	87,061	65,98,353
	Operating and other expenses	19	7,61,606	6,25,81,165	2,31,880	1,75,74,186
	Total expenses		54,54,925	44,82,31,187	56,04,563	42,47,69,831
v	Profit before exceptional items and taxes (iii - iv)		1,25,724	1,03,30,742	(51,407)	(38,96,138)
vi	Exceptional items:					
	Staff cost optimisation		-	-	1,17,505	89,05,704
vii	Profit before taxes (v - vi)		1,25,724	1,03,30,742	66,098	50,09,566
viii	Tax expenses					
	(i) Current tax expense/(benefit)		-	-	-	-
	(ii) Deferred tax expense/(benefit)		39,408	32,38,155	(1,729)	(1,31,041)
	Net tax expenses		39,408	32,38,155	(1,729)	(1,31,041)
ix	Profit / (loss) for the year (vii-viii)		86,316	70,92,587	67,827	51,40,607

*Exchange rate as at 31 March 2023 1 USD = INR 82.17 (as at 31 March 2022 1 USD = INR 75.79)

Tata Communications (Nordic) AS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1 Property, plant and equipment

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Gross block:				
Plant and machinery	**6,15,872**	**5,06,06,202**	6,00,736	4,55,29,781
(a)	**6,15,872**	**5,06,06,202**	6,00,736	4,55,29,781
Accumulated depreciation:				
Plant and machinery	**4,50,462**	**3,70,14,463**	3,70,059	2,80,46,772
(b)	**4,50,462**	**3,70,14,463**	3,70,059	2,80,46,772
Net block (a) - (b)	**1,65,410**	**1,35,91,739**	2,30,677	1,74,83,009

2 Non-current assets - financial assets - loans

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Inter company loans given (Net)	**60,57,759**	**49,77,66,057**	5,76,975	4,37,28,935
Total	**60,57,759**	**49,77,66,057**	5,76,975	4,37,28,935

3 Non-current assets - financial assets - other financial assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Vendor deposits	**5,027**	**4,13,069**	5,130	3,88,803
Total	**5,027**	**4,13,069**	5,130	3,88,803

4 Non-current assets - others

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Prepaid expenses	1,532	1,25,884	9,962	7,55,020
Total	1,532	1,25,884	9,962	7,55,020

5 Trade receivables

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Trade receivables	5,37,462	4,41,63,253	4,07,639	3,08,94,960
Provision for doubtful debts	(3,818)	(3,13,725)	(4,797)	(3,63,565)
Total	5,33,644	4,38,49,528	4,02,842	3,05,31,395

6 Cash and cash equivalents

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Balance with bank	23,509	19,31,735	51,004	38,65,593
Total	23,509	19,31,735	51,004	38,65,593

7 Current assets - other financial assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Interest Receivable on Inter Co. Loan (Net)	86,488	71,06,719	30,189	22,88,024
Others	3,683	3,02,632	-	-
Total	90,171	74,09,351	30,189	22,88,024

8 Current assets - other assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Advances to Vendors / Suppliers	3,267	2,68,449	4,85,700	3,68,11,203
Prepaid expenses	4,69,455	3,85,75,117	2,04,345	1,54,87,308
Others	-	-	57	4,320
Total	4,72,722	3,88,43,566	6,90,102	5,23,02,831

9 Equity share capital

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Equity share capital	**16,708**	**13,72,896**	16,708	12,66,299
Total	**16,708**	**13,72,896**	16,708	12,66,299

10 Other Equity

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Surplus / (Deficit)				
Opening balance	**(6,10,908)**	**(5,01,98,310)**	(6,78,735)	(5,14,41,326)
Profit / (loss) for the year	**86,316**	**70,92,587**	67,827	51,40,607
Closing balance	**(5,24,592)**	**(4,31,05,723)**	(6,10,908)	(4,63,00,719)
Share premium	**11,43,847**	**9,39,89,908**	11,43,847	8,66,92,164
Total	**6,19,255**	**5,08,84,185**	5,32,939	4,03,91,445

11 Current liabilities - Trade payables

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Trade payable	**8,52,684**	**7,00,65,042**	2,34,121	1,77,44,032
Inter Company - Payables (Net)	**57,29,765**	**47,08,14,790**	10,59,227	8,02,78,814
Total	**65,82,449**	**54,08,79,832**	12,93,348	9,80,22,846

12 Current liabilities - other financial liabilities

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Others	-	-	1,411	1,06,940
Total	-	-	1,411	1,06,940

13 Current liabilities - other current liabilities

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Deferred revenue and advance from customers	**21,321**	**17,51,947**	44,027	33,36,806
Other Employee dues	**26,465**	**21,74,629**	58,528	44,35,837
Other Statutory dues	**1,17,344**	**96,42,156**	1,03,316	78,30,320
Total	**1,65,130**	**1,35,68,732**	2,05,871	1,56,02,963

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

14 Current liabilities - provisons

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Leave entitlement	**24,139**	**19,83,502**	27,465	20,81,572
Total	**24,139**	**19,83,502**	27,465	20,81,572

15 Other income

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Interest on loan to subsidiaries	**1,21,174**	**99,56,868**	62,146	47,10,045
Miscellaneous income	**1,765**	**1,45,030**	51	3,865
Total	**1,22,939**	**1,01,01,898**	62,197	47,13,910

16 Network and transmission expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Charges for use of transmission facilities	**44,22,990**	**36,34,37,088**	50,97,178	38,63,15,121
Total	**44,22,990**	**36,34,37,088**	50,97,178	38,63,15,121

17 Employee benefit expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Salaries, bonus and allowances	**1,86,688**	**1,53,40,153**	1,88,261	1,42,68,301
Staff welfare expenses	**471**	**38,702**	119	9,019
Total	**1,87,159**	**1,53,78,855**	1,88,380	1,42,77,320

18 Finance costs

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Guarantee fees	-	-	64	4,851
Total	-	-	64	4,851

19 Operating and other expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Auditors remuneration	40,688	33,43,333	38,750	29,36,863
Communication expenses	226	18,570	-	-
Exchange loss -Net	14,947	12,28,195	44,688	33,86,904
Insurance expenses	3,240	2,66,231	3,029	2,29,568
Legal and professional fees	59,404	48,81,227	67,160	50,90,056
Miscellaneous expenses	21,391	17,57,698	11,072	8,39,147
Provision for doubtful debts	(979)	(80,444)	856	64,876
Rent	48	3,944	-	-
Repairs and Maintenance - Plant & Machinery	5,86,522	4,81,94,513	38,294	29,02,302
Services rendered by agencies	33,341	27,39,630	27,096	20,53,606
Travelling and conveyance expenses	2,778	2,28,268	935	70,864
Total	7,61,606	6,25,81,165	2,31,880	1,75,74,186

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APPENDIX - 11

ACCOUNTANT'S REPORT ON COMPILATION OF UNAUDITED FINANCIAL STATEMENTS

To
The Board of Directors
Tata Communications Limited

On the basis of the trial balance and explanations provided to us by the management, we have compiled the balance sheet of **Tata Communications (Australia) Pty Limited** ("the subsidiary") registered in England and Wales as at 31 March 2023 and the related statement of profit and loss for the year then ended, attached herewith.

We performed this compilation engagement in accordance with the Standard on Related Services 4410 (Revised), Compilation Engagements, issued by the Institute of Chartered Accountants of India.

We have applied our expertise in accounting and financial reporting to assist you in preparation of these financial information. We have complied with relevant ethical requirements.

The management of the subsidiary is responsible for:

a) These financial information and the accuracy and completeness of the information used to compile them.

b) Maintaining adequate accounting and other records and internal controls and selecting and applying appropriate accounting policies;

c) Preparation and presentation of financial statements in accordance with the applicable laws and regulations;

d) Establishing controls to safeguard the assets of the entity and preventing and detecting frauds or other irregularities;

e) Establishing controls for ensuring that the activities of the entity are carried out in accordance with the applicable laws and regulations and preventing and detecting any non-compliance.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information provided to us by management to compile the balance sheet and the related statement of profit and loss. Accordingly, we do not express an audit opinion or a review conclusion on whether the financial information are prepared in accordance with an accounting principal generally accepted in India.

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

Registered Office:
8th, 9th, Boardwalk, Kingsway, Kalu Mukhtiar Goyal Road,
Andheri (E), Mumbai - 400 069, India. T +91 (22) 6144 5555

This balance sheet and the related statement of profit and loss has been compiled by us only for the purpose of preparation of statement pursuant to Section 129(3) of the Companies Act, 2013, based on trial balance and explanations provided by the management. Accordingly these financial information may not suitable for other purposes.

FOR SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
Firm's Reg. No. 121750W /W100010

(Rahul Bhansali)
PARTNER
Membership No. 126549

Place Mumbai
Date: 19 April 2023

Tata Communications (Australia) Pty Limited

BALANCE SHEET AS AT 31 MARCH 2023

	Particulars	Note No.	As at 31 March 2023		As at 31 March 2022	
			USD	INR*	USD	INR*
(A)	**ASSETS**					
(1)	**Non-current assets**					
	Property, plant and equipment	1	13,08,870	10,75,49,848	16,80,031	12,73,29,548
	Capital work-in-progress		45,414	37,31,668	1,25,496	95,11,342
	Right-of-use assets		91	7,477	1,11,272	84,33,305
	Other Intangible assets	2	-	-	36,373	27,56,709
	Financial assets					
	(i) Loans	3	55,68,312	45,75,48,197	24,49,617	18,56,56,472
	Deferred tax assets (net)		3,98,810	3,27,70,218	3,62,669	2,74,86,684
	Advance tax (net)		2,33,491	1,91,85,955	-	-
	Other Non-current assets	4	26,553	21,81,860	59,544	45,12,840
			75,81,541	62,29,75,223	48,25,002	36,56,86,900
(2)	**Current assets**					
	Financial assets					
	(i) Trade receivables	5	23,41,989	19,24,41,236	17,54,145	13,29,46,650
	(ii) Cash and cash equivalents	6	3,00,255	2,46,71,953	2,93,373	2,22,34,740
	(iii) Other financial assets	7	1,89,537	1,55,74,255	-	-
	Other Current assets	8	3,58,160	2,94,30,006	2,16,269	1,63,91,027
			31,89,941	26,21,17,450	22,63,787	17,15,72,417
	TOTAL ASSETS		1,07,71,482	88,50,92,673	70,88,789	53,72,59,317
(B)	**EQUITY AND LIABILITIES**					
(1)	**Equity**					
	Equity share capital	9	3,57,000	2,93,34,690	3,57,000	2,70,57,030
	Other equity	10	28,68,166	23,56,77,201	31,21,311	23,65,64,161
	Total Equity		32,25,166	26,50,11,891	34,78,311	26,36,21,191
(2)	**Non-current liabilities**					
	Financial liabilities					
	(i) Lease liabilities		-	-	6,085	4,61,182
	Provisions	11	55,106	45,28,060	36,446	27,62,243
	Other liabilities (Deferred revenue)		-	-	4,752	3,60,154
			55,106	45,28,060	47,283	35,83,579
(3)	**Current liabilities**					
	Financial liabilities					
	(i) Lease liabilities		-	-	1,25,740	95,29,835
	(ii) Trade payables	12	65,47,256	53,79,88,022	20,65,275	15,65,27,191
	(iii) Other financial liabilities	13	28,325	23,27,465	53,559	40,59,236
	Other current liabilities	14	5,47,249	4,49,67,458	5,74,896	4,35,71,367
	Provisions	15	3,68,380	3,02,69,785	3,73,954	2,83,41,974
	Current tax liability (Net)		-	-	3,69,771	2,80,24,944
			74,91,210	61,55,52,722	35,63,195	27,00,54,547
	TOTAL EQUITY AND LIABILITIES		1,07,71,482	88,50,92,673	70,88,789	53,72,59,317

*Exchange rate as at 31 March 2023 1 USD = INR 82.17 (as at 31 March 2022 1 USD = INR 75.79)

Tata Communications (Australia) Pty Limited

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2023

	Particulars	Note No.	Current year 2022-23		Previous year 2021-22	
			USD	INR*	USD	INR*
i	Revenue from operations		1,98,13,815	1,62,81,01,179	1,87,70,923	1,42,26,48,254
ii	Other Income	16	12,71,821	10,45,05,531	11,76,324	8,91,53,596
iii	Total income (i + ii)		2,10,85,636	1,73,26,06,710	1,99,47,247	1,51,18,01,850
iv	Expenses:					
	Network and transmission expenses	17	1,53,41,701	1,26,06,27,571	1,35,58,060	1,02,75,65,367
	Employee benefits expenses	18	33,84,158	27,80,76,263	36,59,720	27,73,70,179
	Finance costs	19	455	37,387	44,243	33,53,177
	Depreciation and amortisation expenses		6,12,262	5,03,09,569	7,13,074	5,40,43,878
	Operating and other expenses	20	22,39,783	18,40,42,968	12,44,266	9,43,02,921
	Total expenses		2,15,78,359	1,77,30,93,758	1,92,19,363	1,45,66,35,522
v	Profit before exceptional items and taxes (iii - iv)		(4,92,723)	(4,04,87,048)	7,27,884	5,51,66,328
vi	Exceptional items:					
	Staff cost optimisation		-	-	14,339	10,86,753
vii	Profit before taxes (v - vi)		(4,92,723)	(4,04,87,048)	7,42,223	5,62,53,081
viii	Tax expenses					
	(i) Current tax expense/(benefit)		(2,83,436)	(1,67,16,336)	1,29,094	97,84,034
	(ii) Deferred tax expense/(benefit)		(36,142)	(29,69,788)	1,07,771	81,67,964
	Net tax expenses		(2,39,578)	(1,96,86,124)	2,36,865	1,79,51,998
ix	Profit / (loss) for the year (vii-viii)		(2,53,145)	(2,08,00,924)	5,05,358	3,83,01,083

*Exchange rate as at 31 March 2023 1 USD = INR 82.17 (as at 31 March 2022 1 USD = INR 75.79)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1 Property, plant and equipment

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Gross block:				
Lease hold improvement	**28,581**	**23,48,501**	28,581	21,66,154
Cables	**15,375**	**12,63,364**	15,375	11,65,271
Plant and machinery	**76,68,152**	**63,00,92,050**	70,89,733	53,73,30,864
Furniture and fixtures	**39,036**	**32,07,588**	39,036	29,58,538
Computers	**2,48,805**	**2,04,44,307**	2,64,508	2,00,47,061
Office equipment	**7,335**	**6,02,717**	7,335	5,55,920
(a)	**80,07,284**	**65,79,58,527**	74,44,568	56,42,23,808
Accumulated depreciation:				
Lease hold improvement	**28,581**	**23,48,501**	22,580	17,11,338
Cables	**8,072**	**6,63,276**	6,534	4,95,212
Plant and machinery	**63,87,639**	**52,48,72,297**	54,44,798	41,26,61,240
Furniture and fixtures	**31,309**	**25,72,661**	28,202	21,37,430
Computers	**2,35,478**	**1,93,49,227**	2,55,088	1,93,33,120
Office equipment	**7,335**	**6,02,717**	7,335	5,55,920
(b)	**66,98,414**	**55,04,08,679**	57,64,537	43,68,94,260
Net block (a) - (b)	**13,08,870**	**10,75,49,848**	16,80,031	12,73,29,548

2 Other Intangible assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Gross block:				
Computer software	**2,78,684**	**2,28,99,464**	2,97,699	2,25,62,607
Indefeasible right to use assets	**-**	**-**	3,65,083	2,76,69,641
(a)	**2,78,684**	**2,28,99,464**	6,62,782	5,02,32,248
Accumulated amortisation:				
Computer software	**2,78,684**	**2,28,99,464**	2,61,326	1,98,05,898
Indefeasible right to use assets	**-**	**-**	3,65,083	2,76,69,641
(b)	**2,78,684**	**2,28,99,464**	6,26,409	4,74,75,539
Net block (a) - (b)	**-**	**-**	36,373	27,56,709

3 Non-current assets - financial assets - loans

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Inter company loans given (Net)	**55,68,312**	**45,75,48,197**	24,49,617	18,56,56,472
Total	**55,68,312**	**45,75,48,197**	24,49,617	18,56,56,472

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

4 Non-current assets - others

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Prepaid expenses	26,553	21,81,860	59,544	45,12,840
Total	26,553	21,81,860	59,544	45,12,840

5 Trade receivables

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Trade receivables	24,74,296	20,33,12,902	18,69,421	14,16,83,418
Provision for doubtful debts	(1,32,307)	(1,08,71,666)	(1,15,276)	(87,36,768)
Total	23,41,989	19,24,41,236	17,54,145	13,29,46,650

6 Cash and cash equivalents

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Balance with bank	3,00,255	2,46,71,953	2,93,373	2,22,34,740
Total	3,00,255	2,46,71,953	2,93,373	2,22,34,740

7 Current assets - other financial assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Interest Receivable on Inter Co. Loan (Net)	1,79,295	1,47,32,670	-	-
Others	10,242	8,41,585	-	-
Total	1,89,537	1,55,74,255	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

8 Current assets - other assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Advances to Vendors / Suppliers	47,137	38,73,247	44,770	33,93,118
Advances to employees	188	15,448	531	40,244
Prepaid expenses	2,49,744	2,05,21,464	1,70,968	1,29,57,665
Indirect tax receivable	60,220	49,48,277	-	-
Others	871	71,570	-	-
Total	**3,58,160**	**2,94,30,006**	2,16,269	1,63,91,027

9 Equity share capital

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Equity share capital	3,57,000	2,93,34,690	3,57,000	2,70,57,030
Total	**3,57,000**	**2,93,34,690**	3,57,000	2,70,57,030

10 Other Equity

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Surplus / (Deficit)				
Opening balance	31,21,311	25,64,78,125	26,15,953	19,82,63,078
Profit / (loss) for the year	(2,53,145)	(2,08,00,924)	5,05,358	3,83,01,083
Total	**28,68,166**	**23,56,77,201**	31,21,311	23,65,64,161

11 Non-current liabilities - provisions

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Asset retirement obligation and others	26,557	21,82,189	26,102	19,78,271
Retention liability	28,549	23,45,871	10,344	7,83,972
Total	**55,106**	**45,28,060**	36,446	27,62,243

12 Current liabilities - Trade payables

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Trade payable	27,21,411	22,36,18,338	19,50,446	14,78,24,301
Inter Company - Payables (Net)	38,25,845	31,43,69,684	1,14,829	87,02,890
Total	**65,47,256**	**53,79,88,022**	20,65,275	15,65,27,191

13 Current liabilities - other financial liabilities

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Deposit from customers and contractors	28,325	23,27,465	31,695	24,02,164
Interest accrued but not due on Inter Co. loan (Net)	-	-	16,036	12,15,368
Others	-	-	5,828	4,41,704
Total	**28,325**	**23,27,465**	53,559	40,59,236

14 Current liabilities - other current liabilities

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Deferred revenue and advance from customers	19,859	16,31,814	15,518	11,76,109
Other Employee dues	3,87,738	3,18,60,431	4,73,818	3,59,10,666
Other Statutory dues	1,39,652	1,14,75,205	85,560	64,84,592
Total	**5,47,249**	**4,49,67,450**	5,74,896	4,35,71,367

15 Current liabilities - provisons

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Leave entitlement	3,68,380	3,02,69,785	3,73,954	2,83,41,974
Total	**3,68,380**	**3,02,69,785**	3,73,954	2,83,41,974

16 Other income

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Interest income - others	106	8,710	-	-
Interest on loan to subsidiaries	2,70,290	2,22,09,729	11,424	8,65,825
Profit on sale of fixed assets	-	-	7	531
Miscellaneous income	10,01,425	8,22,87,092	11,64,893	8,82,87,240
Total	12,71,821	10,45,05,531	11,76,324	8,91,53,596

17 Network and transmission expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Charges for use of transmission facilities	1,53,41,701	1,26,06,27,571	1,37,13,498	1,03,93,46,013
Rent of satellite channels	-	-	(1,55,438)	(1,17,80,646)
Total	1,53,41,701	1,26,06,27,571	1,35,58,060	1,02,75,65,367

18 Employee benefit expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Salaries, bonus and allowances	33,68,539	27,67,92,850	36,41,750	27,60,08,233
Staff welfare expenses	15,619	12,83,413	17,970	13,61,946
Total	33,84,158	27,80,76,263	36,59,720	27,73,70,179

19 Finance costs

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Interest expenses	455	37,387	719	54,493
Interest on inter companies loan	-	-	39,264	29,75,819
Guarantee fees	-	-	4,260	3,22,865
Total	455	37,387	44,243	33,53,177

20 Operating and other expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Advertising and publicity	**98,503**	**80,93,992**	29,995	22,73,321
Auditors remuneration	**14,970**	**12,30,085**	16,924	12,82,670
Communication expenses	**1,25,333**	**1,02,98,613**	16,835	12,75,925
CSR expenses	**-**	**-**	(19)	(1,440)
Directors fees	**3,348**	**2,75,105**	-	-
Donations	**-**	**-**	339	25,693
Electricity	**2,60,754**	**2,14,26,156**	2,74,135	2,07,76,692
Entertainment expenses	**2,258**	**1,85,540**	1,524	1,15,504
Exchange loss -Net	**5,31,584**	**4,36,80,257**	1,17,624	89,14,723
Insurance expenses	**34,849**	**28,63,542**	23,050	17,46,960
IT consumables	**(294)**	**(24,158)**	73	5,533
Legal and professional fees	**1,82,551**	**1,50,00,216**	58,552	44,37,656
Miscellaneous expenses	**62,922**	**51,70,301**	1,02,285	77,52,180
Printing and stationery	**2,096**	**1,72,228**	1,239	93,904
Provision for doubtful debts	**17,030**	**13,99,355**	(34,320)	(26,01,113)
Rates and Taxes	**1,041**	**85,539**	728	55,175
Recruitment expenses	**435**	**35,744**	15,054	11,40,943
Relocation Expense	**530**	**43,550**	-	-
Rent	**1,53,629**	**1,26,23,695**	2,41,478	1,83,01,618
Repairs and Maintenance - Plant & Machinery	**2,02,161**	**1,66,11,569**	1,84,836	1,40,08,720
Repairs and Maintenance -Building	**14,941**	**12,27,702**	161	12,202
Seminars, trainings and conferences	**91**	**7,477**	99	7,503
Services rendered by agencies	**5,01,107**	**4,11,75,962**	1,90,509	1,44,38,677
Travelling and conveyance expenses	**29,944**	**24,60,498**	3,165	2,39,875
Total	**22,39,783**	**18,40,42,968**	12,44,266	9,43,02,921

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APPENDIX - 12

ACCOUNTANT'S REPORT ON COMPILATION OF UNAUDITED FINANCIAL STATEMENTS

To
The Board of Directors
Tata Communications Limited

On the basis of the trial balance and explanations provided to us by the management, we have compiled the balance sheet of **Tata Communications (Bermuda) Limited** ("the subsidiary") registered in Bermuda as at 31 March 2023 and the related statement of profit and loss for the year then ended, attached herewith.

We performed this compilation engagement in accordance with the Standard on Related Services 4410 (Revised), Compilation Engagements, issued by the Institute of Chartered Accountants of India.

We have applied our expertise in accounting and financial reporting to assist you in preparation of these financial information. We have complied with relevant ethical requirements.

The management of the subsidiary is responsible for:

a) These financial information and the accuracy and completeness of the information used to compile them.

b) Maintaining adequate accounting and other records and internal controls and selecting and applying appropriate accounting policies;

c) Preparation and presentation of financial statements in accordance with the applicable laws and regulations;

d) Establishing controls to safeguard the assets of the entity and preventing and detecting frauds or other irregularities;

e) Establishing controls for ensuring that the activities of the entity are carried out in accordance with the applicable laws and regulations and preventing and detecting any non-compliance.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information provided to us by management to compile the balance sheet and the related statement of profit and loss. Accordingly, we do not express an audit opinion or a review conclusion on whether the financial information are prepared in accordance with an accounting principal generally accepted in India.

Registered Office:
801-802, Tulsiani's Knowledge Park, Mahakali Caves Road,
Andheri (E), Mumbai - 400 093, India. Tel: (91-22) 6144 5555

This balance sheet and the related statement of profit and loss has been compiled by us only for the purpose of preparation of statement pursuant to Section 129(3) of the Companies Act, 2013, based on trial balance and explanations provided by the management. Accordingly these financial information may not suitable for other purposes.

FOR SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
Firm's Reg. No. 121750W /W100010

(Rahul Bhansali)
PARTNER
Membership No. 126549

Place Mumbai
Date: 19 April 2023

Tata Communications (Bermuda) Limited

BALANCE SHEET AS AT 31 MARCH 2023

	Particulars	Note No.	As at 31 March 2023		As at 31 March 2022	
			USD	INR*	USD	INR*
(A)	**ASSETS**					
(1)	**Non-current assets**					
	Property, plant and equipment	1	25,66,52,872	21,08,91,66,492	29,35,17,057	22,24,56,57,750
	Capital work-in-progress		3,02,48,651	2,48,55,31,653	3,64,87,044	2,76,53,53,065
	Right-of-use assets		1,18,437	97,31,968	7,527	5,70,471
	Other Intangible assets	2	6,14,63,976	5,05,04,94,908	6,53,65,142	4,95,40,24,112
	Investments in subsidiaries & associates	3	16,247	13,35,016	1,14,98,336	87,14,58,885
	Other Non-current assets	4	14,13,828	11,61,74,247	17,88,033	13,55,15,021
			34,99,14,011	28,75,24,34,284	40,86,63,139	30,97,25,79,304
(2)	**Current assets**					
	Financial assets					
	(i) Trade receivables	5	4,49,16,683	3,69,08,03,842	3,06,35,480	2,32,18,63,030
	(ii) Cash and cash equivalents	6	1,02,606	84,31,135	25,341	19,20,594
	(iii) Other financial assets	7	3,104	2,55,056	19,769	14,98,293
	Other Current assets	8	10,75,689	8,83,89,365	33,24,983	25,20,00,462
			4,60,98,082	3,78,78,79,398	3,40,05,573	2,57,72,82,379
(3)	**Assets Classified as held for sale**		1,23,41,532	1,01,41,03,684	-	-
	TOTAL ASSETS		40,83,53,625	33,55,44,17,366	44,26,68,712	33,54,98,61,683
(B)	**EQUITY AND LIABILITIES**					
(1)	**Equity**					
	Equity share capital	9	13,061	10,73,222	13,061	9,89,893
	Other equity	10	(39,92,80,808)	(32,80,89,03,993)	(41,82,32,320)	(31,69,78,27,533)
	Total Equity		(39,92,67,747)	(32,80,78,30,771)	(41,82,19,259)	(31,69,68,37,640)
(2)	**Non-current liabilities**					
	Financial liabilities					
	(i) Lease liabilities		93,099	76,49,945	-	-
	Provisions	11	10,53,723	8,65,84,419	9,67,049	7,32,92,644
	Other liabilities (Deferred revenue)		10,43,95,739	8,57,81,97,874	12,62,60,200	9,56,92,60,558
			10,55,42,561	8,67,24,32,238	12,72,27,249	9,64,25,53,202
(3)	**Current liabilities**					
	Financial liabilities					
	(i) Borrowings	12	64,74,68,491	53,20,24,85,905	68,27,69,346	51,74,70,88,733
	(ia) Lease liabilities		25,338	20,82,823	7,527	5,70,471
	(ii) Trade payables	13	1,24,01,071	1,01,89,96,003	1,54,76,394	1,17,29,55,903
	(iii) Other financial liabilities	14	1,98,60,243	1,63,19,16,168	1,30,51,660	98,91,85,311
	Other current liabilities	15	2,23,17,457	1,83,38,25,442	2,23,47,712	1,69,37,33,092
	Provisions	16	6,211	5,10,358	8,083	6,12,611
			70,20,78,811	57,68,98,15,899	73,36,60,722	55,60,41,46,121
	TOTAL EQUITY AND LIABILITIES		40,83,53,625	33,55,44,17,366	44,26,68,712	33,54,98,61,683

*Exchange rate as at 31 March 2023 1 USD = INR 82.17 (as at 31 March 2022 1 USD = INR 75.79)

Tata Communications (Bermuda) Limited

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2023

	Particulars	Note No.	Current year 2022-23		Previous year 2021-22	
			USD	INR*	USD	INR*
i	Revenue from operations		13,36,58,015	10,98,26,79,093	14,39,33,971	10,90,87,55,662
ii	Other income	17	1,13,650	93,38,621	1,09,508	82,99,611
iii	Total income (i + ii)		13,37,71,665	10,99,20,17,714	14,40,43,479	10,91,70,55,273
iv	Expenses:					
	Network and transmission expenses	18	7,65,949	6,29,38,029	9,97,665	7,56,13,030
	Employee benefits expenses	19	5,06,803	4,16,44,003	4,83,450	3,66,40,675
	Finance costs	20	3,84,16,139	3,15,66,54,142	3,28,40,134	2,48,89,53,756
	Depreciation and amortisation expenses		4,57,25,247	3,75,72,43,546	4,65,70,591	3,52,95,85,092
	Operating and other expenses	21	2,94,06,015	2,41,62,92,253	3,21,94,447	2,44,00,17,139
	Total expenses		11,48,20,153	9,43,47,71,973	11,30,86,287	8,57,08,09,692
v	Profit before taxes (iii - iv)		1,89,51,512	1,55,72,45,741	3,09,57,192	2,34,62,45,581
vi	Tax expenses					
	(i) Current tax expense/(benefit)		-	-	-	-
	(ii) Deferred tax expense/(benefit)		-	-	-	-
	Net tax expenses		-	-	-	-
vii	Profit / (loss) for the year (v-vi)		1,89,51,512	1,55,72,45,741	3,09,57,192	2,34,62,45,581

*Exchange rate as at 31 March 2023 1 USD = INR 82.17 (as at 31 March 2022 1 USD = INR 75.79)

Tata Communications (Bermuda) Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1 Property, plant and equipment

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Gross block:				
Lease hold improvement	-	-	9,323	7,06,590
Cables	73,16,92,201	60,12,31,48,156	73,46,47,815	55,67,89,57,899
Plant and machinery	4,72,54,040	3,88,28,64,467	3,60,03,150	2,72,86,78,739
Furniture and fixtures	2,000	1,64,340	2,000	1,51,580
Computers	1,631	1,34,019	1,631	1,23,613
(a)	77,89,49,872	64,00,63,10,982	77,06,63,919	58,40,86,18,421
Accumulated depreciation:				
Lease hold improvement	-	-	9,323	7,06,590
Cables	47,57,09,867	39,08,90,79,771	44,20,96,691	33,50,65,08,211
Plant and machinery	4,65,83,753	3,82,77,86,984	3,50,37,718	2,65,55,08,647
Furniture and fixtures	1,750	1,43,798	1,500	1,13,685
Computers	1,630	1,33,937	1,630	1,23,538
(b)	52,22,97,000	42,91,71,44,490	47,71,46,862	36,16,29,60,671
Net block (a) - (b)	25,66,52,872	21,08,91,66,492	29,35,17,057	22,24,56,57,750

2 Other Intangible assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Gross block:				
Indefeasible right to use assets	16,51,44,067	13,56,98,87,985	16,94,08,966	12,83,95,05,533
(a)	16,51,44,067	13,56,98,87,985	16,94,08,966	12,83,95,05,533
Accumulated amortisation:				
Indefeasible right to use assets	10,36,80,091	8,51,93,93,077	10,40,43,824	7,88,54,81,421
(b)	10,36,80,091	8,51,93,93,077	10,40,43,824	7,88,54,81,421
Net block (a) - (b)	6,14,63,976	5,05,04,94,908	6,53,65,142	4,95,40,24,112

3 Investments in subsidiaries & associates

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Investments in subsidiaries	16,247	13,35,016	1,14,98,336	87,14,58,885
Total	16,247	13,35,016	1,14,98,336	87,14,58,885

4 Non-current assets - others

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Prepaid expenses	14,13,828	11,61,74,247	17,88,033	13,55,15,021
Total	14,13,828	11,61,74,247	17,88,033	13,55,15,021

5 Trade receivables

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Trade receivables	8,02,418	6,59,34,687	16,60,954	12,58,83,704
Intercompany receivables (Net)	4,41,38,665	3,62,68,74,103	2,92,55,977	2,21,73,10,497
Provision for doubtful debts	(24,400)	(20,04,948)	(2,81,451)	(2,13,31,171)
Total	4,49,16,683	3,69,08,03,842	3,06,35,480	2,32,18,63,030

6 Cash and cash equivalents

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Balance with bank	1,02,606	84,31,135	25,341	19,20,594
Total	1,02,606	84,31,135	25,341	19,20,594

7 Current assets - other financial assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Others	3,104	2,55,056	19,769	14,98,293
Total	3,104	2,55,056	19,769	14,98,293

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

8 Current assets - other assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Advances to employees	1,700	1,39,689	8,016	6,07,533
Prepaid expenses	9,33,989	7,67,45,876	33,16,967	25,13,92,929
Others	1,40,000	1,15,03,800	-	-
Total	**10,75,689**	**8,83,89,365**	33,24,983	25,20,00,462

9 Equity share capital

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Equity share capital	13,061	10,73,222	13,061	9,89,893
Total	**13,061**	**10,73,222**	13,061	9,89,893

10 Other Equity

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Surplus / (Deficit)				
Opening balance	(42,88,42,259)	(35,23,79,68,422)	(45,97,99,451)	(34,84,82,00,391)
Profit / (loss) for the year	1,89,51,512	1,55,72,45,741	3,09,57,192	2,34,62,45,581
Closing balance	(40,98,90,747)	(33,68,07,22,681)	(42,88,42,259)	(32,50,19,54,810)
Share premium	1,06,09,939	87,18,18,688	1,06,09,939	80,41,27,277
Total	(39,92,80,808)	(32,80,89,03,993)	(41,82,32,320)	(31,69,78,27,533)

11 Non-current liabilities - provisions

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Asset retirement obligation and others	10,53,723	8,65,84,419	9,67,049	7,32,92,644
Total	**10,53,723**	**8,65,84,419**	9,67,049	7,32,92,644

12 Current liabilities - borrowings

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Inter company loans taken (Net)	**64,74,68,491**	**53,20,24,85,905**	68,27,69,346	51,74,70,88,733
Total	**64,74,68,491**	**53,20,24,85,905**	68,27,69,346	51,74,70,88,733

13 Current liabilities - Trade payables

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Trade payable	**1,24,01,071**	**1,01,89,96,003**	1,54,76,394	1,17,29,55,903
Total	**1,24,01,071**	**1,01,89,96,003**	1,54,76,394	1,17,29,55,903

14 Current liabilities - other financial liabilities

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Deposit from customers and contractors	**3,68,750**	**3,03,00,188**	-	-
Interest accrued but not due on Inter Co. loan (Net)	**1,94,91,493**	**1,60,16,15,980**	1,30,51,660	98,91,85,311
Total	**1,98,60,243**	**1,63,19,16,168**	1,30,51,660	98,91,85,311

15 Current liabilities - other current liabilities

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Deferred revenue and advance from customers	**2,22,88,829**	**1,83,14,73,079**	2,23,14,057	1,69,11,82,380
Other Employee dues	**28,628**	**23,52,363**	33,655	25,50,712
Total	**2,23,17,457**	**1,83,38,25,442**	2,23,47,712	1,69,37,33,092

16 Current liabilities - provisons

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Leave entitlement	**6,211**	**5,10,358**	8,083	6,12,611
Total	**6,211**	**5,10,358**	8,083	6,12,611

17 Other income

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Interest income - others	4,150	3,41,006	8	606
Miscellaneous income	1,09,500	89,97,615	1,09,500	82,99,005
Total	1,13,650	93,38,621	1,09,508	82,99,611

18 Network and transmission expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Charges for use of transmission facilities	7,65,949	6,29,38,029	9,97,665	7,56,13,030
Total	7,65,949	6,29,38,029	9,97,665	7,56,13,030

19 Employee benefit expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Salaries, bonus and allowances	5,06,581	4,16,25,761	4,82,980	3,66,05,054
Staff welfare expenses	222	18,242	470	35,621
Total	5,06,803	4,16,44,003	4,83,450	3,66,40,675

20 Finance costs

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Interest expenses	86,674	71,22,003	79,530	60,27,579
Interest on inter companies loan	3,82,60,661	3,14,38,78,514	2,71,38,860	2,05,68,54,199
Guarantee fees	68,804	56,53,625	56,21,744	42,60,71,978
Total	3,84,16,139	3,15,66,54,142	3,28,40,134	2,48,89,53,756

21 **Operating and other expenses**

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Asset retirement expense	**3,24,917**	**2,66,98,430**	37,376	28,32,727
Auditors remuneration	**8,424**	**6,92,200**	7,544	5,71,760
Communication expenses	**11,775**	**9,67,552**	10,667	8,08,452
Entertainment expenses	**1,913**	**1,57,191**	415	31,453
Exchange loss -Net	**24,083**	**19,78,900**	28,771	21,80,554
Insurance expenses	**11,166**	**9,17,510**	23,681	17,94,783
IT consumables	**67**	**5,505**	650	49,264
Legal and professional fees	**1,63,011**	**1,33,94,614**	1,05,117	79,66,817
Miscellaneous expenses	**12,80,515**	**10,52,19,918**	2,19,872	1,66,64,099
Miscellaneous Expenses - Operating	**52,89,228**	**43,46,15,865**	-	-
Printing and stationery	**2,782**	**2,28,597**	4,339	3,28,853
Provision for doubtful debts	**(2,57,051)**	**(2,11,21,881)**	2,81,250	2,13,15,938
Recruitment expenses	**8,190**	**6,72,972**	-	-
Relocation Expense	**11,000**	**9,03,870**	-	-
Rent	**28,117**	**23,10,374**	22,476	17,03,456
Repairs and Maintenance - Plant & Machinery	**2,22,58,733**	**1,82,90,00,091**	3,12,74,920	2,37,03,26,187
Repairs and Maintenance -Building	**3,505**	**2,88,006**	3,520	2,66,781
Services rendered by agencies	**2,07,565**	**1,70,55,616**	1,65,517	1,25,44,533
Travelling and conveyance expenses	**28,075**	**23,06,923**	8,332	6,31,482
Total	**2,94,06,015**	**2,41,62,92,253**	3,21,94,447	2,44,00,17,139

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APPENDIX - 13

ACCOUNTANT'S REPORT ON COMPILATION OF UNAUDITED FINANCIAL STATEMENTS

To
The Board of Directors
Tata Communications Limited

On the basis of the trial balance and explanations provided to us by the management, we have compiled the balance sheet of **Tata Communications (Hong Kong) Limited** ("the subsidiary") registered in Hong Kong as at 31 March 2023 and the related statement of profit and loss for the year then ended, attached herewith.

We performed this compilation engagement in accordance with the Standard on Related Services 4410 (Revised), Compilation Engagements, issued by the Institute of Chartered Accountants of India.

We have applied our expertise in accounting and financial reporting to assist you in preparation of these financial information. We have complied with relevant ethical requirements.

The management of the subsidiary is responsible for:

a) These financial information and the accuracy and completeness of the information used to compile them.

b) Maintaining adequate accounting and other records and internal controls and selecting and applying appropriate accounting policies;

c) Preparation and presentation of financial statements in accordance with the applicable laws and regulations;

d) Establishing controls to safeguard the assets of the entity and preventing and detecting frauds or other irregularities;

e) Establishing controls for ensuring that the activities of the entity are carried out in accordance with the applicable laws and regulations and preventing and detecting any non-compliance.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information provided to us by management to compile the balance sheet and the related statement of profit and loss. Accordingly, we do not express an audit opinion or a review conclusion on whether the financial information are prepared in accordance with an accounting principal generally accepted in India.

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This balance sheet and the related statement of profit and loss has been compiled by us only for the purpose of preparation of statement pursuant to Section 129(3) of the Companies Act, 2013, based on trial balance and explanations provided by the management. Accordingly these financial information may not suitable for other purposes.

FOR SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
Firm's Reg. No. 121750W /W100010

(Rahul Bhansali)
PARTNER
Membership No. 126549

Place Mumbai
Date: 19 April 2023

Tata Communications (Hong Kong) Limited

BALANCE SHEET AS AT 31 MARCH 2023

	Particulars	Note No.	As at 31 March 2023		As at 31 March 2022	
			USD	INR*	USD	INR*
(A)	**ASSETS**					
(1)	**Non-current assets**					
	Property, plant and equipment	1	93,96,006	77,20,69,812	1,12,77,086	85,46,90,349
	Capital work-in-progress		8,08,341	6,64,21,380	6,54,882	4,96,33,507
	Right-of-use assets		2,57,767	2,11,80,714	15,30,570	11,60,01,900
	Other Intangible assets	2	1,53,218	1,25,89,923	3,50,492	2,65,63,789
	Investments in subsidiaries & associates	3	3	247	3	227
	Financial assets					
	(i) Investments -others	4	65,633	53,93,064	65,633	49,74,325
	(ii) Other financial assets	5	2,43,867	2,00,38,551	2,44,658	1,85,42,630
	Advance tax (net)		1,46,166	1,20,10,468	73,213	55,48,813
	Other Non-current assets	6	22,090	18,15,135	19,581	14,84,044
			1,10,93,091	91,15,19,286	1,42,16,118	1,07,74,39,584
(2)	**Current assets**					
	Financial assets					
	(i) Trade receivables	7	89,05,882	73,17,96,324	64,87,387	49,16,79,061
	(ii) Cash and cash equivalents	8	77,119	63,36,868	82,403	62,45,323
	(iii) Other financial assets	9	4,57,981	3,76,32,299	4,52,536	3,42,97,703
	Other Current assets	10	11,98,812	9,85,06,382	12,47,938	9,45,81,222
			1,06,39,794	87,42,71,873	82,70,264	62,68,03,309
	TOTAL ASSETS		2,17,32,885	1,78,57,91,159	2,24,86,382	1,70,42,42,893
(B)	**EQUITY AND LIABILITIES**					
(1)	**Equity**					
	Equity share capital	11	80,22,064	65,91,72,999	80,22,064	60,79,92,231
	Other equity	12	(3,88,05,830)	(3,18,86,75,050)	(4,06,10,076)	(3,07,78,37,660)
	Total Equity		(3,07,83,766)	(2,52,95,02,051)	(3,25,88,012)	(2,46,98,45,429)
(2)	**Non-current liabilities**					
	Financial liabilities					
	(i) Lease liabilities		-	-	2,95,904	2,24,26,564
	Provisions	13	41,20,947	33,86,18,215	39,63,607	30,04,01,774
	Other liabilities (Deferred revenue)		42,02,201	34,52,94,856	52,18,544	39,55,13,450
			83,23,148	68,39,13,071	94,78,055	71,83,41,788
(3)	**Current liabilities**					
	Financial liabilities					
	(i) Borrowings	14	3,32,37,397	2,73,11,16,911	3,46,69,377	2,62,75,92,083
	(ia) Lease liabilities		2,56,675	2,10,90,985	12,25,272	9,28,63,365
	(ii) Trade payables	15	67,17,771	55,19,99,242	53,36,251	40,44,34,463
	(iii) Other financial liabilities	16	9,47,691	7,78,71,769	8,91,578	6,75,72,697
	Other current liabilities	17	27,97,980	22,99,10,016	32,25,121	24,44,31,921
	Provisions	18	2,35,989	1,93,91,216	2,48,740	1,88,52,005
			4,41,93,503	3,63,13,80,139	4,55,96,339	3,45,57,46,534
	TOTAL EQUITY AND LIABILITIES		2,17,32,885	1,78,57,91,159	2,24,86,382	1,70,42,42,893

*Exchange rate as at 31 March 2023 1 USD = INR 82.17 (as at 31 March 2022 1 USD = INR 75.79)

Tata Communications (Hong Kong) Limited

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2023

	Particulars	Note No.	Current year 2022-23		Previous year 2021-22	
			USD	INR*	USD	INR*
i	Revenue from operations		6,23,70,150	5,12,49,55,226	6,15,77,895	4,66,69,88,662
ii	Other Income	19	3,862	3,17,340	65,842	49,90,166
iii	Total income (i + ii)		6,23,74,012	5,12,52,72,566	6,16,43,737	4,67,19,78,828
iv	Expenses:					
	Network and transmission expenses	20	3,49,16,602	2,86,90,97,186	3,63,05,338	2,75,15,81,567
	Employee benefits expenses	21	90,80,408	74,61,37,125	85,87,442	65,08,42,229
	Finance costs	22	16,71,423	13,73,40,827	14,75,903	11,18,58,688
	Depreciation and amortisation expenses		29,15,550	23,95,70,744	33,26,868	25,21,43,326
	Operating and other expenses	23	1,19,85,778	98,48,71,378	95,76,383	72,57,94,069
	Total expenses		6,05,69,761	4,97,70,17,260	5,92,71,934	4,49,22,19,879
v	Profit before taxes (iii - iv)		18,04,251	14,82,55,306	23,71,803	17,97,58,949
vi	Tax expenses					
	(i) Current tax expense/(benefit)		5	411	-	-
	(ii) Deferred tax expense/(benefit)		-	-	-	-
	Net tax expenses		5	411	-	-
vii	Profit / (loss) for the year (v-vi)		18,04,246	14,82,54,895	23,71,803	17,97,58,949

*Exchange rate as at 31 March 2023 1 USD = INR 82.17 (as at 31 March 2022 1 USD = INR 75.79)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1 Property, plant and equipment

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Gross block:				
Lease hold improvement	**10,19,618**	**8,37,82,011**	10,19,618	7,72,76,848
Cables	**2,09,61,748**	**1,72,24,26,833**	2,12,09,863	1,60,74,95,517
Plant and machinery	**2,05,63,162**	**1,68,96,75,022**	1,99,91,904	1,51,51,86,404
Furniture and fixtures	**17,795**	**14,62,215**	34,989	26,51,816
Computers	**4,98,806**	**4,09,86,889**	4,05,801	3,07,55,658
Office equipment	**70,259**	**57,73,182**	70,259	53,24,930
(a)	**4,31,31,388**	**3,54,41,06,152**	4,27,32,434	3,23,86,91,173
Accumulated depreciation:				
Lease hold improvement	**10,12,439**	**8,31,92,113**	9,90,904	7,51,00,614
Cables	**1,46,91,947**	**1,20,72,37,285**	1,33,54,028	1,01,21,01,782
Plant and machinery	**1,75,70,681**	**1,44,37,82,858**	1,66,56,171	1,26,23,71,200
Furniture and fixtures	**17,795**	**14,62,215**	34,989	26,51,816
Computers	**3,87,703**	**3,18,57,556**	3,81,452	2,89,10,247
Office equipment	**54,817**	**45,04,313**	37,804	28,65,165
(b)	**3,37,35,382**	**2,77,20,36,340**	3,14,55,348	2,38,40,00,824
Net block (a) - (b)	**93,96,006**	**77,20,69,812**	1,12,77,086	85,46,90,349

2 Other Intangible assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Gross block:				
Computer software	**2,26,919**	**1,86,45,934**	2,26,919	1,71,98,191
Indefeasible right to use assets	**28,09,530**	**23,08,59,080**	28,09,530	21,29,34,279
(a)	**30,36,449**	**24,95,05,014**	30,36,449	23,01,32,470
Accumulated amortisation:				
Computer software	**2,26,919**	**1,86,45,934**	2,24,032	1,69,79,385
Indefeasible right to use assets	**26,56,312**	**21,82,69,157**	24,61,925	18,65,89,296
(b)	**28,83,231**	**23,69,15,091**	26,85,957	20,35,68,681
Net block (a) - (b)	**1,53,218**	**1,25,89,923**	3,50,492	2,65,63,789

3 Investments in subsidiaries & associates

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Investments in subsidiaries	3	247	3	227
Total	3	247	3	227

4 Financial asset - Investment others

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Investments - others	68,229	56,06,377	68,229	51,71,076
Impairment of investment - others	(2,596)	(2,13,313)	(2,596)	(1,96,751)
Total	65,633	53,93,064	65,633	49,74,325

5 Non-current assets - financial assets - other financial assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Vendor deposits	2,43,867	2,00,38,551	2,44,658	1,85,42,630
Total	2,43,867	2,00,38,551	2,44,658	1,85,42,630

6 Non-current assets - others

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Prepaid expenses	22,090	18,15,135	19,581	14,84,044
Total	22,090	18,15,135	19,581	14,84,044

7 Trade receivables

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Trade receivables	56,13,194	46,12,36,151	58,33,916	44,21,52,494
Intercompany receivables (Net)	45,25,648	37,18,72,496	21,61,617	16,38,28,952
Provision for doubtful debts	(12,32,960)	(10,13,12,323)	(15,08,146)	(11,43,02,385)
Total	89,05,882	73,17,96,324	64,87,387	49,16,79,061

8 Cash and cash equivalents

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Balance with bank	77,119	63,36,868	82,403	62,45,323
Total	77,119	63,36,868	82,403	62,45,323

9 Current assets - other financial assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Security Deposit	4,57,530	3,75,95,240	4,52,536	3,42,97,703
Others	451	37,059	-	-
Total	4,57,981	3,76,32,299	4,52,536	3,42,97,703

10 Current assets - other assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Advances to Vendors / Suppliers	2,05,500	1,68,85,935	6,29,021	4,76,73,502
Advances to employees	847	69,598	-	-
Prepaid expenses	9,61,436	7,90,01,196	6,18,891	4,69,05,749
Indirect tax receivable	14	1,150	-	-
Others	31,015	25,48,503	26	1,971
Total	11,98,812	9,85,06,382	12,47,938	9,45,81,222

11 Equity share capital

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Equity share capital	**80,22,064**	**65,91,72,999**	80,22,064	60,79,92,231
Total	**80,22,064**	**65,91,72,999**	80,22,064	60,79,92,231

12 Other Equity

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Surplus / (Deficit)				
Opening balance	**(4,06,10,076)**	**(3,33,69,29,945)**	(4,29,81,879)	(3,25,75,96,609)
Profit / (loss) for the year	**18,04,246**	**14,82,54,895**	23,71,803	17,97,58,949
Dividend	**-**	**-**	-	-
Proposed Dividend	**-**	**-**	-	-
Total	**(3,88,05,830)**	**(3,18,86,75,050)**	(4,06,10,076)	(3,07,78,37,660)

13 Non-current liabilities - provisions

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Asset retirement obligation and others	**37,62,828**	**30,91,91,577**	36,07,837	27,34,37,966
Retention liability	**3,58,119**	**2,94,26,638**	3,55,770	2,69,63,808
Total	**41,20,947**	**33,86,18,215**	39,63,607	30,04,01,774

14 Current liabilities - borrowings

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Loan from bank	**-**	**-**	3,73,644	2,83,18,479
Inter company loans taken (Net)	**3,32,37,397**	**2,73,11,16,911**	3,42,95,733	2,59,92,73,604
Total	**3,32,37,397**	**2,73,11,16,911**	3,46,69,377	2,62,75,92,083

15 Current liabilities - Trade payables

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Trade payable	**67,17,771**	**55,19,99,242**	53,36,251	40,44,34,463
Total	**67,17,771**	**55,19,99,242**	53,36,251	40,44,34,463

16 Current liabilities - other financial liabilities

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Deposit from customers and contractors	1,72,949	1,42,11,219	1,78,001	1,34,90,696
Interest accrued but not due on Inter Co. loan (Net)	7,74,742	6,36,60,550	7,11,076	5,38,92,450
Others	-	-	2,501	1,89,551
Total	9,47,691	7,78,71,769	8,91,578	6,75,72,697

17 Current liabilities - other current liabilities

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Deferred revenue and advance from customers	11,63,173	9,55,77,925	17,10,050	12,96,04,690
Other Employee dues	16,30,541	13,39,81,554	15,13,027	11,46,72,316
Other Statutory dues	4,266	3,50,537	2,044	1,54,915
Total	27,97,980	22,99,10,016	32,25,121	24,44,31,921

18 Current liabilities - provisons

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Leave entitlement	2,35,989	1,93,91,216	2,48,740	1,88,52,005
Total	2,35,989	1,93,91,216	2,48,740	1,88,52,005

19 Other income

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Interest income - others	789	64,832	-	-
Profit on sale of fixed assets	-	-	2	152
Miscellaneous income	3,073	2,52,508	65,840	49,90,014
Total	3,862	3,17,340	65,842	49,90,166

20 Network and transmission expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Charges for use of transmission facilities	**3,49,16,602**	**2,86,90,97,186**	3,63,05,338	2,75,15,81,567
Total	**3,49,16,602**	**2,86,90,97,186**	3,63,05,338	2,75,15,81,567

21 Employee benefit expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Salaries, bonus and allowances	**89,27,611**	**73,35,81,796**	85,24,562	64,60,76,554
Staff welfare expenses	**1,52,797**	**1,25,55,329**	62,880	47,65,675
Total	**90,80,408**	**74,61,37,125**	85,87,442	65,08,42,229

22 Finance costs

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Interest expenses	**1,62,332**	**1,33,38,820**	4,35,543	3,30,09,804
Interest on inter companies loan	**15,09,091**	**12,40,02,007**	7,87,674	5,96,97,812
Guarantee fees	**-**	**-**	2,52,686	1,91,51,072
Total	**16,71,423**	**13,73,40,827**	14,75,903	11,18,58,688

23 Operating and other expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Advertising and publicity	3,597	2,95,565	-	-
Auditors remuneration	8,587	7,05,594	7,785	5,90,025
Communication expenses	87,580	71,96,449	54,495	41,30,176
CSR expenses	2,209	1,81,514	-	-
Electricity	11,76,136	9,66,43,095	10,62,697	8,05,41,806
Entertainment expenses	27,301	22,43,323	16,138	12,23,099
Exchange loss -Net	23,380	19,21,135	26,768	20,28,747
Insurance expenses	20,436	16,79,226	18,982	14,38,646
IT consumables	275	22,597	863	65,407
Legal and professional fees	84,67,968	69,58,12,931	60,13,472	45,57,61,043
Loss on sale of fixed asset	7,990	6,56,538	-	-
Miscellaneous expenses	1,03,229	84,82,327	1,32,588	1,00,48,845
Printing and stationery	6,555	5,38,624	7,628	5,78,126
Provision for doubtful debts	(2,75,186)	(2,26,12,034)	(3,16,486)	(2,39,86,474)
Provision For Doubtful advances	(3)	(247)	-	-
Rates and Taxes	2,25,640	1,85,40,839	2,06,325	1,56,37,372
Recruitment expenses	58,830	48,34,061	1,22,299	92,69,041
Relocation Expense	6,638	5,45,444	-	-
Rent	8,25,590	6,78,38,730	8,67,165	6,57,22,435
Repairs and Maintenance - Plant & Machinery	6,50,657	5,34,64,486	6,03,224	4,57,18,347
Repairs and Maintenance -Building	29,439	24,19,003	453	34,333
Seminars, trainings and conferences	3,600	2,95,812	489	37,061
Services rendered by agencies	3,07,451	2,52,63,249	2,21,620	1,67,96,580
Bad debts written off	40,137	32,98,057	5,20,421	3,94,42,708
Travelling and conveyance expenses	1,77,742	1,46,05,060	9,457	7,16,746
Total	1,19,85,778	98,48,71,378	95,76,383	72,57,94,069

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LLP Identity No. AAB-7507

APPENDIX - 14

ACCOUNTANT'S REPORT ON COMPILATION OF UNAUDITED FINANCIAL STATEMENTS

To
The Board of Directors
Tata Communications Limited

On the basis of the trial balance and explanations provided to us by the management, we have compiled the balance sheet of **Tata Communications (Poland) Sp. Z o.o.** ("the subsidiary") registered in Poland as at 31 March 2023 and the related statement of profit and loss for the year then ended, attached herewith.

We performed this compilation engagement in accordance with the Standard on Related Services 4410 (Revised), Compilation Engagements, issued by the Institute of Chartered Accountants of India.

We have applied our expertise in accounting and financial reporting to assist you in preparation of these financial information. We have complied with relevant ethical requirements.

The management of the subsidiary is responsible for:

a) These financial information and the accuracy and completeness of the information used to compile them.

b) Maintaining adequate accounting and other records and internal controls and selecting and applying appropriate accounting policies;

c) Preparation and presentation of financial statements in accordance with the applicable laws and regulations;

d) Establishing controls to safeguard the assets of the entity and preventing and detecting frauds or other irregularities;

e) Establishing controls for ensuring that the activities of the entity are carried out in accordance with the applicable laws and regulations and preventing and detecting any non-compliance.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information provided to us by management to compile the balance sheet and the related statement of profit and loss. Accordingly, we do not express an audit opinion or a review conclusion on whether the financial information are prepared in accordance with an accounting principal generally accepted in India.

Registered Office:
505, 5th Floor, Technology Knowledge Park, Mahakali Caves Road,
Andheri (E), Mumbai - 400 093, India. T: +91 (22) 6191 5555

This balance sheet and the related statement of profit and loss has been compiled by us only for the purpose of preparation of statement pursuant to Section 129(3) of the Companies Act, 2013, based on trial balance and explanations provided by the management. Accordingly these financial information may not suitable for other purposes.

FOR SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
Firm's Reg. No. 121750W /W100010

(Rahul Bhansali)
PARTNER
Membership No. 126549

Place Mumbai
Date: 19 April 2023

Tata Communications (Poland) Sp. Z o.o.

BALANCE SHEET AS AT 31 MARCH 2023

	Particulars	Note No.	As at 31 March 2023		As at 31 March 2022	
			USD	INR*	USD	INR*
(A)	**ASSETS**					
(1)	**Non-current assets**					
	Property, plant and equipment	1	3,10,631	2,55,24,549	4,04,285	3,06,40,760
	Capital work-in-progress		9,856	8,09,868	25,477	19,30,902
	Financial assets					
	(i) Other financial assets	2	954	78,390	978	74,123
	Deferred tax assets (net)		79,331	65,18,628	45,700	34,63,603
	Advance tax (net)		37,352	30,69,214	1,83,724	1,39,24,442
	Other Non-current assets	3	27,189	22,34,120	24,062	18,23,659
			4,65,313	3,82,34,769	6,84,226	5,18,57,489
(2)	**Current assets**					
	Financial assets					
	(i) Trade receivables	4	5,22,401	4,29,25,690	4,61,773	3,49,97,776
	(ii) Cash and cash equivalents	5	1,23,256	1,01,27,946	2,16,035	1,63,73,293
	(iii) Other financial assets	6	3,692	3,03,372	3,881	2,94,141
	Other Current assets	7	92,950	76,37,701	3,86,703	2,93,08,220
			7,42,299	6,09,94,709	10,68,392	8,09,73,430
	TOTAL ASSETS		12,07,612	9,92,29,478	17,52,618	13,28,30,919
(B)	**EQUITY AND LIABILITIES**					
(1)	**Equity**					
	Equity share capital	8	7,28,437	5,98,55,668	7,28,437	5,52,08,240
	Other equity	9	(5,44,004)	(4,47,00,810)	(5,01,679)	(3,80,22,250)
	Total Equity		1,84,433	1,51,54,858	2,26,758	1,71,85,990
(2)	**Current liabilities**					
	Financial liabilities					
	(i) Borrowings	10	4,93,024	4,05,11,782	7,71,350	5,84,60,617
	(ii) Trade payables	11	5,07,308	4,16,85,501	7,14,674	5,41,65,141
	(iii) Other financial liabilities	12	16,283	13,37,974	31,430	23,82,080
	Other current liabilities	13	5,563	4,57,111	7,061	5,35,153
	Provisions	14	1,001	82,252	1,345	1,01,938
			10,23,179	8,40,74,620	15,25,860	11,56,44,929
	TOTAL EQUITY AND LIABILITIES		12,07,612	9,92,29,478	17,52,618	13,28,30,919

*Exchange rate as at 31 March 2023 1 USD = INR 82.17 (as at 31 March 2022 1 USD = INR 75.79)

Tata Communications (Poland) Sp. Z o.o.

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2023

	Particulars	Note No.	Current year 2022-23		Previous year 2021-22	
			USD	INR*	USD	INR*
i	Revenue from operations		19,33,421	15,88,69,204	27,41,523	20,77,80,028
ii	Other income	15	2,617	2,15,039	2,572	1,94,932
iii	Total income (i + ii)		19,36,038	15,90,84,243	27,44,095	20,79,74,960
iv	Expenses:					
	Network and transmission expenses	16	13,43,227	11,03,72,963	22,03,404	16,69,95,989
	Employee benefits expenses	17	44,707	36,73,574	52,828	40,03,834
	Finance costs	18	16,672	13,69,938	38,676	29,31,254
	Depreciation and amortisation expenses		1,59,656	1,31,18,934	1,51,270	1,14,64,753
	Operating and other expenses	19	3,65,647	3,00,45,215	3,20,652	2,43,02,215
	Total expenses		19,29,909	15,85,80,624	27,66,830	20,96,98,045
v	Profit before exceptional items and taxes (iii - iv)		6,129	5,03,619	(22,735)	(17,23,085)
vi	Exceptional items:					
	Staff cost optimisation		-	-	14,017	10,62,348
vii	Profit before taxes (v - vi)		6,129	5,03,619	(8,718)	(6,60,737)
viii	Tax expenses					
	(i) Current tax expense/(benefit)		82,086	67,45,807	34,608	26,22,940
	(ii) Deferred tax expense/(benefit)		(33,632)	(27,63,541)	(2,283)	(1,73,029)
	Net tax expenses		48,454	39,81,466	32,325	24,49,911
ix	Profit / (loss) for the year (vii-viii)		(42,325)	(34,77,847)	(41,043)	(31,10,648)

*Exchange rate as at 31 March 2023 1 USD = INR 82.17 (as at 31 March 2022 1 USD = INR 75.79)

Tata Communications (Poland) Sp. Z o.o.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1 Property, plant and equipment

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Gross block:				
Plant and machinery	**15,91,995**	**13,08,14,229**	14,69,933	11,14,06,222
(a)	**15,91,995**	**13,08,14,229**	14,69,933	11,14,06,222
Accumulated depreciation:				
Plant and machinery	**12,81,364**	**10,52,89,680**	10,65,648	8,07,65,462
(b)	**12,81,364**	**10,52,89,680**	10,65,648	8,07,65,462
Net block (a) - (b)	**3,10,631**	**2,55,24,549**	4,04,285	3,06,40,760

2 Non-current assets - financial assets - other financial assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Vendor deposits	**954**	**78,390**	978	74,123
Total	**954**	**78,390**	978	74,123

3 Non-current assets - others

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Prepaid expenses	**27,189**	**22,34,120**	24,062	18,23,659
Total	**27,189**	**22,34,120**	24,062	18,23,659

4 Trade receivables

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Trade receivables	**3,46,006**	**2,84,31,313**	3,64,392	2,76,17,270
Intercompany receivables (Net)	**2,53,707**	**2,08,47,104**	1,80,834	1,37,05,409
Provision for doubtful debts	**(77,312)**	**(63,52,727)**	(83,453)	(63,24,903)
Total	**5,22,401**	**4,29,25,690**	4,61,773	3,49,97,776

5 Cash and cash equivalents

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Balance with bank	**1,23,256**	**1,01,27,946**	2,16,035	1,63,73,293
Total	**1,23,256**	**1,01,27,946**	2,16,035	1,63,73,293

6 Current assets - other financial assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Others	**3,692**	**3,03,372**	3,881	2,94,141
Total	**3,692**	**3,03,372**	3,881	2,94,141

7 Current assets - other assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Prepaid expenses	**23,013**	**18,90,978**	28,370	21,50,162
Indirect tax receivable	**69,937**	**57,46,723**	3,58,333	2,71,58,058
Total	**92,950**	**76,37,701**	3,86,703	2,93,08,220

8 Equity share capital

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Equity share capital	**7,28,437**	**5,98,55,668**	7,28,437	5,52,08,240
Total	**7,28,437**	**5,98,55,668**	7,28,437	5,52,08,240

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

9 Other Equity

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Surplus / (Deficit)				
Opening balance	**(5,01,679)**	**(4,12,22,963)**	(4,60,636)	(3,49,11,602)
Profit / (loss) for the year	**(42,325)**	**(34,77,847)**	(41,043)	(31,10,648)
Total	**(5,44,004)**	**(4,47,00,810)**	(5,01,679)	(3,80,22,250)

10 Current liabilities - borrowings

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Inter company loans taken (Net)	**4,93,024**	**4,05,11,782**	7,71,350	5,84,60,617
Total	**4,93,024**	**4,05,11,782**	7,71,350	5,84,60,617

11 Current liabilities - Trade payables

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Trade payable	**5,07,308**	**4,16,85,501**	7,14,674	5,41,65,141
Total	**5,07,308**	**4,16,85,501**	7,14,674	5,41,65,141

12 Current liabilities - other financial liabilities

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Deposit from customers and contractors	**13,078**	**10,74,619**	13,362	10,12,706
Interest accrued but not due on Inter Co. loan (Net)	**3,205**	**2,63,355**	18,068	13,69,374
Total	**16,283**	**13,37,974**	31,430	23,82,080

13 Current liabilities - other current liabilities

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Deferred revenue and advance from customers	231	18,981	2,474	1,87,504
Other Employee dues	5,332	4,38,130	4,587	3,47,649
Total	5,563	4,57,111	7,061	5,35,153

14 Current liabilities - provisons

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Leave entitlement	1,001	82,252	1,345	1,01,938
Total	1,001	82,252	1,345	1,01,938

15 Other income

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Interest on loan to subsidiaries	123	10,107	-	-
Profit on sale of fixed assets	-	-	2	152
Miscellaneous income	2,494	2,04,932	2,570	1,94,780
Total	2,617	2,15,039	2,572	1,94,932

16 Network and transmission expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Charges for use of transmission facilities	13,43,227	11,03,72,963	22,03,404	16,69,95,989
Total	13,43,227	11,03,72,963	22,03,404	16,69,95,989

17 Employee benefit expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Salaries, bonus and allowances	44,171	36,29,531	51,885	39,32,364
Staff welfare expenses	536	44,043	943	71,470
Total	44,707	36,73,574	52,828	40,03,834

18 Finance costs

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Interest expenses	308	25,308	141	10,686
Interest on inter companies loan	16,364	13,44,630	34,291	25,98,915
Guarantee fees	-	-	4,244	3,21,653
Total	16,672	13,69,938	38,676	29,31,254

19 Operating and other expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Auditors remuneration	39,092	32,12,190	32,500	24,63,175
Communication expenses	859	70,584	4,042	3,06,343
Electricity	1,174	96,468	793	60,101
Exchange loss -Net	24,461	20,09,960	4,906	3,71,826
Insurance expenses	2,503	2,05,672	2,432	1,84,321
Legal and professional fees	1,52,431	1,25,25,255	1,67,039	1,26,59,886
Miscellaneous expenses	16,911	13,89,577	9,141	6,92,796
Printing and stationery	27	2,219	45	3,411
Provision for doubtful debts	(6,141)	(5,04,606)	(46,652)	(35,35,755)
Rates and Taxes	1,763	1,44,866	1,705	1,29,222
Rent	8,167	6,71,082	12,343	9,35,476
Repairs and Maintenance - Plant & Machinery	1,14,250	93,87,923	1,22,435	92,79,349
Repairs and Maintenance -Building	-	-	904	68,514
Security charges	-	-	175	13,263
Services rendered by agencies	9,667	7,94,337	8,762	6,64,072
Travelling and conveyance expenses	483	39,688	82	6,215
Total	3,65,647	3,00,45,215	3,20,652	2,43,02,215

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APPENDIX - 15

ACCOUNTANT'S REPORT ON COMPILATION OF UNAUDITED FINANCIAL STATEMENTS

To
The Board of Directors
Tata Communications Limited

On the basis of the trial balance and explanations provided to us by the management, we have compiled the balance sheet of **Tata Communications Services (International) Pte Ltd** ("the subsidiary") registered in Singapore as at 31 March 2023 and the related statement of profit and loss for the year then ended, attached herewith.

We performed this compilation engagement in accordance with the Standard on Related Services 4410 (Revised), Compilation Engagements, issued by the Institute of Chartered Accountants of India.

We have applied our expertise in accounting and financial reporting to assist you in preparation of these financial information. We have complied with relevant ethical requirements.

The management of the subsidiary is responsible for:

a) These financial information and the accuracy and completeness of the information used to compile them.

b) Maintaining adequate accounting and other records and internal controls and selecting and applying appropriate accounting policies;

c) Preparation and presentation of financial statements in accordance with the applicable laws and regulations;

d) Establishing controls to safeguard the assets of the entity and preventing and detecting frauds or other irregularities;

e) Establishing controls for ensuring that the activities of the entity are carried out in accordance with the applicable laws and regulations and preventing and detecting any non-compliance.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information provided to us by management to compile the balance sheet and the related statement of profit and loss. Accordingly, we do not express an audit opinion or a review conclusion on whether the financial information are prepared in accordance with an accounting principal generally accepted in India.

Registered Office
208-209, Technocrats Knowledge Park, Mahakali Caves Road
Andheri (E), Mumbai - 400 093. India. T +91 (22) 6761 5565

This balance sheet and the related statement of profit and loss has been compiled by us only for the purpose of preparation of statement pursuant to Section 129(3) of the Companies Act, 2013, based on trial balance and explanations provided by the management. Accordingly these financial information may not suitable for other purposes.

FOR SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
Firm's Reg. No. 121750W/W100010

(Rahul Bhansali)
PARTNER
Membership No. 126549

Place Mumbai
Date: 19 April 2023

Tata Communications Services (International) Pte Ltd

BALANCE SHEET AS AT 31 MARCH 2023

	Particulars	Note No.	As at 31 March 2023		As at 31 March 2022	
			USD	INR*	USD	INR*
(A)	**ASSETS**					
(1)	**Non-current assets**					
	Property, plant and equipment	1	12,79,735	10,51,55,824	17,85,500	13,53,23,044
	Capital work-in-progress		74,052	60,84,853	1,68,228	1,27,50,000
	Other Intangible assets	2	1,01,864	83,70,164	1,41,295	1,07,08,748
	Financial assets					
	(i) Loans	3	28,65,079	23,54,23,541	25,27,920	19,15,91,057
	Advance tax (net)		31,329	25,74,304	-	-
	Other Non-current assets	4	79,501	65,32,597	1,60,067	1,21,31,478
			44,31,560	36,41,41,283	47,83,010	36,25,04,327
(2)	**Current assets**					
	Financial assets					
	(i) Trade receivables	5	10,29,101	8,45,61,229	5,85,651	4,43,86,489
	(ii) Cash and cash equivalents	6	11,492	9,44,298	9,508	7,20,611
	(iii) Other financial assets	7	56,163	46,14,914	26,695	20,23,214
	Other Current assets	8	2,39,510	1,96,80,537	1,65,364	1,25,32,938
			13,36,266	10,98,00,978	7,87,218	5,96,63,252
	TOTAL ASSETS		57,67,826	47,39,42,261	55,70,228	42,21,67,579
(B)	**EQUITY AND LIABILITIES**					
(1)	**Equity**					
	Equity share capital	9	3,44,869	2,83,37,886	3,44,869	2,61,37,622
	Other equity	10	50,19,687	41,24,67,683	46,15,980	34,98,45,125
	Total Equity		53,64,556	44,08,05,569	49,60,849	37,59,82,747
(2)	**Current liabilities**					
	Financial liabilities					
	(i) Trade payables	11	1,81,145	1,48,84,681	3,35,454	2,54,24,056
	Other current liabilities	12	2,22,125	1,82,52,011	2,34,462	1,77,69,875
	Current tax liability (Net)		-	-	39,463	29,90,901
			4,03,270	3,31,36,692	6,09,379	4,61,84,832
	TOTAL EQUITY AND LIABILITIES		57,67,826	47,39,42,261	55,70,228	42,21,67,579

*Exchange rate as at 31 March 2023 1 USD = INR 82.17 (as at 31 March 2022 1 USD = INR 75.79)

Tata Communications Services (International) Pte Ltd

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2023

	Particulars	Note No.	Current year 2022-23		Previous year 2021-22	
			USD	INR*	USD	INR*
i	Revenue from operations		23,75,098	19,51,61,803	30,95,647	23,46,19,086
ii	Other income	13	1,86,948	1,53,61,517	41,194	31,22,094
iii	Total income (i + ii)		25,62,046	21,05,23,320	31,36,841	23,77,41,180
iv	Expenses:					
	Network and transmission expenses	14	19	1,561	7,717	5,84,871
	Employee benefits expenses	15	61,084	50,19,272	-	-
	Finance costs	16	-	-	3,763	2,85,198
	Depreciation and amortisation expenses		8,04,374	6,60,95,412	9,28,723	7,03,87,916
	Operating and other expenses	17	9,94,375	8,17,07,792	14,54,895	11,02,66,492
	Total expenses		18,59,852	15,28,24,037	23,95,098	18,15,24,477
v	Profit before taxes (iii - iv)		7,02,194	5,76,99,283	7,41,743	5,62,16,703
vi	Tax expenses					
	(i) Current tax expense/(benefit)		2,98,487	2,45,26,677	1,76,791	1,33,98,990
	(ii) Deferred tax expense/(benefit)		-	-	-	-
	Net tax expenses		2,98,487	2,45,26,677	1,76,791	1,33,98,990
vii	Profit / (loss) for the year (v-vi)		4,03,707	3,31,72,606	5,64,952	4,28,17,713

*Exchange rate as at 31 March 2023 1 USD = INR 82.17 (as at 31 March 2022 1 USD = INR 75.79)

Tata Communications Services (International) Pte Ltd

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1 Property, plant and equipment

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Gross block:				
Lease hold improvement	**33,020**	**27,13,253**	33,020	25,02,586
Plant and machinery	**74,23,042**	**60,99,51,361**	74,13,351	56,18,57,872
Computers	**98,360**	**80,82,241**	98,360	74,54,704
Office equipment	**34,684**	**28,49,984**	34,684	26,28,700
(a)	**75,89,106**	**62,35,96,839**	75,79,415	57,44,43,862
Accumulated depreciation:				
Lease hold improvement	**33,020**	**27,13,253**	33,020	25,02,586
Plant and machinery	**61,53,687**	**50,56,48,461**	56,44,619	42,78,05,674
Computers	**98,360**	**80,82,241**	98,360	74,54,704
Office equipment	**24,304**	**19,97,060**	17,916	13,57,854
(b)	**63,09,371**	**51,84,41,015**	57,93,915	43,91,20,818
Net block (a) - (b)	**12,79,735**	**10,51,55,824**	17,85,500	13,53,23,044

2 Other Intangible assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Gross block:				
Computer software	**2,22,238**	**1,82,61,296**	2,22,238	1,68,43,418
(a)	**2,22,238**	**1,82,61,296**	2,22,238	1,68,43,418
Accumulated amortisation:				
Computer software	**1,20,374**	**98,91,132**	80,943	61,34,670
(b)	**1,20,374**	**98,91,132**	80,943	61,34,670
Net block (a) - (b)	**1,01,864**	**83,70,164**	1,41,295	1,07,08,748

3 Non-current assets - financial assets - loans

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Inter company loans given (Net)	**28,65,079**	**23,54,23,541**	25,27,920	19,15,91,057
Total	**28,65,079**	**23,54,23,541**	25,27,920	19,15,91,057

4 Non-current assets - others

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Prepaid expenses	**79,501**	**65,32,597**	1,60,067	1,21,31,478
Total	**79,501**	**65,32,597**	1,60,067	1,21,31,478

5 Trade receivables

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Trade receivables	**19,211**	**15,78,568**	1,812	1,37,331
Intercompany receivables (Net)	**10,09,890**	**8,29,82,661**	5,83,839	4,42,49,158
Total	**10,29,101**	**8,45,61,229**	5,85,651	4,43,86,489

6 Cash and cash equivalents

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Balance with bank	**11,492**	**9,44,298**	9,508	7,20,611
Total	**11,492**	**9,44,298**	9,508	7,20,611

7 Current assets - other financial assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Interest Receivable on Inter Co. Loan (Net)	**56,163**	**46,14,914**	26,695	20,23,214
Total	**56,163**	**46,14,914**	26,695	20,23,214

8 Current assets - other assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Advances to employees	8,169	6,71,247	-	-
Prepaid expenses	1,26,749	1,04,14,965	1,65,364	1,25,32,938
Indirect tax receivable	48,380	39,75,385	-	-
Others	56,212	46,18,940	-	-
Total	**2,39,510**	**1,96,80,537**	1,65,364	1,25,32,938

9 Equity share capital

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Equity share capital	3,44,869	2,83,37,886	3,44,869	2,61,37,622
Total	**3,44,869**	**2,83,37,886**	3,44,869	2,61,37,622

10 Other Equity

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Surplus / (Deficit)				
Opening balance	46,15,980	37,92,95,077	40,51,028	30,70,27,412
Profit / (loss) for the year	4,03,707	3,31,72,606	5,64,952	4,28,17,713
Total	**50,19,687**	**41,24,67,683**	46,15,980	34,98,45,125

11 Current liabilities - Trade payables

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Trade payable	1,81,145	1,48,84,681	3,35,454	2,54,24,056
Total	**1,81,145**	**1,48,84,681**	3,35,454	2,54,24,056

12 Current liabilities - other current liabilities

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Other Employee dues	1,94,443	1,59,77,381	2,15,591	1,63,39,642
Other Statutory dues	27,682	22,74,630	18,871	14,30,233
Total	2,22,125	1,82,52,011	2,34,462	1,77,69,875

13 Other income

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Interest on loan to subsidiaries	1,05,249	86,48,310	40,910	31,00,569
Profit on sale of fixed assets	-	-	11	834
Exchange gain -Net	39,924	32,80,555	-	-
Miscellaneous income	41,775	34,32,652	273	20,691
Total	1,86,948	1,53,61,517	41,194	31,22,094

14 Network and transmission expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Charges for use of transmission facilities	19	1,561	7,717	5,84,871
Total	19	1,561	7,717	5,84,871

15 Employee benefit expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Salaries, bonus and allowances	60,597	49,79,255	-	-
Staff welfare expenses	487	40,017	-	-
Total	61,084	50,19,272	-	-

16 Finance costs

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Interest on inter companies loan	-	-	1,949	1,47,715
Guarantee fees	-	-	1,814	1,37,483
Total	-	-	3,763	2,85,198

17 Operating and other expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Auditors remuneration	4,483	3,68,368	4,054	3,07,253
Communication expenses	2,220	1,82,417	1,533	1,16,186
Exchange loss -Net	-	-	1,21,637	92,18,868
IT consumables	(92)	(7,560)	-	-
Legal and professional fees	12,901	10,60,075	1,05,479	79,94,253
Miscellaneous expenses	(25,910)	(21,29,025)	2,63,938	2,00,03,861
Miscellaneous Expenses - Operating	(550)	(45,194)		-
Printing and stationery	3,939	3,23,668	-	-
Provision For Doubtful advances	189	15,530	-	-
Rates and Taxes	272	22,350	226	17,129
Recruitment expenses	10,800	8,87,436	-	-
Rent	9,841	8,08,635	-	-
Repairs and Maintenance - Plant & Machinery	1,56,912	1,28,93,459	2,68,244	2,03,30,213
Repairs and Maintenance -Building	875	71,899	-	-
Services rendered by agencies	7,92,672	6,51,33,858	6,89,784	5,22,78,729
Travelling and conveyance expenses	25,823	21,21,876	-	-
Total	9,94,375	8,17,07,792	14,54,895	11,02,66,492

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APPENDIX - 16

ACCOUNTANT'S REPORT ON COMPILATION OF UNAUDITED FINANCIAL STATEMENTS

To
The Board of Directors
Tata Communications Limited

On the basis of the trial balance and explanations provided to us by the management, we have compiled the balance sheet of **ITXC IP Holdings s.a.r.l** ("the subsidiary") registered in Luxembourg as at 31 March 2023 and the related statement of profit and loss for the year then ended, attached herewith.

We performed this compilation engagement in accordance with the Standard on Related Services 4410 (Revised), Compilation Engagements, issued by the Institute of Chartered Accountants of India.

We have applied our expertise in accounting and financial reporting to assist you in preparation of these financial information. We have complied with relevant ethical requirements.

The management of the subsidiary is responsible for:

a) These financial information and the accuracy and completeness of the information used to compile them.

b) Maintaining adequate accounting and other records and internal controls and selecting and applying appropriate accounting policies;

c) Preparation and presentation of financial statements in accordance with the applicable laws and regulations;

d) Establishing controls to safeguard the assets of the entity and preventing and detecting frauds or other irregularities;

e) Establishing controls for ensuring that the activities of the entity are carried out in accordance with the applicable laws and regulations and preventing and detecting any non-compliance.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information provided to us by management to compile the balance sheet and the related statement of profit and loss. Accordingly, we do not express an audit opinion or a review conclusion on whether the financial information are prepared in accordance with an accounting principal generally accepted in India.

SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
MUMBAI

Registered Office:
[illegible]

This balance sheet and the related statement of profit and loss has been compiled by us only for the purpose of preparation of statement pursuant to Section 129(3) of the Companies Act, 2013, based on trial balance and explanations provided by the management. Accordingly these financial information may not suitable for other purposes.

FOR SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
Firm's Reg. No. 121750W / W-100010

(Rahul Bhansali)
PARTNER
Membership No. 126549

Place Mumbai
Date: 19 April 2023

ITXC IP Holdings s.a.r.l

BALANCE SHEET AS AT 31 MARCH 2023

	Particulars	Note No.	As at 31 March 2023		As at 31 March 2022	
			USD	INR*	USD	INR*
(A)	**ASSETS**					
(1)	**Non-current assets**					
	Property, plant and equipment	1	51,899	42,64,541	69,082	52,35,725
	Financial assets					
	(i) Loans	2	13,76,987	11,31,47,022	1,12,69,287	85,40,99,262
	Other Non-current assets	3	211	17,338	1,058	80,186
			14,29,097	11,74,28,901	1,13,39,427	85,94,15,173
(2)	**Current assets**					
	Financial assets					
	(i) Trade receivables	4	3,146	2,58,507	2,27,886	1,72,71,480
	(ii) Other financial assets	5	3,11,059	2,55,59,718	1,92,837	1,46,15,116
	Other Current assets	6	52,546	43,17,705	6,828	5,17,494
			3,66,751	3,01,35,930	4,27,551	3,24,04,090
	TOTAL ASSETS		17,95,848	14,75,64,831	1,17,66,978	89,18,19,263
(B)	**EQUITY AND LIABILITIES**					
(1)	**Equity**					
	Equity share capital	7	16,247	13,35,016	16,247	12,31,360
	Other equity	8	6,74,749	5,54,44,124	1,39,083	1,05,41,101
	Total Equity		6,90,996	5,67,79,140	1,55,330	1,17,72,461
(2)	**Current liabilities**					
	Financial liabilities					
	(i) Borrowings	9	-	-	1,14,82,089	87,02,27,525
	(ii) Trade payables	10	8,87,529	7,29,28,260	53,079	40,22,858
	Other current liabilities	11	79,827	65,59,385	372	28,194
	Current tax liability (Net)		1,37,496	1,12,98,046	76,108	57,68,225
			11,04,852	9,07,85,691	1,16,11,648	88,00,46,802
	TOTAL EQUITY AND LIABILITIES		17,95,848	14,75,64,831	1,17,66,978	89,18,19,263

*Exchange rate as at 31 March 2023 1 USD = INR 82.17 (as at 31 March 2022 1 USD = INR 75.79)

ITXC IP Holdings s.a.r.l

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2023

	Particulars	Note No.	Current year 2022-23		Previous year 2021-22	
			USD	INR*	USD	INR*
i	Revenue from operations		10,05,141	8,25,92,436	10,17,471	7,71,14,127
ii	Other Income	12	16,51,240	13,56,82,391	8,03,716	6,09,13,636
iii	Total income (i + ii)		26,56,381	21,82,74,827	18,21,187	13,80,27,763
iv	Expenses:					
	Network and transmission expenses	13	3,55,063	2,91,75,527	7,50,689	5,68,94,719
	Employee benefits expenses	14	319	26,212	-	-
	Finance costs	15	10,50,005	8,62,78,911	-	-
	Depreciation and amortisation expenses		17,183	14,11,927	23,407	17,74,017
	Operating and other expenses	16	6,31,682	5,19,05,311	2,41,486	1,83,02,224
	Total expenses		20,54,252	16,87,97,888	10,15,582	7,69,70,960
v	Profit before taxes (iii- iv)		6,02,129	4,94,76,939	8,05,605	6,10,56,803
vi	Tax expenses					
	(i) Current tax expense/(benefit)		66,463	54,61,265	6,276	4,75,658
	(ii) Deferred tax expense/(benefit)		-	-	-	-
	Net tax expenses		66,463	54,61,265	6,276	4,75,658
vii	Profit / (loss) for the year (v-vi)		5,35,666	4,40,15,674	7,99,329	6,05,81,145

*Exchange rate as at 31 March 2023 1 USD = INR 82.17 (as at 31 March 2022 1 USD = INR 75.79)

ITXC IP Holdings s.a.r.l

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1 Property, plant and equipment

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Gross block:				
Plant and machinery	**1,78,556**	**1,46,71,947**	1,78,556	1,35,32,759
(a)	**1,78,556**	**1,46,71,947**	1,78,556	1,35,32,759
Accumulated depreciation:				
Plant and machinery	**1,26,657**	**1,04,07,406**	1,09,474	82,97,034
(b)	**1,26,657**	**1,04,07,406**	1,09,474	82,97,034
Net block (a) - (b)	**51,899**	**42,64,541**	69,082	52,35,725

2 Non-current assets - financial assets - loans

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Inter company loans given (Net)	**13,76,987**	**11,31,47,022**	1,12,69,287	85,40,99,262
Total	**13,76,987**	**11,31,47,022**	1,12,69,287	85,40,99,262

3 Non-current assets - others

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Prepaid expenses	**211**	**17,338**	1,058	80,186
Total	**211**	**17,338**	1,058	80,186

4 Trade receivables

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Trade receivables	3,146	2,58,507	19,410	14,71,084
Intercompany receivables (Net)	-	-	2,08,476	1,58,00,396
Total	3,146	2,58,507	2,27,886	1,72,71,480

5 Current assets - other financial assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Interest Receivable on Inter Co. Loan (Net)	3,11,059	2,55,59,718	1,92,837	1,46,15,116
Total	3,11,059	2,55,59,718	1,92,837	1,46,15,116

6 Current assets - other assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Prepaid expenses	2,743	2,25,392	1,623	1,23,007
Indirect tax receivable	49,803	40,92,313	5,205	3,94,487
Total	52,546	43,17,705	6,828	5,17,494

7 Equity share capital

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Equity share capital	16,247	13,35,016	16,247	12,31,360
Total	16,247	13,35,016	16,247	12,31,360

8 Other Equity

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Surplus / (Deficit)				
Opening balance	**1,39,083**	**1,14,28,450**	(6,60,246)	(5,00,40,044)
Profit / (loss) for the year	**5,35,666**	**4,40,15,674**	7,99,329	6,05,81,145
Total	**6,74,749**	**5,54,44,124**	1,39,083	1,05,41,101

9 Current liabilities - borrowings

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Inter company loans taken (Net)	-	-	1,14,82,089	87,02,27,525
Total	-	-	1,14,82,089	87,02,27,525

10 Current liabilities - Trade payables

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Trade payable	**1,02,376**	**84,12,238**	53,079	40,22,858
Inter Company - Payables (Net)	**7,85,153**	**6,45,16,022**	-	-
Total	**8,87,529**	**7,29,28,260**	53,079	40,22,858

11 Current liabilities - other current liabilities

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Deferred revenue and advance from customers	**1,711**	**1,40,593**	372	28,194
Other Employee dues	**78,116**	**64,18,792**	-	-
Total	**79,827**	**65,59,385**	372	28,194

12 Other income

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Interest on loan to subsidiaries	5,95,000	4,88,91,150	8,03,716	6,09,13,636
Miscellaneous income	10,56,240	8,67,91,241	-	-
Total	16,51,240	13,56,82,391	8,03,716	6,09,13,636

13 Network and transmission expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Charges for use of transmission facilities	3,55,063	2,91,75,527	7,50,689	5,68,94,719
Total	3,55,063	2,91,75,527	7,50,689	5,68,94,719

14 Employee benefit expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Staff welfare expenses	319	26,212	-	-
Total	319	26,212	-	-

15 Finance costs

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Interest on inter companies loan	10,50,005	8,62,78,911	-	-
Total	10,50,005	8,62,78,911	-	-

16 Operating and other expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Auditors remuneration	289	23,747	344	26,072
Communication expenses	1,569	1,28,925	29	2,198
Electricity	7,950	6,53,252	8,788	6,66,043
Exchange loss -Net	1,88,054	1,54,52,397	1,73,632	1,31,59,569
Insurance expenses	1,117	91,784	839	63,588
Legal and professional fees	2,45,011	2,01,32,554	54,870	41,58,597
Miscellaneous expenses	886	72,803	675	51,158
Provision for doubtful debts	-	-	(340)	(25,769)
Rates and Taxes	1,106	90,880	744	56,388
Repairs and Maintenance - Plant & Machinery	1,750	1,43,798	634	48,051
Services rendered by agencies	1,75,085	1,43,86,734	1,271	96,329
Travelling and conveyance expenses	8,865	7,28,437	-	-
Total	6,31,682	5,19,05,311	2,41,486	1,83,02,224

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APPENDIX - 17

ACCOUNTANT'S REPORT ON COMPILATION OF UNAUDITED FINANCIAL STATEMENTS

To
The Board of Directors
Tata Communications Limited

On the basis of the trial balance and explanations provided to us by the management, we have compiled the balance sheet of **Tata Communications (Netherlands) B.V.** ("the subsidiary") registered in Netherlands as at 31 March 2023 and the related statement of profit and loss for the year then ended, attached herewith.

We performed this compilation engagement in accordance with the Standard on Related Services 4410 (Revised), Compilation Engagements, issued by the Institute of Chartered Accountants of India.

We have applied our expertise in accounting and financial reporting to assist you in preparation of these financial information. We have complied with relevant ethical requirements.

The management of the subsidiary is responsible for:

a) These financial information and the accuracy and completeness of the information used to compile them.

b) Maintaining adequate accounting and other records and internal controls and selecting and applying appropriate accounting policies;

c) Preparation and presentation of financial statements in accordance with the applicable laws and regulations;

d) Establishing controls to safeguard the assets of the entity and preventing and detecting frauds or other irregularities;

e) Establishing controls for ensuring that the activities of the entity are carried out in accordance with the applicable laws and regulations and preventing and detecting any non-compliance.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information provided to us by management to compile the balance sheet and the related statement of profit and loss. Accordingly, we do not express an audit opinion or a review conclusion on whether the financial information are prepared in accordance with an accounting principal generally accepted in India.

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Andheri (E), Mumbai - 400 093. India. T +91 (22) 2287 6776

This balance sheet and the related statement of profit and loss has been compiled by us only for the purpose of preparation of statement pursuant to Section 129(3) of the Companies Act, 2013, based on trial balance and explanations provided by the management. Accordingly these financial information may not suitable for other purposes.

FOR SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
Firm's Reg. No. 121750W/W100010

(Rahul Bhansali)
PARTNER
Membership No. 126549

Place Mumbai
Date: 19 April 2023

Tata Communications (Netherlands) B.V.

BALANCE SHEET AS AT 31 MARCH 2023

	Particulars	Note No.	As at 31 March 2023		As at 31 March 2022	
			USD	INR*	USD	INR*
(A)	**ASSETS**					
(1)	**Non-current assets**					
	Property, plant and equipment	1	25,29,840	20,78,76,953	25,80,979	19,56,12,399
	Capital work-in-progress		4,13,067	3,39,41,715	4,19,580	3,17,99,968
	Right-of-use assets		1,03,936	85,40,421	1,16,276	88,12,558
	Other Intangible assets	2	20,77,635	17,07,19,268	7,03,086	5,32,86,888
	Intangible assets under development		-	-	8,71,933	6,60,83,802
	Investments in subsidiaries & associates	3	32,98,56,181	27,10,42,82,392	32,98,56,181	24,99,97,99,958
	Financial assets					
	(i) Loans	4	42,47,43,480	34,90,11,71,752	50,84,33,162	38,53,41,49,348
	(ii) Other financial assets	5	2,02,104	1,66,06,885	453	34,333
	Deferred tax assets (net)		-	-	81,008	61,39,596
	Advance tax (net)		5,72,681	4,70,57,198	2,39,202	1,81,29,120
	Other Non-current assets	6	11,12,971	9,14,52,827	16,22,312	12,29,55,026
			76,16,11,895	62,58,16,49,411	84,49,24,172	64,03,68,02,996
(2)	**Current assets**					
	Financial assets					
	(i) Trade receivables	7	32,94,870	27,07,39,467	30,88,247	23,40,58,240
	(ii) Cash and cash equivalents	8	33,60,615	27,61,41,735	10,45,427	7,92,32,912
	(iii) Other financial assets	9	1,77,03,305	1,45,46,80,571	97,96,624	74,24,86,132
	Other Current assets	10	10,21,575	8,39,42,818	15,23,095	11,54,35,370
			2,53,80,365	2,08,55,04,591	1,54,53,393	1,17,12,12,654
	TOTAL ASSETS		78,69,92,260	64,66,71,54,002	86,03,77,565	65,20,80,15,650
(B)	**EQUITY AND LIABILITIES**					
(1)	**Equity**					
	Equity share capital	11	17,98,00,561	14,77,42,12,097	17,98,00,561	13,62,70,84,518
	Other equity	12	(6,18,26,798)	(5,08,03,07,995)	(6,62,19,715)	(5,01,87,92,198)
	Total Equity		11,79,73,763	9,69,39,84,102	11,35,80,846	8,60,82,92,320
(2)	**Non-current liabilities**					
	Financial liabilities					
	(i) Borrowings	13	50,00,00,000	41,08,50,00,000	55,00,00,000	41,68,45,00,000
	(ia) Lease liabilities		64,156	52,71,699	88,353	66,96,274
	(ii) Other financial liabilities	14	15,88,116	13,04,95,492	-	-
	Provisions	15	95,687	78,62,601	44,462	33,69,775
	Deferred tax liabilities (Net)		5,56,740	4,57,47,326	-	-
	Other liabilities (Deferred revenue)		2,74,857	2,25,85,000	4,79,960	3,63,76,168
			50,25,79,556	41,29,69,62,118	55,06,12,775	41,73,09,42,217
(3)	**Current liabilities**					
	Financial liabilities					
	(i) Borrowings	16	15,00,00,000	12,32,55,00,000	16,31,96,963	12,36,86,97,826
	(ia) Lease liabilities		39,421	32,39,224	26,980	20,44,814
	(ii) Trade payables	17	1,48,16,357	1,21,74,60,055	3,06,05,318	2,31,95,77,049
	(iii) Other financial liabilities	18	4,73,497	3,89,07,248	20,06,738	15,20,90,673
	Other current liabilities	19	10,51,145	8,63,72,584	3,18,104	2,41,09,102
	Provisions	20	58,521	48,08,671	29,841	22,61,649
			16,64,38,941	13,67,62,87,782	19,61,83,944	14,86,87,81,113
	TOTAL EQUITY AND LIABILITIES		78,69,92,260	64,66,71,54,002	86,03,77,565	65,20,80,15,650

*Exchange rate as at 31 March 2023 1 USD = INR 82.17 (as at 31 March 2022 1 USD = INR 75.79)

Tata Communications (Netherlands) B.V.

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2023

	Particulars	Note No.	Current year 2022-23		Previous year 2021-22	
			USD	INR*	USD	INR*
i	Revenue from operations		22,81,16,352	18,74,43,20,644	24,79,45,273	18,79,17,72,241
ii	Other Income	21	4,76,71,709	3,91,71,84,328	3,08,37,394	2,33,71,66,092
iii	Total income (i + ii)		27,57,88,061	22,66,15,04,972	27,87,82,667	21,12,89,38,333
iv	Expenses:					
	Network and transmission expenses	22	21,04,22,903	17,29,04,49,940	23,11,93,388	17,52,21,46,877
	Employee benefits expenses	23	18,95,434	15,57,47,812	14,17,698	10,74,47,332
	Finance costs	24	4,53,03,574	3,72,25,94,675	3,03,49,757	2,30,02,08,083
	Depreciation and amortisation expenses		14,02,269	11,52,24,444	10,79,318	8,18,01,511
	Operating and other expenses	25	1,33,10,684	1,09,37,38,905	1,15,68,905	87,68,07,309
	Total expenses		27,23,34,864	22,37,77,55,776	27,56,09,066	20,88,84,11,112
v	Profit before exceptional items and taxes (iii - iv)		34,53,197	28,37,49,196	31,73,601	24,05,27,221
vi	Exceptional items:					
	Staff cost optimisation		-	-	29,787	22,57,557
	Impairment of investment		-	-	(59,495)	(45,09,126)
vii	Profit before taxes (v - vi)		34,53,197	28,37,49,196	31,43,893	23,82,75,652
viii	Tax expenses					
	(i) Current tax expense/(benefit)		8,94,422	7,34,94,656	11,75,721	8,91,07,895
	(ii) Deferred tax expense/(benefit)		-	-	(2,31,202)	(1,75,22,800)
	Net tax expenses		8,94,422	7,34,94,656	9,44,519	7,15,85,095
ix	Profit / (loss) for the year (vii-viii)		25,58,775	21,02,54,540	21,99,374	16,66,90,557

*Exchange rate as at 31 March 2023 1 USD = INR 82.17 (as at 31 March 2022 1 USD = INR 75.79)

Tata Communications (Netherlands) B.V.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1 Property, plant and equipment

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Gross block:				
Lease hold improvement	**5,147**	**4,22,929**	5,147	3,90,091
Cables	**7,00,576**	**5,75,66,330**	7,00,576	5,30,96,655
Plant and machinery	**81,01,546**	**66,57,04,035**	71,17,506	53,94,35,780
Furniture and fixtures	**10,380**	**8,52,925**	10,380	7,86,700
Computers	**6,10,955**	**5,02,02,172**	7,45,210	5,64,79,466
Office equipment	**36,998**	**30,40,126**	36,998	28,04,078
(a)	**94,65,602**	**77,77,88,517**	86,15,817	65,29,92,770
Accumulated depreciation:				
Lease hold improvement	**5,147**	**4,22,929**	5,147	3,90,091
Cables	**3,93,861**	**3,23,63,558**	3,22,545	2,44,45,686
Plant and machinery	**61,00,515**	**50,12,79,318**	51,41,993	38,97,11,649
Furniture and fixtures	**10,380**	**8,52,925**	10,380	7,86,700
Computers	**3,89,534**	**3,20,08,009**	5,22,484	3,95,99,062
Office equipment	**36,325**	**29,84,825**	32,289	24,47,183
(b)	**69,35,762**	**56,99,11,564**	60,34,838	45,73,80,371
Net block (a) - (b)	**25,29,840**	**20,78,76,953**	25,80,979	19,56,12,399

2 Other Intangible assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Gross block:				
Computer software	**39,43,908**	**32,40,70,920**	19,55,261	14,81,89,231
(a)	**39,43,908**	**32,40,70,920**	19,55,261	14,81,89,231
Accumulated amortisation:				
Computer software	**18,66,273**	**15,33,51,652**	12,52,175	9,49,02,343
(b)	**18,66,273**	**15,33,51,652**	12,52,175	9,49,02,343
Net block (a) - (b)	**20,77,635**	**17,07,19,268**	7,03,086	5,32,86,888

3 Investments in subsidiaries & associates

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Investments in subsidiaries	33,45,66,420	27,49,13,22,731	33,45,66,420	25,35,67,88,972
Impairment of investment in subsidiaries	(47,10,239)	(38,70,40,339)	(47,10,239)	(35,69,89,014)
Total	32,98,56,181	27,10,42,82,392	32,98,56,181	24,99,97,99,958

4 Non-current assets - financial assets - loans

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Inter company loans given (Net)	42,47,43,480	34,90,11,71,752	50,84,33,162	38,53,41,49,348
Total	42,47,43,480	34,90,11,71,752	50,84,33,162	38,53,41,49,348

5 Non-current assets - financial assets - other financial assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Vendor deposits	444	36,483	453	34,333
MTM on IRS	2,01,660	1,65,70,402	-	-
Total	2,02,104	1,66,06,885	453	34,333

6 Non-current assets - others

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Prepaid expenses	11,12,971	9,14,52,827	16,22,047	12,29,34,942
Others	-	-	265	20,084
Total	11,12,971	9,14,52,827	16,22,312	12,29,55,026

7 Trade receivables

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Trade receivables	34,19,532	28,09,82,944	31,69,691	24,02,30,881
Provision for doubtful debts	(1,24,662)	(1,02,43,477)	(81,444)	(61,72,641)
Total	32,94,870	27,07,39,467	30,88,247	23,40,58,240

8 Cash and cash equivalents

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Balance with bank	33,60,615	27,61,41,735	10,45,427	7,92,32,912
Total	33,60,615	27,61,41,735	10,45,427	7,92,32,912

9 Current assets - other financial assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Security Deposit	8,202	6,73,958	-	-
Interest Receivable on Inter Co. Loan (Net)	1,41,31,653	1,16,11,97,927	97,83,331	74,14,78,656
MTM on IRS	35,44,366	29,12,40,554	-	-
Others	19,084	15,68,132	13,293	10,07,476
Total	1,77,03,305	1,45,46,80,571	97,96,624	74,24,86,132

10 Current assets - other assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Advances to Vendors / Suppliers	**18,000**	**14,79,060**	16,641	12,61,221
Advances to employees	**-**	**-**	8,553	6,48,232
Prepaid expenses	**7,75,143**	**6,36,93,500**	8,03,529	6,08,99,463
Indirect tax receivable	**2,26,857**	**1,86,40,840**	5,23,156	3,96,49,993
Others	**1,575**	**1,29,418**	1,71,216	1,29,76,461
Total	**10,21,575**	**8,39,42,818**	15,23,095	11,54,35,370

11 Equity share capital

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Equity share capital	**17,98,00,561**	**14,77,42,12,097**	17,98,00,561	13,62,70,84,518
Total	**17,98,00,561**	**14,77,42,12,097**	17,98,00,561	13,62,70,84,518

12 Other Equity

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Surplus / (Deficit)				
Opening balance	**(6,60,46,919)**	**(5,42,70,75,336)**	(6,82,46,293)	(5,17,23,86,546)
Profit / (loss) for the year	**25,58,775**	**21,02,54,540**	21,99,374	16,66,90,557
Closing balance	**(6,34,88,144)**	**(5,21,68,20,796)**	(6,60,46,919)	(5,00,56,95,989)
OCI - Reserves derivatives	**16,61,346**	**13,65,12,801**	(1,72,796)	(1,30,96,209)
Total	**(6,18,26,798)**	**(5,08,03,07,995)**	(6,62,19,715)	(5,01,87,92,198)

13 Non-current liabilities - borrowings

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Loan from banks	**50,00,00,000**	**41,08,50,00,000**	55,00,00,000	41,68,45,00,000
Total	**50,00,00,000**	**41,08,50,00,000**	55,00,00,000	41,68,45,00,000

14 Non-current liabilities - other financial liabilities

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Derivative liabilities	**15,88,116**	**13,04,95,492**	-	-
Total	**15,88,116**	**13,04,95,492**	-	-

15 Non-current liabilities - provisions

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Retention liability	**95,687**	**78,62,601**	44,462	33,69,775
Total	**95,687**	**78,62,601**	44,462	33,69,775

16 Current liabilities - borrowings

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Loan from bank	-	-	56,96,963	43,17,72,826
Current portion of long term loans	**15,00,00,000**	**12,32,55,00,000**	15,75,00,000	11,93,69,25,000
Total	**15,00,00,000**	**12,32,55,00,000**	16,31,96,963	12,36,86,97,826

17 Current liabilities - Trade payables

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Trade payable	**44,18,394**	**36,30,59,435**	48,29,203	36,60,05,293
Inter Company - Payables (Net)	**1,03,97,963**	**85,44,00,620**	2,57,76,115	1,95,35,71,756
Total	**1,48,16,357**	**1,21,74,60,055**	3,06,05,318	2,31,95,77,049

18 Current liabilities - other financial liabilities

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Deposit from customers and contractors	1,86,243	1,53,03,587	1,51,284	1,14,65,814
Interest accrued but not due -others	2,87,254	2,36,03,661	15,41,473	11,68,28,239
Derivative liabilities	-	-	3,13,981	2,37,96,620
Total	4,73,497	3,89,07,248	20,06,738	15,20,90,673

19 Current liabilities - other current liabilities

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Deferred revenue and advance from customers	5,87,208	4,82,50,881	1,82,666	1,38,44,256
Other Employee dues	2,94,214	2,41,75,564	1,35,438	1,02,64,846
Other Statutory dues	1,69,723	1,39,46,139	-	-
Total	10,51,145	8,63,72,584	3,18,104	2,41,09,102

20 Current liabilities - provisons

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Leave entitlement	58,521	48,08,671	29,841	22,61,649
Total	58,521	48,08,671	29,841	22,61,649

21 Other income

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Dividend income	-	-	51,544	39,06,520
Interest income - others	25,530	20,97,800	4	303
Interest on loan to subsidiaries	4,56,15,587	3,74,82,32,784	3,02,39,264	2,29,18,33,819
Profit on sale of fixed assets	-	-	2	152
Exchange gain -Net	15,55,743	12,78,35,402	-	-
Miscellaneous income	4,74,849	3,90,18,342	5,46,580	4,14,25,298
Total	**4,76,71,709**	**3,91,71,84,328**	3,08,37,394	2,33,71,66,092

22 Network and transmission expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Charges for use of transmission facilities	21,04,22,903	17,29,04,49,940	22,95,49,988	17,39,75,93,591
Rent of satellite channels	-	-	16,43,400	12,45,53,286
Total	**21,04,22,903**	**17,29,04,49,940**	23,11,93,388	17,52,21,46,877

23 Employee benefit expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Salaries, bonus and allowances	18,67,706	15,34,69,402	13,95,892	10,57,94,655
Staff welfare expenses	27,728	22,78,410	21,806	16,52,677
Total	**18,95,434**	**15,57,47,812**	14,17,698	10,74,47,332

24 Finance costs

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Interest expenses	2,68,84,866	2,20,91,29,439	2,29,43,477	1,73,88,86,122
Interest on inter companies loan	1,56,85,708	1,28,88,94,626	67,53,531	51,18,50,114
Guarantee fees	27,33,000	22,45,70,610	6,52,749	4,94,71,847
Total	**4,53,03,574**	**3,72,25,94,675**	3,03,49,757	2,30,02,08,083

25 Operating and other expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Advertising and publicity	1,980	1,62,697	8,983	6,80,822
Auditors remuneration	1,55,306	1,27,61,494	1,48,643	1,12,65,653
Communication expenses	19,158	15,74,213	18,703	14,17,500
Directors fees	7,523	6,18,165	-	-
Electricity	1,27,858	1,05,06,092	56,407	42,75,087
Entertainment expenses	663	54,479	13	985
Exchange loss -Net	-	-	24,55,327	18,60,89,233
Insurance expenses	14,970	12,30,085	13,606	10,31,199
IT consumables	1,599	1,31,390	206	15,613
Legal and professional fees	39,22,233	32,22,89,886	15,99,251	12,12,07,233
Miscellaneous expenses	2,68,637	2,20,73,902	94,951	71,96,336
Printing and stationery	1,452	1,19,311	4,104	3,11,042
Provision for doubtful debts	43,219	35,51,305	(90,612)	(68,67,483)
Provision For Doubtful advances	79	6,491	-	-
Rates and Taxes	35,925	29,51,957	32,903	24,93,718
Recruitment expenses	(22,824)	(18,75,448)	40,256	30,51,002
Relocation Expense	7,813	6,41,994	12,813	9,71,097
Rent	41,673	34,24,270	19,573	14,83,438
Repairs and Maintenance - Plant & Machinery	16,53,786	13,58,91,596	12,30,052	9,32,25,641
Repairs and Maintenance -Building	9,397	7,72,151	-	-
Security charges	-	-	322	24,404
Seminars, trainings and conferences	368	30,239	-	-
Services rendered by agencies	69,27,705	56,92,49,520	58,19,279	44,10,43,155
Bad debts written off	-	-	75,249	57,03,122
Travelling and conveyance expenses	92,164	75,73,116	28,876	21,88,512
Total	1,33,10,684	1,09,37,38,905	1,15,68,905	87,68,07,309

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APPENDIX - 18

ACCOUNTANT'S REPORT ON COMPILATION OF UNAUDITED FINANCIAL STATEMENTS

To
The Board of Directors
Tata Communications Limited

On the basis of the trial balance and explanations provided to us by the management, we have compiled the balance sheet of **VSNL SNOSPV Pte. Ltd.** ("the subsidiary") registered in Singapore as at 31 March 2023 and the related statement of profit and loss for the year then ended, attached herewith.

We performed this compilation engagement in accordance with the Standard on Related Services 4410 (Revised), Compilation Engagements, issued by the Institute of Chartered Accountants of India.

We have applied our expertise in accounting and financial reporting to assist you in preparation of these financial information. We have complied with relevant ethical requirements.

The management of the subsidiary is responsible for:

a) These financial information and the accuracy and completeness of the information used to compile them.

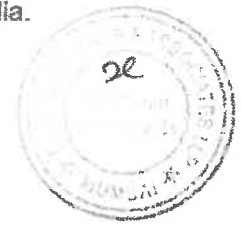
b) Maintaining adequate accounting and other records and internal controls and selecting and applying appropriate accounting policies;

c) Preparation and presentation of financial statements in accordance with the applicable laws and regulations;

d) Establishing controls to safeguard the assets of the entity and preventing and detecting frauds or other irregularities;

e) Establishing controls for ensuring that the activities of the entity are carried out in accordance with the applicable laws and regulations and preventing and detecting any non-compliance.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information provided to us by management to compile the balance sheet and the related statement of profit and loss. Accordingly, we do not express an audit opinion or a review conclusion on whether the financial information are prepared in accordance with an accounting principal generally accepted in India.



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This balance sheet and the related statement of profit and loss has been compiled by us only for the purpose of preparation of statement pursuant to Section 129(3) of the Companies Act, 2013, based on trial balance and explanations provided by the management. Accordingly these financial information may not suitable for other purposes.

FOR SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
Firm's Reg. No. 121750W /W100010

(Rahul Bhansali)
PARTNER
Membership No. 126549

Place Mumbai
Date: 19 April 2023

VSNL SNOSPV Pte. Ltd.

BALANCE SHEET AS AT 31 MARCH 2023

	Particulars	Note No.	As at 31 March 2023		As at 31 March 2022	
			USD	INR*	USD	INR*
(A)	ASSETS					
(1)	Non-current assets					
	Investments in subsidiaries & associates	1	-	-	-	-
	Financial assets					
	(i) Loans	2	-	-	-	-
			-	-	-	-
(2)	Current assets					
	Financial assets					
	(i) Cash and cash equivalents	3	3,100	2,54,727	4,786	3,62,731
	Other Current assets	4	2,332	1,91,620	543	41,154
			5,432	4,46,347	5,329	4,03,885
	TOTAL ASSETS		5,432	4,46,347	5,329	4,03,885
(B)	EQUITY AND LIABILITIES					
(1)	Equity					
	Equity share capital	5	2,54,49,333	2,09,11,71,693	2,54,49,333	1,92,88,04,948
	Other equity	6	(2,86,91,625)	(2,35,75,90,827)	(3,24,61,775)	(2,46,02,77,928)
	Total Equity		(32,42,292)	(26,64,19,134)	(70,12,442)	(53,14,72,980)
(2)	Current liabilities					
	Financial liabilities					
	(i) Borrowings	7	24,41,116	20,05,86,502	15,48,116	11,73,31,712
	(ii) Trade payables	8	8,06,608	6,62,78,979	54,69,655	41,45,45,153
			32,47,724	26,68,65,481	70,17,771	53,18,76,865
	TOTAL EQUITY AND LIABILITIES		5,432	4,46,347	5,329	4,03,885

*Exchange rate as at 31 March 2023 1 USD = INR 82.17 (as at 31 March 2022 1 USD = INR 75.79)

VSNL SNOSPV Pte. Ltd.

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2023

	Particulars	Note No.	Current year 2022-23		Previous year 2021-22	
			USD	INR*	USD	INR*
i	Revenue from operations		-	-	-	-
ii	Other Income		-	-	-	-
iii	Total income (i + ii)		-	-	-	-
iv	Expenses:					
	Finance costs	9	-	-	3,72,564	2,82,36,626
	Operating and other expenses	10	14,124	11,60,570	13,902	10,53,633
	Total expenses		14,124	11,60,570	3,86,466	2,92,90,259
v	Profit before exceptional items and taxes (iii - iv)		(14,124)	(11,60,570)	(3,86,466)	(2,92,90,259)
vi	Exceptional items:					
	Impairment of investment		-	-	14,177	10,74,475
	(Provision) / Reversal for litigation		37,84,274	31,09,53,795	(48,30,916)	(36,61,35,124)
vii	Profit before taxes (v - vi)		37,70,150	30,97,93,225	(52,03,205)	(39,43,50,908)
viii	Tax expenses					
	(i) Current tax expense/(benefit)		-	-	-	-
	(ii) Deferred tax expense/(benefit)		-	-	-	-
	Net tax expenses		-	-	-	-
ix	Profit / (loss) for the year (vii-viii)		37,70,150	30,97,93,225	(52,03,205)	(39,43,50,908)

*Exchange rate as at 31 March 2023 1 USD = INR 82.17 (as at 31 March 2022 1 USD = INR 75.79)

VSNL SNOSPV Pte. Ltd.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1 **Investments in subsidiaries & associates**

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Investments in subsidiaries	23,70,46,913	19,47,81,44,841	23,70,46,913	17,96,57,85,536
Impairment of investment in subsidiaries	(23,70,46,913)	(19,47,81,44,841)	(23,70,46,913)	(17,96,57,85,536)
Total	-	-	-	-

2 **Non-current assets - financial assets - loans**

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Inter company loans given (Net)	2,73,59,694	2,24,81,46,056	2,73,59,694	2,07,35,91,208
Allowances for loan receivables	(2,73,59,694)	(2,24,81,46,056)	(2,73,59,694)	(2,07,35,91,208)
Total	-	-	-	-

3 **Cash and cash equivalents**

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Balance with bank	3,100	2,54,727	4,786	3,62,731
Total	3,100	2,54,727	4,786	3,62,731

4 **Current assets - other assets**

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Prepaid expenses	1,225	1,00,658	-	-
Indirect tax receivable	1,107	90,962	543	41,154
Total	2,332	1,91,620	543	41,154

5 Equity share capital

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Equity share capital	**2,54,49,333**	**2,09,11,71,693**	2,54,49,333	1,92,88,04,948
Total	**2,54,49,333**	**2,09,11,71,693**	2,54,49,333	1,92,88,04,948

6 Other Equity

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Surplus / (Deficit)				
Opening balance	**(3,24,61,775)**	**(2,66,73,84,052)**	(2,72,58,570)	(2,06,59,27,020)
Profit / (loss) for the year	**37,70,150**	**30,97,93,225**	(52,03,205)	(39,43,50,908)
Total	**(2,86,91,625)**	**(2,35,75,90,827)**	(3,24,61,775)	(2,46,02,77,928)

7 Current liabilities - borrowings

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Inter company loans taken (Net)	**24,41,116**	**20,05,86,502**	15,48,116	11,73,31,712
Total	**24,41,116**	**20,05,86,502**	15,48,116	11,73,31,712

8 Current liabilities - Trade payables

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Trade payable	**8,914**	**7,32,463**	48,38,316	36,66,95,970
Inter Company - Payables (Net)	**7,97,694**	**6,55,46,516**	6,31,339	4,78,49,183
Total	**8,06,608**	**6,62,78,979**	54,69,655	41,45,45,153

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

9 Finance costs

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Guarantee fees	-	-	3,72,564	2,82,36,626
Total	-	-	3,72,564	2,82,36,626

10 Operating and other expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Auditors remuneration	2,874	2,36,157	2,245	1,70,149
Exchange loss -Net	3,041	2,49,879	219	16,598
Legal and professional fees	7,721	6,34,435	10,606	8,03,829
Miscellaneous expenses	488	40,099	832	63,057
Total	14,124	11,60,570	13,902	10,53,633

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APPENDIX - 19

ACCOUNTANT'S REPORT ON COMPILATION OF UNAUDITED FINANCIAL STATEMENTS

To
The Board of Directors
Tata Communications Limited

On the basis of the trial balance and explanations provided to us by the management, we have compiled the balance sheet of **Tata Communications (Sweden) AB** ("the subsidiary") registered in Sweden as at 31 March 2023 and the related statement of profit and loss for the year then ended, attached herewith.

We performed this compilation engagement in accordance with the Standard on Related Services 4410 (Revised), Compilation Engagements, issued by the Institute of Chartered Accountants of India.

We have applied our expertise in accounting and financial reporting to assist you in preparation of these financial information. We have complied with relevant ethical requirements.

The management of the subsidiary is responsible for:

a) These financial information and the accuracy and completeness of the information used to compile them.

b) Maintaining adequate accounting and other records and internal controls and selecting and applying appropriate accounting policies;

c) Preparation and presentation of financial statements in accordance with the applicable laws and regulations;

d) Establishing controls to safeguard the assets of the entity and preventing and detecting frauds or other irregularities;

e) Establishing controls for ensuring that the activities of the entity are carried out in accordance with the applicable laws and regulations and preventing and detecting any non-compliance.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information provided to us by management to compile the balance sheet and the related statement of profit and loss. Accordingly, we do not express an audit opinion or a review conclusion on whether the financial information are prepared in accordance with an accounting principal generally accepted in India.

Registered Office:
305-309, Technopolis Knowledge Park, Mahakali Caves Road,
Andheri (E), Mumbai - 400 093, India. T: +91 (22) 6191 9669

This balance sheet and the related statement of profit and loss has been compiled by us only for the purpose of preparation of statement pursuant to Section 129(3) of the Companies Act, 2013, based on trial balance and explanations provided by the management. Accordingly these financial information may not suitable for other purposes.

FOR SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
Firm's Reg. No. 121750W /W100010

(Rahul Bhansali)
PARTNER
Membership No. 126549

Place Mumbai
Date: 19 April 2023

Tata Communications (Sweden) AB

BALANCE SHEET AS AT 31 MARCH 2023

	Particulars	Note No.	As at 31 March 2023		As at 31 March 2022	
			USD	INR*	USD	INR*
(A)	**ASSETS**					
(1)	**Non-current assets**					
	Property, plant and equipment	1	3,41,218	2,80,37,883	3,22,835	2,44,67,664
	Capital work-in-progress		1,31,146	1,07,76,267	7,754	5,87,676
	Deferred tax assets (net)		89,085	73,20,114	1,03,848	78,70,640
	Other Non-current assets	2	5,290	4,34,679	33,165	25,13,575
			5,66,739	4,65,68,943	4,67,602	3,54,39,555
(2)	**Current assets**					
	Financial assets					
	(i) Trade receivables	3	31,80,802	26,13,66,499	4,83,501	3,66,44,541
	(ii) Cash and cash equivalents	4	37,573	30,87,373	85,985	65,16,803
	(iii) Other financial assets	5	4,242	3,48,565	4,296	3,25,594
	Other Current assets	6	2,38,370	1,95,86,863	1,11,500	84,50,585
			34,60,987	28,43,89,300	6,85,282	5,19,37,523
	TOTAL ASSETS		40,27,726	33,09,58,243	11,52,884	8,73,77,078
(B)	**EQUITY AND LIABILITIES**					
(1)	**Equity**					
	Equity share capital	7	3,64,779	2,99,73,890	3,64,779	2,76,46,600
	Other equity	8	(2,59,787)	(2,13,46,698)	(1,64,899)	(1,24,97,695)
	Total Equity		1,04,992	86,27,192	1,99,880	1,51,48,905
(2)	**Non-current liabilities**					
	Other liabilities (Deferred revenue)		10,484	8,61,470	-	-
			10,484	8,61,470	-	-
(3)	**Current liabilities**					
	Financial liabilities					
	(i) Borrowings	9	17,46,240	14,34,88,541	3,36,862	2,55,30,771
	(ii) Trade payables	10	20,74,756	17,04,82,699	5,90,345	4,47,42,247
	(iii) Other financial liabilities	11	64,573	53,05,963	20,821	15,78,024
	Other current liabilities	12	26,681	21,92,378	4,976	3,77,131
			39,12,250	32,14,69,581	9,53,004	7,22,28,173
	TOTAL EQUITY AND LIABILITIES		40,27,726	33,09,58,243	11,52,884	8,73,77,078

*Exchange rate as at 31 March 2023 1 USD = INR 82.17 (as at 31 March 2022 1 USD = INR 75.79)

Tata Communications (Sweden) AB

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2023

	Particulars	Note No.	Current year 2022-23		Previous year 2021-22	
			USD	INR*	USD	INR*
i	Revenue from operations		48,47,039	39,82,81,195	33,72,481	25,56,00,335
ii	Other Income	13	808	66,393	7,898	5,98,589
iii	Total income (i + ii)		48,47,847	39,83,47,588	33,80,379	25,61,98,924
iv	Expenses:					
	Network and transmission expenses	14	33,17,174	27,25,72,188	12,37,722	9,38,06,950
	Finance costs	15	82,121	67,47,882	50,910	38,58,468
	Depreciation and amortisation expenses		1,00,328	82,43,952	84,910	64,35,329
	Operating and other expenses	16	14,28,349	11,73,67,437	20,44,567	15,49,57,733
	Total expenses		49,27,972	40,49,31,459	34,18,109	25,90,58,480
v	Profit before taxes (iii - iv)		(80,125)	(65,83,871)	(37,730)	(28,59,556)
vi	Tax expenses					
	(i) Current tax expense/(benefit)		-	-	-	-
	(ii) Deferred tax expense/(benefit)		14,763	12,13,076	(3,870)	(2,93,307)
	Net tax expenses		14,763	12,13,076	(3,870)	(2,93,307)
vii	Profit / (loss) for the year (v-vi)		(94,888)	(77,96,947)	(33,860)	(25,66,249)

*Exchange rate as at 31 March 2023 1 USD = INR 82.17 (as at 31 March 2022 1 USD = INR 75.79)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1 Property, plant and equipment

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Gross block:				
Plant and machinery	**12,11,617**	**9,95,58,569**	10,44,179	7,91,38,326
Computers	**1,054**	**86,607**	-	-
Office equipment	**2,104**	**1,72,886**	2,104	1,59,462
(a)	**12,14,775**	**9,98,18,062**	10,46,283	7,92,97,788
Accumulated depreciation:				
Plant and machinery	**8,71,394**	**7,16,02,445**	7,21,410	5,46,75,664
Computers	**59**	**4,848**	-	-
Office equipment	**2,104**	**1,72,886**	2,038	1,54,460
(b)	**8,73,557**	**7,17,80,179**	7,23,448	5,48,30,124
Net block (a) - (b)	**3,41,218**	**2,80,37,883**	3,22,835	2,44,67,664

2 Non-current assets - others

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Prepaid expenses	**5,290**	**4,34,679**	33,165	25,13,575
Total	**5,290**	**4,34,679**	33,165	25,13,575

3 Trade receivables

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Trade receivables	**8,62,720**	**7,08,89,702**	46,543	35,27,494
Intercompany receivables (Net)	**23,18,138**	**19,04,81,399**	4,37,032	3,31,22,655
Provision for doubtful debts	**(56)**	**(4,602)**	(74)	(5,608)
Total	**31,80,802**	**26,13,66,499**	4,83,501	3,66,44,541

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

4 Cash and cash equivalents

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Balance with bank	37,573	30,87,373	85,985	65,16,803
Total	37,573	30,87,373	85,985	65,16,803

5 Current assets - other financial assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Others	4,242	3,48,565	4,296	3,25,594
Total	4,242	3,48,565	4,296	3,25,594

6 Current assets - other assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Prepaid expenses	33,976	27,91,808	51,811	39,26,756
Indirect tax receivable	2,04,394	1,67,95,055	59,689	45,23,829
Total	2,38,370	1,95,86,863	1,11,500	84,50,585

7 Equity share capital

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Equity share capital	3,64,779	2,99,73,890	3,64,779	2,76,46,600
Total	3,64,779	2,99,73,890	3,64,779	2,76,46,600

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

8 Other Equity

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Surplus / (Deficit)				
Opening balance	**(1,64,899)**	**(1,35,49,751)**	(1,31,039)	(99,31,446)
Profit / (loss) for the year	**(94,888)**	**(77,96,947)**	(33,860)	(25,66,249)
Total	**(2,59,787)**	**(2,13,46,698)**	(1,64,899)	(1,24,97,695)

9 Current liabilities - borrowings

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Inter company loans taken (Net)	**17,46,240**	**14,34,88,541**	3,36,862	2,55,30,771
Total	**17,46,240**	**14,34,88,541**	3,36,862	2,55,30,771

10 Current liabilities - Trade payables

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Trade payable	**20,74,756**	**17,04,82,699**	5,90,345	4,47,42,247
Total	**20,74,756**	**17,04,82,699**	5,90,345	4,47,42,247

11 Current liabilities - other financial liabilities

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Interest accrued but not due on Inter Co. loan (Net)	**64,573**	**53,05,963**	20,821	15,78,024
Total	**64,573**	**53,05,963**	20,821	15,78,024

12 Current liabilities - other current liabilities

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Deferred revenue and advance from customers	**26,681**	**21,92,378**	4,976	3,77,131
Total	**26,681**	**21,92,378**	4,976	3,77,131

13 Other income

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Interest income - others	279	22,925	-	-
Miscellaneous income	529	43,468	7,898	5,98,589
Total	808	66,393	7,898	5,98,589

14 Network and transmission expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Charges for use of transmission facilities	33,17,174	27,25,72,188	12,37,722	9,38,06,950
Total	33,17,174	27,25,72,188	12,37,722	9,38,06,950

15 Finance costs

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Interest expenses	8	657	189	14,324
Interest on inter companies loan	82,113	67,47,225	44,390	33,64,318
Guarantee fees	-	-	6,331	4,79,826
Total	82,121	67,47,882	50,910	38,58,468

16 Operating and other expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Advertising and publicity	25,496	20,95,006	47,279	35,83,275
Auditors remuneration	20,475	16,82,431	19,500	14,77,905
Communication expenses	717	58,916	-	-
Electricity	62,838	51,63,398	66,958	50,74,747
Exchange loss -Net	1,19,868	98,49,554	74,196	56,23,315
Insurance expenses	3,177	2,61,054	2,422	1,83,563
IT consumables	548	45,029	-	-
Legal and professional fees	28,914	23,75,863	38,130	28,89,873
Miscellaneous expenses	4,690	3,85,377	12,180	9,23,122
Provision for doubtful debts	(19)	(1,561)	(34)	(2,577)
Rent	405	33,279	-	-
Repairs and Maintenance - Plant & Machinery	9,64,517	7,92,54,362	8,06,988	6,11,61,621
Services rendered by agencies	9,635	7,91,708	9,76,948	7,40,42,889
Travelling and conveyance expenses	1,87,088	1,53,73,021	-	-
Total	14,28,349	11,73,67,437	20,44,567	15,49,57,733

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

Suresh Surana & Associates LLP
LLP Identity No. AAB-7509

APPENDIX - 20

ACCOUNTANT'S REPORT ON COMPILATION OF UNAUDITED FINANCIAL STATEMENTS

To
The Board of Directors
Tata Communications Limited

On the basis of the trial balance and explanations provided to us by the management, we have compiled the balance sheet of **Tata Communications (Portugal) Instalacao E Manutençao De Redes, Lda** ("the subsidiary") registered in Portugal as at 31 March 2023 and the related statement of profit and loss for the year then ended, attached herewith.

We performed this compilation engagement in accordance with the Standard on Related Services 4410 (Revised), Compilation Engagements, issued by the Institute of Chartered Accountants of India.

We have applied our expertise in accounting and financial reporting to assist you in preparation of these financial information. We have complied with relevant ethical requirements.

The management of the subsidiary is responsible for:

a) These financial information and the accuracy and completeness of the information used to compile them.

b) Maintaining adequate accounting and other records and internal controls and selecting and applying appropriate accounting policies;

c) Preparation and presentation of financial statements in accordance with the applicable laws and regulations;

d) Establishing controls to safeguard the assets of the entity and preventing and detecting frauds or other irregularities;

e) Establishing controls for ensuring that the activities of the entity are carried out in accordance with the applicable laws and regulations and preventing and detecting any non-compliance.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information provided to us by management to compile the balance sheet and the related statement of profit and loss. Accordingly, we do not express an audit opinion or a review conclusion on whether the financial information are prepared in accordance with an accounting principal generally accepted in India.

SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
MUMBAI

Registered Office

This balance sheet and the related statement of profit and loss has been compiled by us only for the purpose of preparation of statement pursuant to Section 129(3) of the Companies Act, 2013, based on trial balance and explanations provided by the management. Accordingly these financial information may not suitable for other purposes.

FOR SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
Firm's Reg. No. 121750W /W100010

(Rahul Bhansali)
PARTNER
Membership No. 126549

Place Mumbai
Date: 19 April 2023

Tata Communications (Portugal) Instalacao e Manutencao de Redes LDA

BALANCE SHEET AS AT 31 MARCH 2023

	Particulars	Note No.	As at 31 March 2023		As at 31 March 2022	
			USD	INR*	USD	INR*
(A)	**ASSETS**					
(1)	**Non-current assets**					
	Property, plant and equipment	1	32,51,745	26,71,95,886	37,05,428	28,08,34,389
	Capital work-in-progress		7,522	6,18,083	-	-
	Financial assets					
	(i) Loans	2	32,48,794	26,69,53,403	25,74,020	19,50,84,976
	Advance tax (net)		1,10,786	91,03,286	2,29,511	1,73,94,639
	Other Non-current assets	3	4,512	3,70,751	5,087	3,85,544
			66,23,359	54,42,41,409	65,14,046	49,36,99,548
(2)	**Current assets**					
	Financial assets					
	(i) Trade receivables	4	2,81,656	2,31,43,673	2,12,530	1,61,07,648
	(ii) Cash and cash equivalents	5	84,138	69,13,619	1,28,015	97,02,257
	(iii) Other financial assets	6	71,291	58,57,982	48,722	36,92,641
	Other Current assets	7	1,51,207	1,24,24,679	51,624	39,12,583
			5,88,292	4,83,39,953	4,40,891	3,34,15,129
	TOTAL ASSETS		72,11,651	59,25,81,362	69,54,937	52,71,14,677
(B)	**EQUITY AND LIABILITIES**					
(1)	**Equity**					
	Equity share capital	8	6,07,14,551	4,98,89,14,656	6,07,14,551	4,60,15,55,820
	Other equity	9	(5,94,53,737)	(4,88,53,13,570)	(5,96,91,238)	(4,52,39,98,929)
	Total Equity		12,60,814	10,36,01,086	10,23,313	7,75,56,891
(2)	**Non-current liabilities**					
	Provisions	10	5,44,240	4,47,20,201	5,43,774	4,12,12,631
	Other liabilities (Deferred revenue)		22,17,058	18,21,75,656	32,63,103	24,73,10,576
			27,61,298	22,68,95,857	38,06,877	28,85,23,207
(3)	**Current liabilities**					
	Financial liabilities					
	(i) Trade payables	11	19,15,361	15,73,85,213	8,67,694	6,57,62,531
	(ii) Other financial liabilities	12	50,612	41,58,788	50,763	38,47,328
	Other current liabilities	13	12,13,234	9,96,91,438	11,94,008	9,04,93,867
	Provisions	14	10,332	8,48,980	12,282	9,30,853
			31,89,539	26,20,84,419	21,24,747	16,10,34,579
	TOTAL EQUITY AND LIABILITIES		72,11,651	59,25,81,362	69,54,937	52,71,14,677

*Exchange rate as at 31 March 2023 1 USD = INR 82.17 (as at 31 March 2022 1 USD = INR 75.79)

Tata Communications (Portugal) Instalacao e Manutencao de Redes LDA

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2023

	Particulars	Note No.	Current year 2022-23		Previous year 2021-22	
			USD	INR*	USD	INR*
i	Revenue from operations		40,50,804	33,28,54,565	42,77,390	32,41,83,388
ii	Other Income	15	3,44,526	2,83,09,701	1,55,243	1,17,65,867
iii	Total income (i + ii)		43,95,330	36,11,64,266	44,32,633	33,59,49,255
iv	Expenses:					
	Network and transmission expenses	16	12,30,480	10,11,08,542	6,58,226	4,98,86,949
	Employee benefits expenses	17	5,57,219	4,57,86,685	4,71,351	3,57,23,693
	Finance costs	18	2,02,509	1,66,40,164	1,08,003	81,85,547
	Depreciation and amortisation expenses		8,13,966	6,68,83,586	9,55,753	7,24,36,520
	Operating and other expenses	19	12,02,821	9,88,35,803	14,39,107	10,90,69,920
	Total expenses		40,06,995	32,92,54,780	36,32,440	27,53,02,629
v	Profit before taxes (iii - iv)		3,88,335	3,19,09,486	8,00,193	6,06,46,626
vi	Tax expenses					
	(i) Current tax expense/(benefit)		1,50,834	1,23,94,030	4,17,270	3,16,24,893
	(ii) Deferred tax expense/(benefit)		-	-	-	-
	Net tax expenses		1,50,834	1,23,94,030	4,17,270	3,16,24,893
vii	Profit / (loss) for the year (v-vi)		2,37,501	1,95,15,456	3,82,923	2,90,21,733

*Exchange rate as at 31 March 2023 1 USD = INR 82.17 (as at 31 March 2022 1 USD = INR 75.79)

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

Tata Communications (Portugal) Instalacao e Manutencao de Redes LDA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1 Property, plant and equipment

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Gross block:				
Land	**65,449**	**53,77,944**	65,449	49,60,380
Building	**1,32,958**	**1,09,25,159**	1,32,958	1,00,76,887
Cables	**60,38,338**	**49,61,70,233**	60,44,391	45,81,04,394
Plant and machinery	**1,13,61,309**	**93,35,58,761**	1,07,38,643	81,38,81,753
Furniture and fixtures	**18,598**	**15,28,198**	18,598	14,09,542
Computers	**28,518**	**23,43,324**	28,518	21,61,379
Office equipment	**1,47,841**	**1,21,48,095**	1,47,841	1,12,04,869
(a)	**1,77,93,011**	**1,46,20,51,714**	1,71,76,398	1,30,17,99,204
Accumulated depreciation:				
Building	**1,05,499**	**86,68,853**	1,01,712	77,08,752
Cables	**45,55,585**	**37,43,32,419**	42,17,778	31,96,65,395
Plant and machinery	**97,20,793**	**79,87,57,561**	90,08,612	68,27,62,703
Furniture and fixtures	**14,062**	**11,55,475**	13,376	10,13,767
Computers	**28,518**	**23,43,324**	28,518	21,61,379
Office equipment	**1,16,809**	**95,98,196**	1,00,974	76,52,819
(b)	**1,45,41,266**	**1,19,48,55,828**	1,34,70,970	1,02,09,64,815
Net block (a) - (b)	**32,51,745**	**26,71,95,886**	37,05,428	28,08,34,389

2 Non-current assets - financial assets - loans

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Inter company loans given (Net)	**32,48,794**	**26,69,53,403**	25,74,020	19,50,84,976
Total	**32,48,794**	**26,69,53,403**	25,74,020	19,50,84,976

3 Non-current assets - others

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Prepaid expenses	4,512	3,70,751	5,087	3,85,544
Total	4,512	3,70,751	5,087	3,85,544

4 Trade receivables

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Trade receivables	3,29,778	2,70,97,858	2,59,889	1,96,96,987
Provision for doubtful debts	(48,122)	(39,54,185)	(47,359)	(35,89,339)
Total	2,81,656	2,31,43,673	2,12,530	1,61,07,648

5 Cash and cash equivalents

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Balance with bank	84,138	69,13,619	1,28,015	97,02,257
Total	84,138	69,13,619	1,28,015	97,02,257

6 Current assets - other financial assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Interest Receivable on Inter Co. Loan (Net)	67,709	55,63,649	39,439	29,89,082
Others	3,582	2,94,333	9,283	7,03,559
Total	71,291	58,57,982	48,722	36,92,641

7 Current assets - other assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Advances to Vendors / Suppliers	69,442	57,06,049	-	-
Prepaid expenses	81,765	67,18,630	51,624	39,12,583
Total	1,51,207	1,24,24,679	51,624	39,12,583

8 Equity share capital

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Equity share capital	6,07,14,551	4,98,89,14,656	6,07,14,551	4,60,15,55,820
Total	6,07,14,551	4,98,89,14,656	6,07,14,551	4,60,15,55,820

9 Other Equity

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Surplus / (Deficit)				
Opening balance	(5,96,91,238)	(4,90,48,29,026)	(6,00,74,161)	(4,55,30,20,662)
Profit / (loss) for the year	2,37,501	1,95,15,456	3,82,923	2,90,21,733
Total	(5,94,53,737)	(4,88,53,13,570)	(5,96,91,238)	(4,52,39,98,929)

10 Non-current liabilities - provisions

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Asset retirement obligation and others	5,44,240	4,47,20,201	5,43,774	4,12,12,631
Total	5,44,240	4,47,20,201	5,43,774	4,12,12,631

11 Current liabilities - Trade payables

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Trade payable	10,15,033	8,34,05,261	7,65,971	5,80,52,945
Inter Company - Payables (Net)	9,00,328	7,39,79,952	1,01,723	77,09,586
Total	19,15,361	15,73,85,213	8,67,694	6,57,62,531

12 Current liabilities - other financial liabilities

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Deposit from customers and contractors	50,612	41,58,788	50,763	38,47,328
Total	50,612	41,58,788	50,763	38,47,328

13 Current liabilities - other current liabilities

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Deferred revenue and advance from customers	11,78,495	9,68,36,934	11,65,258	8,83,14,904
Other Employee dues	34,739	28,54,504	28,750	21,78,963
Total	12,13,234	9,96,91,438	11,94,008	9,04,93,867

14 Current liabilities - provisons

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Leave entitlement	10,332	8,48,980	12,282	9,30,853
Total	10,332	8,48,980	12,282	9,30,853

15 Other income

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Interest on loan to subsidiaries	3,40,997	2,80,19,723	1,47,752	1,11,98,124
Exchange gain -Net	-	-	1,069	81,020
Miscellaneous income	3,529	2,89,978	6,422	4,86,723
Total	3,44,526	2,83,09,701	1,55,243	1,17,65,867

16 Network and transmission expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Charges for use of transmission facilities	12,30,480	10,11,08,542	6,58,226	4,98,86,949
Total	12,30,480	10,11,08,542	6,58,226	4,98,86,949

17 Employee benefit expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Salaries, bonus and allowances	3,66,193	3,00,90,079	4,53,059	3,43,37,342
Staff welfare expenses	1,91,026	1,56,96,606	18,292	13,86,351
Total	5,57,219	4,57,86,685	4,71,351	3,57,23,693

18 Finance costs

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Interest expenses	466	38,291	422	31,983
Interest on inter companies loan	2,02,043	1,66,01,873	93,062	70,53,169
Guarantee fees	-	-	14,519	11,00,395
Total	2,02,509	1,66,40,164	1,08,003	81,85,547

19 Operating and other expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Auditors remuneration	**28,350**	**23,29,520**	27,000	20,46,330
Communication expenses	**11,021**	**9,05,596**	18,791	14,24,170
Electricity	**2,89,439**	**2,37,83,203**	2,53,940	1,92,46,113
Exchange loss -Net	**402**	**33,032**	-	-
Insurance expenses	**8,051**	**6,61,551**	8,635	6,54,447
IT consumables	**233**	**19,146**	97	7,352
Legal and professional fees	**1,43,147**	**1,17,62,389**	99,271	75,23,749
Miscellaneous expenses	**18,379**	**15,10,202**	15,067	11,41,928
Printing and stationery	**2,872**	**2,35,992**	3,408	2,58,292
Provision for doubtful debts	**762**	**62,614**	1,432	1,08,531
Rates and Taxes	**1,31,100**	**1,07,72,487**	1,83,676	1,39,20,804
Rent	**464**	**38,127**	3,32,303	2,51,85,244
Repairs and Maintenance - Plant & Machinery	**4,17,820**	**3,43,32,269**	4,37,162	3,31,32,508
Repairs and Maintenance -Building	**1,12,793**	**92,68,201**	31,950	24,21,491
Seminars, trainings and conferences	**-**	**-**	(60)	(4,547)
Services rendered by agencies	**23,504**	**19,31,324**	17,394	13,18,291
Travelling and conveyance expenses	**14,484**	**11,90,150**	9,041	6,85,217
Total	**12,02,821**	**9,88,35,803**	14,39,107	10,90,69,920

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APPENDIX - 21

ACCOUNTANT'S REPORT ON COMPILATION OF UNAUDITED FINANCIAL STATEMENTS

To
The Board of Directors
Tata Communications Limited

On the basis of the trial balance and explanations provided to us by the management, we have compiled the balance sheet of **Tata Communications (Portugal), Unipessoal Lda** ("the subsidiary") registered in Portugal as at 31 March 2023 and the related statement of profit and loss for the year then ended, attached herewith.

We performed this compilation engagement in accordance with the Standard on Related Services 4410 (Revised), Compilation Engagements, issued by the Institute of Chartered Accountants of India.

We have applied our expertise in accounting and financial reporting to assist you in preparation of these financial information. We have complied with relevant ethical requirements.

The management of the subsidiary is responsible for:

a) These financial information and the accuracy and completeness of the information used to compile them.

b) Maintaining adequate accounting and other records and internal controls and selecting and applying appropriate accounting policies;

c) Preparation and presentation of financial statements in accordance with the applicable laws and regulations;

d) Establishing controls to safeguard the assets of the entity and preventing and detecting frauds or other irregularities;

e) Establishing controls for ensuring that the activities of the entity are carried out in accordance with the applicable laws and regulations and preventing and detecting any non-compliance.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information provided to us by management to compile the balance sheet and the related statement of profit and loss. Accordingly, we do not express an audit opinion or a review conclusion on whether the financial information are prepared in accordance with an accounting principal generally accepted in India.

Registered Office:
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This balance sheet and the related statement of profit and loss has been compiled by us only for the purpose of preparation of statement pursuant to Section 129(3) of the Companies Act, 2013, based on trial balance and explanations provided by the management. Accordingly these financial information may not suitable for other purposes.

FOR SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
Firm's Reg. No. 121750W /W100010

(Rahul Bhansali)
PARTNER
Membership No. 126549

Place Mumbai
Date: 19 April 2023

Tata Communications (Portugal) Unipessoal, LDA.

BALANCE SHEET AS AT 31 MARCH 2023

	Particulars	Note No.	As at 31 March 2023		As at 31 March 2022	
			USD	INR*	USD	INR*
(A)	**ASSETS**					
(1)	**Non-current assets**					
	Investments in subsidiaries & associates	1	9,56,205	7,85,71,365	9,56,205	7,24,70,777
	Financial assets					
	(i) Loans	2	5,20,234	4,27,47,628	4,93,093	3,73,71,518
			14,76,439	12,13,18,993	14,49,298	10,98,42,295
(2)	**Current assets**					
	Financial assets					
	(i) Cash and cash equivalents	3	8,234	6,76,588	4,456	3,37,720
	(ii) Other financial assets	4	13,548	11,13,239	8,699	6,59,297
			21,782	17,89,827	13,155	9,97,017
	TOTAL ASSETS		14,98,221	12,31,08,820	14,62,453	11,08,39,312
(B)	**EQUITY AND LIABILITIES**					
(1)	**Equity**					
	Equity share capital	5	13,93,444	11,44,99,293	13,93,444	10,56,09,121
	Other equity	6	71,110	58,43,109	64,061	48,55,183
	Total Equity		14,64,554	12,03,42,402	14,57,505	11,04,64,304
(2)	**Current liabilities**					
	Financial liabilities					
	(i) Trade payables	7	30,343	24,93,285	4,687	3,55,227
	Current tax liability (Net)		3,324	2,73,133	261	19,781
			33,667	27,66,418	4,948	3,75,008
	TOTAL EQUITY AND LIABILITIES		14,98,221	12,31,08,820	14,62,453	11,08,39,312

*Exchange rate as at 31 March 2023 1 USD = INR 82.17 (as at 31 March 2022 1 USD = INR 75.79)

Tata Communications (Portugal) Unipessoal, LDA.

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2023

	Particulars	Note No.	Current year 2022-23		Previous year 2021-22	
			USD	INR*	USD	INR*
i	Revenue from operations		-	-	-	-
ii	Other Income	8	25,853	21,24,341	17,661	13,38,527
iii	Total income (i + ii)		25,853	21,24,341	17,661	13,38,527
iv	Expenses:					
	Operating and other expenses	9	14,223	11,68,703	35,230	26,70,082
	Total expenses		14,223	11,68,703	35,230	26,70,082
v	Profit before taxes (iii - iv)		11,630	9,55,638	(17,569)	(13,31,555)
vi	Tax expenses					
	(i) Current tax expense/(benefit)		4,581	3,76,421	1,696	1,28,540
	(ii) Deferred tax expense/(benefit)		-	-	-	-
	Net tax expenses		4,581	3,76,421	1,696	1,28,540
vii	Profit / (loss) for the year (v-vi)		7,049	5,79,217	(19,265)	(14,60,095)

*Exchange rate as at 31 March 2023 1 USD = INR 82.17 (as at 31 March 2022 1 USD = INR 75.79)

Tata Communications (Portugal) Unipessoal, LDA.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1 **Investments in subsidiaries & associates**

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Investments in subsidiaries	**9,56,205**	**7,85,71,365**	9,56,205	7,24,70,777
Total	**9,56,205**	**7,85,71,365**	9,56,205	7,24,70,777

2 **Non-current assets - financial assets - loans**

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Inter company loans given (Net)	**5,20,234**	**4,27,47,628**	4,93,093	3,73,71,518
Total	**5,20,234**	**4,27,47,628**	4,93,093	3,73,71,518

3 **Cash and cash equivalents**

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Balance with bank	**8,234**	**6,76,588**	4,456	3,37,720
Total	**8,234**	**6,76,588**	4,456	3,37,720

4 Current assets - other financial assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Interest Receivable on Inter Co. Loan (Net)	**13,548**	**11,13,239**	8,699	6,59,297
Total	**13,548**	**11,13,239**	8,699	6,59,297

5 Equity share capital

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Equity share capital	**13,93,444**	**11,44,99,293**	13,93,444	10,56,09,121
Total	**13,93,444**	**11,44,99,293**	13,93,444	10,56,09,121

6 Other Equity

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Surplus / (Deficit)				
Opening balance	**64,061**	**52,63,892**	83,326	63,15,278
Profit / (loss) for the year	**7,049**	**5,79,217**	(19,265)	(14,60,095)
Total	**71,110**	**58,43,109**	64,061	48,55,183

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

7 Current liabilities - Trade payables

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Trade payable	9,469	7,78,068	4,687	3,55,227
Inter Company - Payables (Net)	20,874	17,15,217	-	-
Total	30,343	24,93,285	4,687	3,55,227

8 Other income

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Interest on loan to subsidiaries	25,853	21,24,341	17,661	13,38,527
Total	25,853	21,24,341	17,661	13,38,527

9 Operating and other expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Exchange loss -Net	**7,518**	**6,17,754**	28,085	21,28,562
Legal and professional fees	**4,773**	**3,92,197**	4,688	3,55,304
Miscellaneous expenses	**1,854**	**1,52,343**	2,369	1,79,547
Rates and Taxes	**78**	**6,409**	93	7,048
Repairs and Maintenance - Plant & Machinery	**-**	**-**	(5)	(379)
Total	**14,223**	**11,68,703**	35,230	26,70,082

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APPENDIX - 22

ACCOUNTANT'S REPORT ON COMPILATION OF UNAUDITED FINANCIAL STATEMENTS

To
The Board of Directors
Tata Communications Limited

On the basis of the trial balance and explanations provided to us by the management, we have compiled the balance sheet of **Tata Communications (Russia) LLC** ("the subsidiary") registered in Russia as at 31 March 2023 and the related statement of profit and loss for the year then ended, attached herewith.

We performed this compilation engagement in accordance with the Standard on Related Services 4410 (Revised), Compilation Engagements, issued by the Institute of Chartered Accountants of India.

We have applied our expertise in accounting and financial reporting to assist you in preparation of these financial information. We have complied with relevant ethical requirements.

The management of the subsidiary is responsible for:

a) These financial information and the accuracy and completeness of the information used to compile them.

b) Maintaining adequate accounting and other records and internal controls and selecting and applying appropriate accounting policies;

c) Preparation and presentation of financial statements in accordance with the applicable laws and regulations;

d) Establishing controls to safeguard the assets of the entity and preventing and detecting frauds or other irregularities;

e) Establishing controls for ensuring that the activities of the entity are carried out in accordance with the applicable laws and regulations and preventing and detecting any non-compliance.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information provided to us by management to compile the balance sheet and the related statement of profit and loss. Accordingly, we do not express an audit opinion or a review conclusion on whether the financial information are prepared in accordance with an accounting principal generally accepted in India.

SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
MUMBAI

Registered Office:
[illegible]

This balance sheet and the related statement of profit and loss has been compiled by us only for the purpose of preparation of statement pursuant to Section 129(3) of the Companies Act, 2013, based on trial balance and explanations provided by the management. Accordingly these financial information may not suitable for other purposes.

FOR SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
Firm's Reg. No. 121750W /W100010

(Rahul Bhansali)
PARTNER
Membership No. 126549

Place Mumbai
Date: 19 April 2023

Tata Communications (Russia) LLC

BALANCE SHEET AS AT 31 MARCH 2023

	Particulars	Note No.	As at 31 March 2023		As at 31 March 2022	
			USD	INR*	USD	INR*
(A)	ASSETS					
(1)	Non-current assets					
	Property, plant and equipment	1	1,71,979	1,41,31,514	2,20,717	1,67,28,142
	Capital work-in-progress		-	-	1,660	1,25,811
	Deferred tax assets (net)		-	-	69,868	52,95,296
	Advance tax (net)		-	-	90,591	68,65,892
	Other Non-current assets	2	5,438	4,46,840	12,097	9,16,832
			1,77,417	1,45,78,354	3,94,933	2,99,31,973
(2)	Current assets					
	Financial assets					
	(i) Trade receivables	3	30,19,714	24,81,29,899	27,27,794	20,67,39,508
	(ii) Cash and cash equivalents	4	1,97,998	1,62,69,496	2,38,799	1,80,98,576
	(iii) Other financial assets	5	35,286	28,99,451	25,694	19,47,348
	Other Current assets	6	16,810	13,81,278	24,360	18,46,244
			32,69,808	26,86,80,124	30,16,647	22,86,31,676
	TOTAL ASSETS		34,47,225	28,32,58,478	34,11,580	25,85,63,649
(B)	EQUITY AND LIABILITIES					
(1)	Equity					
	Equity share capital	7	87,254	71,69,661	87,254	66,12,981
	Other equity	8	23,17,874	19,04,59,705	27,38,946	20,75,84,718
	Total Equity		24,05,128	19,76,29,366	28,26,200	21,41,97,699
(2)	Non-current liabilities					
	Deferred tax liabilities (Net)		2,21,203	1,81,76,251	-	-
			2,21,203	1,81,76,251	-	-
(3)	Current liabilities					
	Financial liabilities					
	(i) Trade payables	9	7,12,399	5,85,37,828	5,72,543	4,33,93,034
	Other current liabilities	10	11,804	9,69,934	10,508	7,96,401
	Provisions	11	6,912	5,67,959	2,329	1,76,515
	Current tax liability (Net)		89,779	73,77,140	-	-
			8,20,894	6,74,52,861	5,85,380	4,43,65,950
	TOTAL EQUITY AND LIABILITIES		34,47,225	28,32,58,478	34,11,580	25,85,63,649

*Exchange rate as at 31 March 2023 1 USD = INR 82.17 (as at 31 March 2022 1 USD = INR 75.79)

Tata Communications (Russia) LLC

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2023

	Particulars	Note No.	Current year 2022-23		Previous year 2021-22	
			USD	INR*	USD	INR*
i	Revenue from operations		14,74,712	12,11,77,085	12,22,047	9,26,18,942
ii	Other Income	12	35,423	29,10,708	729	55,251
iii	Total income (i + ii)		15,10,135	12,40,87,793	12,22,776	9,26,74,193
iv	Expenses:					
	Network and transmission expenses	13	7,31,669	6,01,21,242	5,44,252	4,12,48,859
	Employee benefits expenses	14	1,63,307	1,34,18,937	1,10,859	84,02,004
	Depreciation and amortisation expenses		50,398	41,41,204	45,439	34,43,822
	Operating and other expenses	15	5,14,319	4,22,61,593	10,54,985	7,99,57,312
	Total expenses		14,59,693	11,99,42,976	17,55,535	13,30,51,997
v	Profit before taxes (iii - iv)		50,442	41,44,817	(5,32,759)	(4,03,77,804)
vi	Tax expenses					
	(i) Current tax expense/(benefit)		1,80,443	1,48,27,001	4,847	3,67,354
	(ii) Deferred tax expense/(benefit)		2,91,071	2,39,17,304	(72,866)	(55,22,514)
	Net tax expenses		4,71,514	3,87,44,305	(68,019)	(51,55,160)
vii	Profit / (loss) for the year (v-vi)		(4,21,072)	(3,45,99,488)	(4,64,740)	(3,52,22,644)

*Exchange rate as at 31 March 2023 1 USD = INR 82.17 (as at 31 March 2022 1 USD = INR 75.79)

Tata Communications (Russia) LLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1 Property, plant and equipment

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Gross block:				
Plant and machinery	8,56,067	7,03,43,025	8,54,407	6,47,55,507
Computers	1,925	1,58,177	1,925	1,45,896
(a)	8,57,992	7,05,01,202	8,56,332	6,49,01,403
Accumulated depreciation:				
Plant and machinery	6,84,088	5,62,11,511	6,33,690	4,80,27,365
Computers	1,925	1,58,177	1,925	1,45,896
(b)	6,86,013	5,63,69,688	6,35,615	4,81,73,261
Net block (a) - (b)	1,71,979	1,41,31,514	2,20,717	1,67,28,142

2 Non-current assets - others

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Prepaid expenses	5,438	4,46,840	12,097	9,16,832
Total	5,438	4,46,840	12,097	9,16,832

3 Trade receivables

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Trade receivables	10,500	8,62,785	12,707	9,63,064
Intercompany receivables (Net)	30,09,307	24,72,74,756	27,15,182	20,57,83,644
Provision for doubtful debts	(93)	(7,642)	(95)	(7,200)
Total	30,19,714	24,81,29,899	27,27,794	20,67,39,508

4 Cash and cash equivalents

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Balance with bank	**1,97,998**	**1,62,69,496**	2,38,799	1,80,98,576
Total	**1,97,998**	**1,62,69,496**	2,38,799	1,80,98,576

5 Current assets - other financial assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Security Deposit	**12,380**	**10,17,265**	16,560	12,55,082
Others	**22,906**	**18,82,186**	9,134	6,92,266
Total	**35,286**	**28,99,451**	25,694	19,47,348

6 Current assets - other assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Prepaid expenses	**16,810**	**13,81,278**	17,099	12,95,933
Indirect tax receivable	-	-	701	53,129
Others	-	-	6,560	4,97,182
Total	**16,810**	**13,81,278**	24,360	18,46,244

7 Equity share capital

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Equity share capital	**87,254**	**71,69,661**	87,254	66,12,981
Total	**87,254**	**71,69,661**	87,254	66,12,981

8 Other Equity

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Surplus / (Deficit)				
Opening balance	**27,38,946**	**22,50,59,193**	32,03,686	24,28,07,362
Profit / (loss) for the year	**(4,21,072)**	**(3,45,99,488)**	(4,64,740)	(3,52,22,644)
Total	**23,17,874**	**19,04,59,705**	27,38,946	20,75,84,718

9 Current liabilities - Trade payables

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Trade payable	**7,12,399**	**5,85,37,828**	5,72,543	4,33,93,034
Total	**7,12,399**	**5,85,37,828**	5,72,543	4,33,93,034

10 Current liabilities - other current liabilities

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Other Employee dues	**11,767**	**9,66,894**	10,405	7,88,595
Other Statutory dues	**37**	**3,040**	-	-
Total	**11,804**	**9,69,934**	10,508	7,96,401

11 Current liabilities - provisons

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Leave entitlement	**6,912**	**5,67,959**	2,329	1,76,515
Total	**6,912**	**5,67,959**	2,329	1,76,515

12 Other income

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Miscellaneous income	**35,423**	**29,10,708**	729	55,251
Total	**35,423**	**29,10,708**	729	55,251

13 Network and transmission expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Charges for use of transmission facilities	**7,31,669**	**6,01,21,242**	5,44,252	4,12,48,859
Total	**7,31,669**	**6,01,21,242**	5,44,252	4,12,48,859

14 Employee benefit expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Salaries, bonus and allowances	**1,37,627**	**1,13,08,811**	1,10,859	84,02,004
Contribution to provident and other funds	**24,056**	**19,76,682**	-	-
Staff welfare expenses	**1,624**	**1,33,444**	-	-
Total	**1,63,307**	**1,34,18,937**	1,10,859	84,02,004

15 Operating and other expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Auditors remuneration	63,663	52,31,189	40,000	30,31,600
Communication expenses	398	32,704	943	71,470
Electricity	5,589	4,59,248	-	-
Exchange loss -Net	42,952	35,29,366	39,910	30,24,779
Insurance expenses	2,864	2,35,335	11,379	8,62,414
Legal and professional fees	1,54,547	1,26,99,127	1,94,119	1,47,12,279
Miscellaneous expenses	29,642	24,35,683	5,52,699	4,18,89,057
Printing and stationery	884	72,638	357	27,057
Provision for doubtful debts	(2)	(164)	-	-
Rates and Taxes	1,61,870	1,33,00,858	1,55,506	1,17,85,800
Recruitment expenses	236	19,392	460	34,863
Relocation Expense	(4,374)	(3,59,412)	9,336	7,07,575
Rent	38,570	31,69,297	36,733	27,83,994
Repairs and Maintenance - Plant & Machinery	8,280	6,80,368	12,325	9,34,112
Repairs and Maintenance -Building	-	-	(645)	(48,885)
Services rendered by agencies	8,241	6,77,163	394	29,861
Travelling and conveyance expenses	959	78,801	1,469	1,11,336
Total	5,14,319	4,22,61,593	10,54,985	7,99,57,312

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APPENDIX - 23

ACCOUNTANT'S REPORT ON COMPILATION OF UNAUDITED FINANCIAL STATEMENTS

To
The Board of Directors
Tata Communications Limited

On the basis of the trial balance and explanations provided to us by the management, we have compiled the balance sheet of **Tata Communications (Switzerland) GmbH** ("the subsidiary") registered in Switzerland as at 31 March 2023 and the related statement of profit and loss for the year then ended, attached herewith.

We performed this compilation engagement in accordance with the Standard on Related Services 4410 (Revised), Compilation Engagements, issued by the Institute of Chartered Accountants of India.

We have applied our expertise in accounting and financial reporting to assist you in preparation of these financial information. We have complied with relevant ethical requirements.

The management of the subsidiary is responsible for:

a) These financial information and the accuracy and completeness of the information used to compile them.

b) Maintaining adequate accounting and other records and internal controls and selecting and applying appropriate accounting policies;

c) Preparation and presentation of financial statements in accordance with the applicable laws and regulations;

d) Establishing controls to safeguard the assets of the entity and preventing and detecting frauds or other irregularities;

e) Establishing controls for ensuring that the activities of the entity are carried out in accordance with the applicable laws and regulations and preventing and detecting any non-compliance.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information provided to us by management to compile the balance sheet and the related statement of profit and loss. Accordingly, we do not express an audit opinion or a review conclusion on whether the financial information are prepared in accordance with an accounting principal generally accepted in India.

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This balance sheet and the related statement of profit and loss has been compiled by us only for the purpose of preparation of statement pursuant to Section 129(3) of the Companies Act, 2013, based on trial balance and explanations provided by the management. Accordingly these financial information may not suitable for other purposes.

FOR SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
Firm's Reg. No. 121750W /W100010

(Rahul Bhansali)
PARTNER
Membership No. 126549

Place Mumbai
Date: 19 April 2023

Tata Communications (Switzerland) GmbH

BALANCE SHEET AS AT 31 MARCH 2023

	Particulars	Note No.	As at 31 March 2023		As at 31 March 2022	
			USD	INR*	USD	INR*
(A)	**ASSETS**					
(1)	**Non-current assets**					
	Property, plant and equipment	1	2,74,737	2,25,75,140	2,73,399	2,07,20,910
	Capital work-in-progress		1,392	1,14,381	22,395	16,97,317
	Financial assets					
	(i) Loans	2	25,28,912	20,78,00,699	10,99,932	8,33,63,846
	(ii) Other financial assets	3	5,396	4,43,389	5,355	4,05,855
	Deferred tax assets (net)		33,937	27,88,603	-	-
	Other Non-current assets	4	11,212	9,21,290	15,989	12,11,806
			28,55,586	23,46,43,502	14,17,070	10,73,99,734
(2)	**Current assets**					
	Financial assets					
	(i) Trade receivables	5	13,64,081	11,20,86,536	11,76,400	8,91,59,356
	(ii) Cash and cash equivalents	6	15	1,233	-	-
	(iii) Other financial assets	7	38,830	31,90,661	33,147	25,12,211
	Other Current assets	8	31,004	25,47,599	47,540	36,03,056
			14,33,930	11,78,26,029	12,57,087	9,52,74,623
	TOTAL ASSETS		42,89,516	35,24,69,531	26,74,157	20,26,74,357
(B)	**EQUITY AND LIABILITIES**					
(1)	**Equity**					
	Equity share capital	9	4,74,414	3,89,82,598	4,74,414	3,59,55,837
	Other equity	10	3,36,451	2,76,46,180	2,13,178	1,61,56,760
	Total Equity		8,10,865	6,66,28,778	6,87,592	5,21,12,597
(2)	**Non-current liabilities**					
	Other liabilities (Deferred revenue)		11,024	9,05,842	28,143	21,32,958
			11,024	9,05,842	28,143	21,32,958
(3)	**Current liabilities**					
	Financial liabilities					
	(i) Trade payables	11	28,57,947	23,48,39,149	16,53,292	12,53,02,999
	(ii) Other financial liabilities	12	27,595	22,67,481	14,058	10,65,456
	Other current liabilities	13	5,20,122	4,27,38,425	2,58,315	1,95,77,694
	Provisions	14	24,602	20,21,546	-	-
	Current tax liability (Net)		37,341	30,68,310	32,757	24,82,653
			34,67,627	28,49,34,911	19,58,422	14,84,28,802
	TOTAL EQUITY AND LIABILITIES		42,89,516	35,24,69,531	26,74,157	20,26,74,357

*Exchange rate as at 31 March 2023 1 USD = INR 82.17 (as at 31 March 2022 1 USD = INR 75.79)

Tata Communications (Switzerland) GmbH

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2023

	Particulars	Note No.	Current year 2022-23		Previous year 2021-22	
			USD	INR*	USD	INR*
i	Revenue from operations		58,96,251	48,44,94,945	73,74,295	55,88,97,818
ii	Other Income	15	3,95,622	3,25,08,260	2,36,537	1,79,27,139
iii	Total income (i + ii)		62,91,873	51,70,03,205	76,10,832	57,68,24,957
iv	Expenses:					
	Network and transmission expenses	16	46,85,449	38,50,03,344	69,30,322	52,52,49,104
	Employee benefits expenses	17	5,77,447	4,74,48,820	-	-
	Finance costs	18	3,35,104	2,75,35,496	1,71,832	1,30,23,148
	Depreciation and amortisation expenses		1,08,831	89,42,643	1,28,962	97,74,030
	Operating and other expenses	19	4,55,112	3,73,96,552	3,04,204	2,30,55,621
	Total expenses		61,61,943	50,63,26,855	75,35,320	57,11,01,903
v	Profit before taxes (iii - iv)		1,29,930	1,06,76,350	75,512	57,23,054
vi	Tax expenses					
	(i) Current tax expense/(benefit)		40,594	33,35,609	18,486	14,01,054
	(ii) Deferred tax expense/(benefit)		(33,937)	(27,88,603)	-	-
	Net tax expenses		6,657	5,47,006	18,486	14,01,054
vii	Profit / (loss) for the year (v-vi)		1,23,273	1,01,29,344	57,026	43,22,000

*Exchange rate as at 31 March 2023 1 USD = INR 82.17 (as at 31 March 2022 1 USD = INR 75.79)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1 Property, plant and equipment

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Gross block:				
Plant and machinery	**13,76,681**	**11,31,21,878**	13,14,280	9,96,09,281
Computers	**1,874**	**1,53,987**	-	-
(a)	**13,78,555**	**11,32,75,865**	13,14,280	9,96,09,281
Accumulated depreciation:				
Plant and machinery	**11,03,271**	**9,06,55,778**	10,40,881	7,88,88,371
Computers	**547**	**44,947**	-	-
(b)	**11,03,818**	**9,07,00,725**	10,40,881	7,88,88,371
Net block (a) - (b)	**2,74,737**	**2,25,75,140**	2,73,399	2,07,20,910

2 Non-current assets - financial assets - loans

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Inter company loans given (Net)	**25,28,912**	**20,78,00,699**	10,99,932	8,33,63,846
Total	**25,28,912**	**20,78,00,699**	10,99,932	8,33,63,846

3 Non-current assets - financial assets - other financial assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Vendor deposits	**5,396**	**4,43,389**	5,355	4,05,855
Total	**5,396**	**4,43,389**	5,355	4,05,855

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

4 Non-current assets - others

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Prepaid expenses	11,212	9,21,290	15,989	12,11,806
Total	11,212	9,21,290	15,989	12,11,806

5 Trade receivables

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Trade receivables	13,64,113	11,20,89,165	11,76,675	8,91,80,198
Provision for doubtful debts	(32)	(2,629)	(275)	(20,842)
Total	13,64,081	11,20,86,536	11,76,400	8,91,59,356

6 Cash and cash equivalents

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Balance with bank	15	1,233	-	-
Total	15	1,233	-	-

7 Current assets - other financial assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Interest Receivable on Inter Co. Loan (Net)	38,830	31,90,661	33,147	25,12,211
Total	38,830	31,90,661	33,147	25,12,211

8 Current assets - other assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Prepaid expenses	31,004	25,47,599	42,656	32,32,898
Others	-	-	4,884	3,70,158
Total	31,004	25,47,599	47,540	36,03,056

9 Equity share capital

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Equity share capital	4,74,414	3,89,82,598	4,74,414	3,59,55,837
Total	4,74,414	3,89,82,598	4,74,414	3,59,55,837

10 Other Equity

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Surplus / (Deficit)				
Opening balance	2,13,178	1,75,16,836	1,56,152	1,18,34,760
Profit / (loss) for the year	1,23,273	1,01,29,344	57,026	43,22,000
Total	3,36,451	2,76,46,180	2,13,178	1,61,56,760

11 Current liabilities - Trade payables

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Trade payable	5,40,026	4,43,73,937	3,82,354	2,89,78,608
Inter Company - Payables (Net)	23,17,941	19,04,65,212	12,70,938	9,63,24,391
Total	28,57,967	23,48,39,149	16,53,292	12,53,02,999

12 Current liabilities - other financial liabilities

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Deposit from customers and contractors	10,000	8,21,700	10,000	7,57,900
Others	17,595	14,45,781	4,058	3,07,556
Total	27,595	22,67,481	14,058	10,65,456

13 Current liabilities - other current liabilities

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Deferred revenue and advance from customers	2,42,634	1,99,37,236	1,63,971	1,24,27,362
Other Employee dues	1,91,943	1,57,71,956	-	-
Other Statutory dues	85,545	70,29,233	94,344	71,50,332
Total	5,20,122	4,27,38,425	2,58,315	1,95,77,694

14 Current liabilities - provisons

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Leave entitlement	24,602	20,21,546	-	-
Total	24,602	20,21,546	-	-

15 Other income

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Interest on loan to subsidiaries	3,87,859	3,18,70,374	2,36,536	1,79,27,063
Miscellaneous income	7,763	6,37,886	1	76
Total	3,95,622	3,25,08,260	2,36,537	1,79,27,139

16 Network and transmission expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Charges for use of transmission facilities	46,85,449	38,50,03,344	69,30,322	52,52,49,104
Total	46,85,449	38,50,03,344	69,30,322	52,52,49,104

17 Employee benefit expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Salaries, bonus and allowances	5,77,157	4,74,24,991	-	-
Staff welfare expenses	290	23,829	-	-
Total	**5,77,447**	**4,74,48,820**	-	-

18 Finance costs

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Interest expenses	17	1,397	-	-
Interest on inter companies loan	3,35,087	2,75,34,099	1,57,369	1,19,26,997
Guarantee fees	-	-	14,463	10,96,151
Total	**3,35,104**	**2,75,35,496**	1,71,832	1,30,23,148

19 Operating and other expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Communication expenses	1,635	1,34,348	-	-
Electricity	24,901	20,46,115	22,652	17,16,795
Entertainment expenses	155	12,736	-	-
Exchange loss -Net	1,65,884	1,36,30,688	1,03,722	78,61,090
Insurance expenses	12,762	10,48,654	12,508	9,47,981
IT consumables	467	38,373	-	-
Legal and professional fees	1,32,219	1,08,64,435	77,962	59,08,740
Miscellaneous expenses	15,641	12,85,221	11,144	8,44,604
Printing and stationery	95	7,806	-	-
Provision for doubtful debts	(243)	(19,967)	(13,393)	(10,15,055)
Provision For Doubtful advances	41	3,369	-	-
Rates and Taxes	1,726	1,41,825	3,004	2,27,673
Recruitment expenses	207	17,009	-	-
Rent	192	15,777	-	-
Repairs and Maintenance - Plant & Machinery	50,554	41,54,022	44,558	33,77,051
Services rendered by agencies	36,564	30,04,464	42,047	31,86,742
Travelling and conveyance expenses	12,312	10,11,677	-	-
Total	**4,55,112**	**3,73,96,552**	3,04,204	2,30,55,621

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APPENDIX - 24

ACCOUNTANT'S REPORT ON COMPILATION OF UNAUDITED FINANCIAL STATEMENTS

To
The Board of Directors
Tata Communications Limited

On the basis of the trial balance and explanations provided to us by the management, we have compiled the balance sheet of **Tata Communications (Belgium) SRL** ("the subsidiary") registered in Belgium as at 31 March 2023 and the related statement of profit and loss for the year then ended, attached herewith.

We performed this compilation engagement in accordance with the Standard on Related Services 4410 (Revised), Compilation Engagements, issued by the Institute of Chartered Accountants of India.

We have applied our expertise in accounting and financial reporting to assist you in preparation of these financial information. We have complied with relevant ethical requirements.

The management of the subsidiary is responsible for:

a) These financial information and the accuracy and completeness of the information used to compile them.

b) Maintaining adequate accounting and other records and internal controls and selecting and applying appropriate accounting policies;

c) Preparation and presentation of financial statements in accordance with the applicable laws and regulations;

d) Establishing controls to safeguard the assets of the entity and preventing and detecting frauds or other irregularities;

e) Establishing controls for ensuring that the activities of the entity are carried out in accordance with the applicable laws and regulations and preventing and detecting any non-compliance.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information provided to us by management to compile the balance sheet and the related statement of profit and loss. Accordingly, we do not express an audit opinion or a review conclusion on whether the financial information are prepared in accordance with an accounting principal generally accepted in India.

Registered Office:
305/306, Technovation Knowledge Park, Mahakali Caves Road,
Andheri (E), Mumbai - 400 093, India. T +91 (22) 6191 5665

This balance sheet and the related statement of profit and loss has been compiled by us only for the purpose of preparation of statement pursuant to Section 129(3) of the Companies Act, 2013, based on trial balance and explanations provided by the management. Accordingly these financial information may not suitable for other purposes.

FOR SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
Firm's Reg. No. 121750W /W100010

(Rahul Bhansali)
PARTNER
Membership No. 126549

Place Mumbai
Date: 19 April 2023

Tata Communications (Belgium) SRL

BALANCE SHEET AS AT 31 MARCH 2023

	Particulars	Note No.	As at 31 March 2023		As at 31 March 2022	
			USD	INR*	USD	INR*
(A)	**ASSETS**					
(1)	**Non-current assets**					
	Property, plant and equipment	1	1,63,521	1,34,36,520	1,62,762	1,23,35,732
	Capital work-in-progress		7,566	6,21,698	11,919	9,03,341
	Financial assets					
	(i) Other financial assets	2	18,820	15,46,439	19,202	14,55,320
	Other Non-current assets	3	14,994	12,32,057	23,074	17,48,778
			2,04,901	1,68,36,714	2,16,957	1,64,43,171
(2)	**Current assets**					
	Financial assets					
	(i) Trade receivables	4	5,10,185	4,19,21,902	2,48,683	1,88,47,685
	(ii) Other financial assets	5	2,546	2,09,205	5,089	3,85,695
	Other Current assets	6	84,158	69,15,263	65,119	49,35,369
			5,96,889	4,90,46,370	3,18,891	2,41,68,749
	TOTAL ASSETS		8,01,790	6,58,83,084	5,35,848	4,06,11,920
(B)	**EQUITY AND LIABILITIES**					
(1)	**Equity**					
	Equity share capital	7	33,37,592	27,42,49,935	33,37,592	25,29,56,098
	Other equity	8	(32,21,719)	(26,47,28,649)	(32,18,946)	(24,39,63,916)
	Total Equity		1,15,873	95,21,286	1,18,646	89,92,182
(2)	**Current liabilities**					
	Financial liabilities					
	(i) Borrowings	9	4,21,543	3,46,38,188	1,00,687	76,31,068
	(ii) Trade payables	10	2,30,953	1,89,77,407	2,61,193	1,97,95,815
	(iii) Other financial liabilities	11	8,848	7,27,040	3,058	2,31,766
	Other current liabilities	12	24,573	20,19,163	52,264	39,61,089
			6,85,917	5,63,61,798	4,17,202	3,16,19,738
	TOTAL EQUITY AND LIABILITIES		8,01,790	6,58,83,084	5,35,848	4,06,11,920

*Exchange rate as at 31 March 2023 1 USD = INR 82.17 (as at 31 March 2022 1 USD = INR 75.79)

Tata Communications (Belgium) SRL

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2023

	Particulars	Note No.	Current year 2022-23		Previous year 2021-22	
			USD	INR*	USD	INR*
i	Revenue from operations		11,82,484	9,71,64,710	12,56,854	9,52,56,965
ii	Other Income	13	3,458	2,84,144	9,911	7,51,155
iii	Total income (i + ii)		11,85,942	9,74,48,854	12,66,765	9,60,08,120
iv	Expenses:					
	Network and transmission expenses	14	8,72,544	7,16,96,940	8,19,036	6,20,74,738
	Employee benefits expenses	15	(49,353)	(40,55,336)	49,353	37,40,464
	Finance costs	16	8,819	7,24,657	7,243	5,48,947
	Depreciation and amortisation expenses		52,334	43,00,285	85,101	64,49,805
	Operating and other expenses	17	3,04,371	2,50,10,164	2,98,558	2,26,27,710
	Total expenses		11,88,715	9,76,76,710	12,59,291	9,54,41,664
v	Profit before taxes (iii - iv)		(2,773)	(2,27,856)	7,474	5,66,456
vi	Tax expenses					
	(i) Current tax expense/(benefit)		-	-	-	-
	(ii) Deferred tax expense/(benefit)		-	-	-	-
	Net tax expenses		-	-	-	-
vii	Profit / (loss) for the year (v-vi)		(2,773)	(2,27,856)	7,474	5,66,456

*Exchange rate as at 31 March 2023 1 USD = INR 82.17 (as at 31 March 2022 1 USD = INR 75.79)

Tata Communications (Belgium) SRL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1 Property, plant and equipment

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Gross block:				
Plant and machinery	**6,60,185**	**5,42,47,401**	6,81,315	5,16,36,864
(a)	**6,60,185**	**5,42,47,401**	6,81,315	5,16,36,864
Accumulated depreciation:				
Plant and machinery	**4,96,664**	**4,08,10,881**	5,18,553	3,93,01,132
(b)	**4,96,664**	**4,08,10,881**	5,18,553	3,93,01,132
Net block (a) - (b)	**1,63,521**	**1,34,36,520**	1,62,762	1,23,35,732

2 Non-current assets - financial assets - other financial assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Vendor deposits	**18,820**	**15,46,439**	19,202	14,55,320
Total	**18,820**	**15,46,439**	19,202	14,55,320

3 Non-current assets - others

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Prepaid expenses	**14,994**	**12,32,057**	23,074	17,48,778
Total	**14,994**	**12,32,057**	23,074	17,48,778

4 Trade receivables

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Trade receivables	1,39,467	1,14,60,003	1,12,045	84,91,891
Intercompany receivables (Net)	3,71,256	3,05,06,106	1,36,743	1,03,63,752
Provision for doubtful debts	(538)	(44,207)	(105)	(7,958)
Total	**5,10,185**	**4,19,21,902**	2,48,683	1,88,47,685

5 Current assets - other financial assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Security Deposit	2,546	2,09,205	3,217	2,43,816
Others	-	-	1,872	1,41,879
Total	**2,546**	**2,09,205**	5,089	3,85,695

6 Current assets - other assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Prepaid expenses	72,129	59,26,840	51,413	38,96,591
Indirect tax receivable	12,029	9,88,423	13,706	10,38,778
Total	**84,158**	**69,15,263**	65,119	49,35,369

7 Equity share capital

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Equity share capital	33,37,592	27,42,49,935	33,37,592	25,29,56,098
Total	**33,37,592**	**27,42,49,935**	33,37,592	25,29,56,098

8 Other Equity

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Surplus / (Deficit)				
Opening balance	**(32,18,946)**	**(26,45,00,793)**	(32,26,420)	(24,45,30,372)
Profit / (loss) for the year	**(2,773)**	**(2,27,856)**	7,474	5,66,456
Total	**(32,21,719)**	**(26,47,28,649)**	(32,18,946)	(24,39,63,916)

9 Current liabilities - borrowings

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Inter company loans taken (Net)	**4,21,543**	**3,46,38,188**	1,00,687	76,31,068
Total	**4,21,543**	**3,46,38,188**	1,00,687	76,31,068

10 Current liabilities - Trade payables

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Trade payable	**2,30,953**	**1,89,77,407**	2,61,193	1,97,95,815
Total	**2,30,953**	**1,89,77,407**	2,61,193	1,97,95,815

11 Current liabilities - other financial liabilities

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Interest accrued but not due on Inter Co. loan (Net)	**8,734**	**7,17,673**	3,058	2,31,766
Others	**114**	**9,367**	-	-
Total	**8,848**	**7,27,040**	3,058	2,31,766

12 Current liabilities - other current liabilities

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Deferred revenue and advance from customers	6,619	5,43,883	2,450	1,85,686
Other Employee dues	17,954	14,75,280	49,353	37,40,464
Others	-	-	461	34,939
Total	**24,573**	**20,19,163**	52,264	39,61,089

13 Other income

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Interest on loan to subsidiaries	462	37,963	-	-
Profit on sale of fixed assets	-	-	2	152
Miscellaneous income	2,996	2,46,181	9,909	7,51,003
Total	**3,458**	**2,84,144**	9,911	7,51,155

14 Network and transmission expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Charges for use of transmission facilities	8,72,544	7,16,96,940	8,19,036	6,20,74,738
Total	**8,72,544**	**7,16,96,940**	8,19,036	6,20,74,738

15 Employee benefit expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Salaries, bonus and allowances	(49,353)	(40,55,336)	49,353	37,40,464
Total	(49,353)	(40,55,336)	49,353	37,40,464

16 Finance costs

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Interest on inter companies loan	8,819	7,24,657	5,818	4,40,946
Guarantee fees	-	-	1,425	1,08,001
Total	8,819	7,24,657	7,243	5,48,947

17 Operating and other expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Auditors remuneration	22,850	18,77,585	41,000	31,07,390
Communication expenses	330	27,116	780	59,116
Electricity	24,860	20,42,746	13,698	10,38,171
Exchange loss -Net	15,144	12,44,382	4,068	3,08,314
Insurance expenses	1,436	1,17,996	1,477	1,11,942
IT consumables	25	2,054	-	-
Legal and professional fees	24,901	20,46,115	21,898	16,59,649
Miscellaneous expenses	2,291	1,88,251	3,027	2,29,416
Provision for doubtful debts	433	35,580	(12,465)	(9,44,722)
Rates and Taxes	1,151	94,578	428	32,438
Rent	648	53,246	-	-
Repairs and Maintenance - Plant & Machinery	13,807	11,34,521	33,351	25,27,672
Services rendered by agencies	1,96,495	1,61,45,994	1,91,296	1,44,98,324
Total	3,04,371	2,50,10,164	2,98,558	2,26,27,710

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APPENDIX - 25

ACCOUNTANT'S REPORT ON COMPILATION OF UNAUDITED FINANCIAL STATEMENTS

To
The Board of Directors
Tata Communications Limited

On the basis of the trial balance and explanations provided to us by the management, we have compiled the balance sheet of **Tata Communications (Hungary) KFT** ("the subsidiary") registered in Hungary as at 31 March 2023 and the related statement of profit and loss for the year then ended, attached herewith.

We performed this compilation engagement in accordance with the Standard on Related Services 4410 (Revised), Compilation Engagements, issued by the Institute of Chartered Accountants of India.

We have applied our expertise in accounting and financial reporting to assist you in preparation of these financial information. We have complied with relevant ethical requirements.

The management of the subsidiary is responsible for:

a) These financial information and the accuracy and completeness of the information used to compile them.

b) Maintaining adequate accounting and other records and internal controls and selecting and applying appropriate accounting policies;

c) Preparation and presentation of financial statements in accordance with the applicable laws and regulations;

d) Establishing controls to safeguard the assets of the entity and preventing and detecting frauds or other irregularities;

e) Establishing controls for ensuring that the activities of the entity are carried out in accordance with the applicable laws and regulations and preventing and detecting any non-compliance.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information provided to us by management to compile the balance sheet and the related statement of profit and loss. Accordingly, we do not express an audit opinion or a review conclusion on whether the financial information are prepared in accordance with an accounting principal generally accepted in India.

Registered Office:
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Andheri (E), Mumbai - 400 093, India. T +91 (22) 6191 5999

This balance sheet and the related statement of profit and loss has been compiled by us only for the purpose of preparation of statement pursuant to Section 129(3) of the Companies Act, 2013, based on trial balance and explanations provided by the management. Accordingly these financial information may not suitable for other purposes.

FOR SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
Firm's Reg. No. 121750W /W100010

(Rahul Bhansali)
PARTNER
Membership No. 126549

Place Mumbai
Date: 19 April 2023

Tata Communications (Hungary) KFT

BALANCE SHEET AS AT 31 MARCH 2023

	Particulars	Note No.	As at 31 March 2023		As at 31 March 2022	
			USD	INR*	USD	INR*
(A)	**ASSETS**					
(1)	**Non-current assets**					
	Property, plant and equipment	1	1,39,778	1,14,85,558	1,98,662	1,50,56,593
	Capital work-in-progress		15,939	13,09,708	179	13,566
	Financial assets					
	(i) Loans	2	1,58,845	1,30,52,294	2,56,252	1,94,21,339
	Advance tax (net)		-	-	4,149	3,14,453
	Other Non-current assets	3	2,605	2,14,053	6,072	4,60,197
			3,17,167	2,60,61,613	4,65,314	3,52,66,148
(2)	**Current assets**					
	Financial assets					
	(i) Trade receivables	4	6,96,619	5,72,41,184	3,66,584	2,77,83,402
	(ii) Cash and cash equivalents	5	35,587	29,24,184	1,27,363	96,52,842
	(iii) Other financial assets	6	1,095	89,976	2,551	1,93,341
	Other Current assets	7	95,079	78,12,642	88,384	66,98,624
			8,28,380	6,80,67,986	5,84,882	4,43,28,209
	TOTAL ASSETS		11,45,547	9,41,29,599	10,50,196	7,95,94,357
(B)	**EQUITY AND LIABILITIES**					
(1)	**Equity**					
	Equity share capital	8	8,70,623	7,15,39,092	8,70,623	6,59,84,517
	Other equity	9	(1,47,293)	(1,21,03,067)	(1,31,839)	(99,92,077)
	Total Equity		7,23,330	5,94,36,025	7,38,784	5,59,92,440
(2)	**Current liabilities**					
	Financial liabilities					
	(i) Trade payables	10	3,99,891	3,28,59,047	3,11,158	2,35,82,666
	(ii) Other financial liabilities	11	16,955	13,93,192	-	-
	Other current liabilities	12	3,364	2,76,420	254	19,251
	Current tax liability (Net)		2,007	1,64,915	-	-
			4,22,217	3,46,93,574	3,11,412	2,36,01,917
	TOTAL EQUITY AND LIABILITIES		11,45,547	9,41,29,599	10,50,196	7,95,94,357

*Exchange rate as at 31 March 2023 1 USD = INR 82.17 (as at 31 March 2022 1 USD = INR 75.79)

Tata Communications (Hungary) KFT

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2023

	Particulars	Note No.	Current year 2022-23		Previous year 2021-22	
			USD	INR*	USD	INR*
i	Revenue from operations		17,09,034	14,04,31,324	14,09,311	10,68,11,681
ii	Other Income	13	1,008	82,827	7,000	5,30,530
iii	Total income (i + ii)		17,10,042	14,05,14,151	14,16,311	10,73,42,211
iv	Expenses:					
	Network and transmission expenses	14	14,71,283	12,08,95,324	12,11,185	9,17,95,711
	Finance costs	15	11,571	9,50,789	3,217	2,43,816
	Depreciation and amortisation expenses		59,240	48,67,751	51,800	39,25,922
	Operating and other expenses	16	1,75,181	1,43,94,623	1,40,988	1,06,85,480
	Total expenses		17,17,275	14,11,08,487	14,07,190	10,66,50,929
v	Profit before taxes (iii - iv)		(7,233)	(5,94,336)	9,121	6,91,282
vi	Tax expenses					
	(i) Current tax expense/(benefit)		8,221	6,75,520	4,639	3,51,590
	(ii) Deferred tax expense/(benefit)		-	-	-	-
	Net tax expenses		8,221	6,75,520	4,639	3,51,590
vii	Profit / (loss) for the year (v-vi)		(15,454)	(12,69,856)	4,482	3,39,692

*Exchange rate as at 31 March 2023 1 USD = INR 82.17 (as at 31 March 2022 1 USD = INR 75.79)

Tata Communications (Hungary) KFT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1 Property, plant and equipment

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Gross block:				
Plant and machinery	**6,43,242**	**5,28,55,195**	6,49,751	4,92,44,628
(a)	**6,43,242**	**5,28,55,195**	6,49,751	4,92,44,628
Accumulated depreciation:				
Plant and machinery	**5,03,464**	**4,13,69,637**	4,51,089	3,41,88,035
(b)	**5,03,464**	**4,13,69,637**	4,51,089	3,41,88,035
Net block (a) - (b)	**1,39,778**	**1,14,85,558**	1,98,662	1,50,56,593

2 Non-current assets - financial assets - loans

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Inter company loans given (Net)	**1,58,845**	**1,30,52,294**	2,56,252	1,94,21,339
Total	**1,58,845**	**1,30,52,294**	2,56,252	1,94,21,339

3 Non-current assets - others

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Prepaid expenses	**2,605**	**2,14,053**	6,072	4,60,197
Total	**2,605**	**2,14,053**	6,072	4,60,197

4 Trade receivables

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Trade receivables	76,251	62,65,545	73,216	55,49,041
Intercompany receivables (Net)	6,27,100	5,15,28,807	2,93,368	2,22,34,361
Provision for doubtful debts	(6,732)	(5,53,168)	-	-
Total	6,96,619	5,72,41,184	3,66,584	2,77,83,402

5 Cash and cash equivalents

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Balance with bank	35,587	29,24,184	1,27,363	96,52,842
Total	35,587	29,24,184	1,27,363	96,52,842

6 Current assets - other financial assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Interest Receivable on Inter Co. Loan (Net)	-	-	506	38,350
Others	1,095	89,976	2,045	1,54,991
Total	1,095	89,976	2,551	1,93,341

7 Current assets - other assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Prepaid expenses	15,462	12,70,513	10,497	7,95,568
Indirect tax receivable	79,617	65,42,129	77,887	59,03,056
Total	95,079	78,12,642	88,384	66,98,624

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

8 Equity share capital

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Equity share capital	**8,70,623**	**7,15,39,092**	8,70,623	6,59,84,517
Total	**8,70,623**	**7,15,39,092**	8,70,623	6,59,84,517

9 Other Equity

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Surplus / (Deficit)				
Opening balance	**(1,31,839)**	**(1,08,33,211)**	(1,36,321)	(1,03,31,769)
Profit / (loss) for the year	**(15,454)**	**(12,69,856)**	4,482	3,39,692
Total	**(1,47,293)**	**(1,21,03,067)**	(1,31,839)	(99,92,077)

10 Current liabilities - Trade payables

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Trade payable	**3,99,891**	**3,28,59,047**	3,11,158	2,35,82,666
Total	**3,99,891**	**3,28,59,047**	3,11,158	2,35,82,666

11 Current liabilities - other financial liabilities

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Interest accrued but not due on Inter Co. loan (Net)	16,955	13,93,192	-	-
Total	16,955	13,93,192	-	-

12 Current liabilities - other current liabilities

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Deferred revenue and advance from customers	3,364	2,76,420	254	19,251
Total	3,364	2,76,420	254	19,251

13 Other income

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Interest on loan to subsidiaries	965	79,294	6,387	4,84,071
Profit on sale of fixed assets	-	-	1	76
Miscellaneous income	43	3,533	612	46,383
Total	1,008	82,827	7,000	5,30,530

14 Network and transmission expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Charges for use of transmission facilities	14,71,283	12,08,95,324	12,11,185	9,17,95,711
Total	14,71,283	12,08,95,324	12,11,185	9,17,95,711

15 Finance costs

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Interest on inter companies loan	11,571	9,50,789	2,212	1,67,647
Guarantee fees	-	-	1,005	76,169
Total	11,571	9,50,789	3,217	2,43,816

16 Operating and other expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Auditors remuneration	10,500	8,62,785	10,000	7,57,900
Communication expenses	222	18,242	558	42,291
Electricity	7,231	5,94,171	8,808	6,67,558
Exchange loss -Net	68,030	55,90,025	14,663	11,11,309
Insurance expenses	3,934	3,23,257	3,777	2,86,259
Legal and professional fees	31,465	25,85,479	54,223	41,09,561
Miscellaneous expenses	3,780	3,10,603	4,384	3,32,263
Provision for doubtful debts	6,732	5,53,168	-	-
Provision For Doubtful advances	2,340	1,92,278	-	-
Rates and Taxes	30,641	25,17,771	26,288	19,92,368
Rent	206	16,927	-	-
Repairs and Maintenance - Plant & Machinery	9,328	7,66,482	10,731	8,13,302
Repairs and Maintenance -Building	-	-	(429)	(32,514)
Services rendered by agencies	772	63,435	7,985	6,05,183
Total	1,75,181	1,43,94,623	1,40,988	1,06,85,480

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APPENDIX - 26

ACCOUNTANT'S REPORT ON COMPILATION OF UNAUDITED FINANCIAL STATEMENTS

To
The Board of Directors
Tata Communications Limited

On the basis of the trial balance and explanations provided to us by the management, we have compiled the balance sheet of **Tata Communications (Ireland) DAC** ("the subsidiary") registered in Ireland as at 31 March 2023 and the related statement of profit and loss for the year then ended, attached herewith.

We performed this compilation engagement in accordance with the Standard on Related Services 4410 (Revised), Compilation Engagements, issued by the Institute of Chartered Accountants of India.

We have applied our expertise in accounting and financial reporting to assist you in preparation of these financial information. We have complied with relevant ethical requirements.

The management of the subsidiary is responsible for:

a) These financial information and the accuracy and completeness of the information used to compile them.

b) Maintaining adequate accounting and other records and internal controls and selecting and applying appropriate accounting policies;

c) Preparation and presentation of financial statements in accordance with the applicable laws and regulations;

d) Establishing controls to safeguard the assets of the entity and preventing and detecting frauds or other irregularities;

e) Establishing controls for ensuring that the activities of the entity are carried out in accordance with the applicable laws and regulations and preventing and detecting any non-compliance.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information provided to us by management to compile the balance sheet and the related statement of profit and loss. Accordingly, we do not express an audit opinion or a review conclusion on whether the financial information are prepared in accordance with an accounting principal generally accepted in India.

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Andheri (E), Mumbai - 400 093. India. T +91 (22) 6191 5500

This balance sheet and the related statement of profit and loss has been compiled by us only for the purpose of preparation of statement pursuant to Section 129(3) of the Companies Act, 2013, based on trial balance and explanations provided by the management. Accordingly these financial information may not suitable for other purposes.

FOR SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
Firm's Reg. No. 121750W /W100010

(Rahul Bhansali)
PARTNER
Membership No. 126549

Place Mumbai
Date: 19 April 2023

Tata Communications (Ireland) DAC

BALANCE SHEET AS AT 31 MARCH 2023

	Particulars	Note No.	As at 31 March 2023		As at 31 March 2022	
			USD	INR*	USD	INR*
(A)	**ASSETS**					
(1)	**Non-current assets**					
	Property, plant and equipment	1	4,44,369	3,65,13,800	6,05,068	4,58,58,104
	Capital work-in-progress		26,960	22,15,303	24,627	18,66,480
	Financial assets					
	(i) Loans	2	26,08,392	21,43,31,571	2,26,652	1,71,77,955
	(ii) Other financial assets	3	755	62,038	770	58,358
	Deferred tax assets (net)		53,173	43,69,225	23,183	17,57,040
	Other Non-current assets	4	4,373	3,59,329	14,617	11,07,822
			31,38,022	25,78,51,266	8,94,917	6,78,25,759
(2)	**Current assets**					
	Financial assets					
	(i) Trade receivables	5	17,60,915	14,46,94,385	11,59,446	8,78,74,412
	(ii) Cash and cash equivalents	6	1,03,992	85,45,023	58,597	44,41,067
	(iii) Other financial assets	7	84,156	69,15,099	28,725	21,77,068
	Other Current assets	8	28,210	23,18,016	68,600	51,99,194
			19,77,273	16,24,72,523	13,15,368	9,96,91,741
	TOTAL ASSETS		51,15,295	42,03,23,789	22,10,285	16,75,17,500
(B)	**EQUITY AND LIABILITIES**					
(1)	**Equity**					
	Equity share capital	9	1	82	1	76
	Other equity	10	4,09,575	3,36,54,780	2,77,330	2,10,18,839
	Total Equity		4,09,576	3,36,54,862	2,77,331	2,10,18,915
(2)	**Non-current liabilities**					
	Other liabilities (Deferred revenue)		27,583	22,66,495	16,500	12,50,535
			27,583	22,66,495	16,500	12,50,535
(3)	**Current liabilities**					
	Financial liabilities					
	(i) Trade payables	11	42,48,001	34,90,58,239	15,76,617	11,94,91,803
	(ii) Other financial liabilities	12	19,744	16,22,364	20,145	15,26,790
	Other current liabilities	13	3,82,981	3,14,69,549	3,09,226	2,34,36,239
	Current tax liability (Net)		27,410	22,52,280	10,466	7,93,218
			46,78,136	38,44,02,432	19,16,454	14,52,48,050
	TOTAL EQUITY AND LIABILITIES		51,15,295	42,03,23,789	22,10,285	16,75,17,500

*Exchange rate as at 31 March 2023 1 USD = INR 82.17 (as at 31 March 2022 1 USD = INR 75.79)

Tata Communications (Ireland) DAC

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2023

	Particulars	Note No.	Current year 2022-23		Previous year 2021-22	
			USD	INR	USD	INR
i	Revenue from operations		74,79,493	61,45,89,940	76,09,874	57,67,52,350
ii	Other Income	14	1,51,206	1,24,24,598	50,535	38,30,048
iii	Total income (i + ii)		76,30,699	62,70,14,538	76,60,409	58,05,82,398
iv	Expenses:					
	Network and transmission expenses	15	61,52,325	50,55,36,545	65,53,676	49,67,03,104
	Employee benefits expenses	16	(13,392)	(11,00,421)	14,152	10,72,580
	Finance costs	17	25	2,054	1,450	1,09,896
	Depreciation and amortisation expenses		1,96,295	1,61,29,560	2,06,664	1,56,63,065
	Operating and other expenses	18	11,72,381	9,63,34,546	8,27,060	6,26,82,878
	Total expenses		75,07,634	61,69,02,284	76,03,002	57,62,31,523
v	Profit before taxes (iii - iv)		1,23,065	1,01,12,254	57,407	43,50,875
vi	Tax expenses					
	(i) Current tax expense/(benefit)		20,810	17,09,958	8,505	6,44,594
	(ii) Deferred tax expense/(benefit)		(29,990)	(24,64,278)	(15,427)	(11,69,212)
	Net tax expenses		(9,180)	(7,54,320)	(6,922)	(5,24,618)
vii	Profit / (loss) for the year (v-vi)		1,32,245	1,08,66,574	64,329	48,75,493

*Exchange rate as at 31 March 2023 1 USD = INR 82.17 (as at 31 March 2022 1 USD = INR 75.79)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1 Property, plant and equipment

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Gross block:				
Plant and machinery	**16,60,697**	**13,64,59,472**	16,65,883	12,62,57,273
Computers	**3,218**	**2,64,423**	3,156	2,39,193
(a)	**16,63,915**	**13,67,23,895**	16,69,039	12,64,96,466
Accumulated depreciation:				
Plant and machinery	**12,16,995**	**10,00,00,479**	10,60,815	8,03,99,169
Computers	**2,551**	**2,09,616**	3,156	2,39,193
(b)	**12,19,546**	**10,02,10,095**	10,63,971	8,06,38,362
Net block (a) - (b)	**4,44,369**	**3,65,13,800**	6,05,068	4,58,58,104

2 Non-current assets - financial assets - loans

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Inter company loans given (Net)	**26,08,392**	**21,43,31,571**	2,26,652	1,71,77,955
Total	**26,08,392**	**21,43,31,571**	2,26,652	1,71,77,955

3 Non-current assets - financial assets - other financial assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Vendor deposits	**755**	**62,038**	770	58,358
Total	**755**	**62,038**	770	58,358

4 Non-current assets - others

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Prepaid expenses	4,373	3,59,329	14,617	11,07,822
Total	4,373	3,59,329	14,617	11,07,822

5 Trade receivables

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Trade receivables	18,36,118	15,08,73,816	11,79,418	8,93,88,090
Provision for doubtful debts	(75,203)	(61,79,431)	(19,972)	(15,13,678)
Total	17,60,915	14,46,94,385	11,59,446	8,78,74,412

6 Cash and cash equivalents

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Balance with bank	1,03,992	85,45,023	58,597	44,41,067
Total	1,03,992	85,45,023	58,597	44,41,067

7 Current assets - other financial assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Interest Receivable on Inter Co. Loan (Net)	82,950	68,16,002	26,067	19,75,618
Others	1,206	99,097	2,658	2,01,450
Total	84,156	69,15,099	28,725	21,77,068

8 Current assets - other assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Prepaid expenses	**28,210**	**23,18,016**	68,600	51,99,194
Total	**28,210**	**23,18,016**	68,600	51,99,194

9 Equity share capital

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Equity share capital	**1**	**82**	1	76
Total	**1**	**82**	1	76

10 Other Equity

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Surplus / (Deficit)				
Opening balance	**2,77,330**	**2,27,88,206**	2,13,001	1,61,43,346
Profit / (loss) for the year	**1,32,245**	**1,08,66,574**	64,329	48,75,493
Total	**4,09,575**	**3,36,54,780**	2,77,330	2,10,18,839

11 Current liabilities - Trade payables

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Trade payable	**8,31,839**	**6,83,52,207**	3,28,520	2,48,98,531
Inter Company - Payables (Net)	**34,16,162**	**28,07,06,032**	12,48,097	9,45,93,272
Total	**42,48,001**	**34,90,58,239**	15,76,617	11,94,91,803

12 Current liabilities - other financial liabilities

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Deposit from customers and contractors	19,744	16,22,364	20,145	15,26,790
Total	19,744	16,22,364	20,145	15,26,790

13 Current liabilities - other current liabilities

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Deferred revenue and advance from customers	2,18,613	1,79,63,430	2,27,430	1,72,36,920
Other Employee dues	1,02,980	84,61,867	14,152	10,72,580
Other Statutory dues	61,388	50,44,252	67,644	51,26,739
Total	3,82,981	3,14,69,549	3,09,226	2,34,36,239

14 Other income

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Interest on loan to subsidiaries	1,03,241	84,83,313	46,083	34,92,631
Exchange gain -Net	46,550	38,25,014	-	-
Miscellaneous income	1,415	1,16,271	4,452	3,37,417
Total	1,51,206	1,24,24,598	50,535	38,30,048

15 Network and transmission expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Charges for use of transmission facilities	61,52,325	50,55,36,545	65,53,676	49,67,03,104
Total	61,52,325	50,55,36,545	65,53,676	49,67,03,104

16 Employee benefit expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Salaries, bonus and allowances	(14,152)	(11,62,870)	14,152	10,72,580
Staff welfare expenses	760	62,449	-	-
Total	(13,392)	(11,00,421)	14,152	10,72,580

17 Finance costs

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Interest on inter companies loan	25	2,054	-	-
Guarantee fees	-	-	1,450	1,09,896
Total	25	2,054	1,450	1,09,896

18 Operating and other expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Advertising and publicity	1,60,900	1,32,21,153	93,524	70,88,184
Auditors remuneration	9,975	8,19,646	9,500	7,20,005
Communication expenses	1,280	1,05,178	917	69,499
Electricity	18,878	15,51,205	25,283	19,16,199
Exchange loss -Net	-	-	1,92,389	1,45,81,162
Insurance expenses	5,895	4,84,392	5,682	4,30,639
Legal and professional fees	1,06,206	87,26,947	1,79,656	1,36,16,128
Miscellaneous expenses	92,943	76,37,126	66,977	50,76,187
Printing and stationery	461	37,880	-	-
Provision for doubtful debts	55,231	45,38,331	4,205	3,18,697
Recruitment expenses	27,077	22,24,917	-	-
Rent	1,171	96,221	-	-
Repairs and Maintenance - Plant & Machinery	1,76,643	1,45,14,755	2,11,397	1,60,21,779
Repairs and Maintenance -Building	81	6,656	-	-
Services rendered by agencies	5,15,640	4,23,70,139	37,530	28,44,399
Total	11,72,381	9,63,34,546	8,27,060	6,26,82,878

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APPENDIX - 27

ACCOUNTANT'S REPORT ON COMPILATION OF UNAUDITED FINANCIAL STATEMENTS

To
The Board of Directors
Tata Communications Limited

On the basis of the trial balance and explanations provided to us by the management, we have compiled the balance sheet of **Tata Communications (Middle East) FZ-LLC** ("the subsidiary") registered in Dubai, United Arab Emirates as at 31 March 2023 and the related statement of profit and loss for the year then ended, attached herewith.

We performed this compilation engagement in accordance with the Standard on Related Services 4410 (Revised), Compilation Engagements, issued by the Institute of Chartered Accountants of India.

We have applied our expertise in accounting and financial reporting to assist you in preparation of these financial information. We have complied with relevant ethical requirements.

The management of the subsidiary is responsible for:

a) These financial information and the accuracy and completeness of the information used to compile them.

b) Maintaining adequate accounting and other records and internal controls and selecting and applying appropriate accounting policies;

c) Preparation and presentation of financial statements in accordance with the applicable laws and regulations;

d) Establishing controls to safeguard the assets of the entity and preventing and detecting frauds or other irregularities;

e) Establishing controls for ensuring that the activities of the entity are carried out in accordance with the applicable laws and regulations and preventing and detecting any non-compliance.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information provided to us by management to compile the balance sheet and the related statement of profit and loss. Accordingly, we do not express an audit opinion or a review conclusion on whether the financial information are prepared in accordance with an accounting principal generally accepted in India.

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

Registered Office:
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Andheri (E), Mumbai - 400 093, India. T +91 (22) 6191 3666

This balance sheet and the related statement of profit and loss has been compiled by us only for the purpose of preparation of statement pursuant to Section 129(3) of the Companies Act, 2013, based on trial balance and explanations provided by the management. Accordingly these financial information may not suitable for other purposes.

FOR SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
Firm's Reg. No. 121750W /W100010

(Rahul Bhansali)
PARTNER
Membership No. 126549

Place Mumbai
Date: 19 April 2023

Tata Communications (Middle East) FZ-LLC

BALANCE SHEET AS AT 31 MARCH 2023

	Particulars	Note No.	As at 31 March 2023		As at 31 March 2022	
			USD	INR*	USD	INR*
(A)	**ASSETS**					
(1)	**Non-current assets**					
	Property, plant and equipment	1	1,81,380	1,49,03,995	1,76,626	1,33,86,485
	Right-of-use assets		3,36,626	2,76,60,558	-	-
	Investments in subsidiaries & associates	2	1,36,006	1,11,75,613	1,36,006	1,03,07,895
	Other Non-current assets	3	16,550	13,59,914	420	31,832
			6,70,562	5,51,00,080	3,13,052	2,37,26,212
(2)	**Current assets**					
	Financial assets					
	(i) Trade receivables	4	47,19,694	38,78,17,255	19,69,232	14,92,48,094
	(ii) Cash and cash equivalents	5	3,71,691	3,05,41,849	75,646	57,33,210
	(iii) Other financial assets	6	23,525	19,33,049	16,974	12,86,459
	Other Current assets	7	10,02,152	8,23,46,830	6,66,311	5,04,99,711
			61,17,062	50,26,38,983	27,28,163	20,67,67,474
	TOTAL ASSETS		67,87,624	55,77,39,063	30,41,215	23,04,93,686
(B)	**EQUITY AND LIABILITIES**					
(1)	**Equity**					
	Equity share capital	8	13,750	11,29,838	13,750	10,42,113
	Other equity	9	(21,29,426)	(17,49,74,937)	(20,84,138)	(15,79,56,821)
	Total Equity		(21,15,676)	(17,38,45,099)	(20,70,388)	(15,69,14,708)
(2)	**Non-current liabilities**					
	Financial liabilities					
	(i) Lease liabilities		35,486	29,15,885	-	-
	Provisions	10	9,99,756	8,21,49,951	7,24,248	5,48,90,756
	Other liabilities (Deferred revenue)		3,182	2,61,465	9,582	7,26,220
			10,38,424	8,53,27,301	7,33,830	5,56,16,976
(3)	**Current liabilities**					
	Financial liabilities					
	(i) Borrowings	11	58,76,311	48,28,56,475	34,34,161	26,02,75,062
	(ia) Lease liabilities		95,646	78,59,232	-	-
	(ii) Trade payables	12	7,06,665	5,80,66,663	1,87,779	1,42,31,773
	(iii) Other financial liabilities	13	1,54,446	1,26,90,828	1,00,086	75,85,518
	Other current liabilities	14	9,54,229	7,84,08,997	6,04,419	4,58,08,916
	Provisions	15	77,579	63,74,666	51,328	38,90,149
			78,64,876	64,62,56,861	43,77,773	33,17,91,418
	TOTAL EQUITY AND LIABILITIES		67,87,624	55,77,39,063	30,41,215	23,04,93,686

*Exchange rate as at 31 March 2023 1 USD = INR 82.17 (as at 31 March 2022 1 USD = INR 75.79)

Tata Communications (Middle East) FZ-LLC

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2023

	Particulars	Note No.	Current year 2022-23		Previous year 2021-22	
			USD	INR*	USD	INR*
i	Revenue from operations		78,41,941	64,43,72,292	52,41,408	39,72,46,312
ii	Other income	16	3,90,460	3,20,84,098	3,73,435	2,83,02,639
iii	Total income (i + ii)		82,32,401	67,64,56,390	56,14,843	42,55,48,951
iv	Expenses:					
	Network and transmission expenses	17	3,21,104	2,63,85,116	9,001	6,82,186
	Employee benefits expenses	18	62,40,396	51,27,73,339	42,04,701	31,86,74,289
	Finance costs	19	2,52,385	2,07,38,476	3,09,422	2,34,51,093
	Depreciation and amortisation expenses		67,610	55,55,514	83,732	63,46,048
	Operating and other expenses	20	13,28,313	10,91,47,476	10,13,663	7,68,25,521
	Total expenses		82,09,808	67,45,99,921	56,20,519	42,59,79,137
v	Profit before exceptional items and taxes (iii - iv)		22,593	18,56,469	(5,676)	(4,30,186)
vi	Exceptional items:					
	Staff cost optimisation		-	-	54,571	41,35,936
vii	Profit before taxes (v - vi)		22,593	18,56,469	48,895	37,05,750
viii	Tax expenses					
	(i) Current tax expense/(benefit)		-	-	-	-
	(ii) Deferred tax expense/(benefit)		-	-	-	-
	Net tax expenses		-	-	-	-
ix	Profit / (loss) for the year (vii-viii)		22,593	18,56,469	48,895	37,05,750

*Exchange rate as at 31 March 2023 1 USD = INR 82.17 (as at 31 March 2022 1 USD = INR 75.79)

Tata Communications (Middle East) FZ-LLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1 Property, plant and equipment

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Gross block:				
Lease hold improvement	**4,15,538**	**3,41,44,757**	3,49,824	2,65,13,161
Plant and machinery	**-**	**-**	18,425	13,96,431
Furniture and fixtures	**1,10,954**	**91,17,090**	1,10,954	84,09,204
Computers	**1,09,284**	**89,79,866**	1,22,155	92,58,127
Office equipment	**11,805**	**9,70,017**	17,191	13,02,906
(a)	**6,47,581**	**5,32,11,730**	6,18,549	4,68,79,829
Accumulated depreciation:				
Lease hold improvement	**3,31,697**	**2,72,55,542**	2,87,520	2,17,91,141
Plant and machinery	**-**	**-**	(1,694)	(1,28,388)
Furniture and fixtures	**72,455**	**59,53,627**	62,713	47,53,018
Computers	**58,606**	**48,15,655**	90,519	68,60,435
Office equipment	**3,443**	**2,82,911**	2,865	2,17,138
(b)	**4,66,201**	**3,83,07,735**	4,41,923	3,34,93,344
Net block (a) - (b)	**1,81,380**	**1,49,03,995**	1,76,626	1,33,86,485

2 Investments in subsidiaries & associates

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Investments in subsidiaries	**1,36,006**	**1,11,75,613**	1,36,006	1,03,07,895
Total	**1,36,006**	**1,11,75,613**	1,36,006	1,03,07,895

3 Non-current assets - others

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Prepaid expenses	**16,550**	**13,59,914**	420	31,832
Total	**16,550**	**13,59,914**	420	31,832

4 Trade receivables

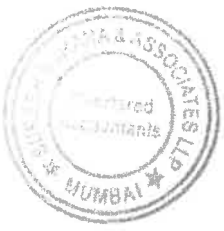
Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Trade receivables	**1,24,084**	**1,01,95,982**	57,996	43,95,517
Intercompany receivables (Net)	**46,03,119**	**37,82,38,288**	19,20,568	14,55,59,849
Provision for doubtful debts	**(7,509)**	**(6,17,015)**	(9,332)	(7,07,272)
Total	**47,19,694**	**38,78,17,255**	19,69,232	14,92,48,094

5 Cash and cash equivalents

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Balance with bank	**3,71,691**	**3,05,41,849**	75,646	57,33,210
Total	**3,71,691**	**3,05,41,849**	75,646	57,33,210

6 Current assets - other financial assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Security Deposit	**23,525**	**19,33,049**	16,974	12,86,459
Total	**23,525**	**19,33,049**	16,974	12,86,459



7 Current assets - other assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Advances to Vendors / Suppliers	**20,779**	**17,07,410**	2,676	2,02,814
Advances to employees	**22,128**	**18,18,258**	6,286	4,76,416
Prepaid expenses	**8,45,675**	**6,94,89,115**	5,48,739	4,15,88,929
Indirect tax receivable	**1,13,570**	**93,32,047**	1,08,609	82,31,476
Others	**-**	**-**	1	76
Total	**10,02,152**	**8,23,46,830**	6,66,311	5,04,99,711

8 Equity share capital

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Equity share capital	**13,750**	**11,29,838**	13,750	10,42,113
Total	**13,750**	**11,29,838**	13,750	10,42,113

9 Other Equity

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Surplus / (Deficit)				
Opening balance	**(20,84,138)**	**(17,12,53,624)**	(21,33,033)	(16,16,62,571)
Profit / (loss) for the year	**22,593**	**18,56,469**	48,895	37,05,750
Closing balance	**(20,61,545)**	**(16,93,97,155)**	(20,84,138)	(15,79,56,821)
OCI Reserves Employee Benefit Plan	**(67,881)**	**(55,77,782)**	-	-
Total	**(21,29,426)**	**(17,49,74,937)**	(20,84,138)	(15,79,56,821)

10 Non-current liabilities - provisions

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Asset retirement obligation and others	1,72,917	1,42,08,590	1,05,327	79,82,733
Provision for gratuity	7,33,418	6,02,64,957	5,93,173	4,49,56,582
Retention liability	93,421	76,76,404	25,748	19,51,441
Total	**9,99,756**	**8,21,49,951**	7,24,248	5,48,90,756

11 Current liabilities - borrowings

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Inter company loans taken (Net)	58,76,311	48,28,56,475	34,34,161	26,02,75,062
Total	**58,76,311**	**48,28,56,475**	34,34,161	26,02,75,062

12 Current liabilities - Trade payables

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Trade payable	7,06,665	5,80,66,663	1,87,779	1,42,31,773
Total	**7,06,665**	**5,80,66,663**	1,87,779	1,42,31,773

13 Current liabilities - other financial liabilities

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Deposit from customers and contractors	4,499	3,69,683	4,499	3,40,979
Interest accrued but not due on Inter Co. loan (Net)	1,49,947	1,23,21,145	95,587	72,44,539
Total	**1,54,446**	**1,26,90,828**	1,00,086	75,85,518

14 Current liabilities - other current liabilities

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Deferred revenue and advance from customers	59,525	48,91,169	6,723	5,09,536
Other Employee dues	8,94,701	7,35,17,581	5,97,696	4,52,99,380
Other Statutory dues	3	247	-	-
Total	9,54,229	7,84,08,997	6,04,419	4,58,08,916

15 Current liabilities - provisons

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Leave entitlement	77,579	63,74,666	51,328	38,90,149
Total	77,579	63,74,666	51,328	38,90,149

16 Other income

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Profit on sale of fixed assets	-	-	583	44,186
Miscellaneous income	3,90,460	3,20,84,098	3,72,852	2,82,58,453
Total	3,90,460	3,20,84,098	3,73,435	2,83,02,639

17 Network and transmission expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Charges for use of transmission facilities	3,21,104	2,63,85,116	9,001	6,82,186
Total	3,21,104	2,63,85,116	9,001	6,82,186

18 Employee benefit expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Salaries, bonus and allowances	60,28,301	49,53,45,493	40,77,562	30,90,38,424
Contribution to provident and other funds	1,72,210	1,41,50,496	1,06,539	80,74,591
Staff welfare expenses	39,885	32,77,350	20,600	15,61,274
Total	62,40,396	51,27,73,339	42,04,701	31,86,74,289

19 Finance costs

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Interest expenses	1,876	1,54,151	-	-
Interest on inter companies loan	2,50,509	2,05,84,325	2,16,862	1,64,35,971
Guarantee fees	-	-	92,560	70,15,122
Total	2,52,385	2,07,38,476	3,09,422	2,34,51,093

20 Operating and other expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Advertising and publicity	28,279	23,23,685	1,05,106	79,65,984
Auditors remuneration	7,379	6,06,332	5,445	4,12,677
Communication expenses	1,18,237	97,15,534	1,09,950	83,33,111
CSR expenses	5,208	4,27,941	-	-
Electricity	52	4,273	-	-
Entertainment expenses	16,825	13,82,510	6,525	4,94,530
Exchange loss -Net	94,157	77,36,881	1,14,505	86,78,334
Insurance expenses	9,931	8,16,030	14,430	10,93,650
IT consumables	62,176	51,09,002	101	7,655
Legal and professional fees	1,21,766	1,00,05,512	87,952	66,65,882
Loss on sale of fixed asset	28,972	23,80,629	-	-
Miscellaneous expenses	27,665	22,73,233	13,734	10,40,900
Printing and stationery	30,045	24,68,798	8,805	6,67,331
Provision for doubtful debts	(1,823)	(1,49,796)	4,398	3,33,324
Rates and Taxes	108	8,874	238	18,038
Recruitment expenses	54,166	44,50,820	20,843	15,79,691
Relocation Expense	6,807	5,59,331	-	-
Rent	2,10,967	1,73,35,158	1,43,471	1,08,73,667
Repairs and Maintenance - Plant & Machinery	2,09,536	1,72,17,573	2,51,369	1,90,51,257
Repairs and Maintenance -Building	550	45,194	395	29,937
Seminars, trainings and conferences	264	21,693	6,765	5,12,719
Services rendered by agencies	37,355	30,69,460	34,535	26,17,408
Travelling and conveyance expenses	2,59,691	2,13,38,809	85,096	64,49,426
Total	13,28,313	10,91,47,476	10,13,663	7,68,25,521

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APPENDIX - 28

ACCOUNTANT'S REPORT ON COMPILATION OF UNAUDITED FINANCIAL STATEMENTS

To
The Board of Directors
Tata Communications Limited

On the basis of the trial balance and explanations provided to us by the management, we have compiled the balance sheet of **TCPoP Communications GmbH** ("the subsidiary") registered in Austria as at 31 March 2023 and the related statement of profit and loss for the year then ended, attached herewith.

We performed this compilation engagement in accordance with the Standard on Related Services 4410 (Revised), Compilation Engagements, issued by the Institute of Chartered Accountants of India.

We have applied our expertise in accounting and financial reporting to assist you in preparation of these financial information. We have complied with relevant ethical requirements.

The management of the subsidiary is responsible for:

a) These financial information and the accuracy and completeness of the information used to compile them.

b) Maintaining adequate accounting and other records and internal controls and selecting and applying appropriate accounting policies;

c) Preparation and presentation of financial statements in accordance with the applicable laws and regulations;

d) Establishing controls to safeguard the assets of the entity and preventing and detecting frauds or other irregularities;

e) Establishing controls for ensuring that the activities of the entity are carried out in accordance with the applicable laws and regulations and preventing and detecting any non-compliance.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information provided to us by management to compile the balance sheet and the related statement of profit and loss. Accordingly, we do not express an audit opinion or a review conclusion on whether the financial information are prepared in accordance with an accounting principal generally accepted in India.

SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
MUMBAI

Registered Office:
301, 305, Technopolis Knowledge Park, Mahakali Caves Road,
Andheri (E), Mumbai - 400 093, India. T +91 (22) 6767 6666

This balance sheet and the related statement of profit and loss has been compiled by us only for the purpose of preparation of statement pursuant to Section 129(3) of the Companies Act, 2013, based on trial balance and explanations provided by the management. Accordingly these financial information may not suitable for other purposes.

FOR SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
Firm's Reg. No. 121750W /W100010

(Rahul Bhansali)
PARTNER
Membership No. 126549

Place Mumbai
Date: 19 April 2023

TcPoP Communication GmbH

BALANCE SHEET AS AT 31 MARCH 2023

	Particulars	Note No.	As at 31 March 2023		As at 31 March 2022	
			USD	INR*	USD	INR*
(A)	**ASSETS**					
(1)	**Non-current assets**					
	Property, plant and equipment	1	1,40,285	1,15,27,218	1,72,070	1,30,41,185
	Capital work-in-progress		6,885	5,65,740	10,823	8,20,275
	Other Intangible assets	2	7,46,791	6,13,63,816	11,81,525	8,95,47,780
	Financial assets					
	(i) Other financial assets	3	3,163	2,59,904	3,227	2,44,574
	Deferred tax assets (net)		-	-	6,460	4,89,603
	Other Non-current assets	4	69,547	57,14,677	15,114	11,45,490
			9,66,671	7,94,31,355	13,89,219	10,52,88,907
(2)	**Current assets**					
	Financial assets					
	(i) Trade receivables	5	5,33,023	4,37,98,500	2,05,716	1,55,91,216
	(ii) Other financial assets	6	73	5,998	229	17,356
	Other Current assets	7	92,484	75,99,411	50,354	38,16,329
			6,25,580	5,14,03,909	2,56,299	1,94,24,901
	TOTAL ASSETS		15,92,251	13,08,35,264	16,45,518	12,47,13,808
(B)	**EQUITY AND LIABILITIES**					
(1)	**Equity**					
	Equity share capital	8	45,681	37,53,608	45,681	34,62,163
	Other equity	9	12,18,341	10,01,11,080	11,59,736	8,78,96,392
	Total Equity		12,64,022	10,38,64,688	12,05,417	9,13,58,555
(2)	**Current liabilities**					
	Financial liabilities					
	(i) Borrowings	10	57,790	47,48,604	2,86,078	2,16,81,852
	(ii) Trade payables	11	1,19,044	97,81,845	1,03,094	78,13,493
	(iii) Other financial liabilities	12	743	61,052	10,119	7,66,919
	Other current liabilities	13	1,24,874	1,02,60,897	1,117	84,657
	Current tax liability (Net)		25,778	21,18,178	39,693	30,08,332
			3,28,229	2,69,70,576	4,40,101	3,33,55,253
	TOTAL EQUITY AND LIABILITIES		15,92,251	13,08,35,264	16,45,518	12,47,13,808

*Exchange rate as at 31 March 2023 1 USD = INR 82.17 (as at 31 March 2022 1 USD = INR 75.79)

TcPoP Communication GmbH

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2023

	Particulars	Note No.	Current year 2022-23		Previous year 2021-22	
			USD	INR*	USD	INR*
i	Revenue from operations		8,96,603	7,36,73,869	8,65,737	6,56,14,207
ii	Other Income	14	4,596	3,77,653	39,923	30,25,764
iii	Total income (i+ ii)		9,01,199	7,40,51,522	9,05,660	6,86,39,971
iv	Expenses:					
	Network and transmission expenses	15	1,33,620	1,09,79,555	1,26,904	96,18,054
	Finance costs	16	4,750	3,90,308	31,224	23,66,467
	Depreciation and amortisation expenses		4,97,432	4,08,73,987	4,91,096	3,72,20,166
	Operating and other expenses	17	2,04,602	1,68,12,147	1,89,674	1,43,75,391
	Total expenses		8,40,404	6,90,55,997	8,38,898	6,35,80,078
v	Profit before taxes (iii - iv)		60,795	49,95,525	66,762	50,59,893
vi	Tax expenses					
	(i) Current tax expense/(benefit)		(4,270)	(3,50,866)	(7,800)	(5,91,162)
	(ii) Deferred tax expense/(benefit)		6,460	5,30,818	(6,460)	(4,89,603)
	Net tax expenses		2,190	1,79,952	(14,260)	(10,80,765)
vii	Profit / (loss) for the year (v-vi)		58,605	48,15,573	81,022	61,40,658

*Exchange rate as at 31 March 2023 1 USD = INR 82.17 (as at 31 March 2022 1 USD = INR 75.79)

TcPoP Communication GmbH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1 **Property, plant and equipment**

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Gross block:				
Cables	**76,660**	**62,99,152**	76,660	58,10,061
Plant and machinery	**5,05,289**	**4,15,19,597**	4,82,804	3,65,91,715
(a)	**5,81,949**	**4,78,18,749**	5,59,464	4,24,01,776
Accumulated depreciation:				
Cables	**47,274**	**38,84,505**	39,608	30,01,890
Plant and machinery	**3,94,390**	**3,24,07,026**	3,47,786	2,63,58,701
(b)	**4,41,664**	**3,62,91,531**	3,87,394	2,93,60,591
Net block (a) - (b)	**1,40,285**	**1,15,27,218**	1,72,070	1,30,41,185

2 **Other Intangible assets**

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Gross block:				
Computer software	**21,73,673**	**17,86,10,710**	21,73,673	16,47,42,677
(a)	**21,73,673**	**17,86,10,710**	21,73,673	16,47,42,677
Accumulated amortisation:				
Computer software	**14,26,882**	**11,72,46,894**	9,92,148	7,51,94,897
(b)	**14,26,882**	**11,72,46,894**	9,92,148	7,51,94,897
Net block (a) - (b)	**7,46,791**	**6,13,63,816**	11,81,525	8,95,47,780

3 Non-current assets - financial assets - other financial assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Vendor deposits	3,163	2,59,904	3,227	2,44,574
Total	3,163	2,59,904	3,227	2,44,574

4 Non-current assets - others

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Prepaid expenses	69,547	57,14,677	15,114	11,45,490
Total	69,547	57,14,677	15,114	11,45,490

5 Trade receivables

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Trade receivables	1,40,661	1,15,58,114	7,858	5,95,558
Intercompany receivables (Net)	3,92,362	3,22,40,386	1,97,858	1,49,95,658
Total	5,33,023	4,37,98,500	2,05,716	1,55,91,216

6 Current assets - other financial assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Others	73	5,998	229	17,356
Total	73	5,998	229	17,356

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

7 Current assets - other assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Prepaid expenses	23,946	19,67,643	16,312	12,36,286
Indirect tax receivable	33,798	27,77,182	34,042	25,80,043
Others	34,740	28,54,586	-	-
Total	92,484	75,99,411	50,354	38,16,329

8 Equity share capital

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Equity share capital	45,681	37,53,608	45,681	34,62,163
Total	45,681	37,53,608	45,681	34,62,163

9 Other Equity

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Surplus / (Deficit)				
Opening balance	11,59,736	9,52,95,507	10,78,714	8,17,55,734
Profit / (loss) for the year	58,605	48,15,573	81,022	61,40,658
Total	12,18,341	10,01,11,080	11,59,736	8,78,96,392

10 Current liabilities - borrowings

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Inter company loans taken (Net)	57,790	47,48,604	2,86,078	2,16,81,852
Total	57,790	47,48,604	2,86,078	2,16,81,852

11 Current liabilities - Trade payables

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Trade payable	1,19,044	97,81,845	1,03,094	78,13,493
Total	1,19,044	97,81,845	1,03,094	78,13,493

12 Current liabilities - other financial liabilities

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Interest accrued but not due on Inter Co. loan (Net)	743	61,052	10,119	7,66,919
Total	743	61,052	10,119	7,66,919

13 Current liabilities - other current liabilities

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Deferred revenue and advance from customers	1,24,874	1,02,60,897	1,117	84,657
Total	1,24,874	1,02,60,897	1,117	84,657

14 Other income

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Interest on loan to subsidiaries	102	8,381	-	-
Profit on sale of fixed assets	-	-	1	76
Exchange gain -Net	341	28,020	39,922	30,25,688
Miscellaneous income	4,153	3,41,252	-	-
Total	4,596	3,77,653	39,923	30,25,764

15 Network and transmission expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Charges for use of transmission facilities	1,33,620	1,09,79,555	1,26,904	96,18,054
Total	1,33,620	1,09,79,555	1,26,904	96,18,054

16 Finance costs

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Interest expenses	(648)	(53,246)	-	-
Interest on inter companies loan	5,398	4,43,554	25,799	19,55,306
Guarantee fees	-	-	5,425	4,11,161
Total	4,750	3,90,308	31,224	23,66,467

17 Operating and other expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Advertising and publicity	14,924	12,26,305	-	-
Communication expenses	-	-	2,855	2,16,380
Electricity	23,548	19,34,939	15,737	11,92,707
Insurance expenses	2,417	1,98,605	2,341	1,77,424
Legal and professional fees	51,680	42,46,546	53,693	40,69,392
Miscellaneous expenses	3,098	2,54,563	1,159	87,841
Rates and Taxes	598	49,138	(1,532)	(1,16,110)
Repairs and Maintenance - Plant & Machinery	1,06,230	87,28,919	1,14,890	87,07,513
Services rendered by agencies	2,107	1,73,132	531	40,244
Total	2,04,602	1,68,12,147	1,89,674	1,43,75,391

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APPENDIX - 29

ACCOUNTANT'S REPORT ON COMPILATION OF UNAUDITED FINANCIAL STATEMENTS

To
The Board of Directors
Tata Communications Limited

On the basis of the trial balance and explanations provided to us by the management, we have compiled the balance sheet of **Tata Communications (Taiwan) Ltd** ("the subsidiary") registered in Taiwan as at 31 March 2023 and the related statement of profit and loss for the year then ended, attached herewith.

We performed this compilation engagement in accordance with the Standard on Related Services 4410 (Revised), Compilation Engagements, issued by the Institute of Chartered Accountants of India.

We have applied our expertise in accounting and financial reporting to assist you in preparation of these financial information. We have complied with relevant ethical requirements.

The management of the subsidiary is responsible for:

a) These financial information and the accuracy and completeness of the information used to compile them.

b) Maintaining adequate accounting and other records and internal controls and selecting and applying appropriate accounting policies;

c) Preparation and presentation of financial statements in accordance with the applicable laws and regulations;

d) Establishing controls to safeguard the assets of the entity and preventing and detecting frauds or other irregularities;

e) Establishing controls for ensuring that the activities of the entity are carried out in accordance with the applicable laws and regulations and preventing and detecting any non-compliance.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information provided to us by management to compile the balance sheet and the related statement of profit and loss. Accordingly, we do not express an audit opinion or a review conclusion on whether the financial information are prepared in accordance with an accounting principal generally accepted in India.

Registered Office:
306-309, Technocrats Knowledge Park, Mahakali Caves Road,
Andheri (E), Mumbai - 400 093, India. T +91 (22) 6191 5656

This balance sheet and the related statement of profit and loss has been compiled by us only for the purpose of preparation of statement pursuant to Section 129(3) of the Companies Act, 2013, based on trial balance and explanations provided by the management. Accordingly these financial information may not suitable for other purposes.

FOR SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
Firm's Reg. No. 121750W /100010

(Rahul Bhansali)
PARTNER
Membership No. 126549

Place Mumbai
Date: 19 April 2023

Tata Communications (Taiwan) Limited

BALANCE SHEET AS AT 31 MARCH 2023

	Particulars	Note No.	As at 31 March 2023		As at 31 March 2022	
			USD	INR*	USD	INR*
(A)	**ASSETS**					
(1)	**Non-current assets**					
	Property, plant and equipment	1	1,61,877	1,33,01,434	2,14,364	1,62,46,648
	Capital work-in-progress		5,176	4,25,312	1,080	81,853
	Deferred tax assets (net)		69,502	57,10,979	81,384	61,68,093
	Advance tax (net)		18,977	15,59,340	8,909	6,75,213
	Other Non-current assets	2	1,836	1,50,864	1,572	1,19,142
			2,57,368	2,11,47,929	3,07,309	2,32,90,949
(2)	**Current assets**					
	Financial assets					
	(i) Trade receivables	3	6,83,122	5,61,32,135	5,99,063	4,54,02,985
	(ii) Cash and cash equivalents	4	2,51,281	2,06,47,760	1,81,744	1,37,74,378
	(iii) Other financial assets	5	2,006	1,64,833	3,083	2,33,661
	Other Current assets	6	19,469	15,99,768	10,616	8,04,587
			9,55,878	7,85,44,496	7,94,506	6,02,15,611
	TOTAL ASSETS		12,13,246	9,96,92,425	11,01,815	8,35,06,560
(B)	**EQUITY AND LIABILITIES**					
(1)	**Equity**					
	Equity share capital	7	7,871	6,46,760	7,871	5,96,543
	Other equity	8	(1,05,270)	(86,50,037)	(92,602)	(70,18,306)
	Total Equity		(97,399)	(80,03,277)	(84,731)	(64,21,763)
(2)	**Current liabilities**					
	Financial liabilities					
	(i) Borrowings	9	7,12,635	5,85,57,218	5,71,309	4,32,99,509
	(ii) Trade payables	10	5,53,965	4,55,19,307	5,53,427	4,19,44,233
	(iii) Other financial liabilities	11	17,294	14,21,048	12,743	9,65,792
	Other current liabilities	12	23,166	19,03,550	45,065	34,15,477
	Provisions	13	3,585	2,94,579	4,002	3,03,312
			13,10,645	10,76,95,702	11,86,546	8,99,28,323
	TOTAL EQUITY AND LIABILITIES		12,13,246	9,96,92,425	11,01,815	8,35,06,560

*Exchange rate as at 31 March 2023 1 USD = INR 82.17 (as at 31 March 2022 1 USD = INR 75.79)

Tata Communications (Taiwan) Limited

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2023

	Particulars	Note No.	Current year 2022-23		Previous year 2021-22	
			USD	INR*	USD	INR*
i	Revenue from operations		33,41,808	27,45,96,363	30,13,858	22,84,20,298
ii	Other income	14	(12)	(986)	1,193	90,417
iii	Total income (i + ii)		33,41,796	27,45,95,377	30,15,051	22,85,10,715
iv	Expenses:					
	Network and transmission expenses	15	29,17,331	23,97,17,088	25,76,204	19,52,50,501
	Employee benefits expenses	16	1,21,507	99,84,230	1,47,100	1,11,48,709
	Finance costs	17	30,594	25,13,909	48,655	36,87,562
	Depreciation and amortisation expenses		84,346	69,30,711	79,716	60,41,676
	Operating and other expenses	18	1,97,848	1,62,57,171	1,75,175	1,32,76,514
	Total expenses		33,51,626	27,54,03,109	30,26,850	22,94,04,962
v	Profit before taxes (iii - iv)		(9,830)	(8,07,732)	(11,799)	(8,94,247)
vi	Tax expenses					
	(i) Current tax expense/(benefit)		(9,044)	(7,43,145)	57,403	43,50,573
	(ii) Deferred tax expense/(benefit)		11,882	9,76,344	(60,714)	(46,01,514)
	Net tax expenses		2,838	2,33,199	(3,311)	(2,50,941)
vii	Profit / (loss) for the year (v-vi)		(12,668)	(10,40,931)	(8,488)	(6,43,306)

*Exchange rate as at 31 March 2023 1 USD = INR 82.17 (as at 31 March 2022 1 USD = INR 75.79)

Tata Communications (Taiwan) Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1 Property, plant and equipment

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Gross block:				
Plant and machinery	**11,40,474**	**9,37,12,749**	10,26,529	7,78,00,633
(a)	**11,40,474**	**9,37,12,749**	10,26,529	7,78,00,633
Accumulated depreciation:				
Plant and machinery	**9,78,597**	**8,04,11,315**	8,12,165	6,15,53,985
(b)	**9,78,597**	**8,04,11,315**	8,12,165	6,15,53,985
Net block (a) - (b)	**1,61,877**	**1,33,01,434**	2,14,364	1,62,46,648

2 Non-current assets - others

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Prepaid expenses	**1,836**	**1,50,864**	1,572	1,19,142
Total	**1,836**	**1,50,864**	1,572	1,19,142

3 Trade receivables

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Trade receivables	**4,77,475**	**3,92,34,121**	5,45,992	4,13,80,734
Intercompany receivables (Net)	**2,09,209**	**1,71,90,704**	54,921	41,62,463
Provision for doubtful debts	**(3,562)**	**(2,92,690)**	(1,850)	(1,40,212)
Total	**6,83,122**	**5,61,32,135**	5,99,063	4,54,02,985

4 Cash and cash equivalents

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Balance with bank	2,51,281	2,06,47,760	1,81,744	1,37,74,378
Total	2,51,281	2,06,47,760	1,81,744	1,37,74,378

5 Current assets - other financial assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Security Deposit	2,006	1,64,833	2,173	1,64,692
Others	-	-	910	68,969
Total	2,006	1,64,833	3,083	2,33,661

6 Current assets - other assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Prepaid expenses	19,469	15,99,768	10,616	8,04,587
Total	19,469	15,99,768	10,616	8,04,587

7 Equity share capital

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Equity share capital	7,871	6,46,760	7,871	5,96,543
Total	7,871	6,46,760	7,871	5,96,543

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

8 Other Equity

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Surplus / (Deficit)				
Opening balance	**(92,602)**	**(76,09,106)**	(84,114)	(63,75,000)
Profit / (loss) for the year	**(12,668)**	**(10,40,931)**	(8,488)	(6,43,306)
Total	**(1,05,270)**	**(86,50,037)**	(92,602)	(70,18,306)

9 Current liabilities - borrowings

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Inter company loans taken (Net)	**7,12,635**	**5,85,57,218**	5,71,309	4,32,99,509
Total	**7,12,635**	**5,85,57,218**	5,71,309	4,32,99,509

10 Current liabilities - Trade payables

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Trade payable	**5,53,965**	**4,55,19,307**	5,53,427	4,19,44,233
Total	**5,53,965**	**4,55,19,307**	5,53,427	4,19,44,233

11 Current liabilities - other financial liabilities

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Deposit from customers and contractors	**1,963**	**1,61,300**	2,089	1,58,325
Interest accrued but not due on Inter Co. loan (Net)	**15,331**	**12,59,748**	10,654	8,07,467
Total	**17,294**	**14,21,048**	12,743	9,65,792

12 Current liabilities - other current liabilities

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Deferred revenue and advance from customers	3,988	3,27,694	4,125	3,12,634
Other Employee dues	5,899	4,84,721	24,706	18,72,468
Other Statutory dues	13,279	10,91,135	16,234	12,30,375
Total	23,166	19,03,550	45,065	34,15,477

13 Current liabilities - provisons

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Leave entitlement	3,585	2,94,579	4,002	3,03,312
Total	3,585	2,94,579	4,002	3,03,312

14 Other income

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Miscellaneous income	(12)	(986)	1,193	90,417
Total	(12)	(986)	1,193	90,417

15 Network and transmission expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Charges for use of transmission facilities	29,17,331	23,97,17,088	25,76,204	19,52,50,501
Total	29,17,331	23,97,17,088	25,76,204	19,52,50,501

16 Employee benefit expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Salaries, bonus and allowances	1,20,518	99,02,964	1,46,187	1,10,79,513
Staff welfare expenses	989	81,266	913	69,196
Total	1,21,507	99,84,230	1,47,100	1,11,48,709

17 Finance costs

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Interest on inter companies loan	30,594	25,13,909	38,861	29,45,275
Guarantee fees	-	-	9,794	7,42,287
Total	30,594	25,13,909	48,655	36,87,562

18 Operating and other expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Communication expenses	1,062	87,265	1,648	1,24,902
Electricity	45,288	37,21,315	41,345	31,33,538
Entertainment expenses	706	58,012	-	-
Exchange loss -Net	28,915	23,75,946	5,903	4,47,388
Insurance expenses	6,083	4,99,840	6,344	4,80,812
IT consumables	167	13,722	-	-
Legal and professional fees	34,282	28,16,952	52,412	39,72,305
Miscellaneous expenses	20,256	16,64,436	21,318	16,15,691
Printing and stationery	134	11,011	14,458	10,95,772
Provision for doubtful debts	1,712	1,40,675	(4,088)	(3,09,830)
Provision For Doubtful advances	(7)	(575)	-	-
Rates and Taxes	-	-	16	1,213
Rent	18,441	15,15,297	12,035	9,12,133
Repairs and Maintenance - Plant & Machinery	20,438	16,79,390	8,730	6,61,647
Repairs and Maintenance -Building	95	7,806	-	-
Services rendered by agencies	18,382	15,10,449	14,753	11,18,130
Travelling and conveyance expenses	1,894	1,55,630	301	22,813
Total	1,97,848	1,62,57,171	1,75,175	1,32,76,514

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APPENDIX - 30

ACCOUNTANT'S REPORT ON COMPILATION OF UNAUDITED FINANCIAL STATEMENTS

To
The Board of Directors
Tata Communications Limited

On the basis of the trial balance and explanations provided to us by the management, we have compiled the balance sheet of **Tata Communications(New Zealand) Limited** ("the subsidiary") registered in New Zealand as at 31 March 2023 and the related statement of profit and loss for the year then ended, attached herewith.

We performed this compilation engagement in accordance with the Standard on Related Services 4410 (Revised), Compilation Engagements, issued by the Institute of Chartered Accountants of India.

We have applied our expertise in accounting and financial reporting to assist you in preparation of these financial information. We have complied with relevant ethical requirements.

The management of the subsidiary is responsible for:

a) These financial information and the accuracy and completeness of the information used to compile them.

b) Maintaining adequate accounting and other records and internal controls and selecting and applying appropriate accounting policies;

c) Preparation and presentation of financial statements in accordance with the applicable laws and regulations;

d) Establishing controls to safeguard the assets of the entity and preventing and detecting frauds or other irregularities;

e) Establishing controls for ensuring that the activities of the entity are carried out in accordance with the applicable laws and regulations and preventing and detecting any non-compliance.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information provided to us by management to compile the balance sheet and the related statement of profit and loss. Accordingly, we do not express an audit opinion or a review conclusion on whether the financial information are prepared in accordance with an accounting principal generally accepted in India.

SURESH SURANA & ASSOCIATES LLP
Chartered Accountants

Registered Office
308, 309, Ratnaprabha Knowledge Park, Mahakali Caves Road,
Andheri (E), Mumbai - 400 093, India. T +91 (22) 6191 5555

This balance sheet and the related statement of profit and loss has been compiled by us only for the purpose of preparation of statement pursuant to Section 129(3) of the Companies Act, 2013, based on trial balance and explanations provided by the management. Accordingly these financial information may not suitable for other purposes.

FOR SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
Firm's Reg. No. 121750W /W100010

(Rahul Bhansali)
PARTNER
Membership No. 126549

Place Mumbai
Date: 19 April 2023

Tata Communications (New Zealand) Limited

BALANCE SHEET AS AT 31 MARCH 2023

	Particulars	Note No.	As at 31 March 2023		As at 31 March 2022	
			USD	INR*	USD	INR*
(A)	**ASSETS**					
(1)	**Non-current assets**					
	Property, plant and equipment	1	47,365	38,91,982	24,927	18,89,217
	Capital work-in-progress		190	15,612	32,832	24,88,337
	Financial assets					
	(i) Loans	2	1,08,896	89,47,984	10,725	8,12,848
	Deferred tax assets (net)		23,843	19,59,179	21,483	16,28,197
	Other Non-current assets	3	3,628	2,98,113	6,498	4,92,483
			1,83,922	1,51,12,870	96,465	73,11,082
(2)	**Current assets**					
	Financial assets					
	(i) Trade receivables	4	1,63,531	1,34,37,342	1,08,488	82,22,306
	(ii) Cash and cash equivalents	5	10,954	9,00,090	16,659	12,62,586
	(iii) Other financial assets	6	3,595	2,95,402	293	22,206
	Other Current assets	7	38,781	31,86,635	5,208	3,94,714
			2,16,861	1,78,19,469	1,30,648	99,01,812
	TOTAL ASSETS		4,00,783	3,29,32,339	2,27,113	1,72,12,894
(B)	**EQUITY AND LIABILITIES**					
(1)	**Equity**					
	Equity share capital	8	100	8,217	100	7,579
	Other equity	9	87,216	71,66,539	80,429	60,95,714
	Total Equity		87,316	71,74,756	80,529	61,03,293
(2)	**Non-current liabilities**					
	Other liabilities (Deferred revenue)		-	-	5,675	4,30,108
			-	-	5,675	4,30,108
(3)	**Current liabilities**					
	Financial liabilities					
	(i) Trade payables	10	2,47,648	2,03,49,236	1,12,722	85,43,201
	(ii) Other financial liabilities	11	-	-	65	4,926
	Other current liabilities	12	59,957	49,26,666	22,232	16,84,963
	Current tax liability (Net)		5,862	4,81,681	5,890	4,46,403
			3,13,467	2,57,57,583	1,40,909	1,06,79,493
	TOTAL EQUITY AND LIABILITIES		4,00,783	3,29,32,339	2,27,113	1,72,12,894

*Exchange rate as at 31 March 2023 1 USD = INR 82.17 (as at 31 March 2022 1 USD = INR 75.79)

Tata Communications (New Zealand) Limited

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2023

	Particulars	Note No.	Current year 2022-23		Previous year 2021-22	
			USD	INR*	USD	INR*
i	Revenue from operations		5,77,571	4,74,59,009	4,25,396	3,22,40,763
ii	Other income	13	4,635	3,80,858	702	53,205
iii	Total income (i + ii)		5,82,206	4,78,39,867	4,26,098	3,22,93,968
iv	Expenses:					
	Network and transmission expenses	14	4,89,412	4,02,14,984	3,35,029	2,53,91,848
	Finance costs	16	-	-	(7)	(531)
	Depreciation and amortisation expenses		11,824	9,71,578	8,571	6,49,596
	Operating and other expenses	17	75,922	62,38,510	80,697	61,16,027
	Total expenses		5,77,158	4,74,25,072	4,24,290	3,21,56,940
v	Profit before taxes (iii - iv)		5,048	4,14,795	1,808	1,37,028
vi	Tax expenses					
	(i) Current tax expense/(benefit)		621	51,028	2,871	2,17,593
	(ii) Deferred tax expense/(benefit)		(2,360)	(1,93,921)	(5,350)	(4,05,477)
	Net tax expenses		(1,739)	(1,42,893)	(2,479)	(1,87,884)
vii	Profit / (loss) for the year (v-vi)		6,787	5,57,688	4,287	3,24,912

*Exchange rate as at 31 March 2023 1 USD = INR 82.17 (as at 31 March 2022 1 USD = INR 75.79)

Tata Communications (New Zealand) Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1 **Property, plant and equipment**

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Gross block:				
Plant and machinery	**2,49,815**	**2,05,27,299**	2,15,376	1,63,23,347
(a)	**2,49,815**	**2,05,27,299**	2,15,376	1,63,23,347
Accumulated depreciation:				
Plant and machinery	**2,02,450**	**1,66,35,317**	1,90,449	1,44,34,130
(b)	**2,02,450**	**1,66,35,317**	1,90,449	1,44,34,130
Net block (a) - (b)	**47,365**	**38,91,982**	24,927	18,89,217

2 **Non-current assets - financial assets - loans**

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Inter company loans given (Net)	**1,08,896**	**89,47,984**	10,725	8,12,848
Total	**1,08,896**	**89,47,984**	10,725	8,12,848

3 **Non-current assets - others**

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Prepaid expenses	**3,628**	**2,98,113**	6,498	4,92,483
Total	**3,628**	**2,98,113**	6,498	4,92,483

4 Trade receivables

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Trade receivables	2,06,400	1,69,59,888	1,40,449	1,06,44,630
Provision for doubtful debts	(42,869)	(35,22,546)	(31,961)	(24,22,324)
Total	1,63,531	1,34,37,342	1,08,488	82,22,306

5 Cash and cash equivalents

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Balance with bank	10,954	9,00,090	16,659	12,62,586
Total	10,954	9,00,090	16,659	12,62,586

6 Current assets - other financial assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Interest Receivable on Inter Co. Loan (Net)	3,092	2,54,070	293	22,206
Others	503	41,332	-	-
Total	3,595	2,95,402	293	22,206

7 Current assets - other assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Prepaid expenses	6,034	4,95,814	5,208	3,94,714
Indirect tax receivable	32,747	26,90,821	-	-
Total	38,781	31,86,635	5,208	3,94,714

8 Equity share capital

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Equity share capital	100	8,217	100	7,579
Total	100	8,217	100	7,579

9 Other Equity

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Surplus / (Deficit)				
Opening balance	80,429	66,08,851	76,142	57,70,802
Profit / (loss) for the year	6,787	5,57,688	4,287	3,24,912
Total	87,216	71,66,539	80,429	60,95,714

10 Current liabilities - Trade payables

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Trade payable	71,278	58,56,913	88,367	66,97,336
Inter Company - Payables (Net)	1,76,370	1,44,92,323	24,355	18,45,865
Total	2,47,648	2,03,49,236	1,12,722	85,43,201

11 Current liabilities - other financial liabilities

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Others	-	-	65	4,926
Total	-	-	65	4,926

12 Current liabilities - other current liabilities

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Deferred revenue and advance from customers	3,972	3,26,379	2,786	2,11,151
Other Statutory dues	55,985	46,00,287	19,446	14,73,812
Total	59,957	49,26,666	22,232	16,84,963

13 Other income

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Interest on loan to subsidiaries	4,171	3,42,731	701	53,129
Profit on sale of fixed assets	-	-	1	76
Miscellaneous income	464	38,127	-	-
Total	4,635	3,80,858	702	53,205

14 Network and transmission expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Charges for use of transmission facilities	4,89,412	4,02,14,984	3,35,029	2,53,91,848
Total	4,89,412	4,02,14,984	3,35,029	2,53,91,848

16 Finance costs

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Interest on inter companies loan	-	-	46	3,486
Guarantee fees	-	-	(53)	(4,017)
Total	-	-	(7)	(531)

17 Operating and other expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Electricity	2,096	1,72,228	2,026	1,53,551
Exchange loss -Net	35,106	28,84,660	25,969	19,68,191
Insurance expenses	3,698	3,03,865	5,731	4,34,352
Legal and professional fees	10,207	8,38,709	16,286	12,34,316
Miscellaneous expenses	3,739	3,07,234	7,930	6,01,015
Provision for doubtful debts	10,908	8,96,310	15,716	11,91,116
Rent	72	5,916	-	-
Repairs and Maintenance - Plant & Machinery	4,337	3,56,371	4,940	3,74,403
Services rendered by agencies	3,532	2,90,224	2,099	1,59,083
Travelling and conveyance expenses	2,227	1,82,993	-	-
Total	75,922	62,38,510	80,697	61,16,027

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APPENDIX - 31

ACCOUNTANT'S REPORT ON COMPILATION OF UNAUDITED FINANCIAL STATEMENTS

To
The Board of Directors
Tata Communications Limited

On the basis of the trial balance and explanations provided to us by the management, we have compiled the balance sheet of **Tata Communications (Malaysia) Sdn. Bhd.** ("the subsidiary") registered in Malaysia as at 31 March 2023 and the related statement of profit and loss for the year then ended, attached herewith.

We performed this compilation engagement in accordance with the Standard on Related Services 4410 (Revised), Compilation Engagements, issued by the Institute of Chartered Accountants of India.

We have applied our expertise in accounting and financial reporting to assist you in preparation of these financial information. We have complied with relevant ethical requirements.

The management of the subsidiary is responsible for:

a) These financial information and the accuracy and completeness of the information used to compile them.

b) Maintaining adequate accounting and other records and internal controls and selecting and applying appropriate accounting policies;

c) Preparation and presentation of financial statements in accordance with the applicable laws and regulations;

d) Establishing controls to safeguard the assets of the entity and preventing and detecting frauds or other irregularities;

e) Establishing controls for ensuring that the activities of the entity are carried out in accordance with the applicable laws and regulations and preventing and detecting any non-compliance.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information provided to us by management to compile the balance sheet and the related statement of profit and loss. Accordingly, we do not express an audit opinion or a review conclusion on whether the financial information are prepared in accordance with an accounting principal generally accepted in India.

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This balance sheet and the related statement of profit and loss has been compiled by us only for the purpose of preparation of statement pursuant to Section 129(3) of the Companies Act, 2013, based on trial balance and explanations provided by the management. Accordingly these financial information may not suitable for other purposes.

FOR SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
Firm's Reg. No. 121750W /W100010

(Rahul Bhansali)
PARTNER
Membership No. 126549

Place Mumbai
Date: 19 April 2023

Tata Communications (Malaysia) Sdn Bhd

BALANCE SHEET AS AT 31 MARCH 2023

	Particulars	Note No.	As at 31 March 2023		As at 31 March 2022	
			USD	INR*	USD	INR*
(A)	**ASSETS**					
(1)	**Non-current assets**					
	Property, plant and equipment	1	3,11,298	2,55,79,356	4,07,290	3,08,68,509
	Capital work-in-progress		56,429	46,36,771	73,757	55,90,043
	Other Intangible assets	2	-	-	-	-
	Financial assets					
	(i) Loans	3	15,34,729	12,61,08,682	11,47,563	8,69,73,800
	(ii) Other financial assets	4	31,133	25,58,199	31,524	23,89,204
	Deferred tax assets (net)		85,276	70,07,129	1,38,161	1,04,71,222
	Advance tax (net)		2,18,126	1,79,23,413	-	-
	Other Non-current assets	5	29,861	24,53,678	21,151	16,03,034
			22,66,852	18,62,67,228	18,19,446	13,78,95,812
(2)	**Current assets**					
	Financial assets					
	(i) Trade receivables	6	7,41,054	6,08,92,407	12,47,313	9,45,33,853
	(ii) Cash and cash equivalents	7	1,74,730	1,43,57,564	82,774	62,73,441
	(iii) Other financial assets	8	45,215	37,15,317	21,111	16,00,002
	Other Current assets	9	1,71,219	1,40,69,065	1,85,592	1,40,66,018
			11,32,218	9,30,34,353	15,36,790	11,64,73,314
	TOTAL ASSETS		33,99,070	27,93,01,581	33,56,236	25,43,69,126
(B)	**EQUITY AND LIABILITIES**					
(1)	**Equity**					
	Equity share capital	10	47,560	39,08,005	47,560	36,04,572
	Other equity	11	6,00,927	4,93,78,172	4,80,526	3,64,19,064
	Total Equity		6,48,487	5,32,86,177	5,28,086	4,00,23,636
(2)	**Non-current liabilities**					
	Other liabilities (Deferred revenue)		405	33,279	12,211	9,25,472
			405	33,279	12,211	9,25,472
(3)	**Current liabilities**					
	Financial liabilities					
	(i) Trade payables	12	23,10,918	18,98,88,131	26,08,040	19,76,63,352
	Other current liabilities	13	4,36,900	3,59,00,073	1,95,810	1,48,40,440
	Provisions	14	2,360	1,93,921	1,759	1,33,315
	Current tax liability (Net)		-	-	10,330	7,82,911
			27,50,178	22,59,82,125	28,15,939	21,34,20,018
	TOTAL EQUITY AND LIABILITIES		33,99,070	27,93,01,581	33,56,236	25,43,69,126

*Exchange rate as at 31 March 2023 1 USD = INR 82.17 (as at 31 March 2022 1 USD = INR 75.79)

Tata Communications (Malaysia) Sdn Bhd

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2023

	Particulars	Note No.	Current year 2022-23		Previous year 2021-22	
			USD	INR*	USD	INR*
i	Revenue from operations		51,20,528	42,07,53,786	58,20,866	44,11,63,434
ii	Other Income	15	97,522	80,13,383	28,437	21,55,240
iii	Total income (i + ii)		52,18,050	42,87,67,169	58,49,303	44,33,18,674
iv	Expenses:					
	Network and transmission expenses	16	47,31,406	38,87,79,631	47,33,596	35,87,59,241
	Employee benefits expenses	17	1,12,242	92,22,925	1,07,882	81,76,377
	Finance costs	18	-	-	4,467	3,38,554
	Depreciation and amortisation expenses		1,90,321	1,56,38,677	2,33,875	1,77,25,386
	Operating and other expenses	19	92,937	76,36,633	6,98,254	5,29,20,672
	Total expenses		51,26,906	42,12,77,866	57,78,074	43,79,20,230
v	Profit before taxes (iii - iv)		91,144	74,89,303	71,229	53,98,444
vi	Tax expenses					
	(i) Current tax expense/(benefit)		(82,142)	(67,49,608)	1,40,537	1,06,51,299
	(ii) Deferred tax expense/(benefit)		52,885	43,45,560	(1,00,828)	(76,41,754)
	Net tax expenses		(29,257)	(24,04,048)	39,709	30,09,545
vii	Profit / (loss) for the year (v-vi)		1,20,401	98,93,351	31,520	23,88,899

*Exchange rate as at 31 March 2023 1 USD = INR 82.17 (as at 31 March 2022 1 USD = INR 75.79)

Tata Communications (Malaysia) Sdn Bhd

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1 Property, plant and equipment

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Gross block:				
Plant and machinery	**18,98,644**	**15,60,11,577**	18,35,772	13,91,33,160
(a)	**18,98,644**	**15,60,11,577**	18,35,772	13,91,33,160
Accumulated depreciation:				
Plant and machinery	**15,87,346**	**13,04,32,221**	14,28,482	10,82,64,651
(b)	**15,87,346**	**13,04,32,221**	14,28,482	10,82,64,651
Net block (a) - (b)	**3,11,298**	**2,55,79,356**	4,07,290	3,08,68,509

2 Other Intangible assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Gross block:				
Computer software	**15,000**	**12,32,550**	15,000	11,36,850
(a)	**15,000**	**12,32,550**	15,000	11,36,850
Accumulated amortisation:				
Computer software	**15,000**	**12,32,550**	15,000	11,36,850
(b)	**15,000**	**12,32,550**	15,000	11,36,850
Net block (a) - (b)	**-**	**-**	-	-

3 Non-current assets - financial assets - loans

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Inter company loans given (Net)	**15,34,729**	**12,61,08,682**	11,47,563	8,69,73,800
Total	**15,34,729**	**12,61,08,682**	11,47,563	8,69,73,800

4 Non-current assets - financial assets - other financial assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Vendor deposits	31,133	25,58,199	31,524	23,89,204
Total	31,133	25,58,199	31,524	23,89,204

5 Non-current assets - others

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Prepaid expenses	29,861	24,53,678	21,151	16,03,034
Total	29,861	24,53,678	21,151	16,03,034

6 Trade receivables

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Trade receivables	8,19,938	6,73,74,305	8,05,295	6,10,33,308
Intercompany receivables (Net)	-	-	5,80,121	4,39,67,371
Provision for doubtful debts	(78,884)	(64,81,898)	(1,38,103)	(1,04,66,826)
Total	7,41,054	6,08,92,407	12,47,313	9,45,33,853

7 Cash and cash equivalents

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Balance with bank	1,74,730	1,43,57,564	82,774	62,73,441
Total	1,74,730	1,43,57,564	82,774	62,73,441

8 Current assets - other financial assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Security Deposit	196	16,105	479	36,303
Interest Receivable on Inter Co. Loan (Net)	43,521	35,76,121	12,414	9,40,857
Others	1,498	1,23,091	8,218	6,22,842
Total	**45,215**	**37,15,317**	21,111	16,00,002

9 Current assets - other assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Prepaid expenses	1,63,525	1,34,36,849	1,11,404	84,43,309
Others	7,694	6,32,216	74,188	56,22,709
Total	**1,71,219**	**1,40,69,065**	1,85,592	1,40,66,018

10 Equity share capital

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Equity share capital	47,560	39,08,005	47,560	36,04,572
Total	**47,560**	**39,08,005**	47,560	36,04,572

11 Other Equity

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Surplus / (Deficit)				
Opening balance	4,80,526	3,94,84,821	4,49,006	3,40,30,165
Profit / (loss) for the year	1,20,401	98,93,351	31,520	23,88,899
Total	**6,00,927**	**4,93,78,172**	4,80,526	3,64,19,064

12 Current liabilities - Trade payables

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Trade payable	19,56,777	16,07,88,365	26,08,040	19,76,63,352
Inter Company - Payables (Net)	3,54,141	2,90,99,766	-	-
Total	23,10,918	18,98,88,131	26,08,040	19,76,63,352

13 Current liabilities - other current liabilities

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Deferred revenue and advance from customers	3,72,832	3,06,35,605	1,35,818	1,02,93,646
Other Employee dues	17,140	14,08,394	18,635	14,12,347
Other Statutory dues	46,928	38,56,074	41,357	31,34,447
Total	4,36,900	3,59,00,073	1,95,810	1,48,40,440

14 Current liabilities - provisons

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Leave entitlement	2,360	1,93,921	1,759	1,33,315
Total	2,360	1,93,921	1,759	1,33,315

15 Other income

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Interest on loan to subsidiaries	80,181	65,88,473	18,951	14,36,296
Profit on sale of fixed assets	-	-	1	76
Miscellaneous income	17,341	14,24,910	9,485	7,18,868
Total	97,522	80,13,383	28,437	21,55,240

16 Network and transmission expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Charges for use of transmission facilities	**47,31,406**	**38,87,79,631**	47,33,596	35,87,59,241
Total	**47,31,406**	**38,87,79,631**	47,33,596	35,87,59,241

17 Employee benefit expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Salaries, bonus and allowances	**92,100**	**75,67,857**	96,319	73,00,017
Contribution to provident and other funds	**11,838**	**9,72,728**	12,664	9,59,805
Staff welfare expenses	**8,304**	**6,82,340**	(1,101)	(83,445)
Total	**1,12,242**	**92,22,925**	1,07,882	81,76,377

18 Finance costs

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Guarantee fees	-	-	4,467	3,38,554
Total	-	-	4,467	3,38,554

19 Operating and other expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Auditors remuneration	3,249	2,66,970	3,244	2,45,863
Communication expenses	2,731	2,24,406	1,988	1,50,671
Directors fees	2,704	2,22,188	2,877	2,18,048
Entertainment expenses	4,188	3,44,128	1,552	1,17,626
Exchange loss -Net	82,332	67,65,220	1,44,913	1,09,82,956
Insurance expenses	18,001	14,79,142	16,684	12,64,480
IT consumables	231	18,981	-	-
Legal and professional fees	77,316	63,53,056	35,863	27,18,057
Miscellaneous expenses	12,180	10,00,831	24,093	18,26,008
Printing and stationery	27	2,219	807	61,163
Provision for doubtful debts	(59,219)	(48,66,025)	(2,867)	(2,17,290)
Provision For Doubtful advances	(392)	(32,211)	-	-
Rates and Taxes	(3,32,312)	(2,73,06,077)	3,38,567	2,56,59,993
Recruitment expenses	2,868	2,35,664	-	-
Rent	1,064	87,429	807	61,163
Repairs and Maintenance - Plant & Machinery	1,10,278	90,61,543	1,01,852	77,19,363
Repairs and Maintenance -Building	124	10,189	-	-
Seminars, trainings and conferences	289	23,747	-	-
Services rendered by agencies	1,50,471	1,23,64,202	27,686	20,98,322
Travelling and conveyance expenses	16,807	13,81,031	188	14,249
Total	92,937	76,36,633	6,98,254	5,29,20,672

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APPENDIX - 32

ACCOUNTANT'S REPORT ON COMPILATION OF UNAUDITED FINANCIAL STATEMENTS

To
The Board of Directors
Tata Communications Limited

On the basis of the trial balance and explanations provided to us by the management, we have compiled the balance sheet of **Tata Communications (Thailand) Limited** ("the subsidiary") registered in Thailand as at 31 March 2023 and the related statement of profit and loss for the year then ended, attached herewith.

We performed this compilation engagement in accordance with the Standard on Related Services 4410 (Revised), Compilation Engagements, issued by the Institute of Chartered Accountants of India.

We have applied our expertise in accounting and financial reporting to assist you in preparation of these financial information. We have complied with relevant ethical requirements.

The management of the subsidiary is responsible for:

a) These financial information and the accuracy and completeness of the information used to compile them.

b) Maintaining adequate accounting and other records and internal controls and selecting and applying appropriate accounting policies;

c) Preparation and presentation of financial statements in accordance with the applicable laws and regulations;

d) Establishing controls to safeguard the assets of the entity and preventing and detecting frauds or other irregularities;

e) Establishing controls for ensuring that the activities of the entity are carried out in accordance with the applicable laws and regulations and preventing and detecting any non-compliance.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information provided to us by management to compile the balance sheet and the related statement of profit and loss. Accordingly, we do not express an audit opinion or a review conclusion on whether the financial information are prepared in accordance with an accounting principal generally accepted in India.

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This balance sheet and the related statement of profit and loss has been compiled by us only for the purpose of preparation of statement pursuant to Section 129(3) of the Companies Act, 2013, based on trial balance and explanations provided by the management. Accordingly these financial information may not suitable for other purposes.

FOR SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
Firm's Reg. No. 121750W /W100010

(Rahul Bhansali)
PARTNER
Membership No. 126549

Place Mumbai
Date: 19 April 2023

Tata Communications (Thailand) Limited

BALANCE SHEET AS AT 31 MARCH 2023

	Particulars	Note No.	As at 31 March 2023		As at 31 March 2022	
			USD	INR*	USD	INR*
(A)	**ASSETS**					
(1)	**Non-current assets**					
	Property, plant and equipment	1	1,26,761	1,04,15,952	1,12,929	85,58,889
	Capital work-in-progress		1,243	1,02,137	46,002	34,86,492
	Advance tax (net)		36,827	30,26,075	19,665	14,90,410
	Other Non-current assets	2	2,642	2,17,093	5,840	4,42,614
			1,67,473	1,37,61,257	1,84,436	1,39,78,405
(2)	**Current assets**					
	Financial assets					
	(i) Trade receivables	3	4,92,010	4,04,28,462	2,47,579	1,87,64,012
	(ii) Cash and cash equivalents	4	1,18,336	97,23,669	3,96,552	3,00,54,676
	(iii) Other financial assets	5	4,721	3,87,925	4,974	3,76,979
	Other Current assets	6	43,025	35,35,365	22,135	16,77,612
			6,58,092	5,40,75,421	6,71,240	5,08,73,279
	TOTAL ASSETS		8,25,565	6,78,36,678	8,55,676	6,48,51,684
(B)	**EQUITY AND LIABILITIES**					
(1)	**Equity**					
	Equity share capital	7	5,88,462	4,83,53,923	5,88,462	4,45,99,535
	Other equity	8	(1,24,419)	(1,02,23,512)	(1,29,703)	(98,30,190)
	Total Equity		4,64,043	3,81,30,411	4,58,759	3,47,69,345
(2)	**Non-current liabilities**					
	Other liabilities (Deferred revenue)		-	-	1,885	1,42,864
			-	-	1,885	1,42,864
(3)	**Current liabilities**					
	Financial liabilities					
	(i) Trade payables	9	3,55,767	2,92,33,379	3,87,289	2,93,52,633
	(ii) Other financial liabilities	10	6	493	-	-
	Other current liabilities	11	5,749	4,72,395	7,743	5,86,842
			3,61,522	2,97,06,267	3,95,032	2,99,39,475
	TOTAL EQUITY AND LIABILITIES		8,25,565	6,78,36,678	8,55,676	6,48,51,684

*Exchange rate as at 31 March 2023 1 USD = INR 82.17 (as at 31 March 2022 1 USD = INR 75.79)

Tata Communications (Thailand) Limited

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2023

	Particulars	Note No.	Current year 2022-23		Previous year 2021-22	
			USD	INR*	USD	INR*
i	Revenue from operations		17,44,512	14,33,46,551	12,91,471	9,78,80,587
ii	Other income	12	24,588	20,20,396	6,358	4,81,873
iii	Total income (i + ii)		17,69,100	14,53,66,947	12,97,829	9,83,62,460
iv	Expenses:					
	Network and transmission expenses	13	16,42,519	13,49,65,786	11,89,129	9,01,24,087
	Employee benefits expenses	14	15	1,233	103	7,806
	Finance costs	15	-	-	32	2,425
	Depreciation and amortisation expenses		37,855	31,10,545	29,615	22,44,521
	Operating and other expenses	16	83,427	68,55,199	73,326	55,57,378
	Total expenses		17,63,816	14,49,32,763	12,92,205	9,79,36,217
v	Profit before taxes (iii - iv)		5,284	4,34,184	5,624	4,26,243
vi	Tax expenses					
	(i) Current tax expense/(benefit)		-	-	-	-
	(ii) Deferred tax expense/(benefit)		-	-	-	-
	Net tax expenses		-	-	-	-
vii	Profit / (loss) for the year (v-vi)		5,284	4,34,184	5,624	4,26,243

*Exchange rate as at 31 March 2023 1 USD = INR 82.17 (as at 31 March 2022 1 USD = INR 75.79)

Tata Communications (Thailand) Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1 Property, plant and equipment

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Gross block:				
Plant and machinery	**2,56,692**	**2,10,92,382**	2,06,948	1,56,84,589
(a)	**2,56,692**	**2,10,92,382**	2,06,948	1,56,84,589
Accumulated depreciation:				
Plant and machinery	**1,29,931**	**1,06,76,430**	94,019	71,25,700
(b)	**1,29,931**	**1,06,76,430**	94,019	71,25,700
Net block (a) - (b)	**1,26,761**	**1,04,15,952**	1,12,929	85,58,889

2 Non-current assets - others

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Prepaid expenses	**2,642**	**2,17,093**	5,840	4,42,614
Total	**2,642**	**2,17,093**	5,840	4,42,614

3 Trade receivables

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Trade receivables	**2,13,116**	**1,75,11,742**	2,31,670	1,75,58,269
Intercompany receivables (Net)	**2,88,014**	**2,36,66,110**	20,637	15,64,078
Provision for doubtful debts	**(9,120)**	**(7,49,390)**	(4,728)	(3,58,335)
Total	**4,92,010**	**4,04,28,462**	2,47,579	1,87,64,012

4 Cash and cash equivalents

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Balance with bank	1,18,336	97,23,669	3,96,552	3,00,54,676
Total	1,18,336	97,23,669	3,96,552	3,00,54,676

5 Current assets - other financial assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Security Deposit	4,721	3,87,925	4,875	3,69,476
Others	-	-	99	7,503
Total	4,721	3,87,925	4,974	3,76,979

6 Current assets - other assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Prepaid expenses	17,809	14,63,366	11,829	8,96,520
Indirect tax receivable	25,216	20,71,999	10,306	7,81,092
Total	43,025	35,35,365	22,135	16,77,612

7 Equity share capital

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Equity share capital	5,88,462	4,83,53,923	5,88,462	4,45,99,535
Total	5,88,462	4,83,53,923	5,88,462	4,45,99,535

8 Other Equity

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Surplus / (Deficit)				
Opening balance	**(1,29,703)**	**(1,06,57,696)**	(1,35,327)	(1,02,56,433)
Profit / (loss) for the year	**5,284**	**4,34,184**	5,624	4,26,243
Total	**(1,24,419)**	**(1,02,23,512)**	(1,29,703)	(98,30,190)

9 Current liabilities - Trade payables

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Trade payable	**3,55,767**	**2,92,33,379**	3,87,289	2,93,52,633
Total	**3,55,767**	**2,92,33,379**	3,87,289	2,93,52,633

10 Current liabilities - other financial liabilities

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Others	**6**	**493**	-	-
Total	**6**	**493**	-	-

11 Current liabilities - other current liabilities

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Deferred revenue and advance from customers	**5,749**	**4,72,395**	7,743	5,86,842
Total	**5,749**	**4,72,395**	7,743	5,86,842

12 Other income

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Exchange gain -Net	23,869	19,61,316	6,358	4,81,873
Miscellaneous income	719	59,080	-	-
Total	**24,588**	**20,20,396**	6,358	4,81,873

13 Network and transmission expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Charges for use of transmission facilities	16,42,519	13,49,65,786	11,89,129	9,01,24,087
Total	**16,42,519**	**13,49,65,786**	11,89,129	9,01,24,087

14 Employee benefit expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Salaries, bonus and allowances	15	1,233	103	7,806
Total	**15**	**1,233**	103	7,806

15 Finance costs

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Guarantee fees	-	-	32	2,425
Total	-	-	32	2,425

16 Operating and other expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Auditors remuneration	974	80,034	804	60,935
Insurance expenses	5,003	4,11,097	4,941	3,74,478
Legal and professional fees	39,018	32,06,109	29,766	22,55,965
Miscellaneous expenses	8,851	7,27,287	3,667	2,77,922
Printing and stationery	-	-	807	61,163
Provision for doubtful debts	4,392	3,60,891	3,842	2,91,185
Rent	6,503	5,34,352	10,888	8,25,202
Repairs and Maintenance - Plant & Machinery	11,259	9,25,152	12,845	9,73,523
Services rendered by agencies	7,427	6,10,277	5,766	4,37,005
Total	**83,427**	**68,55,199**	73,326	55,57,378

Suresh Surana & Associates LLP
LLP Identity No. AAB-7509

APPENDIX - 33

ACCOUNTANT'S REPORT ON COMPILATION OF UNAUDITED FINANCIAL STATEMENTS

To
The Board of Directors
Tata Communications Limited

On the basis of the trial balance and explanations provided to us by the management, we have compiled the balance sheet of **Tata Communications (Beijing) Technology Limited** ("the subsidiary") registered in Shanghai The Republic of China as at 31 March 2023 and the related statement of profit and loss for the year then ended, attached herewith.

We performed this compilation engagement in accordance with the Standard on Related Services 4410 (Revised), Compilation Engagements, issued by the Institute of Chartered Accountants of India.

We have applied our expertise in accounting and financial reporting to assist you in preparation of these financial information. We have complied with relevant ethical requirements.

The management of the subsidiary is responsible for:

a) These financial information and the accuracy and completeness of the information used to compile them.

b) Maintaining adequate accounting and other records and internal controls and selecting and applying appropriate accounting policies;

c) Preparation and presentation of financial statements in accordance with the applicable laws and regulations;

d) Establishing controls to safeguard the assets of the entity and preventing and detecting frauds or other irregularities;

e) Establishing controls for ensuring that the activities of the entity are carried out in accordance with the applicable laws and regulations and preventing and detecting any non-compliance.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information provided to us by management to compile the balance sheet and the related statement of profit and loss. Accordingly, we do not express an audit opinion or a review conclusion on whether the financial information are prepared in accordance with an accounting principal generally accepted in India.

Registered Office:

This balance sheet and the related statement of profit and loss has been compiled by us only for the purpose of preparation of statement pursuant to Section 129(3) of the Companies Act, 2013, based on trial balance and explanations provided by the management. Accordingly these financial information may not suitable for other purposes.

FOR SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
Firm's Reg. No. 121750W /W100010

(Rahul Bhansali)
PARTNER
Membership No. 126549

Place Mumbai
Date: 19 April 2023

Tata Communications (Beijing)Technology Limited

BALANCE SHEET AS AT 31 MARCH 2023

	Particulars	Note No.	As at 31 March 2023		As at 31 March 2022	
			USD	INR*	USD	INR*
(A)	**ASSETS**					
(1)	**Non-current assets**					
	Property, plant and equipment	1	88,857	73,01,379	81,250	61,57,937
	Capital work-in-progress		25,763	21,16,946	42,110	31,91,517
	Right-of-use assets		34,613	28,44,150	-	-
	Financial assets					
	(i) Other financial assets	2	3,744	3,07,644	4,059	3,07,632
	Deferred tax assets (net)		34,251	28,14,405	-	-
	Other Non-current assets	3	10,556	8,67,387	12,195	9,24,259
			1,97,784	1,62,51,911	1,39,614	1,05,81,345
(2)	**Current assets**					
	Financial assets					
	(i) Trade receivables	4	3,12,525	2,56,80,179	49,505	37,51,984
	(ii) Cash and cash equivalents	5	3,81,552	3,13,52,128	5,99,653	4,54,47,701
	(iii) Other financial assets	6	7,839	6,44,131	3,470	2,62,991
	Other Current assets	7	38,306	31,47,603	31,515	23,88,522
			7,40,222	6,08,24,041	6,84,143	5,18,51,198
	TOTAL ASSETS		9,38,006	7,70,75,952	8,23,757	6,24,32,543
(B)	**EQUITY AND LIABILITIES**					
(1)	**Equity**					
	Equity share capital	8	1,63,081	1,34,00,366	1,63,081	1,23,59,909
	Other equity	9	3,79,815	3,12,09,400	3,41,469	2,58,79,937
	Total Equity		5,42,896	4,46,09,766	5,04,550	3,82,39,846
(2)	**Non-current liabilities**					
	Financial liabilities					
	(i) Lease liabilities		6,935	5,69,849	-	
	Deferred tax liabilities (Net)		-	-	33,535	25,41,618
	Other liabilities (Deferred revenue)		6,777	5,56,866	4,978	3,77,283
			13,712	11,26,715	38,513	29,18,901
(3)	**Current liabilities**					
	Financial liabilities					
	(i) Lease liabilities		27,026	22,20,726	-	-
	(ii) Trade payables	10	1,22,550	1,00,69,931	1,22,230	92,63,810
	(iii) Other financial liabilities	11	-	-	2,709	2,05,315
	Other current liabilities	12	2,03,485	1,67,20,362	1,23,887	93,89,395
	Provisions	13	28,080	23,07,334	24,186	18,33,057
	Current tax liability (Net)		257	21,118	7,682	5,82,219
			3,81,398	3,13,39,471	2,80,694	2,12,73,796
	TOTAL EQUITY AND LIABILITIES		9,38,006	7,70,75,952	8,23,757	6,24,32,543

*Exchange rate as at 31 March 2023 1 USD = INR 82.17 (as at 31 March 2022 1 USD = INR 75.79)

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

Tata Communications (Beijing)Technology Limited

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2023

	Particulars	Note No.	Current year 2022-23		Previous year 2021-22	
			USD	INR*	USD	INR*
i	Revenue from operations		13,15,856	10,81,23,888	11,25,139	8,52,74,285
ii	Other Income	14	4,467	3,67,053	1,25,829	95,36,580
iii	**Total income (i + ii)**		13,20,323	10,84,90,941	12,50,968	9,48,10,865
iv	**Expenses:**					
	Network and transmission expenses	15	1,564	1,28,514	4,239	3,21,274
	Employee benefits expenses	16	10,14,586	8,33,68,532	8,49,838	6,44,09,222
	Depreciation and amortisation expenses		35,578	29,23,444	21,886	16,58,740
	Operating and other expenses	17	3,02,186	2,48,30,623	3,34,334	2,53,39,172
	Total expenses		13,53,914	11,12,51,113	12,10,297	9,17,28,408
v	**Profit before taxes (iii - iv)**		(33,591)	(27,60,172)	40,671	30,82,457
vi	**Tax expenses**					
	(i) Current tax expense/(benefit)		(4,151)	(3,41,088)	20,407	15,46,647
	(ii) Deferred tax expense/(benefit)		(67,786)	(55,69,976)	14,613	11,07,519
	Net tax expenses		(71,937)	(59,11,064)	35,020	26,54,166
vii	**Profit / (loss) for the year (v-vi)**		38,346	31,50,892	5,651	4,28,291

*Exchange rate as at 31 March 2023 1 USD = INR 82.17 (as at 31 March 2022 1 USD = INR 75.79)

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

Tata Communications (Beijing)Technology Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1 Property, plant and equipment

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Gross block:				
Plant and machinery	**81,937**	**67,32,763**	39,827	30,18,488
Computers	**9,607**	**7,89,407**	8,532	6,46,640
Office equipment	**84,606**	**69,52,075**	84,606	64,12,289
(a)	**1,76,150**	**1,44,74,245**	1,32,965	1,00,77,417
Accumulated depreciation:				
Plant and machinery	**21,598**	**17,74,708**	5,763	4,36,778
Computers	**4,860**	**3,99,346**	1,896	1,43,698
Office equipment	**60,835**	**49,98,812**	44,056	33,39,004
(b)	**87,293**	**71,72,866**	51,715	39,19,480
Net block (a) - (b)	**88,857**	**73,01,379**	81,250	61,57,937

2 Non-current assets - financial assets - other financial assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Vendor deposits	**3,744**	**3,07,644**	4,059	3,07,632
Total	**3,744**	**3,07,644**	4,059	3,07,632

3 Non-current assets - others

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Prepaid expenses	**10,556**	**8,67,387**	12,195	9,24,259
Total	**10,556**	**8,67,387**	12,195	9,24,259

4 Trade receivables

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Trade receivables	36,393	29,90,413	49,505	37,51,984
Intercompany receivables (Net)	2,76,132	2,26,89,766	-	-
Total	3,12,525	2,56,80,179	49,505	37,51,984

5 Cash and cash equivalents

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Balance with bank	3,81,552	3,13,52,128	5,99,653	4,54,47,701
Total	3,81,552	3,13,52,128	5,99,653	4,54,47,701

6 Current assets - other financial assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Security Deposit	7,839	6,44,131	3,452	2,61,627
Others	-	-	18	1,364
Total	7,839	6,44,131	3,470	2,62,991

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

7 Current assets - other assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Advances to Vendors / Suppliers	707	58,094	-	-
Prepaid expenses	20,412	16,77,254	31,515	23,88,522
Indirect tax receivable	7,197	5,91,377	-	-
Others	9,990	8,20,878	-	-
Total	38,306	31,47,603	31,515	23,88,522

8 Equity share capital

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Equity share capital	1,63,081	1,34,00,366	1,63,081	1,23,59,909
Total	1,63,081	1,34,00,366	1,63,081	1,23,59,909

9 Other Equity

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Surplus / (Deficit)				
Opening balance	3,41,298	2,80,44,457	3,35,647	2,54,38,686
Profit / (loss) for the year	38,346	31,50,892	5,651	4,28,291
Closing balance	3,79,644	3,11,95,349	3,41,298	2,58,66,977
Capital reserves	171	14,051	171	12,960
Total	3,79,815	3,12,09,400	3,41,469	2,58,79,937

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

10 Current liabilities - Trade payables

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Trade payable	1,22,550	1,00,69,931	1,12,255	85,07,805
Inter Company - Payables (Net)	-	-	9,975	7,56,005
Total	1,22,550	1,00,69,931	1,22,230	92,63,810

11 Current liabilities - other financial liabilities

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Others	-	-	2,709	2,05,315
Total	-	-	2,709	2,05,315

12 Current liabilities - other current liabilities

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Deferred revenue and advance from customers	10,255	8,42,653	4,536	3,43,783
Other Employee dues	1,93,230	1,58,77,709	1,18,275	89,64,062
Other Statutory dues	-	-	1,059	80,262
Others	-	-	17	1,288
Total	2,03,485	1,67,20,362	1,23,887	93,89,395

13 Current liabilities - provisons

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Leave entitlement	28,080	23,07,334	24,186	18,33,057
Total	28,080	23,07,334	24,186	18,33,057

14 Other income

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Interest income - others	1,067	87,675	1,616	1,22,477
Exchange gain -Net	-	-	22,082	16,73,595
Miscellaneous income	3,400	2,79,378	1,02,131	77,40,508
Total	**4,467**	**3,67,053**	1,25,829	95,36,580

15 Network and transmission expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Charges for use of transmission facilities	1,564	1,28,514	4,239	3,21,274
Total	**1,564**	**1,28,514**	4,239	3,21,274

16 Employee benefit expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Salaries, bonus and allowances	10,11,422	8,31,08,546	8,49,521	6,43,85,197
Staff welfare expenses	3,164	2,59,986	317	24,025
Total	**10,14,586**	**8,33,68,532**	8,49,838	6,44,09,222

17 Operating and other expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Advertising and publicity	33,166	27,25,250	68,437	51,86,840
Auditors remuneration	2,760	2,26,789	3,531	2,67,614
Communication expenses	2,970	2,44,045	2,224	1,68,557
Entertainment expenses	1,036	85,128	5,265	3,99,034
Exchange loss -Net	60,645	49,83,200	-	-
Insurance expenses	6,878	5,65,165	7,185	5,44,551
IT consumables	167	13,722	-	-
Legal and professional fees	34,190	28,09,392	1,55,292	1,17,69,581
Miscellaneous expenses	59,812	49,14,752	4,262	3,23,017
Miscellaneous Expenses - Operating	(4,713)	(3,87,267)	-	-
Printing and stationery	60	4,930	-	-
Provision For Doubtful advances	3,200	2,62,944	-	-
Rates and Taxes	1,178	96,796	1,281	97,087
Recruitment expenses	15,252	12,53,257	40,012	30,32,509
Rent	34,112	28,02,983	22,960	17,40,138
Repairs and Maintenance - Plant & Machinery	43,040	35,36,597	23,244	17,61,663
Seminars, trainings and conferences	611	50,206	-	-
Travelling and conveyance expenses	7,822	6,42,734	641	48,581
Total	3,02,186	2,48,30,623	3,34,334	2,53,39,172

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APPENDIX - 34

ACCOUNTANT'S REPORT ON COMPILATION OF UNAUDITED FINANCIAL STATEMENTS

To
The Board of Directors
Tata Communications Limited

On the basis of the trial balance and explanations provided to us by the management, we have compiled the balance sheet of **Tata Communications (South Korea) Limited** ("the subsidiary") registered in South Korea as at 31 March 2023 and the related statement of profit and loss for the year then ended, attached herewith.

We performed this compilation engagement in accordance with the Standard on Related Services 4410 (Revised), Compilation Engagements, issued by the Institute of Chartered Accountants of India.

We have applied our expertise in accounting and financial reporting to assist you in preparation of these financial information. We have complied with relevant ethical requirements.

The management of the subsidiary is responsible for:

a) These financial information and the accuracy and completeness of the information used to compile them.

b) Maintaining adequate accounting and other records and internal controls and selecting and applying appropriate accounting policies;

c) Preparation and presentation of financial statements in accordance with the applicable laws and regulations;

d) Establishing controls to safeguard the assets of the entity and preventing and detecting frauds or other irregularities;

e) Establishing controls for ensuring that the activities of the entity are carried out in accordance with the applicable laws and regulations and preventing and detecting any non-compliance.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information provided to us by management to compile the balance sheet and the related statement of profit and loss. Accordingly, we do not express an audit opinion or a review conclusion on whether the financial information are prepared in accordance with an accounting principal generally accepted in India.

Registered Office:
301, 303, Indraprastha Knowledge Park, Mithakali Caves Road,
Andheri (E), Mumbai - 400 093. India. T +91 (22) 6191 3655

This balance sheet and the related statement of profit and loss has been compiled by us only for the purpose of preparation of statement pursuant to Section 129(3) of the Companies Act, 2013, based on trial balance and explanations provided by the management. Accordingly these financial information may not suitable for other purposes.

FOR SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
Firm's Reg. No. 121750W /W100010

(Rahul Bhansali)
PARTNER
Membership No. 126549

Place Mumbai
Date: 19 April 2023

Tata Communications (South Korea) Limited

BALANCE SHEET AS AT 31 MARCH 2023

	Particulars	Note No.	As at 31 March 2023		As at 31 March 2022	
			USD	INR*	USD	INR*
(A)	**ASSETS**					
(1)	**Non-current assets**					
	Property, plant and equipment	1	2,29,592	1,88,65,574	3,18,299	2,41,23,881
	Capital work-in-progress		53,497	43,95,848	2,622	1,98,721
	Deferred tax assets (net)		30,322	24,91,559	67,145	50,88,920
	Advance tax (net)		8,318	6,83,490	-	-
	Other Non-current assets	2	56,292	46,25,514	13,186	9,99,367
			3,78,021	3,10,61,985	4,01,252	3,04,10,889
(2)	**Current assets**					
	Financial assets					
	(i) Trade receivables	3	4,01,523	3,29,93,145	6,18,743	4,68,94,532
	(ii) Cash and cash equivalents	4	16,90,425	13,89,02,222	6,50,002	4,92,63,652
	(iii) Other financial assets	5	-	-	44	3,335
	Other Current assets	6	35,678	29,31,661	1,54,232	1,16,89,244
			21,27,626	17,48,27,028	14,23,021	10,78,50,763
	TOTAL ASSETS		25,05,647	20,58,89,013	18,24,273	13,82,61,652
(B)	**EQUITY AND LIABILITIES**					
(1)	**Equity**					
	Equity share capital	7	2,60,825	2,14,31,990	2,60,825	1,97,67,927
	Other equity	8	86,646	71,19,705	86,559	65,60,308
	Total Equity		3,47,471	2,85,51,695	3,47,384	2,63,28,235
(2)	**Non-current liabilities**					
	Other liabilities (Deferred revenue)		8,130	6,68,042	5,065	3,83,876
			8,130	6,68,042	5,065	3,83,876
(3)	**Current liabilities**					
	Financial liabilities					
	(i) Trade payables	9	20,29,666	16,67,77,651	12,37,247	9,37,70,951
	(ii) Other financial liabilities	10	44,887	36,88,365	48,315	36,61,794
	Other current liabilities	11	69,875	57,41,629	1,48,692	1,12,69,366
	Provisions	12	5,618	4,61,631	4,810	3,64,550
	Current tax liability (Net)		-	-	32,760	24,82,880
			21,50,046	17,66,69,276	14,71,824	11,15,49,541
	TOTAL EQUITY AND LIABILITIES		25,05,647	20,58,89,013	18,24,273	13,82,61,652

*Exchange rate as at 31 March 2023 1 USD = INR 82.17 (as at 31 March 2022 1 USD = INR 75.79)

Tata Communications (South Korea) Limited

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2023

	Particulars	Note No.	Current year 2022-23		Previous year 2021-22	
			USD	INR*	USD	INR*
i	Revenue from operations		32,61,116	26,79,65,902	28,21,061	21,38,08,213
ii	Other income	13	35	2,876	-	-
iii	Total income (i + ii)		32,61,151	26,79,68,778	28,21,061	21,38,08,213
iv	Expenses:					
	Network and transmission expenses	14	25,13,567	20,65,39,800	20,54,200	15,56,87,818
	Employee benefits expenses	15	1,69,093	1,38,94,207	2,40,151	1,82,01,044
	Finance costs	16	38	3,122	-	-
	Depreciation and amortisation expenses		93,238	76,61,366	68,388	51,83,127
	Operating and other expenses	17	4,66,135	3,83,02,312	4,41,050	3,34,27,178
	Total expenses		32,42,069	26,64,00,807	28,03,789	21,24,99,167
v	Profit before exceptional items and taxes (iii - iv)		19,082	15,67,971	17,272	13,09,046
vi	Exceptional items:					
	Staff cost optimisation		-	-	2,234	1,69,315
vii	Profit before taxes (v - vi)		19,082	15,67,971	19,506	14,78,361
viii	Tax expenses					
	(i) Current tax expense/(benefit)		(17,828)	(14,64,927)	34,918	26,46,435
	(ii) Deferred tax expense/(benefit)		36,823	30,25,746	(37,399)	(28,34,470)
	Net tax expenses		18,995	15,60,819	(2,481)	(1,88,035)
ix	Profit / (loss) for the year (vii-viii)		87	7,152	21,987	16,66,396

*Exchange rate as at 31 March 2023 1 USD = INR 82.17 (as at 31 March 2022 1 USD = INR 75.79)

Tata Communications (South Korea) Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1 Property, plant and equipment

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Gross block:				
Plant and machinery	**4,73,344**	**3,88,94,676**	4,68,813	3,55,31,337
Computers	**1,385**	**1,13,805**	1,385	1,04,969
(a)	**4,74,729**	**3,90,08,481**	4,70,198	3,56,36,306
Accumulated depreciation:				
Plant and machinery	**2,43,752**	**2,00,29,102**	1,50,514	1,14,07,456
Computers	**1,385**	**1,13,805**	1,385	1,04,969
(b)	**2,45,137**	**2,01,42,907**	1,51,899	1,15,12,425
Net block (a) - (b)	**2,29,592**	**1,88,65,574**	3,18,299	2,41,23,881

2 Non-current assets - others

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Prepaid expenses	**56,292**	**46,25,514**	13,186	9,99,367
Total	**56,292**	**46,25,514**	13,186	9,99,367

3 Trade receivables

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Trade receivables	**4,03,407**	**3,31,47,953**	6,20,627	4,70,37,320
Provision for doubtful debts	**(1,884)**	**(1,54,808)**	(1,884)	(1,42,788)
Total	**4,01,523**	**3,29,93,145**	6,18,743	4,68,94,532

4 Cash and cash equivalents

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Balance with bank	**16,90,425**	**13,89,02,222**	6,50,002	4,92,63,652
Total	**16,90,425**	**13,89,02,222**	6,50,002	4,92,63,652

5 Current assets - other financial assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Others	-	-	44	3,335
Total	-	-	44	3,335

6 Current assets - other assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Advances to employees	**347**	**28,513**	-	-
Prepaid expenses	**35,331**	**29,03,148**	51,873	39,31,455
Others	-	-	1,02,359	77,57,789
Total	**35,678**	**29,31,661**	1,54,232	1,16,89,244

7 Equity share capital

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Equity share capital	**2,60,825**	**2,14,31,990**	2,60,825	1,97,67,927
Total	**2,60,825**	**2,14,31,990**	2,60,825	1,97,67,927

8 Other Equity

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Surplus / (Deficit)				
Opening balance	**86,559**	**71,12,553**	64,572	48,93,912
Profit / (loss) for the year	**87**	**7,152**	21,987	16,66,396
Total	**86,646**	**71,19,705**	86,559	65,60,308

9 Current liabilities - Trade payables

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Trade payable	**11,05,206**	**9,08,14,773**	9,61,637	7,28,82,469
Inter Company - Payables (Net)	**9,24,460**	**7,59,62,878**	2,75,610	2,08,88,482
Total	**20,29,666**	**16,67,77,651**	12,37,247	9,37,70,951

10 Current liabilities - other financial liabilities

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Deposit from customers and contractors	**44,887**	**36,88,365**	48,315	36,61,794
Total	**44,887**	**36,88,365**	48,315	36,61,794

11 Current liabilities - other current liabilities

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Deferred revenue and advance from customers	**11,981**	**9,84,479**	8,081	6,12,459
Other Employee dues	**18,149**	**14,91,303**	87,700	66,46,783
Other Statutory dues	**39,745**	**32,65,847**	52,903	40,09,518
Others	**-**	**-**	8	606
Total	**69,875**	**57,41,629**	1,48,692	1,12,69,366

12 Current liabilities - provisons

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Leave entitlement	5,618	4,61,631	4,810	3,64,550
Total	5,618	4,61,631	4,810	3,64,550

13 Other income

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Miscellaneous income	35	2,876	-	-
Total	35	2,876	-	-

14 Network and transmission expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Charges for use of transmission facilities	25,13,567	20,65,39,800	20,54,200	15,56,87,818
Total	25,13,567	20,65,39,800	20,54,200	15,56,87,818

15 Employee benefit expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Salaries, bonus and allowances	1,68,985	1,38,85,497	2,40,090	1,81,96,421
Staff welfare expenses	106	8,710	61	4,623
Total	1,69,091	1,38,94,207	2,40,151	1,82,01,044

16 Finance costs

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Interest expenses	38	3,122	-	-
Total	38	3,122	-	-

17 Operating and other expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Communication expenses	2,006	1,64,833	2,112	1,60,068
Entertainment expenses	1,813	1,48,974	2,701	2,04,709
Exchange loss -Net	1,18,287	97,19,643	1,04,449	79,16,190
Insurance expenses	4,990	4,10,028	5,000	3,78,950
Legal and professional fees	28,406	23,34,121	50,722	38,44,220
Loss on sale of fixed asset	4,064	3,33,939	-	-
Miscellaneous expenses	1,58,517	1,30,25,342	1,14,193	86,54,687
Printing and stationery	-	-	66	5,002
Provision for doubtful debts	-	-	(3,346)	(2,53,593)
Provision For Doubtful advances	8	657	-	-
Rent	5,590	4,59,330	9,517	7,21,293
Repairs and Maintenance - Plant & Machinery	96,698	79,45,675	45,885	34,77,624
Repairs and Maintenance -Building	1,660	1,36,402	-	-
Seminars, trainings and conferences	23,167	19,03,632	-	-
Services rendered by agencies	19,920	16,36,826	1,08,224	82,02,297
Travelling and conveyance expenses	1,009	82,910	1,527	1,15,731
Total	4,66,135	3,83,02,312	4,41,050	3,34,27,178

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APPENDIX - 35

ACCOUNTANT'S REPORT ON COMPILATION OF UNAUDITED FINANCIAL STATEMENTS

To
The Board of Directors
Tata Communications Limited

On the basis of the trial balance and explanations provided to us by the management, we have compiled the balance sheet of **Tata Communications (Japan) K.K.** ("the subsidiary") registered in Japan as at 31 March 2023 and the related statement of profit and loss for the year then ended, attached herewith.

We performed this compilation engagement in accordance with the Standard on Related Services 4410 (Revised), Compilation Engagements, issued by the Institute of Chartered Accountants of India.

We have applied our expertise in accounting and financial reporting to assist you in preparation of these financial information. We have complied with relevant ethical requirements.

The management of the subsidiary is responsible for:

a) These financial information and the accuracy and completeness of the information used to compile them.

b) Maintaining adequate accounting and other records and internal controls and selecting and applying appropriate accounting policies;

c) Preparation and presentation of financial statements in accordance with the applicable laws and regulations;

d) Establishing controls to safeguard the assets of the entity and preventing and detecting frauds or other irregularities;

e) Establishing controls for ensuring that the activities of the entity are carried out in accordance with the applicable laws and regulations and preventing and detecting any non-compliance.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information provided to us by management to compile the balance sheet and the related statement of profit and loss. Accordingly, we do not express an audit opinion or a review conclusion on whether the financial information are prepared in accordance with an accounting principal generally accepted in India.

Registered Office:
301-309, Techniplex II Knowledge Park, Malavia Caves Road
Goregaon (E), Mumbai - 400 063. India. T +91 (22) 6749 5555

This balance sheet and the related statement of profit and loss has been compiled by us only for the purpose of preparation of statement pursuant to Section 129(3) of the Companies Act, 2013, based on trial balance and explanations provided by the management. Accordingly these financial information may not suitable for other purposes.

FOR SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
Firm's Reg. No. 121750W /W100010

(Rahul Bhansali)
PARTNER
Membership No. 126549

Place Mumbai
Date: 19 April 2023

Tata Communications (Japan) K.K.

BALANCE SHEET AS AT 31 MARCH 2023

	Particulars	Note No.	As at 31 March 2023		As at 31 March 2022	
			USD	INR*	USD	INR*
(A)	**ASSETS**					
(1)	**Non-current assets**					
	Property, plant and equipment	1	2,90,89,615	2,39,02,93,665	3,38,94,331	2,56,88,51,347
	Capital work-in-progress		12,68,153	10,42,04,132	14,32,197	10,85,46,211
	Right-of-use assets		36,76,286	30,20,80,421	62,04,377	47,02,29,733
	Other Intangible assets	2	72,48,587	59,56,16,394	78,76,155	59,69,33,788
	Intangible assets under development		67,351	55,34,232	-	-
	Financial assets					
	(i) Loans	3	3,75,18,687	3,08,29,10,511	3,57,48,756	2,70,93,98,217
	(ii) Other financial assets	4	1,31,208	1,07,81,361	1,43,621	1,08,85,036
	Other Non-current assets	5	28,198	23,17,030	42,304	32,06,220
			7,90,28,085	6,49,37,37,746	8,53,41,741	6,46,80,50,552
(2)	**Current assets**					
	Financial assets					
	(i) Trade receivables	6	20,15,892	16,56,45,846	71,39,712	54,11,18,772
	(ii) Cash and cash equivalents	7	2,45,950	2,01,35,759	2,88,030	2,18,29,794
	(iii) Other financial assets	8	8,20,192	6,73,95,176	5,02,302	3,80,69,469
	Other Current assets	9	12,00,214	9,86,21,584	11,50,335	8,71,83,890
			42,81,348	35,17,98,365	90,80,379	68,82,01,925
	TOTAL ASSETS		8,33,09,433	6,84,55,36,111	9,44,22,120	7,15,62,52,477
(B)	**EQUITY AND LIABILITIES**					
(1)	**Equity**					
	Equity share capital	10	36,28,039	29,81,15,965	36,28,039	27,49,69,076
	Other equity	11	29,31,054	24,08,44,707	3,79,008	2,87,25,014
	Total Equity		65,59,093	53,89,60,672	40,07,047	30,36,94,090
(2)	**Non-current liabilities**					
	Financial liabilities					
	(i) Lease liabilities		19,25,376	15,82,08,146	38,77,875	29,39,04,146
	Provisions	12	25,77,548	21,17,97,119	24,69,282	18,71,46,883
	Deferred tax liabilities (Net)		4,04,236	3,32,16,872	18,82,168	14,26,49,513
	Other liabilities (Deferred revenue)		4,42,86,842	3,63,90,49,807	5,39,07,126	4,08,56,21,080
			4,91,94,002	4,04,22,71,144	6,21,36,451	4,70,93,21,622
(3)	**Current liabilities**					
	Financial liabilities					
	(i) Lease liabilities		14,20,670	11,67,36,454	18,78,271	14,23,54,159
	(ii) Trade payables	13	1,53,25,683	1,25,93,11,373	1,24,29,038	94,19,96,793
	(iii) Other financial liabilities	14	2,100	1,72,557	48,448	36,71,874
	Other current liabilities	15	1,04,58,855	85,94,04,116	1,09,38,223	82,90,07,921
	Provisions	16	72,814	59,83,126	76,197	57,74,971
	Current tax liability (Net)		2,76,216	2,26,96,669	29,08,445	22,04,31,047
			2,75,56,338	2,26,43,04,295	2,82,78,622	2,14,32,36,765
	TOTAL EQUITY AND LIABILITIES		8,33,09,433	6,84,55,36,111	9,44,22,120	7,15,62,52,477

*Exchange rate as at 31 March 2023 1 USD = INR 82.17 (as at 31 March 2022 1 USD = INR 75.79)

Tata Communications (Japan) K.K.

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2023

	Particulars	Note No.	Current year 2022-23		Previous year 2021-22	
			USD	INR*	USD	INR*
i	Revenue from operations		3,08,98,187	2,53,89,04,826	3,33,58,394	2,52,82,32,681
ii	Other Income	17	15,40,673	12,65,97,100	13,03,879	9,88,20,991
iii	Total income (i + ii)		3,24,38,860	2,66,55,01,126	3,46,62,273	2,62,70,53,672
iv	Expenses:					
	Network and transmission expenses	18	1,33,91,478	1,10,03,77,747	1,20,26,926	91,15,20,722
	Employee benefits expenses	19	16,22,246	13,32,99,954	17,12,982	12,98,26,906
	Finance costs	20	4,46,567	3,66,94,410	98,570	74,70,621
	Depreciation and amortisation expenses		89,53,329	73,56,95,044	1,20,96,076	91,67,61,600
	Operating and other expenses	21	39,79,624	32,70,05,704	33,93,973	25,72,29,216
	Total expenses		2,83,93,244	2,33,30,72,859	2,93,28,527	2,22,28,09,065
v	Profit before taxes (iii - iv)		40,45,616	33,24,28,267	53,33,746	40,42,44,607
vi	Tax expenses					
	(i) Current tax expense/(benefit)		29,71,502	24,41,68,319	36,55,580	27,70,56,408
	(ii) Deferred tax expense/(benefit)		(14,77,932)	(12,14,41,672)	(3,65,420)	(2,76,95,182)
	Net tax expenses		14,93,570	12,27,26,647	32,90,160	24,93,61,226
vii	Profit / (loss) for the year (v-vi)		25,52,046	20,97,01,620	20,43,586	15,48,83,381

*Exchange rate as at 31 March 2023 1 USD = INR 82.17 (as at 31 March 2022 1 USD = INR 75.79)

Tata Communications (Japan) K.K.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1 Property, plant and equipment

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Gross block:				
Land	**20,87,335**	**17,15,16,317**	20,87,335	15,81,99,120
Building	**36,39,636**	**29,90,68,890**	36,39,635	27,58,47,937
Lease hold improvement	**10,07,400**	**8,27,78,058**	10,07,399	7,63,50,770
Cables	**8,13,92,940**	**6,68,80,57,880**	8,12,79,602	6,16,01,81,036
Plant and machinery	**8,15,01,823**	**6,69,70,04,796**	7,86,42,282	5,96,02,98,553
Furniture and fixtures	**37,728**	**31,00,110**	37,731	28,59,632
Computers	**1,09,626**	**90,07,968**	2,54,387	1,92,79,991
Office equipment	**3,68,671**	**3,02,93,696**	3,68,671	2,79,41,575
(a)	**17,01,45,159**	**13,98,08,27,715**	16,73,17,042	12,68,09,58,614
Accumulated depreciation:				
Building	**25,83,598**	**21,22,94,248**	24,37,525	18,47,40,020
Lease hold improvement	**5,96,908**	**4,90,47,930**	83,239	63,08,684
Cables	**6,29,73,295**	**5,17,45,15,650**	5,77,59,276	4,37,75,75,528
Plant and machinery	**7,44,62,296**	**6,11,85,66,862**	7,25,89,376	5,50,15,48,807
Furniture and fixtures	**31,410**	**25,80,960**	27,804	21,07,265
Computers	**1,01,232**	**83,18,233**	2,46,375	1,86,72,761
Office equipment	**3,06,805**	**2,52,10,167**	2,79,116	2,11,54,202
(b)	**14,10,55,544**	**11,59,05,34,050**	13,34,22,711	10,11,21,07,267
Net block (a) - (b)	**2,90,89,615**	**2,39,02,93,665**	3,38,94,331	2,56,88,51,347

2 Other Intangible assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Gross block:				
Computer software	**47,251**	**38,82,615**	47,251	35,81,153
Indefeasible right to use assets	**1,86,77,071**	**1,53,46,94,924**	1,85,40,515	1,40,51,85,632
(a)	**1,87,24,322**	**1,53,85,77,539**	1,85,87,766	1,40,87,66,785
Accumulated amortisation:				
Computer software	**47,251**	**38,82,615**	47,251	35,81,153
Indefeasible right to use assets	**1,14,28,484**	**93,90,78,530**	1,06,64,360	80,82,51,844
(b)	**1,14,75,735**	**94,29,61,145**	1,07,11,611	81,18,32,997
Net block (a) - (b)	**72,48,587**	**59,56,16,394**	78,76,155	59,69,33,788

3 Non-current assets - financial assets - loans

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Inter company loans given (Net)	**3,75,18,687**	**3,08,29,10,511**	3,57,48,756	2,70,93,98,217
Total	**3,75,18,687**	**3,08,29,10,511**	3,57,48,756	2,70,93,98,217

4 Non-current assets - financial assets - other financial assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Vendor deposits	**1,31,208**	**1,07,81,361**	1,43,621	1,08,85,036
Total	**1,31,208**	**1,07,81,361**	1,43,621	1,08,85,036

5 Non-current assets - others

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Prepaid expenses	**28,198**	**23,17,030**	42,304	32,06,220
Total	**28,198**	**23,17,030**	42,304	32,06,220

6 Trade receivables

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Trade receivables	**20,35,888**	**16,72,88,917**	33,18,003	25,14,71,447
Intercompany receivables (Net)	**-**	**-**	38,32,080	29,04,33,343
Provision for doubtful debts	**(19,996)**	**(16,43,071)**	(10,371)	(7,86,018)
Total	**20,15,892**	**16,56,45,846**	71,39,712	54,11,18,772

7 Cash and cash equivalents

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Balance with bank	2,45,050	2,01,35,759	2,88,030	2,18,29,794
Total	2,45,050	2,01,35,759	2,88,030	2,18,29,794

8 Current assets - other financial assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Interest Receivable on Inter Co. Loan (Net)	7,85,538	6,45,47,657	5,02,302	3,80,69,469
Others	34,654	28,47,519	-	-
Total	8,20,192	6,73,95,176	5,02,302	3,80,69,469

9 Current assets - other assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Advances to Vendors / Suppliers	50,853	41,78,591	-	-
Prepaid expenses	2,63,129	2,16,21,310	2,17,442	1,64,79,929
Indirect tax receivable	8,86,232	7,28,21,683	9,32,654	7,06,85,847
Others	-	-	239	18,114
Total	12,00,214	9,86,21,584	11,50,335	8,71,83,890

10 Equity share capital

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Equity share capital	36,28,039	29,81,15,965	36,28,039	27,49,69,076
Total	36,28,039	29,81,15,965	36,28,039	27,49,69,076

11 Other Equity

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Surplus / (Deficit)				
Opening balance	**3,79,008**	**3,11,43,087**	(16,64,578)	(12,61,58,367)
Profit / (loss) for the year	**25,52,046**	**20,97,01,620**	20,43,586	15,48,83,381
Total	**29,31,054**	**24,08,44,707**	3,79,008	2,87,25,014

12 Non-current liabilities - provisions

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Asset retirement obligation and others	**25,77,548**	**21,17,97,119**	24,69,282	18,71,46,883
Total	**25,77,548**	**21,17,97,119**	24,69,282	18,71,46,883

13 Current liabilities - Trade payables

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Trade payable	**1,37,83,776**	**1,13,26,12,875**	1,24,29,038	94,19,96,793
Inter Company - Payables (Net)	**15,41,907**	**12,66,98,498**	-	-
Total	**1,53,25,683**	**1,25,93,11,373**	1,24,29,038	94,19,96,793

14 Current liabilities - other financial liabilities

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Deposit from customers and contractors	**2,100**	**1,72,557**	2,100	1,59,159
Others	**-**	**-**	46,348	35,12,715
Total	**2,100**	**1,72,557**	48,448	36,71,874

15 Current liabilities - other current liabilities

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Deferred revenue and advance from customers	1,03,00,098	84,63,59,053	1,08,13,711	81,95,71,157
Other Employee dues	1,58,757	1,30,45,063	1,24,512	94,36,764
Total	**1,04,58,855**	**85,94,04,116**	1,09,38,223	82,90,07,921

16 Current liabilities - provisons

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Leave entitlement	72,814	59,83,126	76,197	57,74,971
Total	**72,814**	**59,83,126**	76,197	57,74,971

17 Other income

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Interest income - others	2	164	-	-
Interest on loan to subsidiaries	15,33,877	12,60,38,673	9,44,788	7,16,05,483
Profit on sale of fixed assets	-	-	2	152
Exchange gain -Net	-	-	3,53,444	2,67,87,521
Miscellaneous income	6,794	5,58,263	5,645	4,27,835
Total	**15,40,673**	**12,65,97,100**	13,03,879	9,88,20,991

18 Network and transmission expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Charges for use of transmission facilities	1,33,91,478	1,10,03,77,747	1,20,26,926	91,15,20,722
Total	**1,33,91,478**	**1,10,03,77,747**	1,20,26,926	91,15,20,722

19 Employee benefit expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Salaries, bonus and allowances	16,13,362	13,25,69,956	17,09,364	12,95,52,698
Staff welfare expenses	8,884	7,29,998	3,618	2,74,208
Total	16,22,246	13,32,99,954	17,12,982	12,98,26,906

20 Finance costs

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Interest expenses	4,46,567	3,66,94,410	1,05,664	80,08,275
Guarantee fees	-	-	(7,094)	(5,37,654)
Total	4,46,567	3,66,94,410	98,570	74,70,621

21 Operating and other expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Advertising and publicity	16,708	13,72,896	10,825	8,20,427
Communication expenses	31,258	25,68,470	29,068	22,03,064
Donations	1,292	1,06,164	1,583	1,19,976
Electricity	16,73,212	13,74,87,830	14,71,724	11,15,41,962
Entertainment expenses	716	58,834	-	-
Exchange loss -Net	3,21,846	2,64,46,086	-	-
Insurance expenses	1,26,800	1,04,19,156	1,11,706	84,66,198
IT consumables	858	70,502	148	11,217
Legal and professional fees	1,22,992	1,01,06,253	1,45,925	1,10,59,656
Miscellaneous expenses	(515)	(42,318)	1,05,978	80,32,073
Printing and stationery	5,086	4,17,917	4,759	3,60,685
Provision for doubtful debts	9,626	7,90,968	(14,175)	(10,74,323)
Rates and Taxes	2,63,883	2,16,83,266	3,68,875	2,79,57,036
Recruitment expenses	17,988	14,78,074	96,596	73,21,011
Relocation Expense	9,473	7,78,396	-	-
Rent	97,049	79,74,516	1,05,175	79,71,213
Repairs and Maintenance - Plant & Machinery	8,15,250	6,69,89,093	7,30,254	5,53,45,951
Repairs and Maintenance -Building	2,43,159	1,99,80,375	1,21,530	92,10,759
Security charges	6,943	5,70,506	8,451	6,40,501
Seminars, trainings and conferences	753	61,874	2,248	1,70,376
Services rendered by agencies	1,88,733	1,55,08,191	89,814	68,07,003
Travelling and conveyance expenses	26,514	21,78,655	3,489	2,64,431
Total	39,79,624	32,70,05,704	33,93,973	25,72,29,216

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APPENDIX - 36

ACCOUNTANT'S REPORT ON COMPILATION OF UNAUDITED FINANCIAL STATEMENTS

To
The Board of Directors
Tata Communications Limited

On the basis of the trial balance and explanations provided to us by the management, we have compiled the balance sheet of **Tata Communications (Guam) L.L.C.** ("the subsidiary") registered in Guam as at 31 March 2023 and the related statement of profit and loss for the year then ended, attached herewith.

We performed this compilation engagement in accordance with the Standard on Related Services 4410 (Revised), Compilation Engagements, issued by the Institute of Chartered Accountants of India.

We have applied our expertise in accounting and financial reporting to assist you in preparation of these financial information. We have complied with relevant ethical requirements.

The management of the subsidiary is responsible for:

a) These financial information and the accuracy and completeness of the information used to compile them.

b) Maintaining adequate accounting and other records and internal controls and selecting and applying appropriate accounting policies;

c) Preparation and presentation of financial statements in accordance with the applicable laws and regulations;

d) Establishing controls to safeguard the assets of the entity and preventing and detecting frauds or other irregularities;

e) Establishing controls for ensuring that the activities of the entity are carried out in accordance with the applicable laws and regulations and preventing and detecting any non-compliance.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information provided to us by management to compile the balance sheet and the related statement of profit and loss. Accordingly, we do not express an audit opinion or a review conclusion on whether the financial information are prepared in accordance with an accounting principal generally accepted in India.

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This balance sheet and the related statement of profit and loss has been compiled by us only for the purpose of preparation of statement pursuant to Section 129(3) of the Companies Act, 2013, based on trial balance and explanations provided by the management. Accordingly these financial information may not suitable for other purposes.

FOR SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
Firm's Reg. No. 121750W /W100010

(Rahul Bhansali)
PARTNER
Membership No. 126549

Place Mumbai
Date: 19 April 2023

Tata Communications (Guam) L.L.C.

BALANCE SHEET AS AT 31 MARCH 2023

	Particulars	Note No.	As at 31 March 2023		As at 31 March 2022	
			USD	INR*	USD	INR*
(A)	**ASSETS**					
(1)	**Non-current assets**					
	Property, plant and equipment	1	34,39,488	28,26,22,728	37,19,072	28,18,68,467
	Capital work-in-progress		2,20,516	1,81,19,800	-	-
	Other Intangible assets	2	9,398	7,72,234	10,863	8,23,306
	Financial assets					
	(i) Loans	3	3,09,77,510	2,54,54,21,997	2,17,75,078	1,65,03,33,162
	Deferred tax assets (net)		22,67,308	18,63,04,698	25,49,475	19,32,24,710
	Advance tax (net)		5,56,652	4,57,40,095	4,74,351	3,59,51,062
			3,74,70,872	3,07,89,81,552	2,85,28,839	2,16,22,00,707
(2)	**Current assets**					
	Financial assets					
	(i) Trade receivables	4	31,44,710	25,84,00,821	16,27,797	12,33,70,735
	(ii) Other financial assets	5	10,02,478	8,23,73,617	4,00,998	3,03,91,638
	Other Current assets	6	37,47,168	30,79,04,795	5,53,154	4,19,23,542
			78,94,356	64,86,79,233	25,81,949	19,56,85,915
	TOTAL ASSETS		4,53,65,228	3,72,76,60,785	3,11,10,788	2,35,78,86,622
(B)	**EQUITY AND LIABILITIES**					
(1)	Equity					
	Other equity	7	2,71,46,808	2,23,06,53,213	2,60,88,779	1,97,72,68,560
	Total Equity		2,71,46,808	2,23,06,53,213	2,60,88,779	1,97,72,68,560
(2)	**Non-current liabilities**					
	Other liabilities (Deferred revenue)		58,77,570	48,29,59,927	26,40,920	20,01,55,327
			58,77,570	48,29,59,927	26,40,920	20,01,55,327
(3)	**Current liabilities**					
	Financial liabilities					
	(i) Trade payables	8	41,61,226	34,19,27,941	2,05,996	1,56,12,436
	(ii) Other financial liabilities	9	13,719	11,27,290	10,63,365	8,05,92,433
	Other current liabilities	10	81,56,644	67,02,31,438	11,03,050	8,36,00,160
	Provisions	11	9,261	7,60,976	8,678	6,57,706
			1,23,40,850	1,01,40,47,645	23,81,089	18,04,62,735
	TOTAL EQUITY AND LIABILITIES		4,53,65,228	3,72,76,60,785	3,11,10,788	2,35,78,86,622

*Exchange rate as at 31 March 2023 1 USD = INR 82.17 (as at 31 March 2022 1 USD = INR 75.79)

Tata Communications (Guam) L.L.C.

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2023

	Particulars	Note No.	Current year 2022-23		Previous year 2021-22	
			USD	INR*	USD	INR*
i	Revenue from operations		62,40,462	51,27,78,763	43,58,392	33,03,22,530
ii	Other Income	12	14,47,949	11,89,77,969	7,86,326	5,95,95,648
iii	Total income (I + ii)		76,88,411	63,17,56,732	51,44,718	38,99,18,178
iv	Expenses:					
	Network and transmission expenses	13	31,18,832	25,62,74,425	3,64,628	2,76,35,156
	Employee benefits expenses	14	4,68,270	3,84,77,746	4,86,649	3,68,83,128
	Depreciation and amortisation expenses		3,65,735	3,00,52,445	3,62,888	2,75,03,282
	Operating and other expenses	15	22,27,679	18,30,48,384	18,96,213	14,37,13,984
	Total expenses		61,80,516	50,78,53,000	31,10,378	23,57,35,550
v	Profit before taxes (iii - iv)		15,07,895	12,39,03,732	20,34,340	15,41,82,628
vi	Tax expenses					
	(i) Current tax expense/(benefit)		1,67,699	1,37,79,827	(46,086)	(34,92,858)
	(ii) Deferred tax expense/(benefit)		2,82,167	2,31,85,662	4,14,298	3,13,99,645
	Net tax expenses		4,49,866	3,69,65,489	3,68,212	2,79,06,787
vii	Profit / (loss) for the year (v-vi)		10,58,029	8,69,38,243	16,66,128	12,62,75,841

*Exchange rate as at 31 March 2023 1 USD = INR 82.17 (as at 31 March 2022 1 USD = INR 75.79)

Tata Communications (Guam) L.L.C.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1 **Property, plant and equipment**

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Gross block:				
Land	**9,24,769**	**7,59,88,269**	9,24,769	7,00,88,243
Building	**48,65,871**	**39,98,28,620**	48,58,882	36,82,54,667
Cables	**1,71,000**	**1,40,51,070**	1,71,000	1,29,60,090
Plant and machinery	**34,33,946**	**28,21,67,343**	30,37,235	23,01,92,041
Furniture and fixtures	**14,007**	**11,50,955**	14,007	10,61,591
Computers	**2,773**	**2,27,857**	11,411	8,64,840
Office equipment	**2,20,487**	**1,81,17,417**	2,20,487	1,67,10,710
(a)	**96,32,853**	**79,15,31,531**	92,37,791	70,01,32,182
Accumulated depreciation:				
Building	**34,36,409**	**28,23,69,728**	32,39,897	24,55,51,794
Cables	**1,27,680**	**1,04,91,466**	1,16,367	88,19,455
Plant and machinery	**24,21,930**	**19,90,09,988**	19,63,178	14,87,89,261
Furniture and fixtures	**14,007**	**11,50,955**	14,007	10,61,591
Computers	**994**	**81,677**	11,411	8,64,840
Office equipment	**1,92,345**	**1,58,04,989**	1,73,859	1,31,76,774
(b)	**61,93,365**	**50,89,08,803**	55,18,719	41,82,63,715
Net block (a) - (b)	**34,39,488**	**28,26,22,728**	37,19,072	28,18,68,467

2 **Other Intangible assets**

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Gross block:				
Indefeasible right to use assets	**21,970**	**18,05,275**	21,970	16,65,106
(a)	**21,970**	**18,05,275**	21,970	16,65,106
Accumulated amortisation:				
Indefeasible right to use assets	**12,572**	**10,33,041**	11,107	8,41,800
(b)	**12,572**	**10,33,041**	11,107	8,41,800
Net block (a) - (b)	**9,398**	**7,72,234**	10,863	8,23,306

3 Non-current assets - financial assets - loans

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Inter company loans given (Net)	**3,09,77,510**	**2,54,54,21,997**	2,17,75,078	1,65,03,33,162
Total	**3,09,77,510**	**2,54,54,21,997**	2,17,75,078	1,65,03,33,162

4 Trade receivables

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Trade receivables	**31,73,410**	**26,07,59,100**	16,51,797	12,51,89,695
Provision for doubtful debts	**(28,700)**	**(23,58,279)**	(24,000)	(18,18,960)
Total	**31,44,710**	**25,84,00,821**	16,27,797	12,33,70,735

5 Current assets - other financial assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Interest Receivable on Inter Co. Loan (Net)	**10,02,478**	**8,23,73,617**	4,00,998	3,03,91,638
Total	**10,02,478**	**8,23,73,617**	4,00,998	3,03,91,638

6 Current assets - other assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Prepaid expenses	**4,93,993**	**4,05,91,405**	5,53,154	4,19,23,542
Others	**32,53,175**	**26,73,13,390**	-	-
Total	**37,47,168**	**30,79,04,795**	5,53,154	4,19,23,542

7 Other Equity

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Surplus / (Deficit)				
Opening balance	**2,60,88,779**	**2,14,37,14,970**	2,44,22,651	1,85,09,92,719
Profit / (loss) for the year	**10,58,029**	**8,69,38,243**	16,66,128	12,62,75,841
Total	**2,71,46,808**	**2,23,06,53,213**	2,60,88,779	1,97,72,68,560

8 Current liabilities - Trade payables

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Trade payable	**31,08,070**	**25,53,90,112**	1,33,903	1,01,48,508
Inter Company - Payables (Net)	**10,53,156**	**8,65,37,829**	72,093	54,63,928
Total	**41,61,226**	**34,19,27,941**	2,05,996	1,56,12,436

9 Current liabilities - other financial liabilities

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Deposit from customers and contractors	**13,000**	**10,68,210**	10,63,000	8,05,64,770
Others	**719**	**59,080**	365	27,663
Total	**13,719**	**11,27,290**	10,63,365	8,05,92,433

10 Current liabilities - other current liabilities

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Deferred revenue and advance from customers	**81,22,529**	**66,74,28,208**	10,77,568	8,16,68,879
Other Employee dues	**34,115**	**28,03,230**	25,482	19,31,281
Total	**81,56,644**	**67,02,31,438**	11,03,050	8,36,00,160

11 Current liabilities - provisons

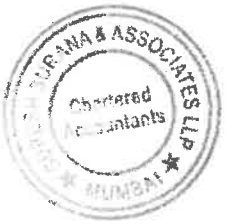
Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Leave entitlement	9,261	7,60,976	8,678	6,57,706
Total	9,261	7,60,976	8,678	6,57,706

12 Other income

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Interest on loan to subsidiaries	14,47,941	11,89,77,312	7,86,242	5,95,89,281
Exchange gain -Net	8	657	1	76
Miscellaneous income	-	-	83	6,291
Total	14,47,949	11,89,77,969	7,86,326	5,95,95,648

13 Network and transmission expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Charges for use of transmission facilities	31,18,832	25,62,74,425	3,64,628	2,76,35,156
Total	31,18,832	25,62,74,425	3,64,628	2,76,35,156



14 Employee benefit expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Salaries, bonus and allowances	**4,54,109**	**3,73,14,137**	4,71,659	3,57,47,036
Contribution to provident and other funds	**14,161**	**11,63,609**	14,561	11,03,578
Staff welfare expenses	-	-	429	32,514
Total	**4,68,270**	**3,84,77,746**	4,86,649	3,68,83,128

15 Operating and other expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Auditors remuneration	**894**	**73,460**	985	74,653
Communication expenses	**6,952**	**5,71,246**	9,013	6,83,095
Electricity	**8,27,388**	**6,79,86,472**	5,33,703	4,04,49,350
Insurance expenses	**89,976**	**73,93,328**	83,083	62,96,861
IT consumables	**389**	**31,964**	638	48,354
Legal and professional fees	**56,756**	**46,63,641**	22,050	16,71,170
Miscellaneous expenses	**25,850**	**21,24,095**	17,754	13,45,576
Printing and stationery	**414**	**34,018**	361	27,360
Provision for doubtful debts	**4,700**	**3,86,199**	(1,700)	(1,28,843)
Rates and Taxes	**22,055**	**18,12,259**	15,639	11,85,280
Recruitment expenses	**284**	**23,336**	63	4,775
Repairs and Maintenance - Plant & Machinery	**11,13,468**	**9,14,93,666**	11,11,697	8,42,55,516
Repairs and Maintenance -Building	**40,351**	**33,15,642**	81,423	61,71,049
Services rendered by agencies	**38,202**	**31,39,058**	21,504	16,29,788
Total	**22,27,679**	**18,30,48,384**	18,96,213	14,37,13,984

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APPENDIX - 37

ACCOUNTANT'S REPORT ON COMPILATION OF UNAUDITED FINANCIAL STATEMENTS

To
The Board of Directors
Tata Communications Limited

On the basis of the trial balance and explanations provided to us by the management, we have compiled the balance sheet of **Tata Communications SVCS Pte Ltd** ("the subsidiary") registered in Singapore as at 31 March 2023 and the related statement of profit and loss for the year then ended, attached herewith.

We performed this compilation engagement in accordance with the Standard on Related Services 4410 (Revised), Compilation Engagements, issued by the Institute of Chartered Accountants of India.

We have applied our expertise in accounting and financial reporting to assist you in preparation of these financial information. We have complied with relevant ethical requirements.

The management of the subsidiary is responsible for:

a) These financial information and the accuracy and completeness of the information used to compile them.

b) Maintaining adequate accounting and other records and internal controls and selecting and applying appropriate accounting policies;

c) Preparation and presentation of financial statements in accordance with the applicable laws and regulations;

d) Establishing controls to safeguard the assets of the entity and preventing and detecting frauds or other irregularities;

e) Establishing controls for ensuring that the activities of the entity are carried out in accordance with the applicable laws and regulations and preventing and detecting any non-compliance.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information provided to us by management to compile the balance sheet and the related statement of profit and loss. Accordingly, we do not express an audit opinion or a review conclusion on whether the financial information are prepared in accordance with an accounting principal generally accepted in India.

Registered Office:
505-509, Technology Knowledge Park, Mahakali Caves Road,
Andheri (E), Mumbai - 400 093, India. T +91 (22) 6161 3666

This balance sheet and the related statement of profit and loss has been compiled by us only for the purpose of preparation of statement pursuant to Section 129(3) of the Companies Act, 2013, based on trial balance and explanations provided by the management. Accordingly these financial information may not suitable for other purposes.

FOR SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
Firm's Reg. No. 121750W /W100010

(Rahul Bhansali)
PARTNER
Membership No. 126549

Place Mumbai
Date: 19 April 2023

Tata Communications SVCS Pte Ltd

BALANCE SHEET AS AT 31 MARCH 2023

	Particulars	Note No.	As at 31 March 2023		As at 31 March 2022	
			USD	INR*	USD	INR*
(A)	**ASSETS**					
(1)	**Non-current assets**					
	Property, plant and equipment	1	-	-	-	-
	Other intangible assets	2	-	-	-	-
	Financial assets					
	(i) Loans	3	3,54,33,477	2,91,15,68,805	4,41,04,031	3,34,26,44,509
	Deferred tax assets (net)		49,013	40,27,398	-	-
			3,54,82,490	2,91,55,96,203	4,41,04,031	3,34,26,44,509
(2)	**Current assets**					
	Financial assets					
	(i) Trade receivables	4	27,24,990	22,39,12,428	33,52,790	25,41,07,954
	(ii) Cash and cash equivalents	5	1,20,367	98,90,556	69,705	52,82,942
	(iii) Other financial assets	6	6,47,426	5,31,98,995	7,91,477	5,99,86,042
	Other Current assets	7	36,581	30,05,861	38,712	29,33,983
			35,29,364	29,00,07,840	42,52,684	32,23,10,921
	TOTAL ASSETS		3,90,11,854	3,20,56,04,043	4,83,56,715	3,66,49,55,430
(B)	**EQUITY AND LIABILITIES**					
(1)	**Equity**					
	Equity share capital	8	1,06,11,000	87,19,05,870	1,06,11,000	80,42,07,690
	Other equity	9	2,33,08,507	1,91,52,60,020	3,12,44,512	2,36,80,21,562
	Total Equity		3,39,19,507	2,78,71,65,890	4,18,55,512	3,17,22,29,252
(2)	**Non-current liabilities**					
	Deferred tax liabilities (Net)		-	-	38,474	29,15,944
			-	-	38,474	29,15,944
(3)	**Current liabilities**					
	Financial liabilities					
	(i) Trade payables	10	23,27,203	19,12,26,270	41,55,160	31,49,19,580
	(ii) Other financial liabilities	11	70,331	57,79,098	70,728	53,60,475
	Other current liabilities	12	1,77,745	1,46,05,307	18,683	14,15,984
	Provisions	13	13,745	11,29,427	2,938	2,22,671
	Current tax liability (Net)		25,03,323	20,56,98,051	22,15,220	16,78,91,524
			50,92,347	41,84,38,153	64,62,729	48,98,10,234
	TOTAL EQUITY AND LIABILITIES		3,90,11,854	3,20,56,04,043	4,83,56,715	3,66,49,55,430

*Exchange rate as at 31 March 2023 1 USD = INR 82.17 (as at 31 March 2022 1 USD = INR 75.79)

Tata Communications SVCS Pte Ltd

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2023

	Particulars	Note No.	Current year 2022-23		Previous year 2021-22	
			USD	INR*	USD	INR*
i	Revenue from operations		1,86,13,845	1,52,94,99,644	1,96,61,163	1,49,01,19,544
ii	Other income	14	15,34,475	12,60,87,810	18,12,575	13,73,75,059
iii	Total income (i + ii)		2,01,48,320	1,65,55,87,454	2,14,73,738	1,62,74,94,603
iv	Expenses:					
	Network and transmission expenses	15	38,45,401	31,59,76,600	68,08,630	51,60,26,068
	Employee benefits expenses	16	8,98,255	7,38,09,614	4,45,882	3,37,93,397
	Finance costs	17	20	1,643	-	-
	Operating and other expenses	18	12,31,154	10,11,63,924	8,92,510	6,76,43,335
	Total expenses		59,74,830	49,09,51,781	81,47,022	61,74,62,800
v	Profit before taxes (iii - iv)		1,41,73,490	1,16,46,35,673	1,33,26,716	1,01,00,31,803
vi	Tax expenses					
	(i) Current tax expense/(benefit)		21,96,982	18,05,26,911	17,39,441	13,18,32,233
	(ii) Deferred tax expense/(benefit)		(87,487)	(71,88,807)	55,818	42,30,446
	Net tax expenses		21,09,495	17,33,37,204	17,95,259	13,60,62,679
vii	Profit / (loss) for the year (v-vi)		1,20,63,995	99,12,98,469	1,15,31,457	87,39,69,124

*Exchange rate as at 31 March 2023 1 USD = INR 82.17 (as at 31 March 2022 1 USD = INR 75.79)

Tata Communications SVCS Pte Ltd

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1 Property, plant and equipment

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Gross block:				
Plant and machinery	**95,980**	**78,86,677**	95,980	72,74,324
Computers	**62**	**5,095**	62	4,699
(a)	**96,042**	**78,91,772**	96,042	72,79,023
Accumulated depreciation:				
Plant and machinery	**95,980**	**78,86,677**	95,980	72,74,324
Computers	**62**	**5,095**	62	4,699
(b)	**96,042**	**78,91,772**	96,042	72,79,023
Net block (a) - (b)	-	-	-	-

2 Other Intangible assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Gross block:				
Computer software	**2,16,166**	**1,77,62,360**	2,16,166	1,63,83,221
(a)	**2,16,166**	**1,77,62,360**	2,16,166	1,63,83,221
Accumulated amortisation:				
Computer software	**2,16,166**	**1,77,62,360**	2,16,166	1,63,83,221
(b)	**2,16,166**	**1,77,62,360**	2,16,166	1,63,83,221
Net block (a) - (b)	-	-	-	-

3 Non-current assets - financial assets - loans

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Inter company loans given (Net)	**3,54,33,477**	**2,91,15,68,805**	4,41,04,031	3,34,26,44,509
Total	**3,54,33,477**	**2,91,15,68,805**	4,41,04,031	3,34,26,44,509

4 Trade receivables

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Trade receivables	30,14,243	24,76,80,347	35,81,201	27,14,19,224
Provision for doubtful debts	(2,89,253)	(2,37,67,919)	(2,28,411)	(1,73,11,270)
Total	27,24,990	22,39,12,428	33,52,790	25,41,07,954

5 Cash and cash equivalents

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Balance with bank	1,20,367	98,90,556	69,705	52,82,942
Total	1,20,367	98,90,556	69,705	52,82,942

6 Current assets - other financial assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Interest Receivable on Inter Co. Loan (Net)	6,43,750	5,28,96,938	7,87,866	5,97,12,364
Others	3,676	3,02,057	3,611	2,73,678
Total	6,47,426	5,31,98,995	7,91,477	5,99,86,042

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

7 Current assets - other assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Prepaid expenses	34,793	28,58,941	37,891	28,71,759
Indirect tax receivable	1,788	1,46,920	821	62,224
Total	36,581	30,05,861	38,712	29,33,983

8 Equity share capital

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Equity share capital	1,06,11,000	87,19,05,870	1,06,11,000	80,42,07,690
Total	1,06,11,000	87,19,05,870	1,06,11,000	80,42,07,690

9 Other Equity

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Surplus / (Deficit)				
Opening balance	3,12,44,512	2,56,73,61,551	5,07,13,055	3,84,35,42,438
Profit / (loss) for the year	1,20,63,995	99,12,98,469	1,15,31,457	87,39,69,124
Dividend	(2,00,00,000)	(1,64,34,00,000)	(3,10,00,000)	(2,34,94,90,000)
Total	2,33,08,507	1,91,52,60,020	3,12,44,512	2,36,80,21,562

10 Current liabilities - Trade payables

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Trade payable	9,07,012	7,45,29,176	9,63,617	7,30,32,536
Inter Company - Payables (Net)	14,20,191	11,66,97,094	31,91,543	24,18,87,044
Total	23,27,203	19,12,26,270	41,55,160	31,49,19,580

11 Current liabilities - other financial liabilities

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Deposit from customers and contractors	70,331	57,79,098	70,728	53,60,475
Total	70,331	57,79,098	70,728	53,60,475

12 Current liabilities - other current liabilities

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Deferred revenue and advance from customers	1,639	1,34,677	2,231	1,69,087
Other Employee dues	1,74,670	1,43,52,634	16,429	12,45,154
Other Statutory dues	1,436	1,17,996	-	-
Others	-	-	23	1,743
Total	1,77,745	1,46,05,307	18,683	14,15,984

13 Current liabilities - provisons

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Leave entitlement	13,745	11,29,427	2,938	2,22,671
Total	13,745	11,29,427	2,938	2,22,671

14 Other income

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Interest on loan to subsidiaries	**15,27,091**	**12,54,81,067**	18,12,575	13,73,75,059
Miscellaneous income	**7,384**	**6,06,743**	-	-
Total	**15,34,475**	**12,60,87,810**	18,12,575	13,73,75,059

15 Network and transmission expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Charges for use of transmission facilities	**38,45,401**	**31,59,76,600**	68,08,630	51,60,26,068
Total	**38,45,401**	**31,59,76,600**	68,08,630	51,60,26,068

16 Employee benefit expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Salaries, bonus and allowances	**8,09,905**	**6,65,49,894**	4,25,191	3,22,25,226
Contribution to provident and other funds	**59,756**	**49,10,151**	12,371	9,37,598
Staff welfare expenses	**28,594**	**23,49,569**	8,320	6,30,573
Total	**8,98,255**	**7,38,09,614**	4,45,882	3,37,93,397

17 Finance costs

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Interest expenses	20	1,643	-	-
Total	20	1,643	-	-

18 Operating and other expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Advertising and publicity	-	-	3,683	2,79,135
Auditors remuneration	4,371	3,59,165	3,906	2,96,036
Communication expenses	3,449	2,83,404	3,513	2,66,250
Entertainment expenses	2,821	2,31,802	1,897	1,43,774
Exchange loss -Net	1,11,567	91,67,460	53,914	40,86,142
Legal and professional fees	18,800	15,44,796	6,164	4,67,170
Miscellaneous expenses	1,62,887	1,33,84,425	1,77,013	1,34,15,815
Printing and stationery	99	8,135	-	-
Provision for doubtful debts	60,842	49,99,387	(2,29,253)	(1,73,75,085)
Rates and Taxes	1,091	89,647	307	23,268
Relocation Expense	-	-	52	3,941
Repairs and Maintenance - Plant & Machinery	7,40,356	6,08,35,053	7,75,564	5,87,79,996
Services rendered by agencies	1,11,470	91,59,490	94,220	71,40,934
Travelling and conveyance expenses	13,401	11,01,160	1,530	1,15,959
Total	12,31,154	10,11,63,924	8,92,510	6,76,43,335

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APPENDIX - 38

ACCOUNTANT'S REPORT ON COMPILATION OF UNAUDITED FINANCIAL STATEMENTS

To
The Board of Directors
Tata Communications Limited

On the basis of the trial balance and explanations provided to us by the management, we have compiled the balance sheet of **Tata Communications International Pte Ltd** ("the subsidiary") registered in Singapore as at 31 March 2023 and the related statement of profit and loss for the year then ended, attached herewith.

We performed this compilation engagement in accordance with the Standard on Related Services 4410 (Revised), Compilation Engagements, issued by the Institute of Chartered Accountants of India.

We have applied our expertise in accounting and financial reporting to assist you in preparation of these financial information. We have complied with relevant ethical requirements.

The management of the subsidiary is responsible for:

a) These financial information and the accuracy and completeness of the information used to compile them.

b) Maintaining adequate accounting and other records and internal controls and selecting and applying appropriate accounting policies;

c) Preparation and presentation of financial statements in accordance with the applicable laws and regulations;

d) Establishing controls to safeguard the assets of the entity and preventing and detecting frauds or other irregularities;

e) Establishing controls for ensuring that the activities of the entity are carried out in accordance with the applicable laws and regulations and preventing and detecting any non-compliance.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information provided to us by management to compile the balance sheet and the related statement of profit and loss. Accordingly, we do not express an audit opinion or a review conclusion on whether the financial information are prepared in accordance with an accounting principal generally accepted in India.

Registered Office
305-306, Automobile Knowledge Park, Mahakali Caves Road
Andheri (E), Mumbai - 400 093, India T +91 (22) 6191 5505

This balance sheet and the related statement of profit and loss has been compiled by us only for the purpose of preparation of statement pursuant to Section 129(3) of the Companies Act, 2013, based on trial balance and explanations provided by the management. Accordingly these financial information may not suitable for other purposes.

FOR SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
Firm's Reg. No. 121750W /W100010

(Rahul Bhansali)
PARTNER
Membership No. 126549

Place Mumbai
Date: 19 April 2023

Tata Communications International Pte Ltd

BALANCE SHEET AS AT 31 MARCH 2023

	Particulars	Note No.	As at 31 March 2023		As at 31 March 2022	
			USD	INR*	USD	INR*
(A)	**ASSETS**					
(1)	**Non-current assets**					
	Property, plant and equipment	1	2,34,21,740	1,92,45,64,375	2,46,20,130	1,86,59,59,651
	Capital work-in-progress		34,69,694	28,51,04,756	14,69,821	11,13,97,734
	Right-of-use assets		1,16,36,723	95,61,89,529	1,20,32,113	91,19,13,844
	Goodwill		36,354	29,87,208	36,354	27,55,270
	Other Intangible assets	2	61,67,906	50,68,16,836	77,83,043	58,98,76,829
	Intangible assets under development		4,20,755	3,45,73,438	73,234	55,50,405
	Investments in subsidiaries & associates	3	20,03,51,011	16,46,28,42,574	20,03,51,011	15,18,46,03,123
	Financial assets					
	(i) Investments -others	4	20,00,000	16,43,40,000	20,00,000	15,15,80,000
	(ii) Loans	5	8,93,000	7,33,77,810	-	-
	(iii) Other financial assets	6	1,37,671	1,13,12,426	1,36,088	1,03,14,110
	Deferred tax assets (net)		10,50,099	8,62,86,635	6,55,796	4,97,02,779
	Other Non-current assets	7	8,44,573	6,93,98,564	9,93,654	7,53,09,037
			25,04,29,526	20,57,77,94,151	25,01,51,244	18,95,89,62,782
(2)	**Current assets**					
	Financial assets					
	(i) Trade receivables	8	3,50,24,599	2,87,79,71,380	3,22,49,952	2,44,42,23,862
	(ii) Cash and cash equivalents	9	3,27,21,238	2,68,87,04,126	23,08,268	17,49,43,632
	(iii) Other financial assets	10	43,09,661	35,41,24,845	21,09,046	15,98,44,596
	Other Current assets	11	50,74,848	41,70,00,260	67,75,023	51,34,78,994
			7,71,30,346	6,33,78,00,531	4,34,42,289	3,29,24,91,084
	TOTAL ASSETS		32,75,59,872	26,91,55,94,682	29,35,93,533	22,25,14,53,866
(B)	**EQUITY AND LIABILITIES**					
(1)	**Equity**					
	Equity share capital	12	1,91,02,863	1,56,96,82,253	1,91,02,863	1,44,78,05,987
	Other equity	13	10,64,97,630	8,75,09,10,259	7,41,63,313	5,62,08,37,494
	Total Equity		12,56,00,493	10,32,05,92,512	9,32,66,176	7,06,86,43,481
(2)	**Non-current liabilities**					
	Financial liabilities					
	(i) Borrowings	14	98,93,128.00	81,29,18,328	2,21,18,984	1,67,63,97,797
	(ia) Lease liabilities		1,02,77,222	84,44,79,332	1,10,25,824	83,56,47,201
	(ii) Other financial liabilities	15	3,34,61,000	2,74,94,90,370	3,34,61,000	2,53,60,09,190
	Provisions	16	1,37,96,916	1,13,36,92,588	1,21,38,114	91,99,47,660
	Other liabilities (Deferred revenue)		3,97,28,191	3,26,44,65,454	3,47,16,768	2,63,11,83,847
			10,71,56,457	8,80,50,46,072	11,34,60,690	8,59,91,85,695
(3)	**Current liabilities**					
	Financial liabilities					
	(i) Borrowings	17	1,43,13,188	1,17,61,14,658	2,59,95,850	1,97,02,25,471
	(ia) Lease liabilities		23,28,087	19,12,98,909	16,18,522	12,26,67,782
	(ii) Trade payables	18	5,49,57,620	4,51,58,67,632	3,35,67,803	2,54,41,03,789
	(iii) Other financial liabilities	19	7,23,270	5,94,31,096	64,40,763	48,81,45,427
	Other current liabilities	20	1,81,79,811	1,49,38,35,070	1,72,75,211	1,30,92,88,242
	Provisions	21	2,91,595	2,39,60,361	3,13,634	2,37,70,321
	Current tax liability (Net)		40,09,351	32,94,48,372	16,54,884	12,54,23,658
			9,48,02,922	7,78,99,56,098	8,68,66,667	6,58,36,24,690
	TOTAL EQUITY AND LIABILITIES		32,75,59,872	26,91,55,94,682	29,35,93,533	22,25,14,53,866

*Exchange rate as at 31 March 2023 1 USD = INR 82.17 (as at 31 March 2022 1 USD = INR 75.79)

Tata Communications International Pte Ltd

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2023

	Particulars	Note No.	Current year 2022-23		Previous year 2021-22	
			USD	INR*	USD	INR*
i	Revenue from operations		19,17,39,532	15,75,52,37,344	17,42,30,026	13,20,48,93,671
ii	Other Income	22	3,08,47,683	2,53,47,54,113	3,61,26,086	2,73,79,96,060
iii	Total income (i + ii)		22,25,87,215	18,28,99,91,457	21,03,56,112	15,94,28,89,731
iv	Expenses:					
	Network and transmission expenses	23	11,76,87,218	9,67,03,58,703	11,32,09,253	8,58,01,29,285
	Employee benefits expenses	24	1,53,95,728	1,26,50,66,970	1,56,59,892	1,18,68,63,215
	Finance costs	25	1,19,20,805	97,95,32,547	62,23,104	47,16,49,052
	Depreciation and amortisation expenses		75,55,792	62,08,59,429	94,37,882	71,52,97,077
	Operating and other expenses	26	3,47,39,461	2,85,45,41,509	2,76,73,926	2,09,74,06,852
	Total expenses		18,72,99,004	15,39,03,59,158	17,22,04,057	13,05,13,45,481
v	Profit before exceptional items and taxes (iii - iv)		3,52,88,211	2,89,96,32,299	3,81,52,055	2,89,15,44,250
vi	Exceptional items:					
	Staff cost optimisation		-	-	(2,71,374)	(2,05,67,435)
	Impairment of investment		-	-	(10,000)	(7,57,900)
vii	Profit before taxes (v - vi)		3,52,88,211	2,89,96,32,299	3,78,70,681	2,87,02,18,915
viii	Tax expenses					
	(i) Current tax expense/(benefit)		33,48,197	27,51,21,347	22,62,291	17,14,59,035
	(ii) Deferred tax expense/(benefit)		(3,94,303)	(3,23,99,878)	(6,55,795)	(4,97,02,703)
	Net tax expenses		29,53,894	24,27,21,469	16,06,496	12,17,56,332
ix	Profit / (loss) for the year (vii-viii)		3,23,34,317	2,65,69,10,830	3,62,64,185	2,74,84,62,583

*Exchange rate as at 31 March 2023 1 USD = INR 82.17 (as at 31 March 2022 1 USD = INR 75.79)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1 Property, plant and equipment

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Gross block:				
Lease hold improvement	**27,66,324**	**22,73,08,843**	74,01,682	56,09,73,479
Cables	**3,33,75,638**	**2,74,24,76,174**	3,34,86,184	2,53,79,17,885
Plant and machinery	**5,95,04,126**	**4,88,94,54,033**	4,58,46,971	3,47,47,41,932
Furniture and fixtures	**5,72,155**	**4,70,13,976**	9,91,737	7,51,63,747
Computers	**22,17,862**	**18,22,41,721**	21,54,222	16,32,68,485
Office equipment	**3,26,779**	**2,68,51,430**	3,33,237	2,52,56,032
(a)	**9,87,62,884**	**8,11,53,46,177**	9,02,14,033	6,83,73,21,560
Accumulated depreciation:				
Lease hold improvement	**20,57,890**	**16,90,96,821**	73,68,028	55,84,22,842
Cables	**2,05,13,924**	**1,68,56,29,135**	1,81,34,407	1,37,44,06,707
Plant and machinery	**5,05,96,962**	**4,15,75,52,368**	3,69,01,413	2,79,67,58,091
Furniture and fixtures	**5,06,454**	**4,16,15,325**	8,92,650	6,76,53,944
Computers	**13,90,872**	**11,42,87,952**	20,40,073	15,46,17,133
Office equipment	**2,75,042**	**2,26,00,201**	2,57,332	1,95,03,192
(b)	**7,53,41,144**	**6,19,07,81,802**	6,55,93,903	4,97,13,61,909
Net block (a) - (b)	**2,34,21,740**	**1,92,45,64,375**	2,46,20,130	1,86,59,59,651

2 Other Intangible assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Gross block:				
Computer software	**47,52,878**	**39,05,43,985**	47,27,634	35,83,07,381
Indefeasible right to use assets	**5,23,49,615**	**4,30,15,67,865**	6,07,24,615	4,60,23,18,571
(a)	**5,71,02,493**	**4,69,21,11,850**	6,54,52,249	4,96,06,25,952
Accumulated amortisation:				
Computer software	**36,77,684**	**30,21,95,294**	31,50,134	23,87,48,656
Indefeasible right to use assets	**4,72,56,903**	**3,88,30,99,720**	5,45,19,072	4,13,20,00,467
(b)	**5,09,34,587**	**4,18,52,95,014**	5,76,69,206	4,37,07,49,123
Net block (a) - (b)	**61,67,906**	**50,68,16,836**	77,83,043	58,98,76,829

3 Investments in subsidiaries & associates

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Investments in subsidiaries	21,89,96,075	17,99,49,07,483	21,89,96,075	16,59,77,12,524
Impairment of investment in subsidiaries	(1,86,45,064)	(1,53,20,64,909)	(1,86,45,064)	(1,41,31,09,401)
Total	20,03,51,011	16,46,28,42,574	20,03,51,011	15,18,46,03,123

4 Financial asset - Investment others

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Investments - others	20,00,000	16,43,40,000	20,00,000	15,15,80,000
Total	20,00,000	16,43,40,000	20,00,000	15,15,80,000

5 Non-current assets - financial assets - loans

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Inter company loans given (Net)	24,41,116	20,05,86,502	15,48,116	11,73,31,712
Allowances for loan receivables	(15,48,116)	(12,72,08,692)	(15,48,116)	(11,73,31,712)
Total	8,93,000	7,33,77,810	-	-

6 Non-current assets - financial assets - other financial assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Vendor deposits	1,37,671	1,13,12,426	1,36,088	1,03,14,110
Total	1,37,671	1,13,12,426	1,36,088	1,03,14,110

7 Non-current assets - others

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Prepaid expenses	8,43,823	6,93,36,936	9,93,654	7,53,09,037
Others	750	61,628	-	-
Total	8,44,573	6,93,98,564	9,93,654	7,53,09,037

8 Trade receivables

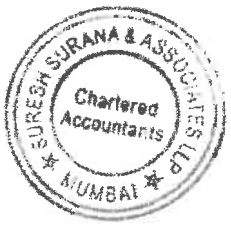
Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Trade receivables	4,11,81,811	3,38,39,09,410	3,59,21,033	2,72,24,55,091
Provision for doubtful debts	(61,57,212)	(50,59,38,110)	(36,71,081)	(27,82,31,229)
Total	3,50,24,599	2,87,79,71,300	3,22,49,952	2,44,42,23,862

9 Cash and cash equivalents

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Balance with bank	3,27,21,238	2,68,87,04,126	23,08,268	17,49,43,632
Total	3,27,21,238	2,68,87,04,126	23,08,268	17,49,43,632

10 Current assets - other financial assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Security Deposit	10,168	8,35,505	9,293	7,04,316
Interest Receivable on Inter Co. Loan (Net)	42,92,363	35,27,03,468	20,97,394	15,89,61,491
Others	7,130	5,85,872	2,359	1,78,789
Total	43,09,661	35,41,24,845	21,09,046	15,98,44,596



11 Current assets - other assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Advances to Vendors / Suppliers	73,549	60,43,521	5,53,164	4,19,24,300
Advances to employees	21,295	17,49,810	6,337	4,80,281
Prepaid expenses	35,59,239	29,24,62,669	57,68,811	43,72,18,186
Indirect tax receivable	8,00,220	6,57,54,077	-	-
Others	6,20,545	5,09,90,183	4,46,711	3,38,56,227
Total	50,74,848	41,70,00,260	67,75,023	51,34,78,994

12 Equity share capital

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Equity share capital	1,91,02,863	1,56,96,82,253	1,91,02,863	1,44,78,05,987
Total	1,91,02,863	1,56,96,82,253	1,91,02,863	1,44,78,05,987

13 Other Equity

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Surplus / (Deficit)				
Opening balance	(32,98,83,058)	(27,10,64,90,876)	(36,61,47,243)	(27,75,02,99,547)
Profit / (loss) for the year	3,23,34,317	2,65,69,10,830	3,62,64,185	2,74,84,62,583
Closing balance	(29,75,48,741)	(24,44,95,80,046)	(32,98,83,058)	(25,00,18,36,964)
Share premium	40,40,46,371	33,20,04,90,305	40,40,46,371	30,62,26,74,458
Total	10,64,97,630	8,75,09,10,259	7,41,63,313	5,62,08,37,494

14 Non-current liabilities - borrowings

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Loan from banks	**98,93,128**	**81,29,18,328**	2,21,18,984	1,67,63,97,797
Total	**98,93,128**	**81,29,18,328**	2,21,18,984	1,67,63,97,797

15 Non-current liabilities - other financial liabilities

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Dividend payable	**3,34,61,000**	**2,74,94,90,370**	3,34,61,000	2,53,60,09,190
Total	**3,34,61,000**	**2,74,94,90,370**	3,34,61,000	2,53,60,09,190

16 Non-current liabilities - provisions

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Asset retirement obligation and others	**1,31,29,511**	**1,07,88,51,919**	1,16,57,094	88,34,91,154
Provision for gratuity	**1,19,888**	**98,51,197**	93,099	70,55,973
Retention liability	**5,47,517**	**4,49,89,472**	3,87,921	2,94,00,533
Total	**1,37,96,916**	**1,13,36,92,588**	1,21,38,114	91,99,47,660

17 Current liabilities - borrowings

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Loan from bank	**-**	**-**	42,55,289	32,25,08,353
Current portion of long term loans	**1,22,25,856**	**1,00,45,98,588**	1,62,18,898	1,22,92,30,279
Inter company loans taken (Net)	**20,87,332**	**17,15,16,070**	55,21,663	41,84,86,839
Total	**1,43,13,188**	**1,17,61,14,658**	2,59,95,850	1,97,02,25,471

18 Current liabilities - Trade payables

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Trade payable	3,47,89,832	2,85,86,80,492	2,61,68,480	1,98,33,09,099
Inter Company - Payables (Net)	2,01,67,788	1,65,71,87,140	73,99,323	56,07,94,690
Total	5,49,57,620	4,51,58,67,632	3,35,67,803	2,54,41,03,789

19 Current liabilities - other financial liabilities

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Deposit from customers and contractors	5,63,411	4,62,95,482	62,23,094	47,16,48,294
Interest accrued but not due -others	85,256	70,05,486	1,47,537	1,11,81,829
Forward premium	2,790	2,29,254	70,132	53,15,304
Others	71,813	59,00,874	-	-
Total	7,23,270	5,94,31,096	64,40,763	48,81,45,427

20 Current liabilities - other current liabilities

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Deferred revenue and advance from customers	1,40,61,381	1,15,54,23,677	1,41,24,463	1,07,04,93,051
Other Employee dues	28,30,172	23,25,55,233	27,70,791	20,99,98,250
Other Statutory dues	12,88,258	10,58,56,160	3,79,640	2,87,72,916
Others	-	-	317	24,025
Total	1,81,79,811	1,49,38,35,070	1,72,75,211	1,30,92,88,242

21 Current liabilities - provisons

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Leave entitlement	2,91,595	2,39,60,361	3,13,634	2,37,70,321
Total	2,91,595	2,39,60,361	3,13,634	2,37,70,321

22 Other income

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Dividend income	**2,00,61,210**	**1,64,84,29,626**	3,10,67,297	2,35,45,90,440
Interest income - others	**1,71,764**	**1,41,13,848**	7,358	5,57,663
Interest on loan to subsidiaries	**1,01,90,386**	**83,73,44,018**	44,71,139	33,88,67,625
Profit on sale of fixed assets	-	-	8,750	6,63,163
Exchange gain -Net	-	-	1,21,264	91,90,599
Miscellaneous income	**4,24,323**	**3,48,66,621**	4,50,278	3,41,26,570
Total	**3,08,47,683**	**2,53,47,54,113**	3,61,26,086	2,73,79,96,060

23 Network and transmission expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Charges for use of transmission facilities	**11,76,87,218**	**9,67,03,58,703**	11,32,09,253	8,58,01,29,285
Total	**11,76,87,218**	**9,67,03,58,703**	11,32,09,253	8,58,01,29,285

24 Employee benefit expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Salaries, bonus and allowances	1,43,11,203	1,17,59,51,551	1,48,04,889	1,12,20,62,537
Contribution to provident and other funds	6,65,893	5,47,16,428	7,10,925	5,38,81,006
Staff welfare expenses	4,18,632	3,43,98,991	1,44,078	1,09,19,672
Total	**1,53,95,728**	**1,26,50,66,970**	1,56,59,892	1,18,68,63,215

25 Finance costs

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Interest expenses	19,65,842	16,15,33,237	25,42,103	19,26,65,986
Interest on inter companies loan	93,06,268	76,46,96,042	33,30,729	25,24,35,951
Guarantee fees	6,48,695	5,33,03,268	3,50,272	2,65,47,115
Total	**1,19,20,805**	**97,95,32,547**	62,23,104	47,16,49,052

26 Operating and other expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Advertising and publicity	6,24,643	5,13,26,915	7,41,401	5,61,90,782
Auditors remuneration	48,958	40,22,879	35,707	27,06,234
Communication expenses	84,029	69,04,663	94,980	71,98,534
Directors fees	46,363	38,09,648	45,450	34,44,656
Electricity	30,49,119	25,05,46,108	16,71,019	12,66,46,530
Entertainment expenses	22,963	18,86,870	8,280	6,27,541
Exchange loss -Net	4,53,897	3,72,96,716	-	-
Insurance expenses	1,90,785	1,56,76,803	1,53,354	1,16,22,700
IT consumables	17,670	14,51,944	2,737	2,07,437
Legal and professional fees	10,10,555	8,30,37,304	12,85,511	9,74,28,879
Miscellaneous expenses	17,10,081	14,05,17,356	27,73,883	21,02,32,593
Printing and stationery	13,496	11,08,966	2,265	1,71,664
Provision for doubtful debts	24,86,131	20,42,85,384	(4,90,220)	(3,71,53,774)
Provision For Doubtful advances	3	247	-	-
Rates and Taxes	6,67,715	5,48,66,142	6,33,280	4,79,96,291
Recruitment expenses	1,66,997	1,37,22,143	2,98,054	2,25,89,513
Relocation Expense	65,494	53,81,642	22,578	17,11,187
Rent	10,99,383	9,03,36,301	19,03,247	14,42,47,090
Repairs and Maintenance - Plant & Machinery	1,95,34,360	1,60,51,38,361	1,64,18,775	1,24,43,78,957
Repairs and Maintenance -Building	49,791	40,91,326	2,479	1,87,883
Seminars, trainings and conferences	21,298	17,50,057	1,029	77,988
Services rendered by agencies	22,35,200	18,36,66,384	12,76,298	9,67,30,625
Bad debts written off	7,18,435	5,90,33,804	7,59,081	5,75,30,749
Travelling and conveyance expenses	4,22,095	3,46,83,546	34,738	26,32,793
Total	**3,47,39,461**	**2,85,45,41,509**	2,76,73,926	2,09,74,06,852

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APPENDIX - 39

ACCOUNTANT'S REPORT ON COMPILATION OF UNAUDITED FINANCIAL STATEMENTS

To
The Board of Directors
Tata Communications Limited

On the basis of the trial balance and explanations provided to us by the management, we have compiled the balance sheet of **Tata Communications MOVE B.V** ("the subsidiary") registered in Netherlands as at 31 March 2023 and the related statement of profit and loss for the year then ended, attached herewith.

We performed this compilation engagement in accordance with the Standard on Related Services 4410 (Revised), Compilation Engagements, issued by the Institute of Chartered Accountants of India.

We have applied our expertise in accounting and financial reporting to assist you in preparation of these financial information. We have complied with relevant ethical requirements.

The management of the subsidiary is responsible for:

a) These financial information and the accuracy and completeness of the information used to compile them.

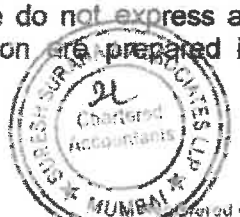
b) Maintaining adequate accounting and other records and internal controls and selecting and applying appropriate accounting policies;

c) Preparation and presentation of financial statements in accordance with the applicable laws and regulations;

d) Establishing controls to safeguard the assets of the entity and preventing and detecting frauds or other irregularities;

e) Establishing controls for ensuring that the activities of the entity are carried out in accordance with the applicable laws and regulations and preventing and detecting any non-compliance.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information provided to us by management to compile the balance sheet and the related statement of profit and loss. Accordingly, we do not express an audit opinion or a review conclusion on whether the financial information are prepared in accordance with an accounting principal generally accepted in India.



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This balance sheet and the related statement of profit and loss has been compiled by us only for the purpose of preparation of statement pursuant to Section 129(3) of the Companies Act, 2013, based on trial balance and explanations provided by the management. Accordingly these financial information may not suitable for other purposes.

FOR SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
Firm's Reg. No. 121750W /W100010

(Rahul Bhansali)
PARTNER
Membership No. 126549

Place Mumbai
Date: 19 April 2023

Tata Communications MOVE B.V

BALANCE SHEET AS AT 31 MARCH 2023

	Particulars	Note No.	As at 31st March 2023		As at 31 March 2022	
			EURO	INR*	EURO	INR*
(A)	ASSETS					
(1)	Non-current assets					
	Property, plant and equipment	1	76,255	68,18,142	1,27,954	1,07,67,124
	Other intangible assets	2	40,968	36,63,047	1,57,224	1,32,30,148
	Financial assets					
	(i) Investments -others	3	-	-	-	-
	(ii) Loans	4	23,10,069	20,65,48,813	23,46,621	19,74,64,403
			24,27,292	21,70,30,002	26,31,799	22,14,61,675
(2)	Current assets					
	Financial assets					
	(i) Trade receivables	5	1,93,27,282	1,72,80,98,669	1,90,60,266	1,60,38,90,888
	(ii) Cash and cash equivalent	6	8,787	7,85,667	10,383	8,73,713
	(iii) Other financial assets	7	58,415	52,23,025	34,422	28,96,556
	Other current assets	8	17,153	15,33,691	10,184	8,56,967
			1,94,11,637	1,73,56,41,052	1,91,15,255	1,60,85,18,124
	TOTAL ASSETS		2,18,38,929	1,95,26,71,054	2,17,47,054	1,82,99,79,799
(B)	EQUITY AND LIABILITIES					
(1)	Equity					
	Equity share capital	9	33,684	30,11,767	33,684	28,34,455
	Other equity	10	2,17,00,294	1,94,02,75,366	2,15,70,264	1,81,51,03,204
	Total Equity		2,17,33,978	1,94,32,87,133	2,16,03,948	1,81,79,37,659
(2)	Non-current liabilities					
	Deferred tax liabilities (Net)		84	7,511	84	7,068
			84	7,511	84	7,068
(3)	Current liabilities					
	Financial liabilities					
	(i) Trade payables	11	1,04,864	93,76,142	1,29,653	1,09,10,093
	(ii) Other financial liabilities	12	3	268	10	841
	(iii) Other current liabilities	13	-	-	13,359	11,24,138
			1,04,867	93,76,410	1,43,022	1,20,35,072
	TOTAL EQUITY AND LIABILITIES		2,18,38,929	1,95,26,71,054	2,17,47,054	1,82,99,79,799

*Exchange rate as at 31 March 2023 1 EURO = 89.41 INR (as at 31 March 2022 1 EURO = INR 84.15)

SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
MUMBAI

Tata Communications MOVE B.V

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2023

	Particulars	Note No.	Current Year 2022-23		Previous year 2021-22	
			EURO	INR*	EURO	INR*
i	Revenue from operations		7,08,042	6,33,07,735	11,46,925	9,65,11,904
ii	Other Income	14	1,20,801	1,08,01,108	92,774	78,06,784
iii	Total income (i + ii)		8,28,843	7,41,08,843	12,39,699	10,43,18,688
iv	Expenses:					
	Network and transmission expenses	15	2,34,188	2,09,39,311	1,93,785	1,63,06,698
	Employee benefits expenses	16	-	-	4,820	4,05,595
	Finance costs	17	-	-	1,218	1,02,493
	Depreciation and amortisation expenses		1,67,956	1,50,17,349	4,76,265	4,00,76,938
	Operating and other expenses	18	2,96,669	2,65,25,890	4,98,338	4,19,34,345
	Total expenses		6,98,813	6,24,82,550	11,74,426	9,88,26,069
v	Profit / (loss) before taxes (iii - iv)		1,30,030	1,16,26,293	65,273	54,92,619
vi	Tax expenses					
	(i) Current tax expense		-	-	-	-
	(ii) Deferred tax expense/(benefit)		-	-	84	7,068
	Net tax expenses		-	-	84	7,068
vii	Profit / (loss) for the year (v-vi)		1,30,030	1,16,26,293	65,189	54,85,551

*Exchange rate as at 31 March 2023 1 EURO = 89.41 INR (as at 31 March 2022 1 EURO = INR 84.15)

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

6 Cash and cash equivalents

Particulars	As at 31st March 2023		As at 31 March 2022	
	EURO	INR	EURO	INR
Balance with bank	8,787	7,85,667	10,383	8,73,713
Total	8,787	7,85,667	10,383	8,73,713

7 Current assets - other financial assets

Particulars	As at 31st March 2023		As at 31 March 2022	
	EURO	INR	EURO	INR
Interest receivable	58,415	52,23,025	34,422	28,96,556
Total	58,415	52,23,025	34,422	28,96,556

8 Current assets - other assets

Particulars	As at 31st March 2023		As at 31 March 2022	
	EURO	INR	EURO	INR
Prepaid expenses	10,806	9,66,190	10,184	8,56,967
Indirect tax receivable	6,347	5,67,501	-	-
Total	17,153	15,33,691	10,184	8,56,967

9 Equity share capital

Particulars	As at 31st March 2023		As at 31 March 2022	
	EURO	INR	EURO	INR
Equity share capital	33,684	30,11,767	33,684	28,34,455
Total	33,684	30,11,767	33,684	28,34,455

10 Other Equity

Particulars	As at 31st March 2023		As at 31 March 2022	
	EURO	INR	EURO	INR
Surplus / (Deficit)				
Opening balance	69,34,118	61,99,96,132	68,68,929	57,80,09,385
Profit for the year	1,30,030	1,16,26,293	65,189	54,85,551
Closing balance	70,64,148	63,16,22,425	69,34,118	58,34,94,936
Share premium	1,46,36,146	1,30,86,52,941	1,46,36,146	1,23,16,08,268
Total	2,17,00,294	1,94,02,75,366	2,15,70,264	1,81,51,03,204

11 Current liabilities - Trade payables

Particulars	As at 31st March 2023		As at 31 March 2022	
	EURO	INR	EURO	INR
Trade payable	1,04,864	93,76,142	1,29,653	1,09,10,093
Total	1,04,864	93,76,142	1,29,653	1,09,10,093

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

Tata Communications MOVE B.V

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1 Property, plant and equipment

Particulars	As at 31st March 2023		As at 31 March 2022	
	EURO	INR	EURO	INR
Gross block:				
Plant and machinery	28,63,638	25,60,44,746	31,69,509	26,67,09,111
(a)	28,63,638	25,60,44,746	31,69,509	26,67,09,111
Accumulated depreciation:				
Plant and machinery	27,87,383	24,92,26,604	30,41,555	25,59,41,987
(b)	27,87,383	24,92,26,604	30,41,555	25,59,41,987
Net block (a) - (b)	76,255	68,18,142	1,27,954	1,07,67,124

2 Other intangible assets

Particulars	As at 31st March 2023		As at 31 March 2022	
	EURO	INR	EURO	INR
Gross block:				
Computer software	52,09,710	46,58,12,674	52,09,709	43,83,88,677
(a)	52,09,710	46,58,12,674	52,09,709	43,83,88,677
Accumulated amortisation:				
Computer software	51,68,742	46,21,49,627	50,52,485	42,51,58,529
(b)	51,68,742	46,21,49,627	50,52,485	42,51,58,529
Net block (a) - (b)	40,968	36,63,047	1,57,224	1,32,30,148

3 Financial asset - Investment others

Particulars	As at 31st March 2023		As at 31 March 2022	
	EURO	INR	EURO	INR
Investments - others	1,37,040	1,22,53,075	1,37,040	1,15,31,697
Impairment of investment - others	(1,37,040)	(1,22,53,075)	(1,37,040)	(1,15,31,697)
Total	-	-	-	-

4 Non-current assets - financial assets - loans

Particulars	As at 31st March 2023		As at 31 March 2022	
	EURO	INR	EURO	INR
Inter company loans given (net)	23,10,069	20,65,48,813	23,46,621	19,74,64,403
Total	23,10,069	20,65,48,813	23,46,621	19,74,64,403

5 Trade receivables

Particulars	As at 31st March 2023		As at 31 March 2022	
	EURO	INR	EURO	-
Trade receivables	-	-	73	6,143
Intercompany receivables (net)	1,93,27,282	1,72,80,98,669	1,90,60,193	1,60,38,84,745
Total	1,93,27,282	1,72,80,98,669	1,90,60,266	1,60,38,90,888

12 Current liabilities - other financial liabilities

Particulars	As at 31st March 2023		As at 31 March 2022	
	EURO	INR	EURO	INR
Others	3	268	10	841
Total	3	268	10	841

13 Current liabilities - other current liabilities

Particulars	As at 31st March 2023		As at 31 March 2022	
	EURO	INR	EURO	INR
Statutory dues	-	-	13,359	11,24,138
Total	-	-	13,359	11,24,138

14 Other income

Particulars	As at 31st March 2023		Previous year 2021-22	
	EURO	INR	EURO	INR
Interest on loan to subsidiaries	1,20,785	1,07,99,677	58,572	49,28,740
Exchange gain -Net	-	-	34,202	28,78,044
Miscellaneous income	16	1,431	-	-
Total	1,20,801	1,08,01,108	92,774	78,06,784

15 Network and transmission expenses

Particulars	Current Year 2022-23		Previous year 2021-22	
	EURO	INR	EURO	INR
Charges for use of transmission facilities	2,34,188	2,09,39,311	1,93,785	1,63,06,698
Total	2,34,188	2,09,39,311	1,93,785	1,63,06,698

16 Employee benefit expenses

Particulars	Current Year 2022-23		Previous year 2021-22	
	EURO	INR	EURO	INR
Staff welfare expenses	-	-	4,820	4,05,595
Total	-	-	4,820	4,05,595

17 Finance costs

Particulars	Current Year 2022-23		Previous year 2021-22	
	EURO	INR	EURO	INR
Guaarantee fees	-	-	1,218	1,02,493
Total	-	-	1,218	1,02,493

18 Operating and other expenses

Particulars	Current Year 2022-23		Previous year 2021-22	
	EURO	INR	EURO	INR
Advertising and publicity	-	-	(1,212)	(1,01,988)
Auditors's remuneration	12,600	11,26,596	12,000	10,09,781
Directors fees	(4,678)	(4,18,271)	23,501	19,77,572
Electricity charges	1,69,805	1,51,82,673	1,51,159	1,27,19,788
Exchange loss -Net	1,442	1,28,933	-	-
Legal and professional fees	53,979	48,26,392	13,429	11,30,029
Rate and taxes	-	-	9,521	8,01,177
Miscellaneous expenses	2,524	2,25,679	1,787	1,50,372
Repairs and Maintenance - Plant & Machinery	60,997	54,53,888	2,88,153	2,42,47,614
Total	2,96,669	2,65,25,890	4,98,338	4,19,34,345

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

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APPENDIX - 40

ACCOUNTANT'S REPORT ON COMPILATION OF UNAUDITED FINANCIAL STATEMENTS

To
The Board of Directors
Tata Communications Limited

On the basis of the trial balance and explanations provided to us by the management, we have compiled the balance sheet of **Tata Communications MOVE Nederland B.V.** ("the subsidiary") registered in Netherlands as at 31 March 2023 and the related statement of profit and loss for the year then ended, attached herewith.

We performed this compilation engagement in accordance with the Standard on Related Services 4410 (Revised), Compilation Engagements, issued by the Institute of Chartered Accountants of India.

We have applied our expertise in accounting and financial reporting to assist you in preparation of these financial information. We have complied with relevant ethical requirements.

The management of the subsidiary is responsible for:

a) These financial information and the accuracy and completeness of the information used to compile them.

b) Maintaining adequate accounting and other records and internal controls and selecting and applying appropriate accounting policies;

c) Preparation and presentation of financial statements in accordance with the applicable laws and regulations;

d) Establishing controls to safeguard the assets of the entity and preventing and detecting frauds or other irregularities;

e) Establishing controls for ensuring that the activities of the entity are carried out in accordance with the applicable laws and regulations and preventing and detecting any non-compliance.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information provided to us by management to compile the balance sheet and the related statement of profit and loss. Accordingly, we do not express an audit opinion or a review conclusion on whether the financial information are prepared in accordance with an accounting principal generally accepted in India.

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

Registered Office:
Andheri (E), Mumbai - 400 093. T +91 (22) 6121 5880

This balance sheet and the related statement of profit and loss has been compiled by us only for the purpose of preparation of statement pursuant to Section 129(3) of the Companies Act, 2013, based on trial balance and explanations provided by the management. Accordingly these financial information may not suitable for other purposes.

FOR SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
Firm's Reg. No. 121750W /W100010

(Rahul Bhansali)
PARTNER
Membership No. 126549

Place Mumbai
Date: 19 April 2023

Tata Communications MOVE Nederland B.V.

BALANCE SHEET AS AT 31 MARCH 2023

	Particulars	Note No.	As at 31 March 2023		As at 31 March 2022	
			EURO	INR*	EURO	INR*
(A)	**ASSETS**					
(1)	**Non-current assets**					
	Property, plant and equipment	1	16,545	14,79,328	26,325	22,15,207
	Other intangible assets	2	41,418	37,03,283	74,551	62,73,347
	Financial assets					
	(i) Other financial assets	3	68,923	61,62,571	1,15,657	97,32,351
	Other non-current assets	4	2,819	2,52,054	-	-
			1,29,705	1,15,97,236	2,16,533	1,82,20,905
(2)	**Current assets**					
	Financial assets					
	(i) Trade receivables	5	13,27,612	11,87,04,975	6,94,619	5,84,51,078
	(ii) Cash and cash equivalent	6	8,421	7,52,942	11,030	9,28,157
	(iii) Other financial assets	7	-	-	118	9,930
	Other current assets	8	85,083	76,07,475	1,91,854	1,61,44,207
			14,21,116	12,70,65,392	8,97,621	7,55,33,372
	TOTAL ASSETS		15,50,821	13,86,62,628	11,14,154	9,37,54,277
(B)	**EQUITY AND LIABILITIES**					
(1)	**Equity**					
	Equity share capital	9	18,000	16,09,423	18,000	15,14,671
	Other equity	10	(59,44,999)	(53,15,56,627)	(57,59,141)	(48,46,22,501)
	Total Equity		(59,26,999)	(52,99,47,204)	(57,41,141)	(48,31,07,830)
(2)	**Non-current liabilities**					
	Provisions	11	-	-	86,130	72,47,702
	Other non current liabilities (Deferred revenue)		-	-	3,000	2,52,445
			-	-	89,130	75,00,147
(3)	**Current liabilities**					
	Financial liabilities					
	(i) Borrowings	12	25,64,971	22,93,48,213	70,981	59,72,938
	(ii) Trade payables	13	40,89,584	36,56,59,520	59,80,127	50,32,18,119
	(iii) Other financial liabilities	14	1,26,758	1,13,33,737	41,151	34,62,791
	Other current liabilities	15	6,96,507	6,22,76,362	6,73,906	5,67,08,112
			74,77,820	66,86,09,832	67,66,165	56,93,61,960
	TOTAL EQUITY AND LIABILITIES		15,50,821	13,86,62,628	11,14,154	9,37,54,277

*Exchange rate as at 31 March 2023 1 EURO = 89.41 INR (as at 31 March 2022 1 EURO = INR 84.15)

SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
MUMBAI

Tata Communications MOVE Nederland B.V.

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2023

	Particulars	Note No.	Current year 2022-23		Previous year 2021-22	
			EURO	INR*	EURO	INR*
i	Revenue from operations		1,37,93,215	1,23,32,84,457	1,27,22,599	1,07,05,86,350
ii	Other Income	16	82,252	73,54,349	3,27,529	2,75,61,042
iii	Total income (i + ii)		1,38,75,467	1,24,06,38,806	1,30,50,128	1,09,81,47,392
iv	Expenses:					
	Network and transmission expenses	17	1,31,09,055	1,17,21,12,069	1,11,88,299	94,14,77,460
	Employee benefits expenses	18	(1,390)	(1,24,283)	3,55,586	2,99,21,993
	Finance costs	19	1,79,728	1,60,69,912	1,17,152	98,58,153
	Depreciation and amortisation expenses		42,918	38,37,401	1,11,273	93,63,445
	Operating and other expenses	20	7,31,014	6,53,61,715	11,63,834	9,79,34,770
	Total expenses		1,40,61,325	1,25,72,56,814	1,29,36,144	1,08,85,55,821
v	Profit/ (loss) before taxes (v-vi)		(1,85,858)	(1,66,18,008)	1,13,984	95,91,571
vi	Tax expenses					
	Current tax expense/(benefit)		-	-	-	-
	Deferred tax expense/(benefit)		-	-	-	-
	Net tax expenses		-	-	-	-
vii	Profit/(loss) for the year (v-vi)		(1,85,858)	(1,66,18,008)	1,13,984	95,91,571

*Exchange rate as at 31 March 2023 1 EURO = 89.41 INR (as at 31 March 2022 1 EURO = INR 84.15)

SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
MUMBAI

Tata Communications MOVE Nederland B.V.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1 Property, plant and equipment

Particulars	As at 31 March 2023		As at 31 March 2022	
	EURO	INR	EURO	INR
Gross block:				
Plant & machinery	31,142	27,84,481	2,96,574	2,49,56,228
Office Equipment	9,262	8,28,138	-	-
(a)	40,404	36,12,619	2,96,574	2,49,56,228
Accumulated depreciation:				
Plant & machinery	14,597	13,05,153	2,70,249	2,27,41,021
Office Equipment	9,262	8,28,138	-	-
(b)	23,859	21,33,291	2,70,249	2,27,41,021
Net block (a) - (b)	16,545	14,79,328	26,325	22,15,207

2 Other intangible assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	EURO	INR	EURO	INR
Gross block:				
Computer software	2,33,127	2,08,44,445	2,33,127	1,96,17,264
(a)	2,33,127	2,08,44,445	2,33,127	1,96,17,264
Accumulated amortisation:				
Computer software	1,91,709	1,71,41,162	1,58,576	1,33,43,917
(b)	1,91,709	1,71,41,162	1,58,576	1,33,43,917
Net block (a) - (b)	41,418	37,03,283	74,551	62,73,347

3 Non-current assets - financial assets - other financial assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	EURO	INR	EURO	INR
Vendor deposits	68,923	61,62,571	1,15,657	97,32,351
Total	68,923	61,62,571	1,15,657	97,32,351

4 Non-current assets - others

Particulars	As at 31 March 2023		As at 31 March 2022	
	EURO	INR	EURO	INR
Prepaid expenses	2,819	2,52,054	-	-
Total	2,819	2,52,054	-	-

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

5 Trade receivables

Particulars	As at 31 March 2023		As at 31 March 2022	
	EURO	INR	EURO	INR
Trade receivables	8,85,832	7,92,04,365	10,47,290	8,81,27,778
Intercompany receivables (net)	8,40,632	7,51,62,925	-	-
Provision for doubtful debts	(3,98,852)	(3,56,62,315)	(3,52,671)	(2,96,76,700)
Total	13,27,612	11,87,04,975	6,94,619	5,84,51,078

6 Cash and cash equivalents

Particulars	As at 31 March 2023		As at 31 March 2022	
	EURO	INR	EURO	INR
Balance with bank	8,421	7,52,942	11,030	9,28,157
Total	8,421	7,52,942	11,030	9,28,157

7 Current assets - other financial assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	EURO	INR	EURO	INR
Others	-	-	118	9,930
Total	-	-	118	9,930

8 Current assets - other assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	EURO	INR	EURO	INR
Advances to employees	-	-	950	79,941
Prepaid expenses	85,083	76,07,475	1,90,904	1,60,64,266
Total	85,083	76,07,475	1,91,854	1,61,44,207

9 Equity share capital

Particulars	As at 31 March 2023		As at 31 March 2022	
	EURO	INR	EURO	INR
Equity share capital	18,000	16,09,423	18,000	15,14,671
Total	18,000	16,09,423	18,000	15,14,671

10 Other Equity

Particulars	As at 31 March 2023		As at 31 March 2022	
	EURO	INR	EURO	INR
Surplus / (Deficit)				
Opening balance	(57,59,141)	(51,49,38,619)	(58,73,125)	(49,42,14,072)
Profit/ (loss) for the year	(1,85,858)	(1,66,18,008)	1,13,984	95,91,571
Total	(59,44,999)	(53,15,56,627)	(57,59,141)	(48,46,22,501)

11 Non-current liabilities - provisions

Particulars	As at 31 March 2023		As at 31 March 2022	
	EURO	INR	EURO	INR
Asset retirement obligation and others	-	-	86,130	72,47,702
Total	-	-	86,130	72,47,702

12 Current liabilities - borrowings

Particulars	As at 31 March 2023		As at 31 March 2022	
	EURO	INR	EURO	INR
Inter company loans taken (net)	25,64,971	22,93,40,213	70,981	59,72,938
Total	25,64,971	22,93,40,213	70,981	59,72,938

13 Current liabilities - Trade payables

Particulars	As at 31 March 2023		As at 31 March 2022	
	EURO	INR	EURO	INR
Trade payable	40,89,584	36,56,59,520	41,29,454	34,74,86,947
Inter company - payables (net)	-	-	18,50,673	15,57,31,172
Total	40,89,584	36,56,59,520	59,80,127	50,32,18,119

14 Current liabilities - other financial liabilities

Particulars	As at 31 March 2023		As at 31 March 2022	
	EURO	INR	EURO	INR
Interest accrued but not due	1,26,758	1,13,33,737	41,151	34,62,791
Total	1,26,758	1,13,33,737	41,151	34,62,791

15 Current liabilities - other current liabilities

Particulars	As at 31 March 2023		As at 31 March 2022	
	EURO	INR	EURO	INR
Deferred revenue and advance from customers	1,511	1,35,102	-	-
Other Statutory dues	6,99,416	6,25,36,463	6,73,906	5,67,08,112
Other Employee dues	(4,425)	(3,95,650)	-	-
Others	5	447	-	-
Total	6,96,507	6,22,76,362	6,73,906	5,67,08,112

16 Other income

Particulars	Current year 2022-23		Previous year 2021-22	
	EURO	INR	EURO	INR
Exchange gain-Net	-	-	3,18,118	2,67,69,121
Interest on loan to subsidiaries	175	15,647	578	48,638
Miscellaneous income	82,077	73,38,702	8,833	7,43,283
Total	82,252	73,54,349	3,27,529	2,75,61,042

17 Network and transmission expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	EURO	INR	EURO	INR
Charges for use of transmission facilities	1,31,09,055	1,17,21,12,069	1,11,88,299	94,14,77,460
Total	1,31,09,055	1,17,21,12,069	1,11,88,299	94,14,77,460

18 Employee benefit expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	EURO	INR	EURO	INR
Salaries, bonus and allowances	475	42,471	2,48,143	2,08,80,836
Staff welfare expenses	(1,865)	(1,66,754)	1,07,443	90,41,157
Total	(1,390)	(1,24,283)	3,55,586	2,99,21,993

19 Finance costs

Particulars	Current year 2022-23		Previous year 2021-22	
	EURO	INR	EURO	INR
Interest expenses	848	75,822	3,309	2,78,447
Interest on inter companies loan	1,78,880	1,59,94,090	95,202	80,11,096
Guarantee fees	-	-	18,641	15,68,610
Total	1,79,728	1,60,69,912	1,17,152	98,58,153

20 Operating and other expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	EURO	INR	EURO	INR
Auditors remuneration	29,400	26,28,725	25,500	21,45,784
Communication expenses	457	40,861	1,628	1,36,994
Director Fees	(4,678)	(4,18,271)	24,179	20,34,624
Donation	-	-	300	25,245
Exchange loss -Net	1,49,827	1,33,96,392	-	-
IT consumables	-	-	3,368	2,83,412
Legal and professional fees	68,914	61,61,766	11,373	9,57,020
Miscellaneous expenses	16,907	15,11,694	7,053	5,93,497
Printing and stationery	585	52,306	5,617	4,72,662
Provision for doubtful debts	43,873	39,22,790	14,068	11,83,800
Provision For Doubtful Advances	209	18,687	-	-
Relocation expenses	-	-	57,414	48,31,296
Rates & taxes	(2,697)	(2,41,145)	3,174	2,67,087
Rent	41,835	37,40,568	1,68,340	1,41,65,542
Repairs and maintenance - plant & machinery	3,60,275	3,22,13,052	8,22,463	6,92,08,946
Repairs and maintenance -building	14,192	12,68,941	39	3,282
Seminars, trainings and conferences	-	-	14,648	12,32,606
Services rendered by agencies	9,905	8,85,630	9,537	8,02,523
Water charges	2,697	2,41,145	5,530	4,65,341
Travelling and conveyance expenses	(687)	(61,426)	(10,397)	(8,74,891)
Total	7,31,014	6,53,61,715	11,63,834	9,79,34,770

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APPENDIX - 41

ACCOUNTANT'S REPORT ON COMPILATION OF UNAUDITED FINANCIAL STATEMENTS

To
The Board of Directors
Tata Communications Limited

On the basis of the trial balance and explanations provided to us by the management, we have compiled the balance sheet of **MuCoSO B.V.** ("the subsidiary") registered in Netherlands as at 31 March 2023 and the related statement of profit and loss for the year then ended, attached herewith.

We performed this compilation engagement in accordance with the Standard on Related Services 4410 (Revised), Compilation Engagements, issued by the Institute of Chartered Accountants of India.

We have applied our expertise in accounting and financial reporting to assist you in preparation of these financial information. We have complied with relevant ethical requirements.

The management of the subsidiary is responsible for:

a) These financial information and the accuracy and completeness of the information used to compile them.

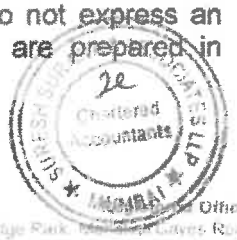
b) Maintaining adequate accounting and other records and internal controls and selecting and applying appropriate accounting policies;

c) Preparation and presentation of financial statements in accordance with the applicable laws and regulations;

d) Establishing controls to safeguard the assets of the entity and preventing and detecting frauds or other irregularities;

e) Establishing controls for ensuring that the activities of the entity are carried out in accordance with the applicable laws and regulations and preventing and detecting any non-compliance.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information provided to us by management to compile the balance sheet and the related statement of profit and loss. Accordingly, we do not express an audit opinion or a review conclusion on whether the financial information are prepared in accordance with an accounting principal generally accepted in India.



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This balance sheet and the related statement of profit and loss has been compiled by us only for the purpose of preparation of statement pursuant to Section 129(3) of the Companies Act, 2013, based on trial balance and explanations provided by the management. Accordingly these financial information may not suitable for other purposes.

FOR SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
Firm's Reg. No. 121750W /W100010

(Rahul Bhansali)
PARTNER
Membership No. 126549

Place Mumbai
Date: 19 April 2023

MuCoSO B.V.

BALANCE SHEET AS AT 31 MARCH 2023

	Particulars	Note No.	As at 31 March 2023		As at 31 March 2022	
			EURO	INR*	EURO	INR*
(A)	**ASSETS**					
(1)	**Non-current assets**					
	Financial assets					
	(i) Loans	1	45,508	40,68,979	18	1,515
	Advance tax (net)		-	-	1,785	1,50,205
			45,508	40,68,979	1,803	1,51,720
(2)	**Current assets**					
	Financial assets					
	(i) Trade receivables	2	1,15,966	1,03,68,799	56,007	47,12,900
	(ii) Cash and cash equivalent	3	10,298	9,20,769	87,992	74,04,386
	(iii) Other financial assets	4	2,086	1,86,514	48	4,039
	Other current assets	5	-	-	2,587	2,17,692
			1,28,350	1,14,76,082	1,46,634	1,23,39,017
	TOTAL ASSETS		1,73,858	1,55,45,061	1,48,437	1,24,90,737
(B)	**EQUITY AND LIABILITIES**					
(1)	**Equity**					
	Equity share capital	6	18,000	16,09,423	18,000	15,14,671
	Other equity	7	(21,203)	(18,95,812)	(24,811)	(20,87,804)
	Total Equity		(3,203)	(2,86,389)	(6,811)	(5,73,133)
(2)	**Non-current liabilities**					
	Other non current liabilities (Deferred revenue)		11,704	10,46,483	39,470	33,21,337
			11,704	10,46,483	39,470	33,21,337
(3)	**Current liabilities**					
	Financial liabilities					
	(i) Trade payables	8	37,706	33,71,384	42,361	35,64,610
	(ii) Other financial liabilities	9	3,217	2,87,640	3,153	2,65,320
	Other current liabilities	10	1,22,667	1,09,67,951	70,264	59,12,603
	Current tax liabilities (Net)		1,767	1,57,992	-	-
			1,65,357	1,47,84,967	1,15,778	97,42,533
	TOTAL EQUITY AND LIABILITIES		1,73,858	1,55,45,061	1,48,437	1,24,90,737

*Exchange rate as at 31 March 2023 1 EURO = 89.41 INR (As at 31 March 2022 1 EURO = 84.15 INR)

MuCoSO B.V.

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2023

	Particulars	Note No.	Current year 2022-23		Previous year 2021-22	
			EURO	INR*	EURO	INR*
i	Revenue from operations		2,29,574	2,05,26,762	74,432	62,63,334
ii	Other income	11	4,486	4,01,105	4,459	3,75,218
iii	**Total income (i + ii)**		2,34,060	2,09,27,867	78,891	66,38,552
iv	**Expenses:**					
	Network and transmission expenses	12	2,05,648	1,83,87,481	67,851	57,09,553
	Finance costs	13	-	-	150	12,622
	Operating and other expenses	14	24,804	22,17,787	34,415	28,95,966
	Total expenses		2,30,452	2,06,05,268	1,02,416	86,18,141
v	**Profit / (loss) before taxes (iii - iv)**		3,608	3,22,599	(23,525)	(19,79,589)
vi	**Tax expenses**					
	(i) Current tax expense/(benefit)		-	-	-	-
	(ii) Deferred tax expense/(benefit)		-	-	-	-
	Net tax expenses		-	-	-	-
vii	**Profit/ (loss) for the year (v-vi)**		3,608	3,22,599	(23,525)	(19,79,589)

*Exchange rate as at 31 March 2023 1 EURO = 89.41 INR (As at 31 March 2022 1 EURO = 84.15 INR)

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

MuCoSO B.V.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1 Non-current assets - financial assets - loans

Particulars	As at 31 March 2023		As at 31 March 2022	
	EURO	INR	EURO	INR
Inter company loans given (net)	45,508	40,68,979	18	1,515
Total	45,508	40,68,979	18	1,515

2 Trade receivables

Particulars	As at 31 March 2023		As at 31 March 2022	
	EURO	INR	EURO	INR
Trade receivables	40,506	36,21,739	37,364	31,44,121
Intercompany receivables (net)	75,834	67,80,500	19,118	16,08,749
Provision for doubtful debts	(374)	(33,440)	(475)	(39,970)
Total	1,15,966	1,03,68,799	56,007	47,12,900

3 Cash and cash equivalents

Particulars	As at 31 March 2023		As at 31 March 2022	
	EURO	INR	EURO	INR
Balance with bank	10,298	9,20,769	87,992	74,04,386
Total	10,298	9,20,769	87,992	74,04,386

4 Current assets - other financial assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	EURO	INR	EURO	INR
Interest Receivable	2,086	1,86,514	48	4,039
Total	2,086	1,86,514	48	4,039

5 Current assets - other assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	EURO	INR	EURO	INR
Indirect tax receivable	-	-	2,587	2,17,692
Total	-	-	2,587	2,17,692

6 Equity share capital

Particulars	As at 31 March 2023		As at 31 March 2022	
	EURO	INR	EURO	INR
Equity share capital	18,000	16,09,423	18,000	15,14,671
Total	18,000	16,09,423	18,000	15,14,671

7 Other Equity

Particulars	As at 31 March 2023		As at 31 March 2022	
	EURO	INR	EURO	INR
Surplus / (Deficit)				
Opening balance	(24,811)	(22,18,411)	(1,286)	(1,08,215)
Profit /(loss) for the year	3,608	3,22,599	(23,525)	(19,79,589)
Total	(21,203)	(18,95,812)	(24,811)	(20,87,804)

8 Current liabilities - Trade payables

Particulars	As at 31 March 2023		As at 31 March 2022	
	EURO	INR	EURO	INR
Trade payable	37,706	33,71,384	42,361	35,64,610
Total	37,706	33,71,384	42,361	35,64,610

9 Current liabilities - other financial liabilities

Particulars	As at 31 March 2023		As at 31 March 2022	
	EURO	INR	EURO	INR
Deposit from customers and contractors	3,217	2,87,640	3,153	2,65,320
Total	3,217	2,87,640	3,153	2,65,320

10 Current liabilities - other current liabilities

Particulars	As at 31 March 2023		As at 31 March 2022	
	EURO	INR	EURO	INR
Deferred revenue and advance from customers	1,11,157	99,38,814	70,264	59,12,603
Statutory dues	11,510	10,29,137	-	-
Total	1,22,667	1,09,67,951	70,264	59,12,603

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

11 Other income

Particulars	Current year 2022-23		Previous year 2021-22	
	EURO	INR	EURO	INR
Interest on loan to subsidiaries	3,625	3,24,120	907	76,323
Exchange gain -Net	850	76,001	3,552	2,98,895
Miscellaneous income	11	984	-	-
Total	4,486	4,01,105	4,459	3,75,218

12 Network and transmission expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	EURO	INR	EURO	INR
Charges for use of transmission facilities	2,05,648	1,83,87,481	67,851	57,09,553
Total	2,05,648	1,83,87,481	67,851	57,09,553

13 Finance costs

Particulars	Current year 2022-23		Previous year 2021-22	
	EURO	INR	EURO	INR
Guarantee fees	-	-	76	6,395
Interest on inter companies loan	-	-	74	6,227
Total	-	-	150	12,622

14 Operating and other expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	EURO	INR	EURO	INR
Director fees	(4,490)	(4,01,462)	23,213	19,53,337
Legal and professional fees	27,077	24,21,020	11,160	9,39,096
Provision for doubtful debts	(221)	(19,762)	595	50,066
Miscellaneous expenses	1,606	1,43,606	1,254	1,05,523
Repairs and maintenance - plant & machinery	-	-	(2,092)	(1,76,038)
Services rendered by agencies	832	74,391	285	23,982
Total	24,804	22,17,787	34,415	28,95,966

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LLP Identity No. AAB-7500

APPENDIX - 42

ACCOUNTANT'S REPORT ON COMPILATION OF UNAUDITED FINANCIAL STATEMENTS

To
The Board of Directors
Tata Communications Limited

On the basis of the trial balance and explanations provided to us by the management, we have compiled the balance sheet of **Smart ICT Services Private Limited** ("the associate") registered in India as at 31 March 2023 and the related statement of profit and loss for the year then ended, attached herewith.

We performed this compilation engagement in accordance with the Standard on Related Services 4410 (Revised), Compilation Engagements, issued by the Institute of Chartered Accountants of India.

We have applied our expertise in accounting and financial reporting to assist you in preparation of these financial information. We have complied with relevant ethical requirements.

The management of the associate is responsible for:

a) These financial information and the accuracy and completeness of the information used to compile them.

b) Maintaining adequate accounting and other records and internal controls and selecting and applying appropriate accounting policies;

c) Preparation and presentation of financial statements in accordance with the applicable laws and regulations;

d) Establishing controls to safeguard the assets of the entity and preventing and detecting frauds or other irregularities;

e) Establishing controls for ensuring that the activities of the entity are carried out in accordance with the applicable laws and regulations and preventing and detecting any non-compliance.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information provided to us by management to compile the balance sheet and the related statement of profit and loss. Accordingly, we do not express an audit opinion or a review conclusion on whether the financial information are prepared in accordance with an accounting principal generally accepted in India.

Chartered Accountants
MUMBAI

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This balance sheet and the related statement of profit and loss has been compiled by us only for the purpose of preparation of statement pursuant to Section 129(3) of the Companies Act, 2013, based on trial balance and explanations provided by the management. Accordingly, these financial information may not suitable for other purposes.

FOR SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
Firm's Reg. No. 121750W /W100010

(Rahul Bhansali)
PARTNER
Membership No. 126549

Place Mumbai
Date: 19 April 2023

SMART ICT SERVICES PRIVATE LIMITED

BALANCE SHEET AS AT 31 MARCH 2023

	Particulars	Note No.	As at 31 March 2023 INR	As at 31 March 2022 INR
(A)	**ASSETS**			
(1)	**Non-current assets**			
	Advance tax (net)		6,87,468	9,59,746
			6,87,468	9,59,746
(2)	**Current assets**			
	Financial assets			
	(i) Trade receivables	1	1,20,99,222	54,58,185
	(ii) Cash and cash equivalent	2	31,42,616	20,15,262
	Other current assets	3	3,60,677	8,85,210
			1,56,02,515	83,58,657
	TOTAL ASSETS		1,62,89,983	93,18,403
(B)	**EQUITY AND LIABILITIES**			
(1)	**Equity**			
	Equity share capital	4	5,00,000	5,00,000
	Other equity	5	(1,92,68,135)	(2,14,29,064)
	Total Equity		(1,87,68,135)	(2,09,29,064)
(2)	**Non-current liabilities**			
	Financial liabilities			
	(i) Other financial liabilities	6	1,77,06,065	1,81,26,322
			1,77,06,065	1,81,26,322
(3)	**Current liabilities**			
	Financial liabilities			
	(i) Trade payables	7	1,73,18,944	1,20,42,191
	Other current liabilities	8	33,109	78,954
			1,73,52,053	1,21,21,145
	TOTAL EQUITY AND LIABILITIES		1,62,89,983	93,18,403

SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
MUMBAI

SMART ICT SERVICES PRIVATE LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2023

	Particulars	Note No.	Current year 2022-23 INR	Previous Year 2021-22 INR
i	Revenue from oprations		1,29,24,590	70,33,470
ii	Other Income		-	-
iii	Total income (i + ii)		1,29,24,590	70,33,470
iv	Expenses:			
	Network and transmission expenses	9	1,11,13,515	81,34,324
	Finance costs	10	-	10,50,090
	Operating and other expenses	11	69,679	9,63,363
	Total expenses		1,11,83,194	1,01,47,777
v	Profit / (loss) before taxes (iii - iv)		17,41,396	(31,14,307)
vi	Tax expenses			
	(i) Current tax expense/(benefit)		-	-
	(ii) Deferred tax expense/(benefit)		-	-
	Net tax expenses		-	-
vii	Profit / (loss) for the year (v-vi)		17,41,396	(31,14,307)

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

SMART ICT SERVICES PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1 **Trade receivables**

Particulars	As at 31 March 2023	As at 31 March 2022
	INR	INR
Trade receivables	1,20,99,222	54,58,185
Total	1,20,99,222	54,58,185

2 **Cash and cash equivalents**

Particulars	As at 31 March 2023	As at 31 March 2022
	INR	INR
Balance with bank	31,42,616	20,15,262
Total	31,42,616	20,15,262

3 **Current assets - other assets**

Particulars	As at 31 March 2023	As at 31 March 2022
	INR	INR
Indirect tax receivable	3,60,677	8,85,210
Total	3,60,677	8,85,210

4 **Equity share capital**

Particulars	As at 31 March 2023	As at 31 March 2022
	INR	INR
Equity share capital	5,00,000	5,00,000
Total	5,00,000	5,00,000

5 **Other Equity**

Particulars	As at 31 March 2023	As at 31 March 2022
	INR	INR
Surplus / (Deficit)		
Opening balance	(2,10,09,531)	(1,78,94,501)
Profit / (loss) for the year	17,41,396	(31,14,307)
Closing balance	(1,92,68,135)	(2,10,08,808)
OCI Reserves Employee Benefit Plan	-	4,20,256
Total	(1,92,68,135)	(2,14,29,064)

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

6 **Non-current liabilities - other financial liabilities**

Particulars	As at 31 March 2023	As at 31 March 2022
	INR	INR
Preference Share Capital	1,77,06,065	1,81,26,322
Total	**1,77,06,065**	1,81,26,322

7 **Current liabilities - Trade payables**

Particulars	As at 31 March 2023	As at 31 March 2022
	INR	INR
Trade payable	1,73,18,944	1,20,42,191
Total	**1,73,18,944**	1,20,42,191

8 **Current liabilities - other current liabilities**

Particulars	As at 31 March 2023	As at 31 March 2022
	INR	INR
Other Statutory dues	33,109	78,954
Total	**33,109**	78,954

9 **Network and transmission expenses**

Particulars	Current year 2022-23	Previous Year 2021-22
	INR	INR
Charges for use of transmission facilities	1,11,13,515	81,34,324
Total	**1,11,13,515**	81,34,324

SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
MUMBAI

10 Finance costs

Particulars	Current year 2022-23	Previous Year 2021-22
	INR	INR
Interest expenses	-	10,50,090
Total	-	10,50,090

11 Other expenses

Particulars	Current year 2022-23	Previous Year 2021-22
	INR	INR
Auditors remuneration	33,575	35,000
Legal and professional fees	35,750	9,20,000
Miscellaneous expenses	354	8,363
Total	69,679	9,63,363

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APPENDIX - 43

ACCOUNTANT'S REPORT ON COMPILATION OF UNAUDITED FINANCIAL STATEMENTS

To
The Board of Directors
Tata Communications Limited

On the basis of the trial balance and explanations provided to us by the management, we have compiled the balance sheet of **Netfoundry Inc** ("the subsidiary") registered in Delaware, USA as at 31 March 2023 and the related statement of profit and loss for the year then ended, attached herewith.

We performed this compilation engagement in accordance with the Standard on Related Services 4410 (Revised), Compilation Engagements, issued by the Institute of Chartered Accountants of India.

We have applied our expertise in accounting and financial reporting to assist you in preparation of these financial information. We have complied with relevant ethical requirements.

The management of the subsidiary is responsible for:

a) These financial information and the accuracy and completeness of the information used to compile them.

b) Maintaining adequate accounting and other records and internal controls and selecting and applying appropriate accounting policies;

c) Preparation and presentation of financial statements in accordance with the applicable laws and regulations;

d) Establishing controls to safeguard the assets of the entity and preventing and detecting frauds or other irregularities;

e) Establishing controls for ensuring that the activities of the entity are carried out in accordance with the applicable laws and regulations and preventing and detecting any non-compliance.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information provided to us by management to compile the balance sheet and the related statement of profit and loss. Accordingly, we do not express an audit opinion or a review conclusion on whether the financial information are prepared in accordance with an accounting principal generally accepted in India.

SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
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This balance sheet and the related statement of profit and loss has been compiled by us only for the purpose of preparation of statement pursuant to Section 129(3) of the Companies Act, 2013, based on trial balance and explanations provided by the management. Accordingly these financial information may not suitable for other purposes.

FOR SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
Firm's Reg. No. 121750W /W100010

(Rahul Bhansali)
PARTNER
Membership No. 126549

Place Mumbai
Date: 19 April 2023

Netfoundry Inc

BALANCE SHEET AS AT 31 MARCH 2023

	Particulars	Note No.	As at 31 March 2023		As at 31 March 2022	
			USD	INR*	USD	INR*
(A)	**ASSETS**					
(1)	**Non-current assets**					
	Property, plant and equipment	1	48,083	39,50,981	77,010	58,36,588
	Other Intangible assets	2	1,07,90,232	88,66,33,364	98,28,629	74,49,11,792
	Intangible assets under development		-	-	4,28,985	3,25,12,773
	Financial assets					
	(i) Other financial assets	3	77,539	63,71,380	1,69,475	1,28,44,510
	Advance tax (net)		44,766	36,78,422	9,473	7,17,959
	Other Non-current assets	4	-	-	48,745	36,94,384
			1,09,60,620	90,06,34,147	1,05,62,317	80,05,18,006
(2)	**Current assets**					
	Financial assets					
	(i) Trade receivables	5	1,27,082	1,04,42,328	5,94,162	4,50,31,538
	(ii) Cash and cash equivalents	6	97,499	80,11,493	1,14,817	87,01,980
	Other Current assets	7	1,88,508	1,54,89,702	3,42,280	2,59,41,401
			4,13,089	3,39,43,523	10,51,259	7,96,74,919
	TOTAL ASSETS		1,13,73,709	93,45,77,670	1,16,13,576	88,01,92,925
(B)	**EQUITY AND LIABILITIES**					
(1)	**Equity**					
	Equity share capital	8	3	247	3	227
	Other equity	9	(4,00,58,440)	(3,29,16,02,016)	(2,49,93,080)	(1,89,42,25,532)
	Total Equity		(4,00,58,437)	(3,29,16,01,769)	(2,49,93,077)	(1,89,42,25,305)
(2)	**Non-current liabilities**					
	Other liabilities (Deferred revenue)		20,321	16,69,777	31	2,349
			20,321	16,69,777	31	2,349
(3)	**Current liabilities**					
	Financial liabilities					
	(i) Borrowings	10	4,50,25,160	3,69,97,17,397	3,05,20,164	2,31,31,23,230
	(ii) Trade payables	11	41,36,116	33,98,64,654	48,16,523	36,50,44,278
	(iii) Other financial liabilities	12	12,04,133	9,89,43,609	5,06,478	3,83,85,968
	Other current liabilities	13	10,46,416	8,59,84,002	7,63,457	5,78,62,405
			5,14,11,825	4,22,45,09,662	3,66,06,622	2,77,44,15,881
	TOTAL EQUITY AND LIABILITIES		1,13,73,709	93,45,77,670	1,16,13,576	88,01,92,925

*Exchange rate as at 31 March 2023 1 USD = INR 82.17 (as at 31 March 2022 1 USD = INR 75.79)

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

Netfoundry Inc

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2023

	Particulars	Note No.	Current year 2022-23		Previous year 2021-22	
			USD	INR*	USD	INR*
i	Revenue from operations		18,29,485	15,03,28,782	19,23,710	14,57,97,981
ii	Other Income	14	6,239	5,12,659	5	379
iii	Total income (i + ii)		18,35,724	15,08,41,441	19,23,715	14,57,98,360
iv	Expenses:					
	Network and transmission expenses	15	12,03,855	9,89,20,765	11,10,289	8,41,48,803
	Employee benefits expenses	16	66,01,607	54,24,54,047	53,70,943	40,70,63,770
	Finance costs	17	21,94,651	18,03,34,473	9,71,504	7,36,30,288
	Depreciation and amortisation expenses		30,67,259	25,20,36,672	24,93,054	18,89,48,563
	Operating and other expenses	18	38,33,712	31,50,16,116	49,94,533	37,85,35,655
	Total expenses		1,69,01,084	1,38,87,62,073	1,49,40,323	1,13,23,27,079
v	Profit before taxes (iii - iv)		(1,50,65,360)	(1,23,79,20,632)	(1,30,16,608)	(98,65,28,719)
vi	Tax expenses					
	(i) Current tax expense/(benefit)		-	-	-	-
	(ii) Deferred tax expense/(benefit)		-	-	-	-
	Net tax expenses		-	-	-	-
vii	Profit / (loss) for the year (v-vi)		(1,50,65,360)	(1,23,79,20,632)	(1,30,16,608)	(98,65,28,719)

*Exchange rate as at 31 March 2023 1 USD = INR 82.17 (as at 31 March 2022 1 USD = INR 75.79)

BHUSHAN SURANA & ASSOCIATES LLP
Chartered Accountants
MUMBAI

Netfoundry Inc

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1 **Property, plant and equipment**

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Gross block:				
Plant and machinery	1,59,888	1,31,37,997	1,59,888	1,21,17,912
Computers	38,857	31,92,880	38,857	29,44,972
(a)	1,98,745	1,63,30,877	1,98,745	1,50,62,884
Accumulated depreciation:				
Plant and machinery	1,11,990	92,02,218	85,462	64,77,165
Computers	38,672	31,77,678	36,273	27,49,131
(b)	1,50,662	1,23,79,896	1,21,735	92,26,296
Net block (a) - (b)	48,083	39,50,981	77,010	58,36,588

2 **Other Intangible assets**

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Gross block:				
Computer software	2,19,52,522	1,80,38,38,733	1,79,90,669	1,36,35,12,804
(a)	2,19,52,522	1,80,38,38,733	1,79,90,669	1,36,35,12,804
Accumulated amortisation:				
Computer software	1,11,62,290	91,72,05,369	81,62,040	61,86,01,012
(b)	1,11,62,290	91,72,05,369	81,62,040	61,86,01,012
Net block (a) - (b)	1,07,90,232	88,66,33,364	98,28,629	74,49,11,792

3 **Non-current assets - financial assets - other financial assets**

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Vendor deposits	77,539	63,71,380	1,69,475	1,28,44,510
Total	77,539	63,71,380	1,69,475	1,28,44,510

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

4 Non-current assets - others

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Prepaid expenses	-	-	48,745	36,94,384
Total	-	-	48,745	36,94,384

5 Trade receivables

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Trade receivables	1,42,082	1,16,74,878	7,05,291	5,34,54,005
Provision for doubtful debts	(15,000)	(12,32,550)	(1,11,129)	(84,22,467)
Total	1,27,082	1,04,42,328	5,94,162	4,50,31,538

6 Cash and cash equivalents

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Balance with bank	97,499	80,11,493	1,14,817	87,01,980
Total	97,499	80,11,493	1,14,817	87,01,980

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

7 Current assets - other assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Advances to Vendors / Suppliers	26,291	21,60,331	-	-
Advances to employees	-	-	25,304	19,17,790
Prepaid expenses	1,62,217	1,33,29,371	3,16,976	2,40,23,611
Total	**1,88,508**	**1,54,89,702**	3,42,280	2,59,41,401

8 Equity share capital

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Equity share capital	3	247	3	227
Total	3	247	3	227

9 Other Equity

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Surplus / (Deficit)				
Opening balance	(3,19,93,077)	(2,62,88,71,137)	(1,89,76,469)	(1,43,82,26,586)
Profit / (loss) for the year	(1,50,65,360)	(1,23,79,20,632)	(1,30,16,608)	(98,65,28,719)
Closing balance	(4,70,58,437)	(3,86,67,91,769)	(3,19,93,077)	(2,42,47,55,305)
Share premium	69,99,997	57,51,89,753	69,99,997	53,05,29,773
Total	(4,00,58,440)	(3,29,16,02,016)	(2,49,93,080)	(1,89,42,25,532)

10 Current liabilities - borrowings

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Inter company loans taken (Net)	**4,50,25,160**	**3,69,97,17,397**	3,05,20,164	2,31,31,23,230
Total	**4,50,25,160**	**3,69,97,17,397**	3,05,20,164	2,31,31,23,230

11 Current liabilities - Trade payables

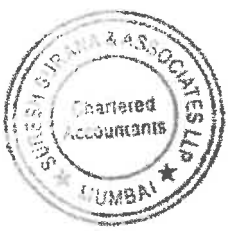
Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Trade payable	**8,08,686**	**6,64,49,731**	6,29,439	4,77,05,182
Inter Company - Payables (Net)	**33,27,430**	**27,34,14,923**	41,87,084	31,73,39,096
Total	**41,36,116**	**33,98,64,654**	48,16,523	36,50,44,278

12 Current liabilities - other financial liabilities

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Interest accrued but not due on Inter Co. loan (Net)	**12,04,133**	**9,89,43,609**	5,06,478	3,83,85,968
Total	**12,04,133**	**9,89,43,609**	5,06,478	3,83,85,968

13 Current liabilities - other current liabilities

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Deferred revenue and advance from customers	**2,17,177**	**1,78,45,434**	1,90,555	1,44,42,163
Other Employee dues	**8,29,126**	**6,81,29,283**	5,72,247	4,33,70,600
Other Statutory dues	**113**	**9,285**	655	49,642
Total	**10,46,416**	**8,59,84,002**	7,63,457	5,78,62,405



14 Other income

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Exchange gain -Net	4,359	3,58,179	-	-
Miscellaneous income	1,880	1,54,480	5	379
Total	6,239	5,12,659	5	379

15 Network and transmission expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Charges for use of transmission facilities	12,03,855	9,89,20,765	11,10,289	8,41,48,803
Total	12,03,855	9,89,20,765	11,10,289	8,41,48,803

16 Employee benefit expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Salaries, bonus and allowances	65,95,007	54,19,11,725	53,20,022	40,32,04,467
Contribution to provident and other funds	-	-	48,649	36,87,108
Staff welfare expenses	6,600	5,42,322	2,272	1,72,195
Total	66,01,607	54,24,54,047	53,70,943	40,70,63,770

17 Finance costs

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Interest on inter companies loan	21,94,651	18,03,34,473	8,89,952	6,74,49,462
Guarantee fees	-	-	81,552	61,80,826
Total	21,94,651	18,03,34,473	9,71,504	7,36,30,288

18 Operating and other expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Advertising and publicity	5,35,017	4,39,62,347	6,83,268	5,17,84,882
Auditors remuneration	1,483	1,21,858	1,662	1,25,963
Communication expenses	3,500	2,87,595	4,566	3,46,057
Entertainment expenses	16,939	13,91,878	7,660	5,80,551
Exchange loss -Net	-	-	2,203	1,66,965
Insurance expenses	-	-	5,505	4,17,224
IT consumables	75,771	62,26,103	90,957	68,93,631
Legal and professional fees	4,58,328	3,76,60,812	10,32,384	7,82,44,383
Loss on sale of fixed asset	-	-	69,429	52,62,024
Miscellaneous expenses	86,696	71,23,810	2,32,762	1,76,41,032
Printing and stationery	12,583	10,33,945	2,988	2,26,461
Provision for doubtful debts	(96,129)	(78,98,920)	(14,554)	(11,03,048)
Rates and Taxes	1,404	1,15,367	5,713	4,32,988
Recruitment expenses	79,908	65,66,040	2,58,651	1,96,03,159
Rent	5,034	4,13,644	3,055	2,31,538
Repairs and Maintenance - Plant & Machinery	3,52,762	2,89,86,454	4,56,639	3,46,08,670
Seminars, trainings and conferences	38,104	31,31,006	18,954	14,36,524
Services rendered by agencies	19,47,524	16,00,28,047	20,10,744	15,23,94,288
Bad debts written off	57,583	47,31,595	1,04,223	78,99,061
Travelling and conveyance expenses	2,57,205	2,11,34,535	17,724	13,43,302
Total	38,33,712	31,50,16,116	49,94,533	37,85,35,655

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APPENDIX - 44

ACCOUNTANT'S REPORT ON COMPILATION OF UNAUDITED FINANCIAL STATEMENTS

To
The Board of Directors
Tata Communications Limited

On the basis of the trial balance and explanations provided to us by the management, we have compiled the balance sheet of **Tata Communication Lanka Limited** ("the subsidiary") registered in Colombo as at 31 March 2023 and the related statement of profit and loss for the year then ended, attached herewith.

We performed this compilation engagement in accordance with the Standard on Related Services 4410 (Revised), Compilation Engagements, issued by the Institute of Chartered Accountants of India.

We have applied our expertise in accounting and financial reporting to assist you in preparation of these financial information. We have complied with relevant ethical requirements.

The management of the subsidiary is responsible for:

a) These financial information and the accuracy and completeness of the information used to compile them.

b) Maintaining adequate accounting and other records and internal controls and selecting and applying appropriate accounting policies;

c) Preparation and presentation of financial statements in accordance with the applicable laws and regulations;

d) Establishing controls to safeguard the assets of the entity and preventing and detecting frauds or other irregularities;

e) Establishing controls for ensuring that the activities of the entity are carried out in accordance with the applicable laws and regulations and preventing and detecting any non-compliance.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information provided to us by management to compile the balance sheet and the related statement of profit and loss. Accordingly, we do not express an audit opinion or a review conclusion on whether the financial information are prepared in accordance with an accounting principal generally accepted in India.

SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
MUMBAI

Registered Office:
Mumbai - 400 093. India. T +91 (22) 6191 3500

This balance sheet and the related statement of profit and loss has been compiled by us only for the purpose of preparation of statement pursuant to Section 129(3) of the Companies Act, 2013, based on trial balance and explanations provided by the management. Accordingly these financial information may not suitable for other purposes.

FOR SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
Firm's Reg. No. 121750W /W100010

(Rahul Bhansali)
PARTNER
Membership No. 126549

Place Mumbai
Date: 19 April 2023

Tata Communications Lanka Limited

BALANCE SHEET AS AT 31 MARCH 2023

	Particulars	Note No.	As at 31 March 2023		As at 31 March 2022	
			USD	INR*	USD	INR*
(A)	**ASSETS**					
(1)	**Non-current assets**					
	Property, plant and equipment	1	6,23,032	5,11,94,539	6,03,127	4,57,10,996
	Capital work-in-progress		-	-	36,910	27,97,409
	Right of use assets		1,85,529	1,52,44,918	2,75,651	2,08,91,589
	Other intangible assets	2	36,783	30,22,459	1,35,034	1,02,34,227
	Deferred tax assets (Net)		11,209	9,21,044	-	-
	Advance tax (net)		1,10,940	91,15,940	50,831	38,52,481
	Other non-current assets	3	19,705	16,19,160	19,705	14,93,442
			9,87,198	8,11,18,060	11,21,258	8,49,80,144
(2)	**Current assets**					
	Inventories	4	1,37,471	1,12,95,992	1,09,784	83,20,529
	Financial assets					
	(i) Trade receivables	5	16,52,145	13,57,56,754	18,41,177	13,95,42,805
	(ii) Cash and cash equivalent	6	47,00,980	38,62,79,527	63,56,831	48,17,84,221
	(iii) Other financial assets	7	69,019	56,71,291	1,13,868	86,30,056
	Other current assets	8	1,10,522	90,81,593	1,98,575	1,50,49,999
			66,70,137	54,80,85,157	86,20,235	65,33,27,611
	TOTAL ASSETS		76,57,335	62,92,03,217	97,41,493	73,83,07,754
(B)	**EQUITY AND LIABILITIES**					
(1)	**Equity**					
	Equity share capital	9	11,97,348	9,83,86,085	11,97,348	9,07,47,005
	Other equity	10	46,05,822	37,84,60,394	64,83,727	49,14,01,669
	Total Equity		58,03,170	47,68,46,479	76,81,075	58,21,48,674
(2)	**Non-current liabilities**					
	Financial liabilities					
	(i) Lease liabilities		51,417	42,24,935	-	-
	Deferred tax liabilities (Net)		69,666	57,24,455	69,666	52,79,986
			1,21,083	99,49,390	69,666	52,79,986
(3)	**Current liabilities**					
	Financial liabilities					
	(i) Lease liabilities		74,997	61,62,503	3,15,232	2,38,91,433
	(ii) Trade payables	11	15,22,049	12,50,66,767	14,47,514	10,97,07,086
	(iii) Other financial liabilities	12	-	-	28,739	21,78,129
	Other current liabilities	13	1,35,671	1,11,48,886	1,81,334	1,37,43,304
	Provisions	14	365	29,992	17,933	13,59,142
			17,33,082	14,24,07,348	19,90,752	15,08,79,094
	TOTAL EQUITY AND LIABILITIES		76,57,335	62,92,03,217	97,41,493	73,83,07,754

*Exchange rate as at 31 March 2023 1 USD = INR 82.17 (as at 31 March 2022 1 USD = INR 75.79)

Tata Communications Lanka Limited

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2023

	Particulars	Note No.	Current year 2022-23		Previous year 2021-22	
			USD	INR*	USD	INR*
i	Revenue from operation		94,94,011	78,01,22,884	91,37,364	69,25,20,818
ii	Other income	15	1,56,400	1,28,51,388	2,56,074	1,94,07,848
iii	Total income (i + ii)		96,50,411	79,29,74,272	93,93,438	71,19,28,666
iv	Expenses:					
	(i) Network and transmission expenses	16	69,09,074	56,77,18,611	66,81,616	50,63,99,677
	(ii) Employee benefits expenses	17	3,19,770	2,62,75,501	4,61,297	3,49,61,700
	(iii) Finance costs	18	14,252	11,71,087	30,171	22,86,660
	(iv) Depreciation and amortisation expenses		3,54,536	2,91,32,223	3,42,979	2,59,94,378
	(v) Operating and other expenses	19	3,74,813	3,07,98,384	95,440	72,33,398
	Total expenses		79,72,445	65,50,95,806	76,11,503	57,68,75,812
v	Profit before taxes (iii-iv)		16,77,966	13,78,78,466	17,81,935	13,50,52,854
vi	Tax expenses					
	(i) Current tax expense/(benefit)		(2,24,103)	(1,84,14,544)	2,50,343	1,89,73,496
	(ii) Deferred tax expense/(benefit)		-	-	(25,471)	(19,30,447)
	Net tax expenses		(2,24,103)	(1,84,14,544)	2,24,872	1,70,43,049
vii	Profit for the year (v-vi)		19,02,069	15,62,93,010	15,57,063	11,80,09,805

*Exchange rate as at 31 March 2023 1 USD = INR 82.17 (as at 31 March 2022 1 USD = INR 75.79)

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

Tata Communications Lanka Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1 Property, plant and equipment

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Gross block:				
Lease hold improvement	82,296	67,62,262	77,867	59,01,540
Plant and machinery	36,22,534	29,76,63,619	34,61,377	26,23,37,764
Furniture and fixtures	1,31,764	1,08,27,048	1,24,024	93,99,779
Computers	1,93,850	1,59,28,655	1,93,248	1,46,46,266
Office equipment	48,697	40,01,432	54,278	41,13,730
(a)	40,79,141	33,51,83,016	39,10,794	29,63,99,078
Accumulated depreciation:				
Lease hold improvement	43,658	35,87,378	26,677	20,21,850
Plant and machinery	30,94,617	25,42,84,679	29,68,427	22,49,77,082
Furniture and fixtures	95,944	78,83,718	89,356	67,72,291
Computers	1,79,868	1,47,79,754	1,77,456	1,34,49,390
Office equipment	42,022	34,52,948	45,751	34,67,468
(b)	34,56,109	28,39,88,477	33,07,667	25,06,88,082
Net block (a) - (b)	6,23,032	5,11,94,539	6,03,127	4,57,10,996

2 Other intangible assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Gross block:				
License Fees	8,67,532	7,12,85,104	8,67,532	6,57,50,250
(a)	8,67,532	7,12,85,104	8,67,532	6,57,50,250
Accumulated amortisation:				
License Fees	8,30,749	6,82,62,645	7,32,498	5,55,16,023
(b)	8,30,749	6,82,62,645	7,32,498	5,55,16,023
Net block (a) - (b)	36,783	30,22,459	1,35,034	1,02,34,227

3 Non-current assets - others

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Capital Advances	19,705	16,19,160	19,705	14,93,442
Total	19,705	16,19,160	19,705	14,93,442

4 Inventories

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Stores and spares(Consumables)	1,37,471	1,12,95,992	1,09,784	83,20,529
Total	1,37,471	1,12,95,992	1,09,784	83,20,529

5 Trade receivables

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Trade receivables	7,28,760	5,92,24,849	7,91,915	6,00,19,238
Intercompany receivables	9,83,502	8,08,14,359	11,16,475	8,46,17,640
Provision for doubtful debts	(52,117)	(42,82,454)	(67,213)	(50,94,073)
Total	16,52,145	13,57,56,754	18,41,177	13,95,42,805

6 Cash and cash equivalents

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Balance with bank	47,00,980	38,62,79,527	63,56,831	48,17,84,221
Total	47,00,980	38,62,79,527	63,56,831	48,17,84,221

7 Current assets - other financial assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Security Deposit	17,875	14,68,789	42,949	32,55,105
Interest Receivable	51,144	42,02,502	70,919	53,74,951
Total	69,019	56,71,291	1,13,868	86,30,056

8 Current assets - other assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Advances to Venders / Suppliers	4,767	3,91,784	4,767	3,61,291
Prepaid expenses	8,745	7,18,577	5,166	3,91,531
Indirect Tax receivable	97,010	79,71,312	1,68,933	1,28,03,432
Others	-	-	19,709	14,93,745
Total	1,10,522	90,81,593	1,98,575	1,50,49,999

9 Equity share capital

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Equity share capital	11,97,348	9,83,86,085	11,97,348	9,07,47,005
Total	11,97,348	9,83,86,085	11,97,348	9,07,47,005

10 Other Equity

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Surplus / (Deficit)				
Opening balance	64,83,727	53,27,67,848	79,93,198	60,58,04,476
Profit / (loss) for the year	19,02,069	15,62,93,010	15,57,063	11,80,09,805
Closing balance	83,85,796	68,90,60,857	95,50,261	72,38,14,281
OCI Reserves Employee Benefit Plan	(1,970)	(1,61,875)		
Dividend	(37,78,004)	(31,04,38,589)	(30,66,534)	(23,24,12,612)
Total	46,05,822	37,84,60,394	64,83,727	49,14,01,669

11 Current liabilities - Trade payables

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Trade Payables	15,22,049	12,50,66,767	14,47,514	10,97,07,086
Total	15,22,049	12,50,66,767	14,47,514	10,97,07,086

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

12 Current liabilities - other financial liabilities

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Others	-	-	28,739	21,78,129
Total	-	-	28,739	21,78,129

13 Current liabilities - other current liabilities

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Deferred revenue and advance from customers	67,474	55,44,339	57,697	43,72,856
Accrued Payroll	10,612	8,71,988	89,299	67,67,971
Other Statutory dues	57,585	47,31,759	34,338	26,02,477
Total	1,35,671	1,11,48,086	1,81,334	1,37,43,304

14 Current liabilities - provisons

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Provision for employee benefits	365	29,992	17,933	13,59,142
Total	365	29,992	17,933	13,59,142

15 Other income

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Interest income - others	1,47,898	1,21,52,779	2,56,074	1,94,07,848
Miscellaneous income	8,502	6,98,609	-	-
Total	1,56,400	1,28,51,388	2,56,074	1,94,07,848

16 Network and transmission expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Charges for use of transmission facilities	68,09,535	55,95,39,491	66,81,616	50,63,99,677
Rent of satellite channels	99,539	81,79,120	-	-
Total	69,09,074	56,77,18,611	66,81,616	50,63,99,677

17 Employee benefit expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Salaries, bonus and allowances	2,76,360	2,27,08,502	4,05,041	3,06,98,058
Contribution to provident and other funds	26,525	21,79,559	40,433	30,64,417
Staff welfare expenses	16,885	13,87,440	15,823	11,99,225
Total	3,19,770	2,62,75,501	4,61,297	3,49,61,700

GURU SHARMA & ASSOCIATES LLP Chartered Accountants MUMBAI

18 Finance costs

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Interest expenses	14,252	11,71,087	30,171	22,86,660
Total	14,252	11,71,087	30,171	22,86,660

19 Operating and other expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Advertising and publicity	4,418	3,63,027	2,453	1,85,913
Auditors remuneration	2,369	1,94,661	3,165	2,39,875
Communication expenses	4,689	3,85,295	6,304	4,77,780
CSR expenses	8,337	6,85,051	29,777	22,56,799
Electricity	21,347	17,54,083	33,958	25,73,677
Entertainment expenses	-	-	179	13,566
Exchange (Gain)/Loss -Net	1,32,120	1,08,56,300	35,184	26,66,595
Insurance expenses	1,638	1,34,594	3,585	2,71,707
IT consumables	24	1,972	-	-
Legal and professional fees	23,423	19,24,668	23,065	17,48,096
Miscellaneous expenses	32,855	26,99,695	24,929	18,89,369
Printing and stationery	2,059	1,69,188	3,519	2,66,705
Provision for doubtful debts	(27,245)	(22,38,722)	(2,47,906)	(1,87,88,796)
Rates and Taxes	1,096	90,058	1,445	1,09,517
Rent	3,787	3,11,178	12,681	9,61,093
Repairs and Maintenance - Plant & Machinery	60,452	49,67,341	56,223	42,61,141
Repairs and Maintenance -Building	228	18,735	213	16,143
Services rendered by agencies	69,203	56,86,411	77,527	58,75,771
Travelling and conveyance expenses	34,013	27,94,849	29,139	22,08,447
Total	3,74,813	3,07,98,384	95,440	72,33,398

SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
MUMBAI

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APPENDIX - 45

ACCOUNTANT'S REPORT ON COMPILATION OF UNAUDITED FINANCIAL STATEMENTS

To
The Board of Directors
Tata Communications Limited

On the basis of the trial balance and explanations provided to us by the management, we have compiled the balance sheet of **Nexus Connexion (SA) PTY LTD.** ("the subsidiary") registered in South Africa as at 31 March 2023 and the related statement of profit and loss for the year then ended, attached herewith.

We performed this compilation engagement in accordance with the Standard on Related Services 4410 (Revised), Compilation Engagements, issued by the Institute of Chartered Accountants of India.

We have applied our expertise in accounting and financial reporting to assist you in preparation of these financial information. We have complied with relevant ethical requirements.

The management of the subsidiary is responsible for:

a) These financial information and the accuracy and completeness of the information used to compile them.

b) Maintaining adequate accounting and other records and internal controls and selecting and applying appropriate accounting policies;

c) Preparation and presentation of financial statements in accordance with the applicable laws and regulations;

d) Establishing controls to safeguard the assets of the entity and preventing and detecting frauds or other irregularities;

e) Establishing controls for ensuring that the activities of the entity are carried out in accordance with the applicable laws and regulations and preventing and detecting any non-compliance.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information provided to us by management to compile the balance sheet and the related statement of profit and loss. Accordingly, we do not express an audit opinion or a review conclusion on whether the financial information are prepared in accordance with an accounting principal generally accepted in India.

SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
MUMBAI

Registered Office:

This balance sheet and the related statement of profit and loss has been compiled by us only for the purpose of preparation of statement pursuant to Section 129(3) of the Companies Act, 2013, based on trial balance and explanations provided by the management. Accordingly these financial information may not suitable for other purposes.

FOR SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
Firm's Reg. No. 121750W /W100010

(Rahul Bhansali)
PARTNER
Membership No. 126549

Place Mumbai
Date: 19 April 2023

Nexus Connexion (SA) PTY LTD.

BALANCE SHEET AS AT 31 MARCH 2023

	Particulars	Note No.	As at 31 March 2023		As at 31 March 2022	
			ZAR	INR*	ZAR	INR*
(A)	**ASSETS**					
(1)	**Current assets**					
	Financial assets					
	(i) Cash and cash equivalent	1	30,947	1,42,603	1,32,066	6,89,843
			30,947	1,42,603	1,32,066	6,89,843
	TOTAL ASSETS		30,947	1,42,603	1,32,066	6,89,843
(B)	**EQUITY AND LIABILITIES**					
(1)	**Equity**					
	Equity share capital	2	5,93,000	27,32,562	5,93,000	30,97,518
	Other equity	3	(5,74,661)	(26,48,056)	(5,21,509)	(27,24,087)
	Total Equity		18,339	84,506	71,491	3,73,431
(2)	**Current liabilities**					
	Financial liabilities					
	(i) Trade payables	4	12,608	58,097	60,575	3,16,412
			12,608	58,097	60,575	3,16,412
	TOTAL EQUITY AND LIABILITIES		30,947	1,42,603	1,32,066	6,89,843

*Exchange rate as at 31 March 2023 1 ZAR = INR 4.61 (as at 31 March 2022 1 ZAR = INR 5.22)

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

Nexus Connexion (SA) PTY LTD.

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2023

	Particulars	Note No.	Current year 2022-23		Previous year 2021-22	
			ZAR	INR*	ZAR	INR*
i	Revenue from Operation		-	-	-	-
ii	Other Income		-	-	-	-
iii	Total income (i + ii)		-	-	-	-
iv	Expenses:					
	(i) Operating and other expenses	5	53,152	2,44,927	2,55,339	13,33,756
	Total expenses		53,152	2,44,927	2,55,339	13,33,756
v	Profit/(loss) before taxes (iii - iv)		(53,152)	(2,44,927)	(2,55,339)	(13,33,756)
vi	Tax expenses					
	(i) Current tax expense/(benefit)		-	-	-	-
	(ii) Deferred tax expense/(benefit)		-	-	-	-
	Net tax expenses		-	-	-	-
vii	Profit / (loss) for the year (v-vi)		(53,152)	(2,44,927)	(2,55,339)	(13,33,756)

*Exchange rate as at 31 March 2023 1 ZAR = INR 4.61 (as at 31 March 2022 1 ZAR = INR 5.22)

Nexus Connexion (SA) PTY LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1 Cash and cash equivalents

Particulars	As at 31 March 2023		As at 31 March 2022	
	ZAR	INR	ZAR	INR
Balance with bank	30,947	1,42,603	1,32,066	6,89,843
Total	**30,947**	**1,42,603**	1,32,066	6,89,843

2 Equity share capital

Particulars	As at 31 March 2023		As at 31 March 2022	
	ZAR	INR	ZAR	INR
Equity share capital	5,93,000	27,32,562	5,93,000	30,97,518
Total	**5,93,000**	**27,32,562**	5,93,000	30,97,518

3 Other Equity

Particulars	As at 31 March 2023		As at 31 March 2022	
	ZAR	INR	ZAR	INR
Surplus / (Deficit)				
Opening balance	(6,51,509)	(30,02,173)	(3,96,170)	(20,69,382)
Profit / (loss) for the year	(53,152)	(2,44,927)	(2,55,339)	(13,33,756)
Closing balance	(7,04,661)	(32,47,100)	(6,51,509)	(34,03,138)
Share premium	1,30,000	5,99,044	1,30,000	6,79,051
Total	**(5,74,661)**	**(26,48,056)**	(5,21,509)	(27,24,087)

4 Current liabilities - Trade payables

Particulars	As at 31 March 2023		As at 31 March 2022	
	ZAR	INR	ZAR	INR
Trade payable	12,608	58,097	60,575	3,16,412
Total	**12,608**	**58,097**	60,575	3,16,412

5 Operating and other expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	ZAR	INR	ZAR	INR
Legal and professional fees	51,951	2,39,390	2,52,057	13,16,612
Miscellaneous expenses	1,202	5,537	3,282	17,144
Total	**53,152**	**2,44,927**	2,55,339	13,33,756

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APPENDIX - 46

ACCOUNTANT'S REPORT ON COMPILATION OF UNAUDITED FINANCIAL STATEMENTS

To
The Board of Directors
Tata Communications Limited

On the basis of the trial balance and explanations provided to us by the management, we have compiled the balance sheet of **SEPCO Communications (Pty) Ltd** ("the subsidiary") registered in South Africa as at 31 March 2023 and the related statement of profit and loss for the year then ended, attached herewith.

We performed this compilation engagement in accordance with the Standard on Related Services 4410 (Revised), Compilation Engagements, issued by the Institute of Chartered Accountants of India.

We have applied our expertise in accounting and financial reporting to assist you in preparation of these financial information. We have complied with relevant ethical requirements.

The management of the subsidiary is responsible for:

a) These financial information and the accuracy and completeness of the information used to compile them.

b) Maintaining adequate accounting and other records and internal controls and selecting and applying appropriate accounting policies;

c) Preparation and presentation of financial statements in accordance with the applicable laws and regulations;

d) Establishing controls to safeguard the assets of the entity and preventing and detecting frauds or other irregularities;

e) Establishing controls for ensuring that the activities of the entity are carried out in accordance with the applicable laws and regulations and preventing and detecting any non-compliance.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information provided to us by management to compile the balance sheet and the related statement of profit and loss. Accordingly, we do not express an audit opinion or a review conclusion on whether the financial information are prepared in accordance with an accounting principal generally accepted in India.

Registered Office:
306, 3rd Floor, Techniplex II, Off. Veer Savarkar Flyover, Goregaon (W), Mumbai - 400 062. T +91 (22) 6157 3555

This balance sheet and the related statement of profit and loss has been compiled by us only for the purpose of preparation of statement pursuant to Section 129(3) of the Companies Act, 2013, based on trial balance and explanations provided by the management. Accordingly these financial information may not suitable for other purposes.

FOR SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
Firm's Reg. No. 121750W /W100010

(Rahul Bhansali)
PARTNER
Membership No. 126549

Place Mumbai
Date: 19 April 2023

SEPCO Communications (Pty) Ltd

BALANCE SHEET AS AT 31 March 2023

	Particulars	Note No.	As at 31 March 2023		As at 31 March 2022	
			ZAR	INR*	ZAR	INR*
(A)	**ASSETS**					
(1)	**Current assets**					
	Financial assets					
	(i) Cash and cash equivalent	1	4,768,303	21,972,483	5,097,001	26,624,032
			4,768,303	21,972,483	5,097,001	26,624,032
	TOTAL ASSETS		4,768,303	21,972,483	5,097,001	26,624,032
(B)	**EQUITY AND LIABILITIES**					
(1)	**Equity**					
	Equity share capital	2	1,000	4,608	1,000	5,223
	Other equity	3	4,757,930	21,924,684	4,809,293	25,121,198
	Total Equity		4,758,930	21,929,292	4,810,293	25,126,421
(2)	**Non-current liabilities**					
	Financial liabilities					
	(i) Borrowings	4	-	-	223,676	1,168,365
			-	-	223,676	1,168,365
(3)	**Current liabilities**					
	Financial liabilities					
	(i) Trade payables	5	9,373	43,191	63,032	329,246
			9,373	43,191	63,032	329,246
	TOTAL EQUITY AND LIABILITIES		4,768,303	21,972,483	5,097,001	26,624,032

*Exchange rate as at 31 March 2023 1 ZAR = INR 4.61 (as at 31 March 2022 1 ZAR = INR 5.22)

SURANA & ASSOCIATES LLP
Chartered Accountants
MUMBAI

SEPCO Communications (Pty) Limited

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 March 2023

	Particulars	Note No.	Current year 2022-23		Previous Year 2021-22	
			ZAR	INR*	ZAR	INR*
i	Revenue from operations		-	-	-	-
ii	Other Income		-	-	-	-
iii	Total income (i + ii)		-	-	-	-
iv	Expenses:					
	(i) Operating and other expenses	6	51,363	236,682	76,433	399,245
	Total expenses		51,363	236,682	76,433	399,245
v	Profit before taxes (iii -iv)		(51,363)	(236,682)	(76,433)	(399,245)
vi	Tax expenses					
	(i) Current tax expense/(benefit)		-	-	-	-
	(ii) Deferred tax expense/(benefit)		-	-	-	-
	Net tax expenses		-	-	-	-
vii	Profit / (loss) for the year (v-vi)		(51,363)	(236,682)	(76,433)	(399,245)

*Exchange rate as at 31 March 2023 1 ZAR = INR 4.61 (as at 31 March 2022 1 ZAR = INR 5.22)

SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
MUMBAI

SEPCO Communications (Pty) Ltd

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2022

1 Cash and cash equivalents

Particulars	As at 31 March 2023		As at 31 March 2022	
	ZAR	INR	ZAR	INR
Balance with bank	4,768,303	21,972,483	5,097,001	26,624,032
Total	4,768,303	21,972,483	5,097,001	26,624,032

2 Equity share capital

Particulars	As at 31 March 2023		As at 31 March 2022	
	ZAR	INR	ZAR	INR
Equity share capital	1,000	4,608	1,000	5,223
Total	1,000	4,608	1,000	5,223

3 Other Equity

Particulars	As at 31 March 2023		As at 31 March 2022	
	ZAR	INR	ZAR	INR
Surplus / (Deficit)				
Opening balance	(515,776,905)	(2,376,715,452)	(515,700,472)	(2,693,745,944)
Profit / (loss) for the year	(51,363)	(236,682)	(76,433)	(399,245)
Closing balance	(515,828,268)	(2,376,952,134)	(515,776,905)	(2,694,145,190)
Share premium	515,380,336	2,374,888,050	515,380,336	2,692,073,724
Preference share capital	5,205,862	23,988,768	5,205,862	27,192,664
Total	4,757,930	21,924,684	4,809,293	25,121,198

4 Non-current liabilities - borrowings

Particulars	As at 31 March 2023		As at 31 March 2022	
	ZAR	INR	ZAR	INR
Unsecured borrowings - Inter company loans taken	-	-	223,676	1,168,365
Total	-	-	223,676	1,168,365

5 Current liabilities - Trade payables

Particulars	As at 31 March 2023		As at 31 March 2022	
	ZAR	INR	ZAR	INR
Trade payables	9,373	43,191	63,032	329,246
Total	9,373	43,191	63,032	329,246

6 Operating and other expenses

Particulars	Current year 2022-23		Prevous Year 2021-22	
	ZAR	INR	ZAR	INR
Miscellaneous expenses	11,119	51,237	11,446	59,788
Legal and professional fees	40,244	185,445	64,987	339,457
Total	51,363	236,682	76,433	399,245

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APPENDIX - 47

ACCOUNTANT'S REPORT ON COMPILATION OF UNAUDITED FINANCIAL STATEMENTS

To
The Board of Directors
Tata Communications Limited

On the basis of the trial balance and explanations provided to us by the management, we have compiled the balance sheet of **Tata Communications Transformation Services South Africa (Pty) Ltd** ("the subsidiary") registered in South Africa as at 31 March 2023 and the related statement of profit and loss for the year then ended, attached herewith.

We performed this compilation engagement in accordance with the Standard on Related Services 4410 (Revised), Compilation Engagements, issued by the Institute of Chartered Accountants of India.

We have applied our expertise in accounting and financial reporting to assist you in preparation of these financial information. We have complied with relevant ethical requirements.

The management of the subsidiary is responsible for:

a) These financial information and the accuracy and completeness of the information used to compile them.

b) Maintaining adequate accounting and other records and internal controls and selecting and applying appropriate accounting policies;

c) Preparation and presentation of financial statements in accordance with the applicable laws and regulations;

d) Establishing controls to safeguard the assets of the entity and preventing and detecting frauds or other irregularities;

e) Establishing controls for ensuring that the activities of the entity are carried out in accordance with the applicable laws and regulations and preventing and detecting any non-compliance.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information provided to us by management to compile the balance sheet and the related statement of profit and loss. Accordingly, we do not express an audit opinion or a review conclusion on whether the financial information are prepared in accordance with an accounting principal generally accepted in India.

Registered Office
308-309, Technocrats Knowledge Park, Nariman Point
Andheri (E), Mumbai - 400 093. Tel: +91 (22) 6191 5600

This balance sheet and the related statement of profit and loss has been compiled by us only for the purpose of preparation of statement pursuant to Section 129(3) of the Companies Act, 2013, based on trial balance and explanations provided by the management. Accordingly these financial information may not suitable for other purposes.

FOR SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
Firm's Reg. No. 121750W /W100010

(Rahul Bhansali)
PARTNER
Membership No. 126549

Place Mumbai
Date: 19 April 2023

Tata Communications Transformation Services South Africa (Pty) Ltd

BALANCE SHEET AS AT 31 MARCH 2023

	Particulars	Note No.	As at 31 March 2023		As at 31 March 2022	
			ZAR	INR*	ZAR	INR*
(A)	**ASSETS**					
(1)	**Current assets**					
(a)	Financial assets					
	(i) Trade receivables	1	-	-	2,59,587	13,55,945
	(ii) Cash and cash equivalent	2	15,52,628	71,54,556	14,87,103	77,67,838
(b)	Other current assets	3	1,260	5,806	1,260	6,582
			15,53,888	71,60,362	17,47,950	91,30,365
	TOTAL ASSETS		15,53,888	71,60,362	17,47,950	91,30,365
(B)	**EQUITY AND LIABILITIES**					
(1)	**Equity**					
	Equity share capital	4	6,55,550	30,20,794	6,55,550	34,24,246
	Other equity	5	(9,72,133)	(44,79,619)	(8,46,737)	(44,22,905)
	Total Equity		(3,16,583)	(14,58,825)	(1,91,187)	(9,98,659)
(2)	**Current liabilities**					
	Financial liabilities					
	(i) Trade payables	6	18,69,919	86,16,643	19,38,586	1,01,26,146
	Current tax liabilities (Net)		552	2,544	551	2,878
			18,70,471	86,19,187	19,39,137	1,01,29,024
	TOTAL EQUITY AND LIABILITIES		15,53,888	71,60,362	17,47,950	91,30,365

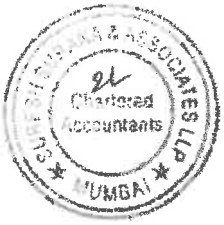
*Exchange rate as at 31 March 2023 1 ZAR = INR 4.61 (as at 31 March 2022 1 ZAR = INR 5.22)

Tata Communications Transformation Services South Africa (Pty) Ltd

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2023

	Particulars	Note No.	Current year 2022-23		Previous year 2021-22	
			ZAR	INR*	ZAR	INR*
i	Revenue from operations		-	-	-	-
ii	Other Income	7	42,428	1,95,509	976	5,098
iii	**Total income (i + ii)**		42,428	1,95,509	976	5,098
iv	**Expenses:**					
	Operating and other expenses	8	1,67,824	7,73,339	2,67,765	13,98,662
	Total expenses		1,67,824	7,73,339	2,67,765	13,98,662
v	**Profit / (loss) before taxes (iii - iv)**		(1,25,396)	(5,77,830)	(2,66,789)	(13,93,564)
vi	**Tax expenses**					
	Current tax expense		-	-	-	-
	Deferred tax expense/(benefit)		-	-	-	-
	Net tax expenses		-	-	-	-
vii	**Profit / (loss) for the year (v-vi)**		(1,25,396)	(5,77,830)	(2,66,789)	(13,93,564)

*Exchange rate as at 31 March 2023 1 ZAR = INR 4.61 (as at 31 March 2022 1 ZAR = INR 5.22)



Tata Communications Transformation Services South Africa (Pty) Ltd

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1 **Trade receivables**

Particulars	As at 31 March 2023		As at 31 March 2022	
	ZAR	INR	ZAR	INR
Intercompany receivables	-	-	2,59,587	13,55,945
Total	-	-	2,59,587	13,55,945

2 **Cash and cash equivalents**

Particulars	As at 31 March 2023		As at 31 March 2022	
	ZAR	INR	ZAR	INR
Balance with bank	15,52,628	71,54,556	14,87,103	77,67,838
Total	15,52,628	71,54,556	14,87,103	77,67,838

3 **Current assets - other assets**

Particulars	As at 31 March 2023		As at 31 March 2022	
	ZAR	INR	ZAR	INR
Indirect tax receivable	1,260	5,806	1,260	6,582
Total	1,260	5,806	1,260	6,582

4 **Equity share capital**

Particulars	As at 31 March 2023		As at 31 March 2022	
	ZAR	INR	ZAR	INR
Equity share capital	6,55,550	30,20,794	6,55,550	34,24,246
Total	6,55,550	30,20,794	6,55,550	34,24,246

5 **Other Equity**

Particulars	As at 31 March 2023		As at 31 March 2022	
	ZAR	INR	ZAR	INR
Surplus / (Deficit)				
Opening balance	(8,46,737)	(39,01,789)	(5,79,948)	(30,29,341)
Profit / (loss) for the year	(1,25,396)	(5,77,830)	(2,66,789)	(13,93,564)
Closing balance	(9,72,133)	(44,79,619)	(8,46,737)	(44,22,905)

6 **Current liabilities - Trade payables**

Particulars	As at 31 March 2023		As at 31 March 2022	
	ZAR	INR	ZAR	INR
Trade payable	84,954	3,91,471	2,38,082	12,43,614
Inter Company - Payables	17,84,965	82,25,172	17,00,504	88,82,532
Total	18,69,919	86,16,643	19,38,586	1,01,26,146

7 Other income

Particulars	Current year 2022-23		Previous year 2021-22	
	ZAR	INR	ZAR	INR
Interest income - others	42,428	1,95,509	976	5,098
Total	42,428	1,95,509	976	5,098

8 Operating and other expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	ZAR	INR	ZAR	INR
Auditors remuneration	11,500	52,992	11,500	60,070
Exchange (Gain)/Loss -Net	27,343	1,25,997	14,122	73,766
Legal and professional fees	1,19,925	5,52,618	2,28,982	11,96,081
Miscellaneous expenses	9,056	41,732	13,161	68,745
Total	1,67,824	7,73,339	2,67,765	13,98,662

SURESH SUMAR & ASSOCIATES LLP
Chartered Accountants
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APPENDIX - 48

ACCOUNTANT'S REPORT ON COMPILATION OF UNAUDITED FINANCIAL STATEMENTS

To
The Board of Directors
Tata Communications Limited

On the basis of the trial balance and explanations provided to us by the management, we have compiled the balance sheet of **Tata Communications Transformation Services (Hungary) KFT** ("the subsidiary") registered in Hungary as at 31 March 2023 and the related statement of profit and loss for the year then ended, attached herewith.

We performed this compilation engagement in accordance with the Standard on Related Services 4410 (Revised), Compilation Engagements, issued by the Institute of Chartered Accountants of India.

We have applied our expertise in accounting and financial reporting to assist you in preparation of these financial information. We have complied with relevant ethical requirements.

The management of the subsidiary is responsible for:

a) These financial information and the accuracy and completeness of the information used to compile them.

b) Maintaining adequate accounting and other records and internal controls and selecting and applying appropriate accounting policies;

c) Preparation and presentation of financial statements in accordance with the applicable laws and regulations;

d) Establishing controls to safeguard the assets of the entity and preventing and detecting frauds or other irregularities;

e) Establishing controls for ensuring that the activities of the entity are carried out in accordance with the applicable laws and regulations and preventing and detecting any non-compliance.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information provided to us by management to compile the balance sheet and the related statement of profit and loss. Accordingly, we do not express an audit opinion or a review conclusion on whether the financial information are prepared in accordance with an accounting principal generally accepted in India.

SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
MUMBAI

Registered Office:
301, 309, Technopolis [illegible] Annexe (E), Mumbai - 400 [illegible]
T +91 (22) 6141 5555

This balance sheet and the related statement of profit and loss has been compiled by us only for the purpose of preparation of statement pursuant to Section 129(3) of the Companies Act, 2013, based on trial balance and explanations provided by the management. Accordingly these financial information may not suitable for other purposes.

FOR SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
Firm's Reg. No. 121750W /W100010

(Rahul Bhansali)
PARTNER
Membership No. 126549

Place Mumbai
Date: 19 April 2023

Tata Communications Transformation Services (Hungary) KFT

BALANCE SHEET AS AT 31 March 2023

	Particulars	Note No.	As at 31 March 2023		As at 31 March 2022	
			HUF	INR*	HUF	INR*
(A)	**ASSETS**					
(1)	**Non-current assets**					
(a)	Investments in subsidiaries	1	1,28,40,000	30,21,766	1,28,40,000	29,18,532
(b)	Non current tax asset		3,000	706		-
			1,28,43,000	30,22,472	1,28,40,000	29,18,532
(2)	**Current assets**					
	Financial assets					
	(i) Trade receivables	2	3,424	806	3,424	778
	(ii) Cash and cash equivalent	3	1,22,45,851	28,81,939	73,27,075	16,65,444
	Other current assets	4	1,50,238	35,357	3,52,598	80,146
			1,23,99,513	29,18,102	76,83,097	17,46,368
	TOTAL ASSETS		2,52,42,513	59,40,574	2,05,23,097	46,64,900
(B)	**EQUITY AND LIABILITIES**					
(1)	**Equity**					
	Equity share capital	5	6,60,47,000	1,55,43,501	4,85,47,000	1,10,34,733
	Other equity	6	(4,86,04,125)	(1,14,38,494)	(4,43,33,279)	(1,00,76,954)
	Total Equity		1,74,42,875	41,05,007	42,13,721	9,57,779
(2)	**Current liabilities**					
	Financial liabilities					
	(i) Trade payables	7	77,99,638	18,35,567	1,63,09,376	37,07,121
			77,99,638	18,35,567	1,63,09,376	37,07,121
	TOTAL EQUITY AND LIABILITIES		2,52,42,513	59,40,574	2,05,23,097	46,64,900

*Exchange rate as at 31 March 2023 1 HUF = INR 0.24 (as at 31 March 2022 1 HUF = INR 0.23)

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

Tata Communications Transformation Services (Hungary) KFT

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 March 2023

	Particulars	Note No.	Current year 2022-23		Previous year 2021-22	
			HUF	INR*	HUF	INR*
i	Revenue from operations		-	-	-	-
ii	Other income	8	2	-	612	139
iii	**Total income (i + ii)**		2	-	612	139
iv	**Expenses:**					
	Finance costs	9	-	-	19	4
	Operating and other expenses	10	42,70,848	10,05,100	1,00,55,310	22,85,572
	Total expenses		42,70,848	10,05,100	1,00,55,329	22,85,576
v	**Profit / (loss) before taxes (iii - iv)**		(42,70,846)	(10,05,100)	(1,00,54,717)	(22,85,437)
vi	**Tax expenses**					
	(i) Current tax expense/(benefit)		(3,000)	(706)	-	-
	(ii) Deferred tax expense/(benefit)		-	-	-	-
	Net tax expenses		(3,000)	(706)	-	-
vii	**Profit / (loss) for the year (v-vi)**		(42,67,846)	(10,04,394)	(1,00,54,717)	(22,85,437)

*Exchange rate as at 31 March 2023 1 HUF = INR 0.24 (as at 31 March 2022 1 HUF = INR 0.23)

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

Tata Communications Transformation Services (Hungary) KFT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1 Investments in subsidiaries

Particulars	As at 31 March 2023		As at 31 March 2022	
	HUF	INR	HUF	INR
Investments in subsidiaries	1,28,40,000	30,21,766	1,28,40,000	29,18,532
Total	1,28,40,000	30,21,766	1,28,40,000	29,18,532

2 Trade receivables

Particulars	As at 31 March 2023		As at 31 March 2022	
	HUF	INR	HUF	INR
Intercompany receivables	3,424	806	3,424	778
Total	3,424	806	3,424	778

3 Cash and cash equivalents

Particulars	As at 31 March 2023		As at 31 March 2022	
	HUF	INR	HUF	INR
Balance with bank	1,22,45,851	28,81,939	73,27,075	16,65,444
Total	1,22,45,851	28,81,939	73,27,075	16,65,444

4 Current assets - other assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	HUF	INR	HUF	INR
Indirect tax receivable	1,50,238	35,357	3,52,598	80,146
Total	1,50,238	35,357	3,52,598	80,146

5 Equity share capital

Particulars	As at 31 March 2023		As at 31 March 2022	
	HUF	INR	HUF	INR
Equity share capital	6,60,47,000	1,55,43,501	4,85,47,000	1,10,34,733
Total	6,60,47,000	1,55,43,501	4,85,47,000	1,10,34,733

6 Other Equity

Particulars	As at 31 March 2023		As at 31 March 2022	
	HUF	INR	HUF	INR
Surplus / (Deficit)				
Opening balance	(4,43,36,279)	(1,04,34,100)	(3,42,78,562)	(77,91,517)
Profit / (loss) for the year	(42,67,846)	(10,04,394)	(1,00,54,717)	(22,85,437)
Total	(4,86,04,125)	(1,14,38,494)	(4,43,33,279)	(1,00,76,954)

7 Current liabilities - Trade payables

Particulars	As at 31 March 2023		As at 31 March 2022	
	HUF	INR	HUF	INR
Trade payable	77,99,638	18,35,567	1,63,09,376	37,07,121
Total	77,99,638	18,35,567	1,63,09,376	37,07,121

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

8 Other income

Particulars	Current year 2022-23		Previous year 2021-22	
	HUF	INR	HUF	INR
Interest income - others	2	-	8	2
Miscellaneous income	-	-	604	137
Total	2	-	612	139

9 Finance costs

Particulars	Current year 2022-23		Previous year 2021-22	
	HUF	INR	HUF	INR
Interest expenses		-	19	4
Total	-	-	19	4

10 Operating and other expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	HUF	INR	HUF	INR
Exchange (Gain)/Loss -Net	85,121	20,032	94,042	21,376
Legal and professional fees	28,36,869	6,67,629	93,33,504	21,21,505
Miscellaneous expenses	6,69,637	1,57,591	6,27,764	1,42,691
Rates and Taxes	6,79,221	1,59,848	-	-
Total	42,70,848	10,05,100	1,00,55,310	22,85,572

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APPENDIX - 49

ACCOUNTANT'S REPORT ON COMPILATION OF UNAUDITED FINANCIAL STATEMENTS

To
The Board of Directors
Tata Communications Limited

On the basis of the trial balance and explanations provided to us by the management, we have compiled the balance sheet of **Tata Communications Transformation Services Pte. Limited** ("the subsidiary") registered in Singapore as at 31 March 2023 and the related statement of profit and loss for the year then ended, attached herewith.

We performed this compilation engagement in accordance with the Standard on Related Services 4410 (Revised), Compilation Engagements, issued by the Institute of Chartered Accountants of India.

We have applied our expertise in accounting and financial reporting to assist you in preparation of these financial information. We have complied with relevant ethical requirements.

The management of the subsidiary is responsible for:

a) These financial information and the accuracy and completeness of the information used to compile them.

b) Maintaining adequate accounting and other records and internal controls and selecting and applying appropriate accounting policies;

c) Preparation and presentation of financial statements in accordance with the applicable laws and regulations;

d) Establishing controls to safeguard the assets of the entity and preventing and detecting frauds or other irregularities;

e) Establishing controls for ensuring that the activities of the entity are carried out in accordance with the applicable laws and regulations and preventing and detecting any non-compliance.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information provided to us by management to compile the balance sheet and the related statement of profit and loss. Accordingly, we do not express an audit opinion or a review conclusion on whether the financial information are prepared in accordance with an accounting principal generally accepted in India.

Registered Office:
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Andheri (E), Mumbai - 400 093, India. T +91 (22) 6691 6500

This balance sheet and the related statement of profit and loss has been compiled by us only for the purpose of preparation of statement pursuant to Section 129(3) of the Companies Act, 2013, based on trial balance and explanations provided by the management. Accordingly these financial information may not suitable for other purposes.

FOR SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
Firm's Reg. No. 121750W /W100010

(Rahul Bhansali)
PARTNER
Membership No. 126549

Place Mumbai
Date: 19 April 2023

Tata Communications Transformation Services Pte. Limited

BALANCE SHEET AS AT 31 MARCH 2023

	Particulars	Note No.	As at 31 March 2023		As at 31 March 2022	
			USD	INR*	USD	INR*
(A)	**ASSETS**					
(1)	**Non-current assets**					
	Property, plant and equipment	1	58,300	47,90,512	89,476	67,81,610
	Right-of-use assets		4,11,821	3,38,39,332	-	-
	Investments in subsidiaries	2	3,74,000	3,07,31,580	3,31,039	2,50,90,273
	Financial assets					
	(i) Loans	3	5,59,251	4,59,53,655	1,00,941	76,50,571
	Advance tax (net)		2,46,432	2,02,49,317	1,85,029	1,40,23,810
			16,49,804	13,55,64,396	7,06,485	5,35,46,264
(2)	**Current assets**					
	Financial assets					
	(i) Trade receivables	4	5,93,81,253	4,87,93,57,559	46,54,293	35,27,60,503
	(ii) Cash and cash equivalent	5	33,94,106	27,88,93,690	19,25,412	14,59,31,789
	(iii) Other financial assets	6	1,39,334	1,14,49,075	31,439	23,82,841
	Other current assets	7	2,71,910	2,23,42,844	22,099	16,74,939
			6,31,86,603	5,19,28,43,168	66,33,243	50,27,50,072
	TOTAL ASSETS		6,48,36,407	5,32,76,07,564	73,39,728	55,62,96,336
(B)	**EQUITY AND LIABILITIES**					
(1)	**Equity**					
	Equity share capital	8	1,70,000	1,39,68,900	1,70,000	1,28,84,725
	Other equity	9	(2,25,49,384)	(1,85,28,82,882)	(2,21,29,470)	(1,67,72,47,855)
	Total Equity		(2,23,79,384)	(1,83,89,13,982)	(2,19,59,470)	(1,66,43,63,130)
(2)	**Non-current liabilities**					
	Financial liabilities					
	(i) Lease liabilities		3,23,576	2,65,88,240	-	-
	Provisions	10	-	-	2,06,999	1,56,88,972
			3,23,576	2,65,88,240	2,06,999	1,56,88,972
(3)	**Current liabilities**					
	Financial liabilities					
	(i) Borrowings	11	2,34,39,116	1,92,59,92,162	2,32,25,178	1,76,02,94,304
	(ia) Lease liabiaies		74,996	61,62,421	-	-
	(ii) Trade payables	12	6,16,36,692	5,06,46,86,982	36,23,447	27,46,30,107
	(iii) Other financial liabilities	13	1,76,212	1,44,79,340	1,79,788	1,36,26,582
	Other current liabilities	14	10,91,444	8,96,83,953	12,56,378	9,52,24,030
	Provisions	15	4,73,755	3,89,28,448	8,07,408	6,11,95,471
			8,68,92,215	7,13,99,33,306	2,90,92,199	2,20,49,70,494
	TOTAL EQUITY AND LIABILITIES		6,48,36,407	5,32,76,07,564	73,39,728	55,62,96,336

*Exchange rate as at 31 March 2023 1 USD = 82.17 INR (31 March 2022 1 USD = INR 75.79)

Tata Communications Transformation Services Pte. Limited

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2023

	Particulars	Note No.	Current year 2022-23		Previous year 2021-22	
			USD	INR*	USD	INR*
i	Revenue from operations		1,20,00,264	98,60,61,693	1,47,32,353	1,11,66,01,865
ii	Other income	16	33,811	27,78,250	83,546	63,32,161
iii	Total income (i + ii)		1,20,34,075	98,88,39,943	1,48,15,899	1,12,29,34,026
iv	Expenses:					
	(i) Employee benefits expenses	17	53,02,655	43,57,19,161	1,03,27,266	78,27,29,308
	(ii) Finance costs	18	12,21,026	10,03,31,706	7,74,421	5,86,95,303
	(iii) Depreciation and amortisation expenses		59,853	49,18,121	59,362	44,99,194
	(iv) Operating and other expenses	19	58,78,455	48,23,75,287	1,09,90,798	83,30,20,060
	Total expenses		1,24,53,989	1,02,33,44,275	2,21,51,847	1,67,89,43,865
v	Profit / (loss) before taxes (iii - iv)		(4,19,914)	(3,45,04,332)	(73,35,948)	(55,60,09,839)
vi	Tax expenses					
	(i) Current tax expense/(benefit)		-	-	90,407	68,52,173
	(ii) Deferred tax expense/(benefit)		-	-	49,05,574	37,18,05,717
	Net tax expenses		-	-	49,95,981	37,86,57,890
vii	Profit / (loss) for the year (v-vi)		(4,19,914)	(3,45,04,332)	(1,23,31,929)	(93,46,67,729)

*Exchange rate as at 31 March 2023 1 USD = 82.17 INR (31 March 2022 1 USD = INR 75.79)

SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
MUMBAI

1 Property, plant and equipment

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Gross block:				
Plant and machinery	29,228	24,01,665	29,228	22,15,263
Computers	3,27,905	2,69,43,954	3,22,540	2,44,46,113
Office equipment	36,435	29,93,864	36,435	27,61,500
(a)	3,93,568	3,23,39,483	3,88,203	2,94,22,876
Accumulated depreciation:				
Plant and machinery	8,752	7,19,152	5,099	3,86,466
Computers	3,03,572	2,49,44,511	2,73,211	2,07,07,345
Office equipment	22,944	18,85,308	20,417	15,47,455
(b)	3,35,268	2,75,48,971	2,98,727	2,26,41,266
Net block (a) - (b)	58,300	47,90,512	89,476	67,81,610

2 Investments in subsidiaries

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Investments in subsidiaries	3,74,000	3,07,31,580	3,31,039	2,50,90,273
Total	3,74,000	3,07,31,580	3,31,039	2,50,90,273

3 Non-current assets - financial assets - loans

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Inter company loans given	5,59,251	4,59,53,655	1,00,941	76,50,571
Total	5,59,251	4,59,53,655	1,00,941	76,50,571

4 Trade receivables

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Trade receivables	66,76,354	54,85,96,008	84,27,123	63,87,12,720
Due from holding company	(6,512)	(5,35,091)	6,512	4,93,561
Intercompany receivables	5,65,86,189	4,64,96,87,150	1,42,416	1,07,94,065
Provision for doubtful debts	(38,74,778)	(31,83,90,508)	(39,21,758)	(29,72,39,843)
Total	5,93,81,253	4,87,93,57,559	46,54,293	35,27,60,503

5 Cash and cash equivalents

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Balance with bank	33,94,106	27,88,93,690	19,25,412	14,59,31,789
Total	33,94,106	27,88,93,690	19,25,412	14,59,31,789

6 Current assets - other financial assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Security Deposit	29,071	23,88,764	29,071	22,03,364
Forward Premium	99,447	81,71,560	-	-
Interest Receivable	10,816	8,88,751	2,368	1,79,477
Total	1,39,334	1,14,49,075	31,439	23,82,841

7 Current assets - other assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Advances to Vendors / Suppliers	45,785	37,62,153	-	-
Advances to employees	56,615	46,52,055	9,899	7,50,270
Prepaid expenses	1,69,097	1,38,94,700	10,935	8,28,791
Others	413	33,936	1,265	95,878
Total	2,71,910	2,23,42,844	22,099	16,74,939

8 Equity share capital

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Equity share capital	1,70,000	1,39,68,900	1,70,000	1,28,84,725
Total	1,70,000	1,39,68,900	1,70,000	1,28,84,725

9 Other Equity

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Surplus / (Deficit)				
Opening balance	(2,21,29,470)	(1,81,83,78,550)	(97,97,541)	(74,25,80,126)
Profit / (loss) for the year	(4,19,914)	(3,45,04,332)	(1,23,31,929)	(93,46,67,729)
Total	(2,25,49,384)	(1,85,28,82,882)	(2,21,29,470)	(1,67,72,47,855)

10 Non-current liabilities - provisions

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Retention liability	-	-	2,06,999	1,56,88,972
Total	-	-	2,06,999	1,56,88,972

11 Current liabilities - borrowings

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Loan from bank	1,64,39,116	1,35,08,82,162	1,60,48,845	1,21,63,82,085
Inter company loans taken	70,00,000	57,51,90,000	71,76,333	54,39,12,219
Total	2,34,39,116	1,92,59,92,162	2,32,25,178	1,76,02,94,304

12 Current liabilities - Trade payables

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Trade payable	10,84,582	8,91,20,103	36,23,447	27,46,30,107
Inter Company - Payables	6,05,52,110	4,97,55,66,879	-	-
Total	6,16,36,692	5,06,46,86,982	36,23,447	27,46,30,107

13 Current liabilities - other financial liabilities

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Interest accrued but not due	1,76,212	1,44,79,340	1,79,788	1,36,26,582
Total	1,76,212	1,44,79,340	1,79,788	1,36,26,582

14 Current liabilities - other current liabilities

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Deferred revenue and advance from customers	4,99,172	4,10,16,963	5,76,946	4,37,28,180
Other Employee dues	1,60,944	1,32,24,768	2,61,199	1,97,96,925
Statutory dues	3,09,175	2,54,04,910	2,75,196	2,08,57,793
Others	1,22,153	1,00,37,312	1,43,037	1,08,41,132
Total	10,91,444	8,96,83,953	12,56,378	9,52,24,030

15 Current liabilities - provisons

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Leave entitlement	4,73,755	3,89,28,448	8,07,408	6,11,95,471
Total	4,73,755	3,89,28,448	8,07,408	6,11,95,471

16 Other income

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Interest on loan to subsidiaries	19,951	16,39,374	3,939	2,98,547
Exchange Gain -Net	13,860	11,38,876	79,607	60,33,614
Total	33,811	27,78,250	83,546	63,32,161

17 Employee benefit expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Salaries, bonus and allowances	52,43,411	43,08,51,082	1,02,13,406	77,40,99,574
Staff welfare expenses	59,244	48,68,079	1,13,860	86,29,734
Total	53,02,655	43,57,19,161	1,03,27,266	78,27,29,308

18 Finance costs

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Interest expenses	4,24,400	3,48,72,948	4,19,194	3,17,71,761
Guarantee fees	7,96,626	6,54,58,758	3,55,227	2,69,23,542
Total	12,21,026	10,03,31,706	7,74,421	5,86,95,303

19 Operating and other expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Advertising and publicity	16,316	13,40,686	2,066	1,56,587
Auditors remuneration	23,604	19,39,541	10,519	7,97,261
Communication expenses	25,827	21,22,205	37,711	28,58,211
CSR expenses	-	-	1,220	92,467
Donations	-	-	355	26,906
Electricity	-	-	2,185	1,65,607
Entertainment expenses	5,383	4,35,748	2,299	1,74,247
IT consumables	5,26,470	4,32,60,040	1,36,132	1,03,17,785
Legal and professional fees	8,19,946	6,73,74,963	3,95,363	2,99,65,550
Miscellaneous expenses	28,121	23,10,701	21,459	16,26,434
Printing and stationery	6,707	5,51,114	8,547	6,47,798
Provision for doubtful debts	(46,980)	(38,60,347)	38,99,937	29,55,85,975
Rates and Taxes	-	-	751	56,920
Recruitment expenses	1,67,246	1,37,42,604	1,92,464	1,45,87,328
Relocation Expense	1,09,943	90,34,016	1,29,361	98,04,594
Rent	2,54,150	2,08,83,506	2,25,257	1,70,72,791
Repairs and Maintenance - Plant & Machinery	40,126	32,97,153	8,793	6,66,443
Repairs and Maintenance -Building	595	48,891	207	15,689
Seminars, trainings and conferences	600	49,302	995	75,414
Services rendered by agencies	38,09,082	31,29,92,268	55,98,659	42,43,36,362
Travelling and conveyance expenses	83,199	68,52,896	3,16,518	2,39,89,691
Total	58,70,455	48,23,75,287	1,09,90,798	83,30,20,060

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APPENDIX - 50

ACCOUNTANT'S REPORT ON COMPILATION OF UNAUDITED FINANCIAL STATEMENTS

To
The Board of Directors
Tata Communications Limited

On the basis of the trial balance and explanations provided to us by the management, we have compiled the balance sheet of **Tata Communications Transformation Services (US) Inc** ("the subsidiary") registered in Delaware, USA as at 31 March 2023 and the related statement of profit and loss for the year then ended, attached herewith.

We performed this compilation engagement in accordance with the Standard on Related Services 4410 (Revised), Compilation Engagements, issued by the Institute of Chartered Accountants of India.

We have applied our expertise in accounting and financial reporting to assist you in preparation of these financial information. We have complied with relevant ethical requirements.

The management of the subsidiary is responsible for:

a) These financial information and the accuracy and completeness of the information used to compile them.

b) Maintaining adequate accounting and other records and internal controls and selecting and applying appropriate accounting policies;

c) Preparation and presentation of financial statements in accordance with the applicable laws and regulations;

d) Establishing controls to safeguard the assets of the entity and preventing and detecting frauds or other irregularities;

e) Establishing controls for ensuring that the activities of the entity are carried out in accordance with the applicable laws and regulations and preventing and detecting any non-compliance.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information provided to us by management to compile the balance sheet and the related statement of profit and loss. Accordingly, we do not express an audit opinion or a review conclusion on whether the financial information are prepared in accordance with an accounting principal generally accepted in India.

Registered Office:
305/306, Technocrat Industrial Estate, Off Mahakali Caves Road,
Andheri (E), Mumbai - 400 093, India. T +91 (22) 6191 5665

This balance sheet and the related statement of profit and loss has been compiled by us only for the purpose of preparation of statement pursuant to Section 129(3) of the Companies Act, 2013, based on trial balance and explanations provided by the management. Accordingly these financial information may not suitable for other purposes.

FOR SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
Firm's Reg. No. 121750W /W100010

(Rahul Bhansali)
PARTNER
Membership No. 126549

Place Mumbai
Date: 19 April 2023

Tata Communications Transformation Services (US) Inc

BALANCE SHEET AS AT 31 MARCH 2023

	Particulars	Note No.	As at 31 March 2023		As at 31 March 2022	
			USD	INR*	USD	INR*
(A)	**ASSETS**					
(1)	**Current assets**					
	Financial assets					
	(i) Trade receivables	1	1,02,259	84,02,622	3,32,333	2,51,88,349
	(ii) Cash and cash equivalent	2	9,64,099	7,92,20,015	10,59,892	8,03,31,864
	(iii) Other financial assets	3	850	69,845	-	-
			10,67,208	8,76,92,482	13,92,225	10,55,20,213
	TOTAL ASSETS		10,67,208	8,76,92,482	13,92,225	10,55,20,213
(B)	**EQUITY AND LIABILITIES**					
(1)	**Equity**					
	Equity share capital	4	50,000	41,08,500	50,000	37,89,625
	Other equity	5	(70,463)	(57,89,944)	6,515	4,93,789
	Total Equity		(20,463)	(16,81,444)	56,515	42,83,414
(2)	**Current liabilities**					
	Financial liabilities					
	(i) Trade payables	6	9,38,052	7,70,79,733	12,02,361	9,11,29,945
	Other current liabilities	7	61,500	50,53,455	-	-
	Current tax liabilities (Net)		88,119	72,40,738	1,33,349	1,01,06,854
			10,87,671	8,93,73,926	13,35,710	10,12,36,799
	TOTAL EQUITY AND LIABILITIES		10,67,208	8,76,92,482	13,92,225	10,55,20,213

*Exchange rate as at 31 March 2023 1 USD = INR 82.17 (as at 31 March 2022 1 USD = INR 75.79)

SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
MUMBAI

Tata Communications Transformation Services (US) Inc

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2023

	Particulars	Note No.	Current year 2022-23		Previous year 2021-22	
			USD	INR*	USD	INR*
i	Revenue from operation		6,11,452	5,02,43,011	7,65,489	5,80,18,325
ii	Other Income	8	15	1,233	-	-
iii	**Total Income (i + ii)**		6,11,467	5,02,44,244	7,65,489	5,80,18,325
iv	**Expenses:**					
	Employee benefits expenses	9	-	-	(26,813)	(20,32,225)
	Operating and other expenses	10	6,43,228	5,28,54,045	6,30,644	4,77,98,086
	Total expenses		6,43,228	5,28,54,045	6,03,831	4,57,65,861
v	**Profit / (loss) before taxes (iii - iv)**		(31,761)	(26,09,801)	1,61,658	1,22,52,464
vi	**Tax expenses**					
	(i) Current tax expense/(benefit)		45,217	37,15,481	21,000	15,91,643
	(ii) Deferred tax expense/(benefit)			-	1,51,085	1,14,51,110
	Net tax expenses		45,217	37,15,481	1,72,085	1,30,42,753
vii	**Profit / (loss) for the year (v-vi)**		(76,978)	(63,25,282)	(10,427)	(7,90,289)

*Exchange rate as at 31 March 2023 1 USD = INR 82.17 (as at 31 March 2022 1 USD = INR 75.79)

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

Tata Communications Transformation Services (US) Inc

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1 Trade receivables

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Trade receivables	1,02,680	84,37,216	3,52,139	2,66,89,495
Provision for doubtful debts	(421)	(34,594)	(19,806)	(15,01,146)
Total	1,02,259	84,02,622	3,32,333	2,51,88,349

2 Cash and cash equivalents

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Balance with bank	9,64,099	7,92,20,015	10,59,892	8,03,31,864
Total	9,64,099	7,92,20,015	10,59,892	8,03,31,864

3 Current assets - other financial assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Security Deposit	850	69,845	-	-
Total	850	69,845	-	-

4 Equity share capital

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Equity share capital	50,000	41,08,500	50,000	37,89,625
Total	50,000	41,08,500	50,000	37,89,625

5 Other Equity

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Surplus / (Deficit)				
Opening balance	6,515	5,35,338	16,942	12,84,077
Profit / (loss) for the year	(76,978)	(63,25,282)	(10,427)	(7,90,288)
Total	(70,463)	(57,89,944)	6,515	4,93,789

6 Current liabilities - Trade payables

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Trade payable	44,533	36,59,277	1,39,754	1,05,92,304
Inter Company - Payables/(Receivables)	8,93,519	7,34,20,456	10,62,607	8,05,37,641
Total	9,38,052	7,70,79,733	12,02,361	9,11,29,945

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

7 Current liabilities - other current liabilities

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Deferred revenue and advance from customers	61,500	50,53,455	-	-
Total	61,500	50,53,455	-	-

8 Other income

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Exchange (Gain)/Loss -Net	15	1,233	-	-
Total	15	1,233	-	-

9 Employee benefit expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Salaries, bonus and allowances	-	-	(864)	(65,485)
Staff welfare expenses	-	-	(25,949)	(19,66,740)
Total	-	-	(26,813)	(20,32,225)

10 Operating and other expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	USD	INR	USD	INR
Advertising and publicity	-	-	16,384	12,41,784
Auditors remuneration	1,278	1,05,013	1,486	1,12,628
Communication expenses	-	-	524	39,715
Legal and professional fees	2,132	1,75,186	42,338	32,08,903
Miscellaneous expenses	4,341	3,56,700	6,098	4,62,183
Provision for doubtful debts	(19,385)	(15,92,865)	(10,729)	(8,13,178)
Rates and Taxes	185	15,201	185	14,022
Recruitment expenses	250	20,543	-	-
Services rendered by agencies	6,55,994	5,39,03,027	5,72,038	4,33,56,190
Travelling and conveyance expenses	(1,567)	(1,28,768)	2,320	1,75,839
Total	6,43,228	5,28,54,045	6,30,644	4,77,98,086

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APPENDIX - 51

ACCOUNTANT'S REPORT ON COMPILATION OF UNAUDITED FINANCIAL STATEMENTS

To
The Board of Directors
Tata Communications Limited

On the basis of the trial balance and explanations provided to us by the management, we have compiled the balance sheet of **TCTS Sénégal Limited** ("the subsidiary") registered in Senegal as at 31 March 2023 and the related statement of profit and loss for the year then ended, attached herewith.

We performed this compilation engagement in accordance with the Standard on Related Services 4410 (Revised), Compilation Engagements, issued by the Institute of Chartered Accountants of India.

We have applied our expertise in accounting and financial reporting to assist you in preparation of these financial information. We have complied with relevant ethical requirements.

The management of the subsidiary is responsible for:

a) These financial information and the accuracy and completeness of the information used to compile them.

b) Maintaining adequate accounting and other records and internal controls and selecting and applying appropriate accounting policies;

c) Preparation and presentation of financial statements in accordance with the applicable laws and regulations;

d) Establishing controls to safeguard the assets of the entity and preventing and detecting frauds or other irregularities;

e) Establishing controls for ensuring that the activities of the entity are carried out in accordance with the applicable laws and regulations and preventing and detecting any non-compliance.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information provided to us by management to compile the balance sheet and the related statement of profit and loss. Accordingly, we do not express an audit opinion or a review conclusion on whether the financial information are prepared in accordance with an accounting principal generally accepted in India.

Registered Office:
305-309, Tulsiani Chambers, Nariman Point, Mumbai 400 021, India. T +91 (22) 6691 5445

This balance sheet and the related statement of profit and loss has been compiled by us only for the purpose of preparation of statement pursuant to Section 129(3) of the Companies Act, 2013, based on trial balance and explanations provided by the management. Accordingly these financial information may not suitable for other purposes.

FOR SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
Firm's Reg. No. 121750W /W100010

(Rahul Bhansali)
PARTNER
Membership No. 126549

Place Mumbai
Date: 19 April 2023

TCTS Senegal Limited

BALANCE SHEET AS AT 31 March 2023

	Particulars	Note No.	As at 31 March 2023		As at 31 March 2022	
			XOF	INR*	XOF	INR*
(A)	**ASSETS**					
(1)	**Non-current assets**					
	Property, plant and equipment	1	27,10,187	3,69,019	50,45,537	6,49,815
	Other non-current assets	2	5,44,225	74,102	-	-
			32,54,412	4,43,121	50,45,537	6,49,815
(2)	**Current assets**					
	(i) Cash and cash equivalent	3	4,33,98,635	59,09,158	3,43,09,120	44,18,672
	(ii) Other financial assets	4	1,19,970	16,335	-	-
	Other current assets	5	2,54,69,535	34,67,932	1,93,09,899	24,86,922
			6,89,88,140	93,93,425	5,36,19,019	69,05,594
	TOTAL ASSETS		7,22,42,552	98,36,546	5,86,64,556	75,55,409
(B)	**EQUITY AND LIABILITIES**					
(1)	**Equity**					
	Equity share capital	6	6,00,00,000	81,69,600	6,00,00,000	77,27,400
	Other equity	7	(1,22,17,41,810)	(16,63,52,365)	(78,40,48,424)	(10,09,77,595)
	Total Equity		(1,16,17,41,810)	(15,81,82,765)	(72,40,48,424)	(9,32,50,195)
(2)	**Non-current liabilities**					
	Financial liabilities					
	(i) Borrowings	8	33,75,07,899	4,59,55,076	5,66,67,023	72,98,146
			33,75,07,899	4,59,55,076	5,66,67,023	72,98,146
(3)	**Current liabilities**					
	Financial liabilities					
	(i) Borrowings	9	-	-	27,36,549	3,52,440
	(ii) Trade payables	10	87,41,66,769	11,90,26,546	70,82,27,764	9,12,12,654
	(iii) Other financial liabilities	11	65,27,692	8,88,811	16,80,863	2,16,478
	Other current liabilities	12	1,17,15,627	15,95,200	1,00,45,321	12,93,737
	Provisions	13	14,22,414	1,93,676	33,10,190	4,26,319
	Current tax liabilities (Net)		26,43,961	3,60,002	45,270	5,830
			89,64,76,463	12,20,64,235	72,60,45,957	9,35,07,458
	TOTAL EQUITY AND LIABILITIES		7,22,42,552	98,36,546	5,86,64,556	75,55,409

*Exchange rate as at 31 March 2023 1 XOF = INR 0.14 (31 March 2022 XOF = INR 0.13)

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

TCTS Senegal Limited

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 March 2023

	Particulars	Note No.	Current year 2022-23		Previous year 2021-22	
			XOF	INR*	XOF	INR*
i	Revenue from operations		-	-	-	-
ii	Other income		51,26,103	6,97,970	-	-
iii	**Total income (i + ii)**		51,26,103	6,97,970	-	-
iv	**Expenses:**					
	Employee benefits expenses	15	10,76,86,108	1,46,62,540	37,14,57,544	4,78,40,018
	Finance costs	16	1,25,97,060	17,15,216	22,82,109	2,93,913
	Depreciation and amortisation expenses		23,35,350	3,17,981	19,60,513	2,52,494
	Operating and other expenses	17	32,02,00,971	4,35,98,565	36,41,73,597	4,69,01,915
	Total expenses		44,28,19,489	6,02,94,302	73,98,73,763	9,52,88,340
v	**Profit / (loss) before taxes (iii - iv)**		(43,76,93,386)	(5,95,96,332)	(73,98,73,763)	(9,52,88,340)
vi	**Tax expenses**					
	(i) Current tax expense/(benefit)		-	-	-	-
	(ii) Deferred tax expense/(benefit)		-	-	-	-
	Net tax expenses		-	-	-	-
vii	**Profit / (loss) for the year (v-vi)**		(43,76,93,386)	(5,95,96,332)	(73,98,73,763)	(9,52,88,340)

*Exchange rate as at 31 March 2023 1 XOF = INR 0.14 (31 March 2022 XOF = INR 0.13)

1 **Property, plant and equipment**

Particulars	As at 31 March 2023		As at 31 March 2022	
	XOF	INR	XOF	INR
Gross block:				
Computers	70,06,050	9,53,944	70,06,050	9,02,309
(a)	70,06,050	9,53,944	70,06,050	9,02,309
Accumulated depreciation:				
Computers	(42,95,863)	(5,84,925)	19,60,513	2,52,494
(b)	(42,95,863)	(5,84,925)	19,60,513	2,52,494
Net block (a) - (b)	27,10,187	3,69,019	50,45,537	6,49,815

2 **Non-current assets - others**

Particulars	As at 31 March 2023		As at 31 March 2022	
	XOF	INR	XOF	INR
Prepaid expenses	5,44,225	74,102	-	-
Total	5,44,225	74,102	-	-

3 **Cash and cash equivalents**

Particulars	As at 31 March 2023		As at 31 March 2022	
	XOF	INR	XOF	INR
Balance with bank	4,33,98,635	59,09,158	3,43,09,120	44,18,672
Total	4,33,98,635	59,09,158	3,43,09,120	44,18,672

4 **Current assets - other financial assets**

Particulars	As at 31 March 2022		As at 31 March 2022	
	XOF	INR	XOF	INR
Others	1,19,970	16,335	-	-
Total	1,19,970	16,335	-	-

5 **Current assets - other assets**

Particulars	As at 31 March 2023		As at 31 March 2022	
	XOF	INR	XOF	INR
Advances to employees	1,43,60,283	19,55,296	1,64,57,689	21,19,586
Indirect tax receivable	1,11,09,252	15,12,636	28,52,210	3,67,336
Total	2,54,69,535	34,67,932	1,93,09,899	24,86,922

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

6 Equity share capital

Particulars	As at 31 March 2023		As at 31 March 2022	
	XOF	INR	XOF	INR
Equity share capital	6,00,00,000	81,69,600	6,00,00,000	77,27,400
Total	6,00,00,000	81,69,600	6,00,00,000	77,27,400

7 Other Equity

Particulars	As at 31 March 2023		As at 31 March 2022	
	XOF	INR	XOF	INR
Surplus / (Deficit)				
Opening balance	(78,40,48,424)	(10,67,56,033)	(4,41,74,661)	(56,89,255)
Profit / (loss) for the year	(43,76,93,386)	(5,95,96,332)	(73,98,73,763)	(9,52,88,340)
Total	(1,22,17,41,810)	(16,63,52,365)	(78,40,48,424)	(10,09,77,595)

8 Non-current liabilities - borrowings

Particulars	As at 31 March 2023		As at 31 March 2022	
	XOF	INR	XOF	INR
Unsecured borrowings - Inter company loans taken	33,75,07,899	4,59,55,076	5,66,67,023	72,98,146
Total	33,75,07,899	4,59,55,076	5,66,67,023	72,98,146

9 Current liabilities - borrowings

Particulars	As at 31 March 2023		As at 31 March 2022	
	XOF	INR	XOF	INR
Inter company loans taken	-	-	27,36,549	3,52,440
Total	-	-	27,36,549	3,52,440

10 Current liabilities - Trade payables

Particulars	As at 31 March 2023		As at 31 March 2022	
	XOF	INR	XOF	INR
Trade payable	18,66,51,912	2,54,14,523	34,72,43,177	4,47,21,449
Inter Company - Payables/(Receivables)	68,75,14,857	9,36,12,023	36,09,84,587	4,64,91,205
Total	87,41,66,769	11,90,26,546	70,82,27,764	9,12,12,654

11 Current liabilities - other financial liabilities

Particulars	As at 31 March 2023		As at 31 March 2022	
	XOF	INR	XOF	INR
Interest accrued but not due	65,27,692	8,88,811	13,93,634	1,79,486
Total	65,27,692	8,88,811	16,80,863	2,16,478

12 Current liabilities - other current liabilities

Particulars	As at 31 March 2023		As at 31 March 2022	
	XOF	INR	XOF	INR
Other Employee dues	(89,20,724)	(12,14,646)	70,91,894	9,13,365
Other Statutory dues	-	-	29,53,427	3,80,372
Others	2,06,36,351	28,09,846		
Total	1,17,15,627	15,95,200	1,00,45,321	12,93,737

13 Current liabilities - provisons

Particulars	As at 31 March 2023		As at 31 March 2022	
	XOF	INR	XOF	INR
Leave entitlement	14,22,414	1,93,676	33,10,190	4,26,319
Total	14,22,414	1,93,676	33,10,190	4,26,319

14 Other income

Particulars	As at 31 March 2022		As at 31 March 2022	
	XOF	INR	XOF	INR
Exchange Gain/(Loss) -Net	51,26,103	6,97,970	-	-
Total	51,26,103	6,97,970	-	-

15 Employee benefit expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	XOF	INR	XOF	INR
Salaries, bonus and allowances	10,60,58,461	1,44,40,920	36,43,75,212	4,69,27,884
Staff welfare expenses	16,27,647	2,21,620	70,82,332	9,12,134
Total	10,76,86,108	1,46,62,540	37,14,57,544	4,78,40,018

16 Finance costs

Particulars	Current year 2022-23		Previous year 2021-22	
	XOF	INR	XOF	INR
Interest expenses	1,25,97,060	17,15,216	22,82,109	2,93,913
Total	1,25,97,060	17,15,216	22,82,109	2,93,913

17 Operating and other expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	XOF	INR	XOF	INR
Auditors remuneration	55,38,674	7,54,146	28,60,434	3,68,395
Communication expenses	5,26,18,735	71,64,567	2,41,72,104	31,13,125
Exchange (Gain)/Loss -Net	-	-	2,96,19,602	38,14,709
Insurance expenses	16,38,655	2,23,119	19,28,360	2,48,353
Legal and professional fees	13,77,25,059	1,87,52,644	1,12,03,366	14,42,882
Miscellaneous expenses	40,23,930	5,47,899	11,95,171	1,53,923
Printing and stationery	-	-	10,22,599	1,31,701
Recruitment expenses	(2,50,807)	(34,150)	36,34,776	4,68,123
Relocation Expense	-	-	1,27,34,804	16,40,115
Rent	(20,75,780)	(2,82,638)	18,86,619	2,42,978
Repairs and Maintenance - Plant & Machinery	55,73,562	7,58,896	2,77,16,850	35,69,653
Services rendered by agencies	6,76,80,520	92,04,487	16,05,44,784	2,06,76,563
Travelling and conveyance expenses	4,78,08,423	65,09,595	8,56,54,128	1,10,31,395
Total	32,02,00,971	4,35,98,565	36,41,73,597	4,69,01,915

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APPENDIX - 52

ACCOUNTANT'S REPORT ON COMPILATION OF UNAUDITED FINANCIAL STATEMENTS

To
The Board of Directors
Tata Communications Limited

On the basis of the trial balance and explanations provided to us by the management, we have compiled the balance sheet of **Oasis Smart SIM Europe SAS** ("the subsidiary") registered in France as at 31 March 2023 and the related statement of profit and loss for the year then ended, attached herewith.

We performed this compilation engagement in accordance with the Standard on Related Services 4410 (Revised), Compilation Engagements, issued by the Institute of Chartered Accountants of India.

We have applied our expertise in accounting and financial reporting to assist you in preparation of these financial information. We have complied with relevant ethical requirements.

The management of the subsidiary is responsible for:

a) These financial information and the accuracy and completeness of the information used to compile them.

b) Maintaining adequate accounting and other records and internal controls and selecting and applying appropriate accounting policies;

c) Preparation and presentation of financial statements in accordance with the applicable laws and regulations;

d) Establishing controls to safeguard the assets of the entity and preventing and detecting frauds or other irregularities;

e) Establishing controls for ensuring that the activities of the entity are carried out in accordance with the applicable laws and regulations and preventing and detecting any non-compliance.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information provided to us by management to compile the balance sheet and the related statement of profit and loss. Accordingly, we do not express an audit opinion or a review conclusion on whether the financial information are prepared in accordance with an accounting principal generally accepted in India.

Registered Office:
304-309, Technopolis Knowledge Park, Mahakali Caves Road,
Andheri (E), Mumbai - 400 093, India. T +91 (22) 6191 5500

This balance sheet and the related statement of profit and loss has been compiled by us only for the purpose of preparation of statement pursuant to Section 129(3) of the Companies Act, 2013, based on trial balance and explanations provided by the management. Accordingly these financial information may not suitable for other purposes.

FOR SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
Firm's Reg. No. 121750W /W100010

(Rahul Bhansali)
PARTNER
Membership No. 126549

Place Mumbai
Date: 19 April 2023

OASIS Smart SIM Europe SAS

BALANCE SHEET AS AT 31 March 2023

	Particulars	Note No.	As at 31 March 2023		As at 31 March 2022	
			EURO	INR*	EURO	INR*
(A)	**ASSETS**					
(1)	**Non-current assets**					
	Property, plant and equipment	1	79,184	70,80,031	55,209	46,45,749
	Right of use assets		89,537	80,05,718	2,25,840	1,90,04,075
	Other intangible assets	2	13,36,889	11,95,34,454	14,74,245	12,40,55,358
	Intangible assets under development		44,16,657	39,49,03,902	27,03,245	22,74,73,742
	Investments in subsidiaries	3	641	57,313	641	53,939
	Financial assets					
	(i) Other financial assets	4	35,804	32,01,322	9,635	8,10,770
	Advance tax (net)		6,38,383	5,70,79,356	3,65,955	3,07,94,528
			65,97,095	58,98,62,896	48,34,770	40,68,38,161
(2)	**Current assets**					
	Financial assets					
	(i) Trade receivables	5	36,77,368	32,88,02,299	33,35,938	28,07,13,845
	(ii) Cash and cash equivalent	6	10,43,186	9,32,73,764	4,67,428	3,93,33,318
	Other current assets	7	5,01,237	4,48,16,803	2,75,482	2,31,81,370
			52,21,791	46,68,92,866	40,78,848	34,32,28,533
	TOTAL ASSETS		1,18,18,886	1,05,67,54,962	89,13,618	75,00,66,694
(B)	**EQUITY AND LIABILITIES**					
(1)	**Equity**					
	Equity share capital	8	3,64,900	3,26,26,585	3,64,900	3,07,05,751
	Other equity	9	57,11,597	51,06,87,596	45,36,056	38,17,01,857
	Total Equity		60,76,497	54,33,14,181	49,00,956	41,24,07,608
(2)	**Non-current liabilities**					
	Financial liabilities					
	(i) Borrowings	10	2,67,817	2,39,46,161	-	-
	(ia) Lease liabilities		22,086	19,74,762	39,143	32,93,821
	(ii) Other financial liabilities	11	2,58,250	2,30,90,752	5,00,000	4,20,74,200
			5,48,153	4,90,11,675	5,39,143	4,53,68,021
(3)	**Current liabilities**					
	Financial liabilities					
	(i) Borrowings	12	1,27,074	1,13,61,991	-	-
	(ia) Lease liabilities		69,633	62,26,054	1,82,486	1,53,55,905
	(ii) Trade payables	13	32,55,363	29,10,69,818	21,91,731	18,44,30,657
	(iii) Other financial liabilities	14	5,327	4,76,300	34,234	28,80,736
	Other current liabilities	15	15,00,263	13,41,42,115	9,17,100	7,71,72,497
	Provisions	16	2,36,576	2,11,52,828	1,47,968	1,24,51,270
			51,94,236	46,44,29,106	34,73,519	29,22,91,065
	TOTAL EQUITY AND LIABILITIES		1,18,18,886	1,05,67,54,962	89,13,618	75,00,66,694

*Exchange rate as at 31 March 2023 1 EURO = INR 89.41 (as at 31 March 2022 1 EURO = INR 84.15)

OASIS Smart SIM Europe SAS

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 March 2023

	Particulars	Note No.	Current year 2022-23		Previous year 2021-22	
			EURO	INR*	EURO	INR*
i	Revenue from operations		1,22,50,776	1,09,53,71,284	50,64,750	42,61,90,609
ii	Other income	17	369	32,993	76,110	64,04,535
iii	**Total income (i + ii)**		1,22,51,145	1,09,54,04,277	51,40,860	43,25,95,144
iv	**Expenses:**					
	Network and transmission expenses	18	62,05,959	55,48,89,688	12,92,093	10,87,27,559
	Employee benefits expenses	19	19,84,057	17,73,99,298	12,44,060	10,46,85,659
	Finance costs	20	3,469	3,10,172	3,510	2,95,361
	Depreciation and amortisation expenses		8,90,326	7,96,05,648	6,60,271	5,55,60,748
	Operating and other expenses	21	20,87,762	18,66,71,811	14,26,449	12,00,33,397
	Total expenses		1,11,71,567	99,88,76,617	46,26,383	38,93,02,724
v	**Profit / (loss) before taxes (iii - iv)**		10,79,578	9,65,27,660	5,14,477	4,32,92,420
vi	**Tax expenses**					
	(i) Current tax expense/(benefit)		(1,95,963)	(1,75,21,522)	(2,22,523)	(1,87,24,954)
	(ii) Deferred tax expense/(benefit)		-	-	-	-
	Net tax expenses		(1,95,963)	(1,75,21,522)	(2,22,523)	(1,87,24,954)
vii	**Profit / (loss) for the year (v-vi)**		12,75,541	11,40,49,182	7,37,000	6,20,17,374

*Exchange rate as at 31 March 2023 1 EURO = INR 89.41 (as at 31 March 2022 1 EURO = INR 84.15)

OASIS Smart SIM Europe SAS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1 Property, plant and equipment

Particulars	As at 31 March 2023		As at 31 March 2022	
	EURO	INR	EURO	INR
Gross block:				
Computers	1,58,012	1,41,28,232	1,09,377	92,03,900
Office equipment	24,808	22,18,143	24,107	20,28,565
(a)	1,82,820	1,63,46,375	1,33,484	1,12,32,465
Accumulated depreciation:				
Computers	89,978	80,45,149	68,784	57,88,064
Office equipment	13,658	12,21,195	9,491	7,98,652
(b)	1,03,636	92,66,344	78,275	65,86,716
Net block (a) - (b)	79,184	70,80,031	55,209	46,45,749

2 Other intangible assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	EURO	INR	EURO	INR
Gross block:				
Computer software	47,33,284	42,32,14,282	40,05,680	33,70,71,563
(a)	47,33,284	42,32,14,282	40,05,680	33,70,71,563
Accumulated amortisation:				
Computer software	33,96,395	30,36,79,828	25,31,435	21,30,16,205
(b)	33,96,395	30,36,79,828	25,31,435	21,30,16,205
Net block (a) - (b)	13,36,889	11,95,34,454	14,74,245	12,40,55,358

3 Investments in subsidiaries

Particulars	As at 31 March 2023		As at 31 March 2022	
	EURO	INR	EURO	INR
Investments in subsidiaries	641	57,313	641	53,939
Total	641	57,313	641	53,939

4 Non-current assets - financial assets - other financial assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	EURO	INR	EURO	INR
Vendor deposits	35,804	32,01,322	9,635	8,10,770
Total	35,804	32,01,322	9,635	8,10,770

5 Trade receivables

Particulars	As at 31 March 2023		As at 31 March 2022	
	EURO	INR	EURO	INR
Trade receivables	37,56,532	33,58,80,542	33,35,938	28,07,13,845
Provision for doubtful debts	(79,164)	(70,78,243)	-	-
Total	36,77,368	32,88,02,299	33,35,938	28,07,13,845

6 Cash and cash equivalents

Particulars	As at 31 March 2023		As at 31 March 2022	
	EURO	INR	EURO	INR
Balance with bank	10,43,186	9,32,73,764	4,67,428	3,93,33,318
Total	10,43,186	9,32,73,764	4,67,428	3,93,33,318

7 Current assets - other assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	EURO	INR	EURO	INR
Advances to employees	853	76,269	1,058	89,029
Prepaid expenses	64,789	57,92,940	45,357	38,16,719
Others	4,35,595	3,89,47,594	2,29,067	1,92,75,622
Total	5,01,237	4,48,16,803	2,75,482	2,31,81,370

8 Equity share capital

Particulars	As at 31 March 2023		As at 31 March 2022	
	EURO	INR	EURO	INR
Equity share capital	3,64,900	3,26,26,585	3,64,900	3,07,05,751
Total	3,64,900	3,26,26,585	3,64,900	3,07,05,751

9 Other Equity

Particulars	As at 31 March 2023		As at 31 March 2022	
	EURO	INR	EURO	INR
Surplus / (Deficit)				
Opening balance	17,58,270	15,72,11,141	11,21,270	9,43,53,076
Profit / (loss) for the year	12,75,541	11,40,49,182	7,37,000	6,20,17,374
Dividend	(1,00,000)	(89,41,240)	(1,00,000)	(84,14,840)
Closing balance	29,33,811	26,23,19,083	17,58,270	14,79,55,610
Share premium	27,77,786	24,83,68,513	27,77,786	23,37,46,247
Total	57,11,597	51,06,87,596	45,36,056	38,17,01,857

10 Non-current liabilities - borrowings

Particulars	As at 31 March 2023		As at 31 March 2022	
	EURO	INR	EURO	INR
Loan from banks	2,67,817	2,39,46,161	-	-
Total	2,67,817	2,39,46,161	-	-

11 Non-current liabilities - other financial liabilities

Particulars	As at 31 March 2023		As at 31 March 2022	
	EURO	INR	EURO	INR
Others	2,58,250	2,30,90,752	5,00,000	4,20,74,200
Total	2,58,250	2,30,90,752	5,00,000	4,20,74,200

12 Current liabilities - borrowings

Particulars	As at 31 March 2023		As at 31 March 2022	
	EURO	INR	EURO	INR
Current portion of long term loans	1,27,074	1,13,61,991	-	-
Total	1,27,074	1,13,61,991	-	-

13 Current liabilities - Trade payables

Particulars	As at 31 March 2023		As at 31 March 2022	
	EURO	INR	EURO	INR
Trade payable	32,55,363	29,10,69,818	21,91,731	18,44,30,657
Total	32,55,363	29,10,69,818	21,91,731	18,44,30,657

14 Current liabilities - other financial liabilities

Particulars	As at 31 March 2023		As at 31 March 2022	
	EURO	INR	EURO	INR
Others	5,327	4,76,300	34,234	28,80,736
Total	5,327	4,76,300	34,234	28,80,736

15 Current liabilities - other current liabilities

Particulars	As at 31 March 2023		As at 31 March 2022	
	EURO	INR	EURO	INR
Deferred revenue and advance from customers	2,01,422	1,80,09,624	2,87,010	2,41,51,432
Other Employee dues	12,69,767	11,35,32,915	5,88,847	4,95,50,533
Other Statutory dues	29,074	25,99,576	41,243	34,70,532
Total	15,00,263	13,41,42,115	9,17,100	7,71,72,497

16 Current liabilities - provisons

Particulars	As at 31 March 2023		As at 31 March 2022	
	EURO	INR	EURO	INR
Leave entitlement	2,36,576	2,11,52,828	1,47,968	1,24,51,270
Total	2,36,576	2,11,52,828	1,47,968	1,24,51,270

17 Other income

Particulars	Current year 2022-23		Previous year 2021-22	
	EURO	INR	EURO	INR
Interest income - others	369	32,993	-	-
Exchange Gain/(Loss) -Net	-	-	75,133	63,22,322
Miscellaneous income	-	-	977	82,213
Total	369	32,993	76,110	64,04,535

18 Network and transmission expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	EURO	INR	EURO	INR
Charges for use of transmission facilities	62,05,959	55,48,89,688	12,92,093	10,87,27,559
Total	62,05,959	55,48,89,688	12,92,093	10,87,27,559

19 Employee benefit expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	EURO	INR	EURO	INR
Salaries, bonus and allowances	19,84,057	17,73,99,298	12,44,060	10,46,85,659
Total	19,84,057	17,73,99,298	12,44,060	10,46,85,659

20 Finance costs

Particulars	Current year 2022-23		Previous year 2021-22	
	EURO	INR	EURO	INR
Interest expenses	3,469	3,10,172	3,510	2,95,361
Total	3,469	3,10,172	3,510	2,95,361

21 Operating and other expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	EURO	INR	EURO	INR
Advertising and publicity	1,25,924	1,12,59,167	1,07,408	90,38,211
Communication expenses	1,75,837	1,57,22,008	1,07,755	90,67,411
Entertainment expenses	32,793	29,32,101	12,438	10,46,638
Exchange (Gain)/Loss -Net	18,501	16,54,219	-	-
Insurance expenses	2,855	2,55,272	1,820	1,53,150
Legal and professional fees	8,55,310	7,64,75,320	5,49,849	4,62,68,914
Miscellaneous expenses	2,10,019	1,87,78,302	2,34,274	1,97,13,778
Provision for doubtful debts	79,164	70,78,243	-	-
Rates and Taxes	(1,852)	(1,65,592)	27,122	22,82,273
Recruitment expenses	14,863	13,28,937	-	-
Rent	4,15,676	3,71,66,589	3,54,458	2,98,27,074
Repairs and Maintenance - Plant & Machinery	38,025	33,99,907	-	-
Repairs and Maintenance -Building	2,262	2,02,251	-	-
Services rendered by agencies	2,500	2,23,531	353	29,704
Travelling and conveyance expenses	1,15,885	1,03,61,556	30,972	26,06,244
Total	20,87,762	18,66,71,811	14,26,449	12,00,33,397

Suresh Surana & Associates LLP
Chartered Accountants

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APPENDIX - 53

ACCOUNTANT'S REPORT ON COMPILATION OF UNAUDITED FINANCIAL STATEMENTS

To
The Board of Directors
Tata Communications Limited

On the basis of the trial balance and explanations provided to us by the management, we have compiled the balance sheet of **Oasis Smart Esim Pte Ltd** ("the subsidiary") registered in Singapore as at 31 March 2023 and the related statement of profit and loss for the year then ended, attached herewith.

We performed this compilation engagement in accordance with the Standard on Related Services 4410 (Revised), Compilation Engagements, issued by the Institute of Chartered Accountants of India.

We have applied our expertise in accounting and financial reporting to assist you in preparation of these financial information. We have complied with relevant ethical requirements.

The management of the subsidiary is responsible for:

a) These financial information and the accuracy and completeness of the information used to compile them.

b) Maintaining adequate accounting and other records and internal controls and selecting and applying appropriate accounting policies;

c) Preparation and presentation of financial statements in accordance with the applicable laws and regulations;

d) Establishing controls to safeguard the assets of the entity and preventing and detecting frauds or other irregularities;

e) Establishing controls for ensuring that the activities of the entity are carried out in accordance with the applicable laws and regulations and preventing and detecting any non-compliance.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information provided to us by management to compile the balance sheet and the related statement of profit and loss. Accordingly, we do not express an audit opinion or a review conclusion on whether the financial information are prepared in accordance with an accounting principal generally accepted in India.

Registered Office:

This balance sheet and the related statement of profit and loss has been compiled by us only for the purpose of preparation of statement pursuant to Section 129(3) of the Companies Act, 2013, based on trial balance and explanations provided by the management. Accordingly these financial information may not suitable for other purposes.

FOR SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
Firm's Reg. No. 121750W /W100010

(Rahul Bhansali)
PARTNER
Membership No. 126549

Place Mumbai
Date: 19 April 2023

Oasis Smart Esim Pte Ltd

BALANCE SHEET AS AT 31 March 2023

	Particulars	Note No.	As at 31 March 2023		As at 31 March 2022	
			SGD	INR*	SGD	INR*
(A)	**ASSETS**					
(1)	**Non-current assets**					
	Property, plant and equipment	1	21,353	1,319,131	21,062	1,178,981
	Right of use assets		97,434	6,019,210	15,413	862,769
	Intangible assets under development		35,298	2,180,615	-	-
	Financial assets					
	(i) Other financial assets	2	12,800	790,750	10,800	604,548
			166,885	10,309,706	47,275	2,646,298
(2)	**Current assets**					
	Financial assets					
	(i) Trade receivables	3	448,107	27,682,845	377,153	21,111,780
	(ii) Cash and cash equivalent	4	37,266	2,302,193	8,901	498,249
	Other current assets	5	19,076	1,178,464	18,698	1,046,652
			504,449	31,163,502	404,752	22,656,681
	TOTAL ASSETS		671,334	41,473,208	452,027	25,302,979
(B)	**EQUITY AND LIABILITIES**					
(1)	**Equity**					
	Equity share capital	6	1,000	61,777	1,000	55,977
	Other equity	7	194,484	12,014,698	205,395	11,497,334
	Total Equity		195,484	12,076,475	206,395	11,553,311
(2)	**Non-current liabilities**					
	Financial liabilities					
	(i) Lease liabilities		99,122	6,123,491	16,129	902,848
			99,122	6,123,491	16,129	902,848
(3)	**Current liabilities**					
	Financial liabilities					
	(i) Trade payables	8	116,579	7,201,937	46,848	2,622,396
	Other current liabilities	9	256,163	15,825,061	174,000	9,739,946
	Current tax liabilities (Net)		3,986	246,244	8,655	484,478
			376,728	23,273,242	229,503	12,846,820
	TOTAL EQUITY AND LIABILITIES		671,334	41,473,208	452,027	25,302,979

*Exchange rate as at 31 March 2023 1 SGD = INR 61.78 (as at 31 March 2022 1 SGD = INR 55.98)

Oasis Smart Esim Pte Ltd

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 March 2023

	Particulars	Note No.	Current year 2022-23		Current year 2021-22	
			SGD	INR*	SGD	INR*
i	Revenue from operations		1,401,880	86,604,375	1,228,083	68,744,034
ii	Other income		-	-	-	-
iii	Total income (i + ii)		1,401,880	86,604,375	1,228,083	68,744,034
iv	Expenses:					
	(i) Employee benefits expenses	10	1,178,060	72,777,378	1,041,787	58,315,799
	(ii) Finance costs	11	4,247	262,368	2,471	138,318
	(iii) Depreciation and amortisation expenses		11,692	722,300	10,681	597,887
	(iv) Operating and other expenses	12	216,792	13,392,827	142,427	7,972,594
	Total expenses		1,410,791	87,154,873	1,197,366	67,024,598
v	Profit / (loss) before taxes (iii - iv)		(8,911)	(550,498)	30,717	1,719,436
vi	Tax expenses					
	(i) Current tax expense/(benefit)		2,000	123,555	4,000	223,907
	(ii) Deferred tax expense/(benefit)		-	-	-	-
	Net tax expenses		2,000	123,555	4,000	223,907
vii	Profit / (loss) for the year (v-vi)		(10,911)	(674,053)	26,717	1,495,529

*Exchange rate as at 31 March 2023 1 SGD = INR 61.78 (as at 31 March 2022 1 SGD = INR 55.98)

Oasis Smart Esim Pte Ltd

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1 Property, plant and equipment

Particulars	As at 31 March 2023		As at 31 March 2022	
	SGD	INR	SGD	INR
Furniture and fixtures	1,562	96,496	1,562	87,436
Computers	53,883	3,328,747	41,899	2,345,368
(a)	55,445	3,425,243	43,461	2,432,804
Accumulated depreciation:				
Furniture and fixtures	1,443	89,145	1,263	70,699
Computers	32,649	2,016,967	21,136	1,183,124
(b)	34,092	2,106,112	22,399	1,253,823
Net block (a) - (b)	21,353	1,319,131	21,062	1,178,981

2 Non-current assets - financial assets - other financial assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	SGD	INR	SGD	INR
Vendor deposits	12,800	790,750	10,800	604,548
Total	12,800	790,750	10,800	604,548

3 Trade receivables

Particulars	As at 31 March 2023		As at 31 March 2022	
	SGD	INR	SGD	INR
Trade receivables	448,107	27,682,845	377,153	21,111,780
Total	448,107	27,682,845	377,153	21,111,780

4 Cash and cash equivalents

Particulars	As at 31 March 2023		As at 31 March 2022	
	SGD	INR	SGD	INR
Balance with bank	37,266	2,302,193	8,901	498,249
Total	37,266	2,302,193	8,901	498,249

5 Current assets - other assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	SGD	INR	SGD	INR
Prepaid expenses	8,326	514,358	11,402	638,246
Indirect tax receivable	10,750	664,106	7,296	408,406
Total	19,076	1,178,464	18,698	1,046,652

6 Equity share capital

Particulars	As at 31 March 2023		As at 31 March 2022	
	SGD	INR	SGD	INR
Equity share capital	1,000	61,777	1,000	55,977
Total	1,000	61,777	1,000	55,977

7 Other Equity

Particulars	As at 31 March 2023		As at 31 March 2022	
	SGD	INR	SGD	INR
Surplus / (Deficit)				
Opening balance	205,395	12,688,751	178,678	10,001,805
Profit / (loss) for the year	(10,911)	(674,053)	26,717	1,495,529
Closing balance	194,484	12,014,698	205,395	11,497,334

8 Current liabilities - Trade payables

Particulars	As at 31 March 2023		As at 31 March 2022	
	SGD	INR	SGD	INR
Trade payable	116,579	7,201,937	46,848	2,622,396
Total	116,579	7,201,937	46,848	2,622,396

9 Current liabilities - other current liabilities

Particulars	As at 31 March 2023		As at 31 March 2022	
	SGD	INR	SGD	INR
Other Employee dues	256,163	15,825,061	174,000	9,739,946
Total	256,163	15,825,061	174,000	9,739,946

10 Employee benefit expenses

Particulars	Current year 2022-23		Current year 2021-22	
	SGD	INR	SGD	INR
Salaries, bonus and allowances	1,178,010	72,774,289	1,041,251	58,285,795
Staff welfare expenses	50	3,089	536	30,004
Total	1,178,060	72,777,378	1,041,787	58,315,799

11 Finance costs

Particulars	Current year 2022-23		Current year 2021-22	
	SGD	INR	SGD	INR
Interest expenses	4,247	262,368	2,471	138,318
Total	4,247	262,368	2,471	138,318

12 Operating and Other expenses

Particulars	Current year 2022-23		Current year 2021-22	
	SGD	INR	SGD	INR
Advertising and publicity	-	-	1,132	63,366
Communication expenses	33,519	2,070,714	12,201	682,972
Electricity	751	46,395	1,962	109,826
Entertainment expenses	2,767	170,938	1,736	97,176
Exchange (Gain)/Loss -Net	2,117	130,783	9,531	533,514
Insurance expenses	20,241	1,250,435	20,097	1,124,964
IT consumables	450	27,800	-	-
Legal and professional fees	37,161	2,295,707	6,202	347,167
Miscellaneous expenses	11,342	700,680	11,654	652,352
Rent	69,525	4,295,064	66,794	3,738,908
Repairs and Maintenance - Plant & Machinery	1,480	91,430	3,900	218,309
Vehicle Expenses	-	-	121	6,773
Travelling and conveyance expenses	37,439	2,312,881	7,097	397,267
Total	216,792	13,392,827	142,427	7,972,594

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

Suresh Surana & Associates LLP
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APPENDIX - 54

ACCOUNTANT'S REPORT ON COMPILATION OF UNAUDITED FINANCIAL STATEMENTS

To
The Board of Directors
Tata Communications Limited

On the basis of the trial balance and explanations provided to us by the management, we have compiled the balance sheet of **United Telecom Limited** ("the associate") registered in Kathmandu as at 31 March 2023 and the related statement of profit and loss for the year then ended, attached herewith.

We performed this compilation engagement in accordance with the Standard on Related Services 4410 (Revised), Compilation Engagements, issued by the Institute of Chartered Accountants of India.

We have applied our expertise in accounting and financial reporting to assist you in preparation of these financial information. We have complied with relevant ethical requirements.

The management of the subsidiary is responsible for:

a) These financial information and the accuracy and completeness of the information used to compile them.

b) Maintaining adequate accounting and other records and internal controls and selecting and applying appropriate accounting policies;

c) Preparation and presentation of financial statements in accordance with the applicable laws and regulations;

d) Establishing controls to safeguard the assets of the entity and preventing and detecting frauds or other irregularities;

e) Establishing controls for ensuring that the activities of the entity are carried out in accordance with the applicable laws and regulations and preventing and detecting any non-compliance.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information provided to us by management to compile the balance sheet and the related statement of profit and loss. Accordingly, we do not express an audit opinion or a review conclusion on whether the financial information are prepared in accordance with an accounting principal generally accepted in India.

Registered Office
[illegible]

This balance sheet and the related statement of profit and loss has been compiled by us only for the purpose of preparation of statement pursuant to Section 129(3) of the Companies Act, 2013, based on trial balance and explanations provided by the management. Accordingly these financial information may not suitable for other purposes.

FOR SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
Firm's Reg. No. 121750W /W100010

(Rahul Bhansali)
PARTNER
Membership No. 126549

Place Mumbai
Date: 19 April 2023

UNITED TELECOM LIMITED

BALANCE SHEET AS AT 31 MARCH 2023

	Particulars	Note No.	As at 31 March 2023		As at 31 March 2022	
			NPR	INR*	NPR	INR*
(A)	**ASSETS**					
(1)	**Non-current assets**					
	Property, plant and equipment	1	56,950,304	35,594,510	56,950,304	35,593,940
	Capital work-in-progress		1,465,048	915,670	1,465,048	915,655
	Other intangible assets	2	668,191,764	417,626,534	768,744,349	480,465,218
			726,607,116	454,136,714	827,159,701	516,974,813
(2)	**Current assets**					
	Inventories		37,376,203	23,360,501	37,376,203	23,360,127
	Financial assets					
	(i) Trade receivables	3	70,767,570	44,230,438	70,767,570	44,229,731
	(ii) Cash and cash equivalent	4	298,032	186,273	298,032	186,270
	(iii) Other financial assets	5	223,755,153	139,849,208	223,755,153	139,846,971
			332,196,958	207,626,420	332,196,958	207,623,099
	TOTAL ASSETS		1,058,804,074	661,763,134	1,159,356,659	724,597,912
(B)	**EQUITY AND LIABILITIES**					
(1)	**Equity**					
	Equity share capital	6	4,602,006,533	2,876,300,103	4,602,006,533	2,876,254,083
	Other equity	7	(8,637,473,867)	(5,398,507,542)	(8,110,411,595)	(5,069,007,247)
	Total Equity		(4,035,467,334)	(2,522,207,439)	(3,508,405,062)	(2,192,753,164)
(2)	**Non-current liabilities**					
	Deferred tax liabilities (Net)		12,227,754	7,642,469	12,227,754	7,642,346
			12,227,754	7,642,469	12,227,754	7,642,346
(3)	**Current liabilities**					
	Financial liabilities					
	(i) Trade payables	8	5,059,381,244	3,162,163,871	4,632,871,557	2,895,544,724
	Other current liabilities	9	22,662,410	14,164,233	22,662,410	14,164,006
			5,082,043,654	3,176,328,104	4,655,533,967	2,909,708,730
	TOTAL EQUITY AND LIABILITIES		1,058,804,074	661,763,134	1,159,356,659	724,597,912

*Exchange rate as at 31 March 2023 1 NPR = INR 0.625 (as at 31 March 2022 1 NPR = INR 0.625)

UNITED TELECOM LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2023

	Particulars	Note No.	Current year 2022-23		Previous year 2021-22	
			NPR	INR*	NPR	INR*
i	Revenue from operation		-	-	-	-
ii	Other Income		-	-	-	-
iii	**Total income (i + ii)**		-	-	-	-
iv	**Expenses:**					
	(i) Network and transmission expenses	10	**400,608,588**	**250,384,374**	390,943,943	244,339,964
	(ii) Employee benefits expenses	11	**10,411,407**	**6,507,233**	11,170,570	6,981,606
	(iii) Depreciation and amortisation expenses		**100,552,585**	**62,846,371**	96,106,757	60,066,723
	(iv) Operating and other expenses	12	15,489,692	9,681,213	20,511,694	12,819,810
	Total expenses		527,062,272	329,419,191	518,732,964	324,208,103
v	**Profit / (loss) before taxes (iii -iv)**		**(527,062,272)**	**(329,419,191)**	(518,732,964)	(324,208,103)
vi	**Tax expenses**					
	(i) Current tax expense/(benefit)		-	-	-	-
	(ii) Deferred tax expense/(benefit)		-	-	-	-
	Net tax expenses		-	-	-	-
vii	**Profit / (loss) for the year (v-vi)**		(527,062,272)	(329,419,191)	(518,732,964)	(324,208,103)

*Exchange rate as at 31 March 2023 1 NPR = INR 0.625 (as at 31 March 2022 1 NPR = INR 0.625)

UNITED TELECOM LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1 Property, plant and equipment

Particulars	As at 31 March 2023		As at 31 March 2022	
	NPR	INR	NPR	INR
Gross block:				
Land	9,406,115	5,878,916	9,406,115	5,878,822
Plant and machinery	1,787,755,174	1,117,364,861	1,787,755,174	1,117,346,984
Furniture and fixtures	38,847,311	24,279,958	38,847,311	24,279,569
Computers	28,284,425	17,678,048	28,284,425	17,677,766
Office equipment	42,330,380	26,456,911	42,330,380	26,456,487
Vehicles	18,140,866	11,338,223	18,140,866	11,338,041
(a)	1,924,764,271	1,202,996,917	1,924,764,271	1,202,977,669
Accumulated depreciation:				
Plant and machinery	1,750,371,410	1,093,999,635	1,750,371,410	1,093,982,131
Furniture and fixtures	38,103,880	23,815,306	38,103,880	23,814,925
Computers	27,955,082	17,472,206	27,955,082	17,471,926
Office equipment	36,894,372	23,059,351	36,894,372	23,058,983
Vehicles	14,489,223	9,055,909	14,489,223	9,055,764
(b)	1,867,813,967	1,167,402,408	1,867,813,967	1,167,383,729
Net block (a) - (b)	56,950,304	35,594,510	56,950,304	35,593,940

2 Other intangible assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	NPR	INR	NPR	INR
Gross block:				
License Fees	1,318,097,744	823,824,271	1,318,097,744	823,811,090
(a)	1,318,097,744	823,824,271	1,318,097,744	823,811,090
Accumulated amortisation:				
License Fees	649,905,980	406,197,737	549,353,395	343,345,872
(b)	649,905,980	406,197,737	549,353,395	343,345,872
Net block (a) - (b)	668,191,764	417,626,534	768,744,349	480,465,218

3 Trade receivables

Particulars	As at 31 March 2023		As at 31 March 2022	
	NPR	INR	NPR	INR
Trade receivables	558,136,347	348,840,797	558,136,347	348,835,217
Provision for doubtful debts	(487,368,777)	(304,610,359)	(487,368,777)	(304,605,486)
Total	70,767,570	44,230,438	70,767,570	44,229,731

4 Cash and cash equivalents

Particulars	As at 31 March 2023		As at 31 March 2022	
	NPR	INR	NPR	INR
Balance with bank	298,032	186,273	298,032	186,270
Total	298,032	186,273	298,032	186,270

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

5 Current assets - other financial assets

Particulars	As at 31 March 2023		As at 31 March 2022	
	NPR	INR	NPR	INR
Security Deposit	223,755,153	139,849,208	223,755,153	139,846,971
Total	223,755,153	139,849,208	223,755,153	139,846,971

6 Equity share capital

Particulars	As at 31 March 2023		As at 31 March 2022	
	NPR	INR	NPR	INR
Equity share capital	4,602,006,533	2,876,300,103	4,602,006,533	2,876,254,083
Total	4,602,006,533	2,876,300,103	4,602,006,533	2,876,254,083

7 Other Equity

Particulars	As at 31 March 2023		As at 31 March 2022	
	NPR	INR	NPR	INR
Surplus / (Deficit)				
Opening balance	(8,110,411,595)	(5,069,088,351)	(7,591,678,631)	(4,744,799,144)
Profit / (loss) for the year	(527,062,272)	(329,419,191)	(518,732,964)	(324,208,103)
Closing balance	(8,637,473,867)	(5,398,507,542)	(8,110,411,595)	(5,069,007,247)

8 Current liabilities - Trade payables

Particulars	As at 31 March 2023		As at 31 March 2022	
	NPR	INR	NPR	INR
Payable for capital and other supplies	5,059,381,244	3,162,163,871	4,632,871,557	2,895,544,724
Total	5,059,381,244	3,162,163,871	4,632,871,557	2,895,544,724

9 Current liabilities - other current liabilities

Particulars	As at 31 March 2023		As at 31 March 2022	
	NPR	INR	NPR	INR
Deferred revenue and advance from customers	22,662,410	14,164,233	22,662,410	14,164,006
Total	22,662,410	14,164,233	22,662,410	14,164,006

UNITED TELECOM LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

10 Network and transmission expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	NPR	INR	NPR	INR
Charges for use of transmission facilities	400,608,588	250,384,374	390,943,943	244,339,964
Total	400,608,588	250,384,374	390,943,943	244,339,964

11 Employee benefit expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	NPR	INR	NPR	INR
Salaries, bonus and allowances	10,411,407	6,507,233	11,170,570	6,981,606
Total	10,411,407	6,507,233	11,170,570	6,981,606

12 Operating and other expenses

Particulars	Current year 2022-23		Previous year 2021-22	
	NPR	INR	NPR	INR
Rent	15,489,692	9,681,213	15,489,691	9,681,058
Security charges	-	-	5,022,003	3,138,752
Total	15,489,692	9,681,213	20,511,694	12,819,810

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

B S R & Co. LLP
Chartered Accountants

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Independent Auditor's Report

To the Members of STT Global Data Centres India Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of STT Global Data Centres India Private Limited (the "Company") which comprise the balance sheet as at 31 March 2023, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and 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 financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the 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 Act 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 financial statements.

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's directors' report, but does not include the financial statements and auditor's report(s) 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 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 and Board of Directors' Responsibilities for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. 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, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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 SAs, we exercise professional judgment and maintain professional skepticism 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 Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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.

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 A. 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 purposes of our audit.

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

c. The balance sheet, the statement of profit and loss (including other comprehensive income), the 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 aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

e. On the basis of the written representations received from the directors as on 31 May 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.

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

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

a. The Company has disclosed the impact of pending litigations as at 31 March 2023 on its financial position in its financial statements - Refer Note 35 to the financial statements.

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

c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

d (i) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the Note 5 to the financial statements, 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 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 its knowledge and belief, other than as disclosed in the Note 16 and 21 to the financial statements, 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 directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The Company has neither declared nor paid any dividend during the year.

f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the Company is not a public company. Accordingly, the provisions of Section 197 of the Act are not applicable to the Company. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248W/W-100022

JACLYN DE SOUZA

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Date: 2023.05.31 19:29:12 +05'30'

Jaclyn Desouza

Partner

Membership No.: 124629

ICAI UDIN:23124629BGYTGM5750

Place: Paro

Date: 31 May 2023

Annexure A to the Independent Auditor's Report on the Financial Statements of STT Global Data Centres India Private Limited for the year ended 31 March 2023

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

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(i) (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 a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company, except for the following which are not held in the name of the Company:

Description of property	Gross carrying value	Held in the name of	Whether promoter, director or their relative or employee	Period held- indicate range, where appropriate	Reason for not being held in the name of the Company. Also indicate if in dispute
Building (Right-of-use assets)	24,857.46	Urvasi Infratech Private Limited	NA	From 28 March 2023	Agreement in progress
Land (Right-of-use assets)	25,360.20	Tata Communication Limited	Promoter	From 1 March 2023	Registration done on 22 May 2023

(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, 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) The Company is a service company, primarily rendering data centre services comprising of co-location and managed services. Accordingly, it does not hold any physical inventories. Accordingly, clause 3(ii)(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 been sanctioned working capital limits in

Annexure A to the Independent Auditor's Report on the Financial Statements of STT Global Data Centres India Private Limited for the year ended 31 March 2023 *(Continued)*

excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.

(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. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.

(iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security and therefore the relevant provisions of Sections 185 and 186 of the Companies Act, 2013 ("the Act") are not applicable to the Company. Accordingly, clause 3(iv) of the Order is not applicable.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the services provided by the Company. Accordingly, clause 3(vi) of the Order is not applicable.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Income-Tax, Duty of Customs or Cess or other statutory dues have been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Income-Tax or other statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues relating to Goods and Service Tax, Provident Fund, Income-Tax, Duty of Customs or Cess or other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute.

(viii) 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 surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(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 has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

(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 a wilful defaulter by any bank or financial institution or government or government authority.

(c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

Annexure A to the Independent Auditor's Report on the Financial Statements of STT Global Data Centres India Private Limited for the year ended 31 March 2023 *(Continued)*

(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 raised on short-term basis have been used for long-term purposes by the Company.

(e) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2023. Accordingly, clause 3(ix)(e) 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, joint ventures or associate companies (as defined under the Act).

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(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 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) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the 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) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) The Company is a private limited company and accordingly the requirements as stipulated by the provisions of Section 177 of the Act are not applicable to the Company. In our opinion and according to the information and explanations given to us and on the basis of our examination of records of the Company, transactions with the related parties are in compliance with Section 188 of the Act where applicable and details of such transactions have been disclosed in the 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 has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, 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 to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA 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) The Company is not part of any group (as per the provisions of the Core Investment Companies

Annexure A to the Independent Auditor's Report on the Financial Statements of STT Global Data Centres India Private Limited for the year ended 31 March 2023 *(Continued)*

(Reserve Bank) Directions, 2016 as amended). 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. Accordingly, clause 3(xviii) of the Order 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 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) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

(b) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any ongoing project. Accordingly, clause 3(xx)(b) of the Order is not applicable.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248W/W-100022

JACLYN DE SOUZA

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Jaclyn Desouza

Partner

Membership No.: 124629

ICAI UDIN:23124629BGYTGM5750

Place: Paro

Date: 31 May 2023

Annexure B to the Independent Auditor's Report on the financial statements of STT Global Data Centres India Private Limited for the year ended 31 March 2023

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

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

Opinion

We have audited the internal financial controls with reference to financial statements of STT Global Data Centres India Private Limited ("the Company") as of 31 March 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements 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").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in 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 Act.

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to

Annexure B to the Independent Auditor's Report on the financial statements of STT Global Data Centres India Private Limited for the year ended 31 March 2023 *(Continued)*

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 controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248W/W-100022

JACLYN DE SOUZA

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Jaclyn Desouza

Partner

Membership No.: 124629

ICAI UDIN:23124629BGYTGM5750

Place: Paro

Date: 31 May 2023

STT Global Data Centres India Private Limited

Balance Sheet

as at 31 March 2023

Currency in Indian Rupees

₹ in lakhs

		Note	As at 31 March 2023	As at 31 March 2022
A	**ASSETS**			
I	**Non-current assets**			
(a)	Property, plant and equipment	3	298,913.74	284,196.18
(b)	Capital work-in-progress	3	58,913.76	9,475.60
(c)	Right-of-use assets	3A	203,978.16	144,515.91
(d)	Other intangible assets	4	431.91	637.50
(e)	Financial assets			
	(i) Investments	12	3,216.55	2,925.00
	(ii) Other financial assets	5	6,910.47	5,911.81
(f)	Income tax assets (net)		-	6,929.71
(g)	Contract assets	7A	14,661.59	2,378.89
(h)	Other non-current assets	8A	24,841.39	4,926.42
	Total non-current assets		611,867.57	461,897.02
2	**Current assets**			
(a)	Financial assets			
	(i) Trade receivables	9	14,136.97	14,352.70
	(ii) Cash and cash equivalents	10	36,497.84	33,410.72
	(iii) Bank balances other than (ii) above	11	0.64	97.05
(b)	Income tax assets (net)		3,043.36	6,434.36
(c)	Contract assets	7B	367.32	48.61
(d)	Other current assets	8B	10,234.24	11,098.99
	Total current assets		64,280.37	65,442.43
	Total assets		676,147.94	527,339.45
B	**EQUITY AND LIABILITIES**			
I	**Equity**			
(a)	Equity share capital	13	1.40	1.33
(b)	Other equity	14	198,526.71	147,292.47
	Total equity		198,528.11	147,293.80
II	**Liabilities**			
1	**Non-current liabilities**			
(a)	Financial liabilities			
	(i) Borrowings	15A	194,740.47	173,614.05
	(ii) Lease liabilities	3A	176,015.77	126,003.08
	(iii) Other financial liabilities	16A	8,756.07	1,090.68
(b)	Provisions	17A	394.69	391.60
(c)	Deferred tax Liability (Net)	6	4,140.62	1,041.35
(d)	Contract liabilities	7A	1,698.33	1,610.96
(e)	Other non-current liabilities	18A	5,628.08	-
	Total non-current liabilities		391,374.03	303,751.72
2	**Current liabilities**			
(a)	Financial liabilities			
	(i) Borrowings	15B	18,873.58	17,073.58
	(ii) Lease liabilities	3A	6,838.23	5,835.81
	(iii) Trade payables	19		
	1. Dues of micro enterprises and small enterprises		209.72	98.73
	2. Dues of creditors other than micro enterprises and small enterprises		19,916.83	19,913.62
	(iv) Other financial liabilities	16B	29,224.54	24,549.76
(b)	Contract liabilities	7B	8,698.40	7,419.49
(c)	Other current liabilities	18B	2,450.95	1,376.08
(d)	Provisions	17B	33.55	26.86
	Total current liabilities		86,245.80	76,293.93
	Total equity and liabilities		676,147.94	527,339.45
	Significant accounting policies	2		
	The accompanying notes form an integral part of the financial statements	1 to 42		

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration no. 101248W/W-100022

JACLYN DE SOUZA
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Date: 2023.05.31 16:35:09 +05'30'

Jaclyn Desouza
Partner
Membership no. : 124629

Dated: 31 May 2023

For and on behalf of the Board of Directors
STT Global Data Centres India Private Limited

SUMIT MUKHIJA

Sumit Mukhija
Chief Executive Officer

BRUNO LOPEZ
Digitally signed by BRUNO LOPEZ
Date: 2023.05.31 16:22:28 +05'30'

Bruno Lopez
Director
DIN : 07554875

Kabir Ahmed Shakir
Digitally signed by Kabir Ahmed Shakir

Kabir Ahmed Shakir
Director
DIN : 03584898

Bimal Giriraj Khandelwal
Digitally signed by Bimal Giriraj Khandelwal

Bimal Khandelwal
Chief Financial officer

Dated: 31 May 2023

STT Global Data Centres India Private Limited

Statement of Profit and Loss

for the year ended 31 March 2023

Currency in Indian Rupees

		Note	For the year ended 31 March 2023	₹ in lakhs For the year ended 31 March 2022
I	Revenue from operations	20	182,344.71	145,475.34
II	Other income	21	3,396.49	2,451.80
III	**Total Income (I + II)**		185,741.20	147,927.14
IV	**EXPENSES:**			
	Operating and other expenses	22	83,508.26	69,411.36
	Employee benefits expense	23	15,559.52	12,260.17
	Finance costs	24	26,919.27	25,688.95
	Depreciation and amortisation expense	25	37,787.81	31,884.08
	Total Expenses		163,774.86	139,244.56
V	**Profit before exceptional items and tax (III-IV)**		21,966.34	8,682.58
VI	Exceptional Items		-	(11,922.97)
VII	**Profit before tax (V-VI)**		21,966.34	20,605.55
VIII	**Tax expense**	26		
(a)	Current tax		2,473.81	(400.41)
(b)	Deferred tax		3,092.03	5,636.75
			5,565.84	5,236.34
IX	**Profit after tax for the year (VII - VIII)**		16,400.50	15,369.21
X	**Other comprehensive income/(loss)**			
	Items that will not be subsequently reclassified to profit or loss			
	(i) Remeasurements of the defined employee benefit plan		28.81	(7.33)
	(ii) Income tax relating to items that will not be subsequently reclassified to statement of profit and loss		(7.25)	1.84
	Other comprehensive income/(loss) for the year, net of tax		21.56	(5.49)
XI	**Total comprehensive income/(loss) for the year, net of tax (IX + X)**		16,422.06	15,363.72
	Earnings per share			
	Basic and diluted (of ₹ 10 each)	28	120,529.87	124,115.40
	Significant accounting policies	2		
	The accompanying notes form an integral part of the financial statements	1 to 42		

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration no: 101248W/W-100022

JACLYN DE SOUZA
Digitally signed by JACLYN DE SOUZA
Date: 2023.05.31 19:33:43 +05'30'

Jaclyn Desouza
Partner
Membership no. 124629

Dated: 31 May 2023

For and on behalf of the Board of Directors
STT Global Data Centres India Private Limited

SUMIT MUKHIJA

Sumit Mukhija
Chief Executive Officer

BRUNO LOPEZ
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Date: 2023.05.31 10:22:45 +05'30'

Bruno Lopez
Director
DIN : 07554875

Kabir Ahmed Shakir
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Date: 2023.05.31 17:02:29 +05'30'

Kabir Ahmed Shakir
Director
DIN : 03584898

Bimal Giriraj Khandelwal

Bimal Khandelwal
Chief Financial officer

Dated: 31 May 2023

STT Global Data Centres India Private Limited

Statement of Changes in Equity

for the year ended 31 March 2023

Currency in Indian Rupees

A Equity share capital

₹ in lakhs

	Note	No.of Shares	Amount
Balance as at 1 April 2021		**11,600**	**1.16**
Changes in equity share capital due to prior period errors		-	-
Restated balance as at 1 April 2021		**11,600**	**1.16**
Changes in equity share capital during the year	*13*	1,700	**0.17**
Balance as at 31 March 2022		**13,300**	**1.33**
Balance as at 1 April 2022		**13,300**	**1.33**
Changes in equity share capital due to prior period errors		-	-
Restated balance as at 1 April 2022		**13,300**	**1.33**
Changes in equity share capital during the year	*13*	700	**0.07**
Balance as at 31 March 2023		**14,000**	**1.40**

B Changes in other equity

₹ in lakhs

Particulars	Note	Reserve and surplus			Other comprehensive income	Total other equity
		Securities premium	General reserve	Retained earnings	Remeasurement of defined benefit plan	
Balance as at 1 April 2021	*14*	**45,640.38**	**8,750.00**	**12,381.32**	**(69.79)**	**66,701.91**
Profit for the year		-	-	15,369 21	-	15,369 21
Right issue of equity shares		65,226 84	-	-	-	65,226 84
Remeasurements of the defined benefit plans		-	-	-	(7 33)	(7 33)
Tax impact on above		-	-	-	1 84	1 84
Balance as at 31 March 2022		**110,867.22**	**8,750.00**	**27,750.53**	**(75.28)**	**147,292.47**
Balance as at 1 April 2022		**110,867.22**	**8,750.00**	**27,750.53**	**(75.28)**	**147,292.47**
Profit for the year		-	-	16,400 50	-	16,400 50
Right issue of equity shares		34,812 18	-	-	-	34,812 18
Remeasurements of the defined benefit plans		-	-	-	28 81	28 81
Tax impact on above		-	-	-	(7 25)	(7 25)
Balance as at 31 March 2023		**145,679.40**	**8,750.00**	**44,151.03**	**(53.72)**	**198,526.71**

Nature and purpose of reserves

(a) Securities premium
Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of section 52 of the Companies Act. 2013.

(b) General reserve
The general reserve is a free reserve which is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to statement of profit and loss.

(c) Retained earnings
This reserve represents undistributed accumulated earnings of the Company as on the balance sheet date.

The accompanying notes form an integral part of the financial statements *1 to 42*

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration no: 101248W W-100022

JACLYN DE SOUZA Digitally signed by JACLYN DE SOUZA Date: 2023.05.31 09:35:52 +05'30'

Jaclyn Desouza
Partner
Membership no. : 124629

Dated: 31 May 2023

For and on behalf of the Board of Directors
STT Global Data Centres India Private Limited

SUMIT MUKHIJA

Sumit Mukhija
Chief Executive Officer

BRUNO LOPEZ Digitally signed by BRUNO LOPEZ Date: 2023.05.31 16:25:12 +05'30'

Bruno Lopez
Director
DIN : 07554875

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Kabir Ahmed Shakir
Director
DIN : 03584898

Bimal Giriraj Khandelwal Digitally signed by Bimal Giriraj Khandelwal Date: 2023.05.31 16:26:34 +05'30'

Bimal Khandelwal
Chief Financial officer

Dated: 31 May 2023

STT Global Data Centres India Private Limited

Cash Flow Statement

for the year ended 31 March 2023

Currency in Indian Rupees

₹ in lakhs

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before tax	**21,966.34**	20,605 55
Adjustments for:		
Depreciation and amortisation expense	**37,787.81**	31,884 08
Gain on disposal of property, plant and equipment and intangibles (net)	**(1,046.04)**	(1,305 42)
Finance costs	**26,919.27**	25,688 95
Exceptional items	**-**	(11,922 97)
Unwinding of discount on security deposits	**(81.64)**	(70 37)
Impairment loss recognised (reversed) under expected credit loss model	**(1,059.40)**	605 80
Interest on fixed deposits	**(1,780.56)**	(978 38)
Operating profit before working capital changes	**82,705.78**	64,507 24
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Trade receivables	**201.40**	(1,977 07)
Other financial assets	**(328.54)**	(114 57)
Contract assets	**(12,601.42)**	5,520 83
Other assets	**(4,567.21)**	(5,992 44)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	**114.20**	(5,933 65)
Other financial liabilities	**5,461.26**	3,254 86
Contract liabilities	**1,366.29**	3,404 60
Employee benefit obligations	**38.60**	(603 15)
Other liabilities	**6,284.53**	(18 32)
Cash generated from operations	**78,674.89**	62,048 33
Income tax paid (net of refunds)	**7,846.90**	744 49
Net Cash flow generated from operating activities (A)	**86,521.79**	62,792 82
CASH FLOW FROM INVESTING ACTIVITIES:		
Payments for purchase of property, plant and equipment and intangibles	**(109,865.95)**	(108,359 84)
Proceeds from disposal of property, plant and equipment and intangibles	**1,257.39**	1,720 63
Purchase of non-current investments	**(291.55)**	(975 00)
Decrease in earmarked funds	**96.41**	5,954 37
Interest received on fixed deposits	**1,737.87**	929 64
Net Cash flow (used in) investing activities (B)	**(107,065.83)**	(100,730 20)
CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from long term borrowings (net of arrangement fees)	**40,000.00**	29,000 00
Proceeds from short term borrowings	**46.93**	-
Repayment of long term borrowings	**(17,178.00)**	(14,838 00)
Repayment of short term borrowings	**(46.93)**	-
Proceeds from issue of equity shares (Refer note 13)	**34,812.25**	65,227 01
Repayment of lease liabilities	**(6,517.73)**	(5,217 16)
Finance cost paid towards lease liabilities	**(10,494.00)**	(10,585 67)
Finance cost paid	**(16,991.36)**	(14,716 72)
Net Cash flow generated from financing activities (C)	**23,631.16**	48,869 46
Net Increase in Cash and Cash Equivalents (A)+(B)+(C)	**3,087.12**	10,932 08
Cash and Cash Equivalents at the beginning of the year	**33,410.72**	22,478 64
Cash and Cash Equivalents at the end of the year (Refer note 10 Cash and cash equivalents)	**36,497.84**	33,410 72

Note: Figures in brackets represent outflows

Reconciliation of movement of liabilities to cash flows arising from financing activity

Particulars	Rupee loan from banks	Lease liabilities	Equity share capital (Incl Sec. Premium)	Interest accrued but not due
Balance as at 1 April 2022	190,687 63	131,838 89	110,868 55	432 90
Cash flow movement (Refer above)	22,822 00	(17 011 73)	34,812 25	(16,991 36)
Expenses as per Statement of Profit and Loss (Refer note 24)	-	10,993 81	-	15,898 53
Non cash/other adjustments:				
Amortisation of arrangment fees	104 42	-	-	(104 42)
Lease liabilities recognised during the year	-	56,836 33	-	-
Finance cost capitalised	-	196 70	-	1,322 18
Balance as at 31 March 2023	**213,614.05**	**182,854.00**	**145,680.80**	**557.83**

The accompanying notes form an integral part of the financial statements *1 to 42*

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration no 101248W W-100022

JACLYN DE SOUZA

Jaclyn Desouza
Partner
Membership no 124629

Dated 31 May 2023

For and on behalf of the Board of Directors
STT Global Data Centres India Private Limited

SUMIT MUKHIJA

Sumit Mukhija
Chief Executive Officer

BRUNO LOPEZ Digitally signed by BRUNO LOPEZ Date: 2023.05.31 16:23:19 +05'30'

Bruno Lopez
Director
DIN : 07554875

Kabir Ahmed Shakir Digitally signed by Kabir Ahmed Shakir Date: 2023.05.31 17:01:45 +05'30'

Kabir Ahmed Shakir
Director
DIN : 03584898

Bimal Giriraj Khandelwal Digitally signed by Bimal Giriraj Khandelwal Date: 2023.05.31 15:11:43 +05'30'

Bimal Khandelwal
Chief Financial officer

Dated 31 May 2023

STT Global Data Centres India Private Limited

Notes forming part of the financial statements

for the year ended 31 March 2023

Currency in Indian Rupees in lakhs

1. Corporate information

STT Global Data Centres India Private Limited (formerly known as Tata Communications Data Centers Private Limited) ("the Company") was incorporated in India on 13 December 2007. The Company was originally incorporated with the name S & A Internet Services Private Limited which was changed to Tata Communications Data Centers Private Limited on 27 February 2014 and then to STT Global Data Centres India Private Limited on 11 April 2017 (vide SRN G39621719). The Company is engaged in the business of providing Data center service which include colocation, managed hosting, infrastructure and related services.

The Company is domiciled in India and its registered office is at 5th Floor, Tower B, Plot No. C21 & C36, 'G' Block, Bandra Kurla Complex Mumbai – 400098.Corporate identification number: U74999MH2007PTC176737.

The Company is a subsidiary of STT India DC Pte. Ltd.

2. Significant accounting policies

a. Statement of compliance

These financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Companies Act 2013, read with Companies (Indian Accounting Standards) Rules as amended from time to time.

b. Basis of preparation of financial statements

The financial statements have been prepared on a historical cost basis, except for certain financial assets, liabilities and defined benefit plans measured at fair value or amortised cost (Refer note 2(s) below). Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The financial statements are presented in Indian Rupees ("₹") and all values are rounded to the nearest lakh (00,000), except when otherwise indicated.

The Statement of Cash Flows have been prepared under indirect method, whereby profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expense associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value to be cash equivalents.

c. Current and non-current classification

All assets and liabilities are classified into current and non-current.

Assets

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

- it is expected to be realized in, or is intended for sale or consumption in the Company's normal operating cycle;

2. Significant accounting policies *(Continued)*

c. Current and non-current classification (Continued)

Assets *(Continued)*

- it is held primarily for the purpose of being traded;
- it is expected to be realized within twelve months after the Balance Sheet date; or
- it is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the Balance Sheet date.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

Liabilities

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 twelve months after the Balance Sheet date; or
- the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the Balance Sheet date. Terms of a liability that could, at the option of the counter party, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out above which are in accordance with the Schedule III to the Act.

Based on the nature of services and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current – non-current classification of assets and liabilities.

d. Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

2. Significant accounting policies *(Continued)*

d. Significant accounting judgements, estimates and assumptions (Continued)

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Further information about the assumptions made in measuring fair values is included in note 30 – Financial instruments.

Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Defined benefit plans

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

2. Significant accounting policies *(Continued)*

d. Significant accounting judgements, estimates and assumptions (Continued)

Useful life of property, plant and equipment and intangible assets

The Company reviews the useful life of assets at the end of each reporting period. This reassessment may result in change in depreciation and amortisation expense in future periods.

Impairment of property, plant and equipment

The Company estimates the value-in-use of the cash generating unit (CGU) based on the future cash flows after considering current economic conditions and trends, estimated future operating results and growth rate and anticipated future economic and regulatory conditions. The estimated cash flows are developed using internal forecasts. The discount rate used for the CGU's represent the weighted average cost of capital based on the historical market returns of comparable companies.

Provisions and contingent liabilities

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by 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 or a reliable estimate of the amount cannot be made. Contingent liabilities are disclosed in the notes. Contingent assets are not recognised in the financial statements.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. Provisions and contingent liabilities are reviewed at each Balance Sheet date.

Income taxes

Significant judgments are involved in determining the provision for income taxes, including the amount expected to be paid or recovered in connection with uncertain tax positions.

Deferred tax: Deferred tax assets are recognized only to the extent it is considered probable that those assets will be recoverable. This involves an assessment of when those deferred tax assets are likely to reverse, and a judgement as to whether or not there will be sufficient taxable profits available to offset the tax assets when they do reverse. This requires assumptions regarding future profitability and is therefore inherently uncertain. To the extent assumptions regarding future profitability change, there can be an increase or decrease in the level of deferred tax assets recognized that can result in a charge or credit in the period in which the change occurs.

2. Significant accounting policies *(Continued)*

d. Significant accounting judgements, estimates and assumptions (Continued)

Leases

Determination of lease term

Ind AS 116 Leases requires lessee to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the option is reasonably certain to be exercised. The Company makes assessment on the expected lease term on lease by lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of lease and the importance of the underlying asset to the Company's operations taking into account the location of the underlying asset and the availability of the suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

Discount rate

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

e. Cash and cash equivalents

Cash comprises cash on hand. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

f. Property, plant and equipment

i. Property, plant and equipment are stated at cost of acquisition or construction, less accumulated depreciation/ amortisation and impairment loss, if any. Cost includes inward freight, duties, taxes and all incidental expenses incurred for making the asset ready for its intended use.

   Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

ii. Capital work-in-progress includes cost of property, plant and equipment under installation/ under development as at the Balance Sheet date are carried at cost, comprising direct cost, directly attributable cost including capitalised borrowing cost.

The depreciable amount for property, plant and equipment is the cost of the property, plant and equipment or other amount substituted for cost, less its estimated residual value (wherever applicable). Depreciation on property, plant and equipment has been provided on the straight-line method as per the estimated useful lives. The asset's residual values, estimated useful lives and methods of depreciation are reviewed at each financial year end and any change in estimate is accounted for on a prospective basis.

Asset retirement obligation is capitalised when it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. Asset retirement is measured based on the present value of expected cost to settle the obligation.

2. Significant accounting policies *(Continued)*

f. Property, plant and equipment (Continued)

iii. Estimated useful lives of the assets are as follows:

Property, plant and equipment	Estimated useful lives w.e.f 1 April 2018	Note reference below
Plant and machinery		
- Network equipment and components	3 to 8 years	Note 3
- **Electrical equipment and installations**		Note 1
- Power Cables, power distribution boards, chillers and other electrical installation	15 years	Note 2
- DG Set and transformers	20 years	Note 2
- LT and HT Panels	18 years	Note 2
- HVAC and low side work	12 years	Note 2
- Batteries	5 years	Note 2
- UPS,PAC and Cannopy	10 years	Note 1
- Other plant and machinery	15 years	Note 1
Office equipment - Integrated building management systems	15 years	Note 2
Leasehold improvements	Asset life or lease period whichever is less	Note 1
Building		
- RCC structure	60 years	Note 1
- Temporary structures	3 years	Note 1
Furniture and fixtures	10 years	Note 1
Office equipment	5 years	Note 1
Computers		
- End user devices like laptops and desktop	3 years	Note 1
- Server and network	6 years	Note 1

1. On the above categories of assets, the depreciation has been provided as per useful life prescribed in Schedule II to the Companies Act, 2013.

2. The Company conducted a review of useful life of all its Property, Plant and Equipment. Based on technical advice, there was no change in expected useful life of the assets.

3. In these cases, the lives of the assets are other than the prescribed lives in Schedule II to the Companies Act, 2013. The lives of the assets have been assessed based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support etc.

iv. Property, plant and equipment are derecognised from financial statement, either on disposal or when retired from active use. Losses arising in the case of retirement of property, plant and equipment and gains or losses arising from disposal of property, plant and equipment are recognised in the Statement of Profit and Loss in the year of occurrence.

2. Significant accounting policies *(Continued)*

g. Intangible assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of the asset can be measured reliably.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each financial period. Changes in the expected useful life are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Estimated useful lives of intangible assets are as follows:

Software	3 to 6 years

An intangible asset is de-recognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

h. Impairment of non- financial asset

The carrying values of assets / cash generating units ("CGU") at each Balance Sheet date are reviewed for impairment, if any indication of impairment exists. The following intangible assets are tested for impairment at the end of each financial year even if there is no indication that the asset is impaired:

i. an intangible asset that is not yet available for use; and

ii. an intangible asset with indefinite useful lives.

If the carrying amount of the assets exceed the estimated recoverable amount, impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at a revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and the value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

2. Significant accounting policies *(Continued)*

h. Impairment of non- financial asset (Continued)

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such reversal is not recognised.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for the Company as a CGU. These budgets and forecast calculations generally cover a significant period. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the significant period.

i. Leases

The Company assesses whether a contract is or contains a lease at the inception of a contract as per the requirement of Ind AS 116. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether (i) the contract involves the use of an identified asset: (ii) the Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use and (iii) the Company has right to direct the use of the asset..

As a lessee

The Company recognizes a right-of-use assets and a lease liability at the lease commencement date. The right-of-use assets is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any 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 site on which it is located, less any lease incentives received.

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Certain lease arrangements include the option to extend or terminate the lease before the end of the contract end date. The right-of-use assets and lease liabilities include these options when it is reasonably certain that the option will be exercised.

2. Significant accounting policies *(Continued)*

i. Leases (Continued)

As a lessee *(Continued)*

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

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole.

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 at the commencement date;
- 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 subsequently measured at amortised cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in Company's assessment of whether it will exercise a purchase, extension or termination option. The Company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use assets and statement of profit and loss depending upon the nature of modification.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use assets or is recorded in profit or loss if the carrying amount of the right-of-use assets has been reduced to zero.

Lease liability is further bifurcated into current and non-current portion: and the right-of-use assets have been separately presented in the Balance Sheet and lease payments have been classified as financing activities in the Statement of Cash Flow.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of less than or equal to 12 months with no purchase option and assets with low value leases. The Company recognizes the lease payments associated with these leases as an expense in the Statement of Profit and Loss over the lease term. The related cash flows are classified as operating activities in the Statement of Cash Flow.

2. Significant accounting policies *(Continued)*

i. Leases (Continued)

As a lessor

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vests with the lessor are classified as operating leases.

Leases are classified as finance leases when substantially all of the risks and rewards incidental to ownership of an asset are transferred from the Company to the lessee. As a part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

Lease rental income and one time charges from operating leases where the Company is lessor is recognised as income on a straight line basis over the term of the lease. The initial direct costs relating to operating leases are recorded as expenses as they are incurred.

j. Employee benefits

Employee benefits include contribution to provident fund, gratuity fund, compensated absences and performance incentives.

i. Short term employment benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the period when the employees render the service. These benefits include compensated absences such as paid annual leave and performance incentives payable within 12 months.

ii. Share based payment transactions

The Company would apply Ind AS 102 on "Share based payments" issued by the Institute of Chartered Accountants of India ('ICAI') to account for costs related to the employee stock options. The fair value of the amount payable to employees in respect stock options, which are settled in cash, is recognized as an expense with a corresponding increase in liabilities, over the period during which the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of the stock options. Any changes in the liability are recognized in the Statement of Profit and Loss.

iii. Post-employment benefits

Contributions to defined contribution retirement benefit schemes are recognised as expenses when employees have rendered services entitling them to the contributions.

For defined benefit schemes, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each Balance Sheet date, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation.

2. Significant accounting policies *(Continued)*

j. Employee benefits (Continued)

iii. Post-employment benefits *(Continued)*

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling (if applicable), excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to the Statement of Profit and Loss in subsequent periods. Past service cost is recognised in the Statement of Profit and Loss in the period of plan amendment.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

The Company recognises changes in service costs comprising of current service costs, past-service costs, gains and losses on curtailments and non-routine settlements under employee benefit expenses in the Statement of Profit and Loss. The net interest expense or income is recognised as part of finance cost in the Statement of Profit and Loss.

The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, and as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the scheme.

iv. Other long-term employee benefits

The employees can carry forward a portion of the unutilised accrued compensated absence and utilise it in future service periods or receive cash compensation on termination of employment. Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the defined benefit obligations at the Balance Sheet date based on an actuarial valuation by an independent actuary using the Projected Unit Credit Method. The discount rates used for determining the present value of the obligations under the defined benefit plan are based on the market yields on government securities as at the Balance sheet date.

The Company's net obligation in respect of long term employee benefits other than pension plans is the amount of future benefit that employees have earned in return for their service in current and prior periods. That benefit is discounted to determine its present value. The discount rate is yield at reporting date on government bonds that have maturity dates approximating the terms of the Company's obligations. Any remeasurements are recognised as employee benefit expenses in profit or loss in the period in which they arise.

2. Significant accounting policies *(Continued)*

k. Revenue recognition

Income from operations consist of revenue from Data centre services comprising of co-location and managed services.

Revenue is recognized as per Ind AS 115 when a contract exists with the customer, measured based on the amount entitled to be received for the performance obligation and recognized when it satisfies its performance obligation (transfer of control) which may be either over time (service) or at a point in time (product). One time charges for set up activities are amortised over the contract period on a straight line basis.

The Company recognizes revenue from co-location services which consists of space, power, cooling, physical security, storage, networking and one time charges for set up activity. The Company also recognizes revenue from support services and managed services contracts.

As the services rendered by the Company (and the value derived by the customer) is continuous over the term of the contract, revenue from co-location services is recognised on a straight-line basis over the contract term. Revenue from support services and managed service contracts are recognised in the period in which the services are rendered.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers. Lease components of a contract, where applicable, are measured basis estimated sales price.

Direct costs solely related to obtaining revenue contracts are capitalised as costs of obtaining a contract when they are incremental and if they are expected to be recovered. Contract costs are amortised over the contract period on a straight-line basis.

The Company incurs commission cost that are solely incremental to obtaining contracts with customer that would not otherwise be incurred.

Contract assets represents effect of straight lining of revenue of customers and hence the Company does not have the unconditional right to consideration. It also includes penalties, if any, accrued which are accounted of as a reduction from the transaction price over the period of the contract. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required as per contractual terms. The Company recognises contract assets when there is an excess of revenue earned over billing on contract.

A contract liability is recognised when the Company has an unconditional right to a payment before it transfers goods or services to customers. The billing schedules agreed with customers include periodic performance based payments. Invoices are payable within contractually agreed credit period.

l. Other income

Other income comprises of interest income for all financial instruments measured at amortised cost. Interest income is recorded on accrual basis. Interest income is included in other income in the Statement of Profit and Loss.

2. Significant accounting policies *(Continued)*

m. Taxation

Current income tax

i. Current tax expense is determined in accordance with the provisions of the Income Tax Act, 1961.

ii. Provision for current income taxes and advance taxes paid in respect of the same jurisdiction are presented in the Balance Sheet after offsetting them on an assessment year basis.

Deferred tax

Deferred tax is provided using the Balance Sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Deferred tax relating to items recognised outside the Statement of Profit and Loss (either in other comprehensive income or in equity) is recognised outside the Statement of Profit and Loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

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

n. Fair value measurement

The Company measures financial instruments such as derivatives and certain investments, at fair value at each Balance Sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

2. Significant accounting policies *(Continued)*

n. Fair value measurement (Continued)

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

For assets and liabilities that are recognised in the Balance Sheet on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

o. Foreign currencies

The Company's financial statements are presented in ₹, which is also the Company's functional currency. Foreign currency transactions are converted into ₹ at rates of exchange approximating those prevailing at the transaction dates or at the average exchange rate for the month in which the transaction occurs. Foreign currency monetary assets and liabilities are outstanding as at the Balance Sheet date are translated to ₹ at the closing rates prevailing on the Balance Sheet date. Exchange differences on settlement of and restatement of foreign currency transactions are recognised in the Statement of Profit and Loss.

p. Borrowing costs

Borrowing costs include interest, amortisation of any fee paid to the lender at the time of availing the borrowing. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset up to the date when such asset is ready for its intended use are added to the cost of the assets. Where the funds used to finance a project, forms part of general borrowings, the amount capitalised is calculated using an applicable weighted average rate. Capitalisation of borrowing costs is suspended and charged to the Statement of

2. Significant accounting policies *(Continued)*

p. Borrowing costs (Continued)

Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

q. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted EPS is computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity and dilutive equity equivalent shares outstanding during the year, except where the results would be anti-dilutive.

r. Investment in equity instrument

Investment in equity instruments can either be classified as an investment in subsidiary, associate, joint venture or as a financial asset.

All investments in equity instruments are evaluated for determining whether it qualifies as an investment in subsidiary, associate, or joint venture.

Subsidiaries are entities controlled by the Company. The Company controls an entity when it is exposed to, or has rights to, variable return form its involvement with the entity and has the ability to affect those returns through its power over entity.

An associate is an entity in which the Company has significant influence, but not control or joint control, over the financial and operating policies.

A joint venture is an arrangement in which the Company has joint control and has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

s. Financial instruments

Non – derivative financial instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

A. Financial assets

i. Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

2. Significant accounting policies *(Continued)*

s. *Financial instruments (Continued)*

Non – derivative financial instruments *(Continued)*

A. Financial assets *(Continued)*

ii. Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows that give rise on specified dates to solely payments of principal and interest on the principal amount outstanding and by selling financial assets.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in investments fair value in OCI. This election is made on an investment-by-investment basis

iii. Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in Statement of Profit or Loss.

iv. Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's Balance Sheet) when:

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

The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at lower of the original carrying amount of the asset and maximum amount of consideration that the Company could be required to repay.

2. Significant accounting policies *(Continued)*

s. Financial instruments (Continued)

Non – derivative financial instruments *(Continued)*

A. Financial assets *(Continued)*

v. Impairment of financial assets

The Company assesses impairment based on expected credit losses (ECL) model to the following:

- Financial assets measured at amortised cost;
- Financial assets measured at Fair Value through other comprehensive income: (except for FVOCI – Equity instruments)

Expected credit losses are measured through a loss allowance at an amount equal to:

- the 12-month expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date)

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables

Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECL at reporting date.

The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default and is adjusted for forward looking estimates. At every reporting date, the historically observed rates are updated for changes, if any, in the forward-looking estimates.

For assessing expected credit loss on a collective basis, financial assets have been grouped on the basis of shared risk characteristics and basis of estimation may change during the course of time due to change in risk characteristics.

B. Financial liabilities

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

i. Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

I. Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost on accrual basis.

2. Significant accounting policies *(Continued)*

s. Financial instruments (Continued)

Non – derivative financial instruments *(Continued)*

B. Financial liabilities *(Continued)*

i. Subsequent measurement *(Continued)*

II. Derecognition

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 the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of Statement of Profit and Loss.

ii. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

t. Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 31 March 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from 1 April 2023, as below:

i. Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general-purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

ii. Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.

2. Significant accounting policies *(Continued)*

t. Recent accounting pronouncements (Continued)

iii. Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

Notes forming part of the financial statements *(Continued)*
for the year ended 31 March 2023

Currency in Indian Rupees

3 Property, plant and equipment and Capital work-in-progress

₹ in lakhs

Gross block	Freehold land	Leasehold improvements	Office buildings	Plant and machinery	Furniture and fixtures	Office equipment	Motor Vehicles	Computers	Total	Capital work-in-progress
At 1 April 2021	**7,994.69**	**25,344.99**	**24,916.49**	**199,242.17**	**6,787.83**	**28,361.80**	**-**	**1,193.83**	**293,841.80**	**41,768.43**
Additions	-	14,192.72	18,599.76	74,405.05	244.04	9,747.70	-	764.73	**117,954.60**	85,897.01
Disposals	-	-	-	(4,810.82)	(26.72)	(281.19)	-	(0.07)	**(5,118.80)**	-
Asset (written off) / write back	-	-	-	-	-	-	-	-	-	-
Adjustment/Capitalisation	-	-	-	-	-	6.25	-	(6.25)	-	(118,189.84)
At 31 March 2022	**7,994.69**	**39,537.71**	**43,516.25**	**268,836.40**	**7,005.75**	**37,834.56**	**-**	**1,952.24**	**406,677.60**	**9,475.60**
Additions	-	5,139.51	446.19	29,599.23	1,108.59	4,457.71	36.32	321.44	**41,408.99**	90,881.64
Disposals	-	(3.15)	-	(3,419.01)	(30.68)	(30.57)	-	-	**(3,483.41)**	-
Asset (written off) / write back	-	-	-	(103.40)	(4.72)	(2.89)	-	(0.07)	**(111.08)**	-
Adjustment/Capitalisation	-	-	-	-	-	-	-	-	-	(41,443.48)
At 31 March 2023	**7,994.69**	**44,674.07**	**43,962.44**	**294,913.22**	**8,378.94**	**42,258.81**	**36.32**	**2,273.61**	**444,492.10**	**58,913.76**
Accumulated depreciation										
At 1 April 2021	**-**	**6,145.36**	**666.58**	**83,377.90**	**3,433.29**	**11,725.62**	**-**	**410.03**	**105,758.78**	**-**
Depreciation	-	2,814.70	556.24	14,951.32	391.01	2,385.22	-	330.02	**21,428.51**	-
Disposals	-	-	-	(4,397.81)	(26.55)	(279.13)	-	(0.07)	**(4,703.59)**	-
Asset (written off) / write back	-	-	-	-	-	-	-	-	-	-
Adjustment/Capitalisation	-	-	-	-	-	0.33	-	(2.61)	**(2.28)**	-
At 31 March 2022	**-**	**8,960.06**	**1,222.82**	**93,931.38**	**3,797.75**	**13,832.04**	**-**	**737.37**	**122,481.42**	**-**
Depreciation	-	3,179.82	878.62	18,230.84	375.33	3,438.28	3.42	373.75	**26,480.06**	-
Disposals	-	(2.45)	-	(3,210.98)	(30.60)	(29.65)	-	-	**(3,273.68)**	-
Asset (written off) / write back	-	-	-	(101.90)	(4.60)	(2.89)	-	(0.07)	(109.46)	-
Adjustment/Capitalisation	-	-	-	0.02	-	-	-	-	0.02	-
At 31 March 2023	**-**	**12,137.43**	**2,101.44**	**108,849.36**	**4,137.88**	**17,237.78**	**3.42**	**1,111.05**	**145,578.36**	**-**
Net block										
At 31 March 2023	**7,994.69**	**32,536.64**	**41,861.00**	**186,063.86**	**4,241.06**	**25,021.03**	**32.90**	**1,162.56**	**298,913.74**	**58,913.76**
At 31 March 2022	7,994.69	30,577.65	42,293.43	174,905.02	3,208.00	24,002.52	-	1,214.87	284,196.18	9,475.60

a. Property, plant and equipment and Capital work-in-progress are subject to first charge to secure the loans availed from bank (Refer note 15)

b. The Company has capitalised borrowing costs during the year ended 31 March 2023 amounting to ₹ 1,322.18 lakhs (2022 ₹ 341.36 lakhs), interest on lease liabilities amounting to ₹ 196.70 lakhs (2022 : Nil) and depreciation on right-of-use assets amounting to ₹ 149.23 lakhs (2022 ₹ 109.00 lakhs) included in capital work-in-progress.

3. Property, plant and equipment and Capital work-in-progress *(Continued)*

CWIP ageing schedule

(₹ in lakhs)

	As at 31 March 2023				
	Amount in CWIP for a period of				Total
Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	54,499.81	4,327.88	86.07	-	58,913.76

(₹ in lakhs)

	As at 31 March 2022				
	Amount in CWIP for a period of				Total
Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	9,309.92	165.68	-	-	9,475.60

For capital-work-in progress, whose completion is overdue, CWIP completion schedule is as follows:

(₹ in lakhs)

	As at 31 March 2023				
	To be completed in				Total
Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	
C4-DEL01-00001-01	26,667.43	-	-	-	26,667.43

(₹ in lakhs)

	As at 31 March 2022				
	To be completed in				Total
Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	
C4-DEL01-00001-01	3,077.09	-	-	-	3,077.09

4. Other intangible assets

(₹ in lakhs)

	Software	Total
Cost		
Balance as at 1 April 2021	**997.08**	**997.08**
Additions	235.24	235.24
Balance as at 31 March 2022	**1,232.32**	**1,232.32**
Additions	34.49	34.49
Balance as at 31 March 2023	**1,266.81**	**1,266.81**
Accumulated amortization		
Balance as at 1 April 2021	**360.02**	**360.02**
Amortisation for the year	234.80	234.80
Balance as at 31 March 2022	**594.82**	**594.82**
Amortisation for the year	240.08	240.08
Balance as at 31 March 2023	**834.90**	**834.90**
Carrying amount		
Balance as at 31 March 2023	**431.91**	**431.91**
Balance as at 31 March 2022	637.50	637.50

4. Other intangible assets *(Continued)*

Intangible assets are subject to first charge to secure the loans availed from bank. Refer note 15.

The estimated amortisation for years subsequent to 31 March 2023 is as follows:

(₹ in lakhs)

Year ending 31 March,	Amortisation expense
2024	218.10
2025	112.68
2026	77.89
2027	19.32
2028	3.92
	431.91

5. Other financial assets

(₹ in lakhs)

	As at 31 March 2023	As at 31 March 2022
Considered good, unsecured – at amortised cost		
Non-current		
Security deposits		
- Receivable from related parties (Refer note 33)	**1,884.83**	1,789.17
- Others	**5,025.64**	2,496.52
Total (A)	**6,910.47**	4,285.69
Advance to supplier (Refer note 15) #	**-**	2,699.85
Less: Loss allowance (Refer note 31 (d)) #	**-**	(1,073.73)
Total (B)	**-**	1,626.12
Total (A+B)	**6,910.47**	5,911.81

Security deposit and Advance to supplier are subject to first charge to secure the loans availed from bank. Refer note 15.

In February 2023 Reliance Realty Limited (RRL) proposed for amicable settlement and offered to pay the entire amount of Rs. 2,699.85 lakhs. The Board of Directors of the Company, in their meeting held on 9 February 2023, approved the acceptance of the settlement offer. Accordingly, the legal proceedings and the refund was received from RRL on 15th February 2023. Consequently, the provision for Impairment loss has been reversed.

6. Deferred tax assets/(liabilities) (net)

Major components of deferred tax asset and liability consist of the following:

(₹ in lakhs)

	As at 1 April 2022	Recognised in Statement of Profit and Loss (net)	Recognised in other comprehensive income	As at 31 March 2023
Deferred tax assets arising out of timing differences on:				
Difference between accounting and tax depreciation amortisation	(8,100.83)	(3,396.86)	-	(11,497.69)
Provision for doubtful trade receivables and advances	480.61	(266.63)	-	213.98
Provision for leave encashment	72.78	7.70	-	80.48
Provision for gratuity	6.54	(4.06)	(7.25)	(4.77)
Provision for stamp duty	810.26	56.12	-	866.38
Expenditure disallowed u/s.40 (a) (ia)	774.94	57.90	-	832.84
Tax Losses*	250.42	(250.42)	-	-
Adjustment related to Ind AS 116	4,568.52	931.51	-	5,500.03
Others	38.66	(37.81)	-	0.85
Total deferred tax assets (A)	(1,098.10)	(2,902.55)	(7.25)	(4,007.90)
Deferred tax liability arising out of timing differences on:				
Adjustment related to Ind AS 115	(79.72)	189.20	-	109.48
Others	22.97	0.27	-	23.24
Total deferred tax liabilities (B)	(56.75)	189.47	-	132.72
Deferred tax assets/(liability) (net)	(1,041.35)	(3,092.02)	(7.25)	(4,140.62)

* The amount pertains to Deferred Tax on Unabsorbed Depreciation which can be carried forward indefinitely.

6. Deferred tax assets/liabilities (net) *(Continued)*

(₹ in lakhs)

	As at 1 April 2021	Recognised in Statement of Profit and Loss (net)	Recognised in other comprehensive income	As at 31 March 2022
Deferred tax assets arising out of timing differences on:				
Difference between accounting and tax depreciation / amortisation	(4,450.97)	(3,649.86)	-	(8,100.83)
Provision for doubtful trade receivables and advances	328.15	152.46	-	480.61
Provision for leave encashment	61.75	11.03	-	72.78
Provision for gratuity	46.98	(42.28)	1.84	6.54
Provision for stamp duty	680.22	130.04	-	810.26
Provision for license fee	3,156.21	(3,156.21)	-	-
Expenditure disallowed u/s.40 (a) (ia)	518.01	256.93	-	774.94
Tax Losses*	518.05	(267.63)	-	250.42
Adjustment related to Ind AS 116	3,681.95	886.57	-	4,568.52
Others	109.63	(70.97)	-	38.66
Total deferred tax assets (A)	4,649.98	(5,749.92)	1.84	(1,098.10)
Deferred tax liability arising out of timing differences on:				
Adjustment related to Ind AS 115	33.11	(112.83)	-	(79.72)
Others	23.31	(0.34)	-	22.97
Total deferred tax liabilities (B)	56.42	(113.17)	-	(56.75)
Deferred tax assets/(liability) (net)	4,593.56	(5,636.75)	1.84	(1,041.35)

*The amount pertains to Deferred Tax on Unabsorbed Depreciation which can be carried forward indefinitely.

7. Contract assets and contract liabilities

(₹ in lakhs)

		As at 31 March 2023	As at 31 March 2022
A	**Non-current**		
	Contract assets	**14,661.59**	2,378.89
	Loss allowance	**-**	-
	Total contract assets	**14,661.59**	2,378.89
	Total contract liabilities	**1,698.33**	1,610.96
B	**Current**		
	Contract assets	**367.32**	48.61
	Loss allowance	**-**	-
	Total contract assets	**367.32**	48.61
	Total contract liabilities	**8,698.40**	7,419.49

7. Contract assets and contract liabilities *(Continued)*

Contract assets are subject to first charge to secure the loans availed from bank. Refer note 15.

Movement of contract assets and contract liabilities:

The following table reflects the movement of contract assets and contract liabilities:

(₹ in lakhs)

		As at 31 March 2023	As at 31 March 2022
A	**Changes in contract assets:**		
	Balance at the beginning of the year	**2,427.50**	7,948.32
	Contract assets recognized, net of reclassification to Receivables	**12,601.41**	(5,520.82)
	Balance at the end of the year	**15,028.91**	2,427.50

		As at 31 March 2023	As at 31 March 2022
B	**Changes in contract liability:**		
	Balance at the beginning of the year	**9,030.45**	5,625.85
	Revenue recognized from prior year balance	**(7,419.49)**	(3,774.50)
	Cash received in advance and not recognized as revenue	**8,785.77**	7,179.10
	Balance at the end of the year	**10,396.73**	9,030.45

8. Other assets

(₹ in lakhs)

		As at 31 March 2023	As at 31 March 2022
	Unsecured, considered good		
A	**Non-current (Refer note 15)**		
a.	Capital advances	**18,306.19**	3,865.89
b.	Prepaid expenses	**445.29**	513.86
c.	Asset recognised from cost to obtain contracts (#)	**344.61**	431.41
d.	Indirect taxes recoverable (Refer note 35 (iii))	**5,630.04**	-
e.	Balance with government authorities	**115.26**	115.26
	Total (A)	**24,841.39**	4,926.42
B	**Current (Refer note 15)**		
a.	Prepaid expenses	**794.63**	627.05
b.	Indirect taxes recoverable	**8,776.90**	9,907.54
c.	Advance to contractors and vendors	**0.04**	0.13
d.	Interest receivable	**124.11**	81.42
e.	Asset recognised from cost to obtain contracts (#)	**89.04**	105.73
f.	Others	**449.52**	377.12
	Total (B)	**10,234.24**	11,098.99
	Total (A) + (B)	**35,075.63**	16,025.41

8. Other assets *(Continued)*

(#) On adoption of Ind AS 115, the Company recognised an asset in relation to cost incurred to obtain contracts. The asset is amortised on a straight line basis over the contract period. Applying the practical expedient in paragraph 94 of Ind AS 115, the Company recognises the incremental costs of obtaining contracts as an expense when incurred if the amortisation period of the assets that the Company otherwise would have recognised is one year or less.

There was no impairment loss in relation to the costs capitalised.

(₹ in lakhs)

	As at 31 March 2023	As at 31 March 2022
Changes in contract cost:		
Balance at the beginning of the year	**537.14**	118.97
Contract cost deferred during the year	**7.83**	494.79
Amortization of contract cost	**(111.32)**	(76.62)
Balance at the end of year	**433.65**	537.14

9. Trade Receivables

(₹ in lakhs)

	As at 31 March 2023							
	Outstanding for following periods from due date of payment							
Particulars	**Unbilled**	**Not Due**	**Less than 6 months**	**6 months-1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) Undisputed Trade Receivables- considered good	6,398.37	7,387.47	312.68	38.45	-	-	-	14,136.97
(ii) Undisputed Trade Receivables- which have significant increase in credit risk	-	-	28.27	36.94	14.64	6.27	9.67	95.79
(iii) Undisputed Trade Receivables- credit impaired	-	0.21	-	-	1.59	3.33	342.80	347.93
(iv) Disputed Trade Receivables-considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables-Credit impaired	-	-	0.14	50.84	6.30	28.20	321.02	406.50
Total	**6,398.37**	**7,387.68**	**341.09**	**126.23**	**22.53**	**37.80**	**673.49**	**14,987.19**
Less: Loss Allowance								(850.22)
Grand Total								**14,136.97**

9. Trade Receivables *(Continued)*

(₹ in lakhs)

Particulars	As at 31 March 2022							
	Outstanding for following periods from due date of payment							
	Unbilled	Not Due	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade Receivables- Considered good	5,822.71	7,390.84	1,139.15	-	-	-	-	14,352.70
(ii) Undisputed Trade Receivables- Significant increase in credit risk	-	-	11.74	68.15	2.48	1.09	12.33	95.79
(iii) Undisputed Trade Receivables- Credit impaired	-	-	-	-	28.70	2.31	349.80	380.81
(iv) Disputed Trade Receivables- Considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables- Significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables-Credit impaired	-	0.09	0.53	1.57	38.62	28.46	290.02	359.29
Total	**5,822.71**	**7,390.93**	**1,151.42**	**69.72**	**69.80**	**31.86**	**652.15**	**15,188.59**
Less: Loss Allowance								(835.89)
Grand Total								**14,352.70**

i. For trade receivables secured against borrowings Refer note 15

ii. For trade receivables from related parties Refer note 33

10. Cash and cash equivalents

(₹ in lakhs)

		As at 31 March 2023	As at 31 March 2022
a.	Balances with banks (Refer note 15)	**2,297.84**	2,210.72
b.	Deposit with scheduled banks having maturity less than three months (Refer note 15)	**34,200.00**	31,200.00
	Cash and cash equivalent as per Statement of Cash Flows	**36,497.84**	33,410.72

11. Bank balances other than cash and cash equivalents as above

(₹ in lakhs)

	As at 31 March 2023	As at 31 March 2022
Restricted bank balance #	**0.64**	97.05
Total	**0.64**	97.05

Represents unspent amount for CSR activities in FY 21-22 (Refer note 22 (i))

12. Investments

(₹ in lakhs)

	As at 31 March 2023	As at 31 March 2022
Non-current		
Investment designated at fair value through OCI		
Fully paid equity shares (unquoted) # (Refer note 15)		
Avaada MIIKhamgaon Private limited	**1,950.00**	1,950.00
Avaada Sunlight Private limited	**975.00**	975.00
O2 Renewable Energy IV Private limited	**291.55**	-
Total	**3,216.55**	2,925.00

During the year, the Company has agreed to subscribe to 26% in the equity share capital of O2 Renewable Energy IV Private limited. The Company plans to purchase renewable power from the investee company for its data centres. The Company has made an irrevocable election to present subsequent changes in the fair value of the investment in other comprehensive income.

The investment has been classified as a financial asset as per Note 2(r).

13. Equity share capital

(₹ in lakhs)

		As at 31 March 2023	As at 31 March 2022
a.	Authorised:		
	150,000,000 (2022:150,000,000) Equity shares of ₹10 each	**15,000.00**	15,000.00
b.	Issued, subscribed and paid up:		
	14,000 (2022:13,300) equity shares of ₹10 each fully paid up (Refer i below)	**1.40**	1.33

i. Reconciliation of equity shares outstanding at the beginning and at the end of the reporting year:

Equity shares	As at 31 March 2023		As at 31 March 2022	
	No of shares	₹ in lakhs	No of shares	₹ in lakhs
Opening balance	**13,300**	1.33	11,600	1.16
Add: Right issue during the year	**700**	0.07	1,700	0.17
Closing balance	**14,000**	1.40	13,300	1.33

ii. Terms/ rights attached to equity shares:

The Company has only one class of equity shares with a face value of ₹10 per share. Each shareholder of equity shares is entitled to one vote per share at any general meeting of shareholders. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion to their shareholding.

13. Equity share capital (Continued)

iii. Right issue of equity shares:

- Vide its Board Meeting dated 1 June 2022, the Company approved Right issue of 500 equity shares with face value of ₹ 10 per share at a premium of ₹ 4,744,539 per share aggregating to ₹ 2,372,274,500 to their existing shareholders in the ratio of current shareholding. The Board of Directors vide its meeting dated on 31 August 2022 approved the allotment of equity shares.
- Vide its Board Meeting dated 29 November 2022, the Company approved Right issue of 200 equity shares with face value of ₹ 10 per share at a premium of ₹ 5,544,740 per share aggregating to ₹ 1,108,950,000 to their existing shareholders in the ratio of current shareholding. The Board of Directors vide its resolution by circulation dated on 5 March 2023 approved the allotment of equity shares.

iv. Shares held by holding company:

	As at 31 March 2023		As at 31 March 2022	
	No of shares	₹ in lakhs	No of shares	₹ in lakhs
STT India DC Pte. Ltd.	10,360	1.04	9.842	0.98

v. Number of shares held by each shareholder holding more than 5% of the issued share capital and shares held by promoters:

	As at 31 March 2023		As at 31 March 2022	
	No of shares	Percentage	No of shares	Percentage
STT India DC Pte. Ltd.	10,360	74%	9.842	74%
Tata Communications Limited.	3,640	26%	3.458	26%

14. Other equity

(₹ in lakhs)

		As at 31 March 2023	As at 31 March 2022
a.	Securities premium	145,679.40	110.867.22
b.	General reserve	8,750.00	8.750.00
c.	Retained earnings	44,151.03	27.750.53
d.	Other comprehensive income	(53.72)	(75.28)
	Total	198,526.71	147.292.47

15. Borrowings

(₹ in lakhs)

		As at 31 March 2023	As at 31 March 2022
(A)	**Non – current financial liabilities**		
	Secured		
	Rupee loan from banks (Refer i below)	**195,520.00**	174,498.00
	Less: Arrangement fees	**(779.53)**	(883.95)
	Total (A)	**194,740.47**	173,614.05
(B)	**Current financial liabilities**		
	Secured		
	Rupee loan from banks (Refer i below)	**18,978.00**	17,178.00
	Less: Arrangement fees	**(104.42)**	(104.42)
	Total (B)	**18,873.58**	17,073.58
	Total (A+B)	**213,614.05**	190,687.63

i. Secured bank loan

The Company had availed a loan facility of ₹ 160,000 lakhs from consortium of banks in financial year 2017-18 for repayment of existing loan and construction of new data centres. During the year the Company has repaid quarterly loan installments totaling to ₹ 14,388 lakhs for this loan facility.

The Company also availed sanction of fresh loan of ₹ 300,000 lakhs in the financial year 2018-19 from consortium of banks, this loan is taken for construction of new data centres at various locations in India. Company had drawn ₹ 40,000 lakhs from this facility during the year and repaid quarterly loan installments totaling to ₹ 2,790 lakhs for this loan facility.

Both the loan has been secured in favor of the Security Trustee acting for the benefit of the Secured Parties by way of first pari passu charge by way of hypothecation of (the "Security"): (a) all the movable properties and assets (other than Insurance Contracts) of the Borrower (present and future), including, but not limited to, moveable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, both present and future; (b) all the Borrower's accounts (present and future), including in each case, all

15. Borrowings *(Continued)*

i. Secured bank loan *(Continued)*

monies lying credited/deposited into such accounts; (c) all the Borrower's current assets, book debts operating cash flows, commissions, receivables, revenues of whatsoever nature and wherever arising, all investments and other securities (present and future).

The carrying amounts of assets pledged as security for borrowings are as follows:

(₹ in lakhs)

Particulars	As at 31 March 2023
Non current assets	
Property, plant and equipment	298.913.74
Capital work-in-progress	58.913.76
Right-of-use assets	203.978.16
Other intangible assets	431.91
Investments	3.216.55
Other financial assets	6.910.47
Contract assets	14.661.59
Other non-current assets	24.841.39
Current assets	
Trade receivables	14.136.97
Cash and cash equivalents	36.497.84
Income tax assets (net)	3.043.36
Contract assets	367.32
Other current assets	10.234.24

The repayment schedule of loan from bank is stated below:

(₹ in lakhs)

Date of Repayment	Amount of Repayment
FY 2023-24	18.978
FY 2024-25	24.806
FY 2025-26	26.366
FY 2026-27	29.183
FY 2027-28	30.975
FY 2028-29	32.945
FY 2029-30	14.615
FY 2030-31	14.420
FY 2031-32	13.640
FY 2032-33	8.570
	214,498

15. Borrowings *(Continued)*

i. Secured bank loan *(Continued)*

(₹ in lakhs)

	Interest Rate	Year of maturity	Carrying amount as at 31 March 2023
Secured Bank Loan	MCLR + 0.25%-0.45%	2029	46.748
Secured Bank Loan	MCLR + 0.25%-0.45%	2029	55.580
Secured Bank Loan	MCLR + 0.50%	2033	39.260
Secured Bank Loan	MCLR + 0.25%	2033	36.455
Secured Bank Loan	MCLR + 0.40%	2033	36.455
Total			214.498

Details of Covenant restrictions on bank loan

There is no financial covenant in the ₹ 160,000 lakhs loan facility.

For the loan of ₹ 300.000 lakhs financial covenants are as under.

(a) A minimum DSCR (Debt service coverage ratio) of 1.15 x till the financial year 2021; and

(b) A minimum DSCR of 1.20 x from financial year 2022 throughout the tenor of the facility

The Company has complied with the above covenant for the year ended 31 March 2023.

ii. Unsecured bank loan

The sanctioned short-term working capital facilities as on 31 March 2023 is ₹ 34,500 lakhs. Out of which, ₹12,000 lakhs is fungible limit between fund based & non fund based, ₹ 13,500 lakhs is non fund based and ₹ 9,000 lakhs is fund based. As on 31 March 2023, the Company has utilised ₹ 16,841.72 lakhs of limit facilities for issuance of bank guarantees. The fund-based facilities are unutilised as on 31 March 2023.

16. Other financial liabilities

(₹ in lakhs)

		As at 31 March 2023	As at 31 March 2022
A	**Non-current**		
a.	Cash settled incentive		
	(i) Appreciation unit plan (AUP) (Refer note 27(iii))	**7,726.92**	615.31
	(ii) Restricted stock option Plan (RSUP) (Refer note 37)	**1,029.15**	135.37
	Total	**8,756.07**	750.68
b.	Initial lease expense liability		
	- Payable to related parties (Refer note 33)	-	340.00
	Total (A)	**8,756.07**	1,090.68

16. Other financial liabilities *(Continued)*

(₹ in lakhs)

		As at 31 March 2023	As at 31 March 2022
B	**Current**		
a.	Payable for capital goods		
	- Payable to related parties (Refer note 33)	**820.47**	351.63
	- Others	**22,873.04**	16,614.84
		23,693.51	16,966.47
b.	Interest accrued on loan	**557.83**	432.90
c.	Accrued payroll	**3,832.39**	2,707.38
d.	Cash settled incentive		
	(i) Appreciation unit plan (AUP) (Refer note 27(iii))	**392.20**	3,320.84
	(ii)Restricted stock option Plan (RSUP) (Refer note 37)	**377.23**	785.01
e.	Initial lease expense liability		
	- Payable to related parties (Refer note 33)	**340.00**	313.07
f.	Other payables	**31.38**	24.09
	Total (B)	**29,224.54**	24,549.76
	Total (A) + (B)	**37,980.61**	25,640.44

17. Provisions

(₹ in lakhs)

		As at 31 March 2023	As at 31 March 2022
A	**Non-current**		
	Employee benefit obligations (Refer note 27)		
	- Compensated absences	**298.75**	270.40
	- Gratuity liability	**95.94**	121.20
	Total (A)	**394.69**	391.60
B	**Current**		
	Employee benefit obligations (Refer note 27)		
	- Compensated absences	**33.55**	26.86
	Total (B)	**33.55**	26.86
	Total (A) + (B)	**428.24**	418.46

18. Other current liabilities

(₹ in lakhs)

		As at 31 March 2023	As at 31 March 2022
A	**Non-current**		
	Deferred revenue	**5,209.65**	-
	Provision - ARO Cost	**418.43**	-
	Total (A)	**5,628.08**	-
B	**Current**		
a.	Statutory dues #	**1,383.95**	843.35
b.	Others	**1,067.00**	532.73
	Total (B)	**2,450.95**	1,376.08
	Total (A) + (B)	**8,079.03**	1,376.08
	#Statutory dues include		
	i. TDS payable	**343.32**	414.06
	ii. Professional tax	**4.03**	2.74
	iii. GST payable	**1,036.60**	426.55

19. Trade payables

(₹ in lakhs)

As at 31 March 2023
Outstanding for following periods from due date of payment

Particulars	Not Due	Less than a year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	209.72	-	-	-	-	209.72
(ii) Others	367.21	837.97	-	18.48	54.93	1,278.59
(iii) Disputed dues- MSME	-	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-	-
Total	**576.93**	**837.97**	**-**	**18.48**	**54.93**	**1,488.31**
Unbilled dues						18,638.24
Grand Total						**20,126.55**

(₹ in lakhs)

As at 31 March 2022
Outstanding for following periods from due date of payment

Particulars	Not Due	Less than a year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	98.73	-	-	-	-	98.73
(ii) Others	1,386.04	48.97	14.60	0.29	50.12	1,500.02
(iii) Disputed dues- MSME	-	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-	-
Total	**1,484.77**	**48.97**	**14.60**	**0.29**	**50.12**	**1,598.75**
Unbilled dues						18,413.60
Grand Total						**20,012.35**

20. Revenue from operations

(₹ in lakhs)

	For the year ended 31 March 2023	For the year ended 31 March 2022
Revenue from data centre services	**182,344.71**	145,475.34
Total	**182,344.71**	145,475.34

The revenue recognised in the Statement of Profit and Loss equals to the contracted price.

Unsatisfied performance obligations:

The Company has applied Ind AS 115 retrospectively using the practical expedient in paragraph C5 (d) of Ind AS 115 under which the Company does not disclose for reporting periods presented before the date of initial application:

a) The amount of transaction price allocated to the remaining performance obligations; nor

b) An explanation of when the entity expects to recognize that amount as revenue.

While disclosing the aggregate amount of transaction price yet to be recognised as revenue towards unsatisfied (or partially) satisfied performance obligations, along with the broad time band for the expected time to recognize those revenues, the Company has applied the practical expedient in Ind AS 115. Accordingly, the Company has not disclosed the aggregate transaction price allocated to unsatisfied (or partially satisfied) performance obligations, which pertain to contracts where revenue recognised corresponds to the value transferred to customer typically involving outcome based, and event based contracts.

Unsatisfied (or partially satisfied) performance obligations are subject to variability due to several factors such as terminations, changes in scope of contracts, periodic revalidations of the estimates, economic factors (changes in currency rates, tax laws etc).

The aggregate value of the transaction price allocated to unsatisfied (or partially satisfied) performance obligations is ₹ 668,683.96 lakhs out of which 14.3% is expected to be recognized as revenue in the next year and balance thereafter.

Variable consideration that is constrained and therefore not included in the transaction price is excluded in the amount presented above.

21. Other income

(₹ in lakhs)

		For the year ended 31 March 2023	For the year ended 31 March 2022
a.	Interest income	**2,079.39**	1,146.33
b.	Interest on income tax refund	**291.25**	-
c.	Gain on disposal of property, plant and equipment and intangibles (net)	**1,046.04**	1,305.42
d.	Other non-operating income (net)		
	- Foreign exchange gain/(loss) (net)	**(20.19)**	0.05
	Total	**3,396.49**	2,451.80

22. Operating and other expenses

(₹ in lakhs)

		For the year ended 31 March 2023	For the year ended 31 March 2022
a.	Power and fuel	**60,703.28**	47,937.45
b.	Rent	**230.03**	407.70
c.	Repairs and maintenance:		
	Buildings	**2,262.01**	1,878.91
	Plant and machinery	**9,312.44**	6,963.38
	Others	**2,993.30**	3,156.96
d.	Impairment loss recognised/(reversed) under expected credit loss model	**(1,059.40)**	605.80
e.	Network and cable charges	**588.46**	564.48
f.	Rates and taxes	**1,186.74**	1,436.14
g.	Travelling	**509.77**	454.15
h.	Outsource services	**682.40**	727.21
i.	Legal and professional charges	**1,770.84**	1,685.58
j.	Sales and marketing Expenses	**588.74**	525.54
k.	Insurance	**556.40**	412.38
l.	Security charges	**1,298.57**	1,150.89
m.	Water charges	**573.51**	541.27
n.	Director's remuneration	**574.29**	426.88
o.	Corporate social responsibility expenditure (Refer i)	**118.52**	95.90
p.	Other expenses (Refer ii)	**618.36**	440.74
	Total	**83,508.26**	69,411.36

i. As required by the Companies Act, 2013 and rules thereon, gross amount required to be spent by the Company during the year toward corporate social responsibility (CSR) amount to ₹ 118.44 lakhs (2022: ₹95.90 lakhs). The Company has spent ₹ 118.52 lakhs during the year on CSR activities mainly for transforming the livelihood of tribal farmer households and help them enhance their income earning capacities.

ii. Other expenses include auditors' remuneration as follows (excluding taxes):

(₹ in lakhs)

	For the year ended 31 March 2023	For the year ended 31 March 2022
Auditors' remuneration and expenses		
Services as Statutory Auditors	**18.00**	17.00
Tax audit fees	**4.00**	4.00
Other audit related fees	**41.00**	36.00
For reimbursement of expenses	**4.75**	3.00

23. Employee benefits expense

(₹ in lakhs)

		For the year ended 31 March 2023	For the year ended 31 March 2022
a.	Salaries, bonus and related costs	**9,935.64**	7,974.25
b.	Contribution to provident funds (Refer note 27)	**303.97**	256.26
c.	Gratuity expense (Refer note 27)	**126.95**	109.13
d.	Compensated absences	**69.17**	73.71
e.	Long term incentive plan		
	- Cash settled incentive (Refer note 27)	**4,435.66**	2,639.50
f.	Staff welfare expenses	**688.13**	1,207.32
	Total	**15,559.52**	12,260.17

24. Finance costs

(₹ in lakhs)

		For the year ended 31 March 2023	For the year ended 31 March 2022
a.	Interest costs:		
	-On loan from banks measured at amortised cost	**17,215.39**	14,914.39
	Less: Amount capitalised *	**1,322.18**	341.36
		15,893.21	14,573.03
	-Others	**5.32**	(48.51)
	Total (A)	**15,898.53**	14,524.52
b.	Interest on lease liabilities (Refer note 34 (a) (iii))	**11,190.51**	11,112.71
	Less: Amount capitalised	**196.70**	-
	Total (B)	**10,993.81**	11,112.71
c.	Interest on initial lease expenses liability# **(C)**	**26.93**	51.72
	Finance cost expensed in profit and loss (A+B+C)	**26,919.27**	25,688.95

*The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the Company's general borrowings during the year, i.e., 7.99% (2022: 7.60%).

Refer note 15 (A) and 15 (B)

25. Depreciation and amortisation expense

(₹ in lakhs)

	For the year ended 31 March 2023	For the year ended 31 March 2022
Depreciation on property, plant and equipment	**26,480.06**	21,426.25
Depreciation on right-of-use assets (Refer note 34 (a) (i))	**11,067.67**	10,223.03
Amortization of intangible assets	**240.08**	234.80
Total	**37,787.81**	31,884.08

26. Tax expense

i. Income tax recognised in Statement of Profit and loss:

(₹ in lakhs)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Current tax		
In respect of current year	**2,473.81**	-
In respect of prior years	**-**	(400.41)
Total Current tax (a)	**2,473.81**	(400.41)
Deferred tax		
In respect of the current year	**3,091.67**	5,214.28
In respect of the earlier years	**0.36**	422.47
Total deferred tax (b)	**3,092.03**	5,636.75
Total Income tax expense (a+b)	**5,565.84**	5,236.34

ii. The reconciliation between the provision of income tax of the Company and amounts computed by applying the Indian statutory income tax rate to profit / (loss) before tax is as follows:

(₹ in lakhs)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Profit/ (Loss) before tax	**21,966.32**	20,605.55
Income tax expense calculated at 25.168% Tax rate (2022 : 25.168% Tax rate)	**5,528.49**	5,186.00
Reasoning		
Effect of adjustments that are not deductible in determining taxable profit	**36.99**	28.28
True up impact of prior years	**0.36**	22.06
Total	**37.35**	50.34
Income tax expense recognised in Statement of Profit and Loss	**5,565.84**	5,236.34

iii. Income tax recognised in other comprehensive income

(₹ in lakhs)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Deferred tax		
Re-measurements of the defined benefit obligation	**(7.25)**	1.84
Total Income tax	**(7.25)**	1.84
Bifurcation of income taxes recognized in other comprehensive income into:		
Items that will not be reclassified to profit and loss	**(7.25)**	1.84

27. Employee Benefits

i. Defined contribution plan - Provident fund:

The Company makes contribution towards provident fund under a defined contribution retirement benefit plan for qualifying employees. The provident fund is administered by the Regional Provident Fund Commissioner. Under this scheme, the Company is required to contribute a specified percentage of payroll cost to fund the benefits.

Provident fund contributions amounting to ₹ 303.97 lakhs (2022: ₹ 256.26 lakhs) have been charged to the Statement of Profit and Loss, under Contribution to provident, gratuity and other funds in note 23 "Employee benefits expense".

ii. Defined benefit obligation – Gratuity

The plan provides for lump sum payments to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary for each completed year of service or part thereof in excess of six months. Vesting occurs upon completion of five years of service. The cost of providing benefits for defined benefit schemes is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date.

These plans typically expose the Company to actuarial risk such as interest rate risk and salary risk:

Interest rate risk	The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall. the defined benefit obligation will tend to increase
Salary risk	Higher than expected increases in salary will increase the defined benefit obligation
Demographic risk	This is the risk of variability of results due to unsystematic nature of decrements that include mortality. withdrawal. disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase. discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee
Regulatory risk	Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act.1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity payouts.

No other post-retirement benefits are provided to the employees.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at 31 March 2023 by an independent actuary.

27. Employee Benefits *(Continued)*

ii. Defined benefit obligation – Gratuity *(Continued)*

The principal assumptions used for the purposes of the actuarial valuations were as follows:

	As at 31 March 2023	As at 31 March 2022
Principal actuarial assumptions		
Discount rate	**7.20%**	6.80%
Salary escalation Rate :	**10%**	10%
Mortality rate	**Indian Assured Lives Mortality (2006-08) Ult.**	Indian Assured Lives Mortality (2006-08) Ult.
Withdrawal rate		
Less than 5 years	**10%**	10%
5 years and more	**8%**	8%

The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.

The estimates of future compensation cost considered in the actuarial valuation take account of inflation, seniority, promotion and other relevant factors.

Amounts recognised in the Statement of Profit and Loss in respect of these defined benefit plans are as follows:

(₹ in lakhs)

I	**Expenses recognised in the Statement of Profit and Loss**	**For the year ended 31 March 2023**	For the year ended 31 March 2022
	Current service cost	**126.95**	109.13
	Past Service cost – plan amendments	**-**	-
	Net interest on net defined benefit liability/(asset)	**3.92**	4.71
	Components of defined benefit cost recognised in the Statement of Profit and Loss (Refer note 23 and 24)	**130.87**	113.84

II	**Expenses recognised in the other comprehensive income**	**For the year ended 31 March 2023**	For the year ended 31 March 2022
	Actuarial changes arising from changes in Financial assumptions	**(21.12)**	(14.79)
	Actuarial changes arising from experience adjustments	**(4.33)**	26.54
	Actuarial changes arising from return on plan assets	**(3.36)**	(4.42)
	Components of defined benefit cost recognised in other comprehensive income	**(28.81)**	7.33

27. Employee Benefits *(Continued)*

ii. Defined benefit obligation – Gratuity *(Continued)*

During the year 2018-19, the Company had opened a trust to manage the Gratuity plan, the contributions being administered by the Trustees. The details in respect of the funded amounts recognised in the Balance Sheet for these defined benefit schemes are as under:

(₹ in lakhs)

Particulars		Gratuity	
		As at 31 March 2023	As at 31 March 2022
III	**Amount recognised in the Balance Sheet**		
	Obligation at the end of the year	**640.16**	570.66
	Net liability arising from defined benefit obligation	**95.94**	121.20
	Non-current provision (Refer note 17A)	**95.94**	121.20
IV	**Change in the defined benefit obligation**		
	Opening defined benefit obligation	**570.66**	495.75
	Current service cost	**126.95**	109.13
	Interest cost	**36.48**	29.76
	Past service cost – plan amendments	**-**	-
	Actuarial (gain) / loss on obligations- experience	**(4.33)**	26.54
	Actuarial (gain) / loss on obligations– demographic assumptions	**-**	-
	Actuarial (gain) / loss on obligations– financial assumptions	**(21.12)**	(14.79)
	Benefits paid directly by the company	**(2.23)**	-
	Benefits paid (from plan assets)	**(66.25)**	(75.73)
	Closing defined benefit obligation	**640.16**	570.66

27. Employee Benefits *(Continued)*

ii. Defined benefit obligation – Gratuity *(Continued)*

(₹ in lakhs)

Particulars		Gratuity	
		As at 31 March 2023	As at 31 March 2022
V	**Changes in plan asset**		
	Fair value of plan assets, beginning of the year	**449.46**	350.74
	Interest income	**32.57**	25.05
	Employer contributions	**125.08**	144.99
	Benefits paid	**(66.25)**	(75.73)
	Return on plan assets greater / (lesser) than discount rate	**3.36**	4.41
	Fair value of the plan assets, end of year	**544.22**	449.46
VI	**Funded status**		
	(Deficit)/Surplus of plan assets over obligations (Refer note 17A)	**(95.94)**	(121.20)

VII A quantitative sensitivity analysis for significant assumption as at 31 March 2023 and 31 March 2022 is as shown below: (As per actuarial valuation report)

The sensitivity analysis below has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

	As at 31 March 2023	As at 31 March 2022
Discount rate		
Increase (1%)	**(48.43)**	(45.43)
Decrease (1%)	**54.89**	51.63
Salary escalation rate		
Increase (1%)	**54.55**	51.04
Decrease (1%)	**(49.10)**	(45.84)
Withdrawal rate		
Increase (5%)	**(46.91)**	(48.75)
Decrease (5%)	**70.87**	74.09

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognized in the Balance Sheet. There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

27. Employee Benefits *(Continued)*

ii. Defined benefit obligation – Gratuity *(Continued)*

VIII	Maturity profile of defined benefit plan	As at 31 March 2023
	31 March 2024	41.77
	31 March 2025	46.32
	31 March 2026	63.19
	31 March 2027	74.79
	31 March 2028	91.66
	31 March 2029 to 31 March 2033	807.12
	Total expected payments	1,124.85

II Leave plan and compensated absences

Leave unavailed of by eligible employees may be carried forward / encashed by them / their nominees in the event of death or permanent disablement or resignation, subject to a maximum leave of 60 days in addition to accumulated leave balance available in accumulated quota.

The total liability for compensated absences as at the year end is ₹ 332.30 lakhs (2022: ₹ 297.26 lakhs), as shown under non-current provisions ₹ 298.75 lakhs (2022: ₹ 270.40 lakhs) and current provisions ₹ 33.55 lakhs (2022: ₹ 26.86 lakhs). The amount charged to the Statement of Profit and Loss is ₹ 87.60 lakhs (2022: ₹ 88.67 lakhs).

iii. Long term incentive plan

a. Description of cash settled payment arrangement

During the year ended 31 March 2018, the Board of Directors of the Company approved a long term incentives scheme to its high performing employees in the form of Cash-settled Appreciation Unit Plan (AUP), whereby the eligible employees will be granted certain AUP units.

The AUP units granted were equally divided into four/five tranches and each tranche/grant can be encashed over a seven year period subject to the terms of the encashment conditions of the scheme.

On the 'event of exercise' subject to the express provisions of the scheme, each eligible employee shall, subject to deduction of taxes at appropriate rates, be paid an amount equivalent to the difference between the Fair Value determined as of the relevant valuation date prior to encashment and the Initial Value, subject to a minimum of NIL.

The final value of an AUP shall be the Initial Value adjusted with the cumulative Total Shareholder's Return (TSR) % after taking into account the dividends paid and adjustments of net new equity, if any. Being an unlisted Company, the TSR calculation has been done on the basis of Net Operating Profit After Tax (NOPAT) Improvement Valuation Model.

27. Employee Benefits *(Continued)*

iii. Long term incentive plan *(Continued)*

b. Measurement of fair values

The key assumptions used to estimate the fair value of options using Black - Scholes pricing model:	For the year ended 31 March 2023
Initial Value at Grant date	₹ 100 for each grant
Exercise price	Initial Value adjusted with the cumulative TSR% taking into account dividends paid and adjusted for any net new equity
Expected time to exercise option (Range)	(15 days encashment window of 1st to 15th July annually)

Vesting period	Grant 2023	Grant 2022	Grant 2021	Grant 2020	Grant 2019	Grant 2018
1st Tranche	1 April 2023	1 April 2022	1 April 2021	1 April 2020	1 April 2019	1 April 2018
2nd Tranche	1 April 2024	1 April 2023	1 April 2022	1 April 2021	1 April 2020	1 April 2019
3rd Tranche	1 April 2025	1 April 2024	1 April 2023	1 April 2022	1 April 2021	1 April 2020
4th Tranche	1 April 2026	1 April 2025	1 April 2024	1 April 2023	1 April 2022	1 April 2021
5th Tranche	1 April 2027	1 April 2026	-	-	-	-
Expected volatility	34.71%	34.71%	34.71%	34.71%	34.71%	34.71%
Expected dividend				NIL		
Risk- free rate over vesting period (Range)	7.23%	7.17%	7.18%	7.16%	7.05%	7.14%
AUP unit value (₹)	143.26	199.39	271.61	346.36	411.35	488.58

c. Reconciliation of outstanding AUP Units

	For the year ended 31 March 2023		For the year ended 31 March 2022	
	Number of units	**Weighted average exercise price (₹)**	Number of units	Weighted average exercise price (₹)
Outstanding at beginning of the year	**6,053,375**	**167.97**	2.239.727	170.95
Granted during the year	**1,631,900**	**143.26**	4.466.800	140.77
Forfeited during the year	**260,405**	**138.41**	221.927	125.23
Exercised during the year	**195,035**	**228.14**	431.225	182.94
Outstanding at the end of the year	**7,229,835**	**215.64**	6.053.375	167.97

d. Expense recognised in Statement of Profit and Loss

For details on the employee benefits expense Refer note 23

28. Earnings per share

(₹ in lakhs)

	As at 31 March 2023	As at 31 March 2022
Net profit / (loss) after tax attributable to the equity shareholders (A)	**16,400.50**	15,369.21
Number of equity shares outstanding at the end of the year	**14,000**	13,300
Weighted average number of shares outstanding during the year (B)	**13,607**	12,383
Basic and diluted earnings per share (₹ per equity share of ₹ 10 each) (A/B) (In ₹)	**120,529.87**	124,115.40

Weighted average number of shares outstanding during the year:

	As at 31 March 2023	As at 31 March 2022
Opening balance (Refer note 13(i))	**13,300**	11,600
Effect of right issue of shares for cash	**307**	783
Weighted average number of shares outstanding during the Year	**13,607**	12,383

29. Segment reporting

The Board of directors of the Company have been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, Operating Segments. The Company is engaged in providing data center co-location services which comprises of space, power, cooling, physical security, storage, networking and one time charges for set up activity. Considering the nature of the Company's business and operations, there are no other reportable segments (business and/or geographical) and is also considered by CODM as the only reportable business segment taking into account the nature of the business, the organization structure, internal reporting structure and risk and rewards.

Information about major customers: -

(₹ in lakhs)

Name	For the Year Ended 31 March 2023
Customer A	91,322.21
Customer C	7,511.60
Customer B	8,692.86

(₹ in lakhs)

Name	For the Year Ended 31 March 2022
Customer A	64,504.73
Customer C	7,600.54
Customer B	7,686.47

30. Financial instruments

The significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expense are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2(s) to the financial statements.

Financial assets and liabilities

The carrying value of financial instruments by categories as at 31 March 2023 is as follows:

(₹ in lakhs)

	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total carrying value
Financial assets:				
Investments	-	3,216.55	-	3,216.55
Other financial assets	-	-	6,910.47	6,910.47
Trade receivables	-	-	14,136.97	14,136.97
Cash and cash equivalents	-	-	36,497.84	36,497.84
Other bank balances	-	-	0.64	0.64
Total	-	3,216.55	57,545.92	60,762.47
Financials liabilities:				
Borrowings	-	-	213,614.05	213,614.05
Lease liabilities	-	-	182,854.00	182,854.00
Other financial liabilities	-	-	37,980.61	37,980.61
Trade payables	-	-	20,126.55	20,126.55
Total	-	-	454,575.21	454,575.21

The carrying value of financial instruments by categories as at 31 March 2022 is as follows:

(₹ in lakhs)

	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total carrying value
Financial assets:				
Investments	-	2,925.00	-	2,925.00
Other financial assets	-	-	5,911.81	5,911.81
Trade receivables	-	-	14,352.70	14,352.70
Cash and cash equivalents	-	-	33,410.72	33,410.72
Other bank balances	-	-	97.05	97.05
Total	-	2,925.00	53,772.28	56,697.28
Financials liabilities:				
Borrowings	-	-	190,687.63	190,687.63
Lease liabilities	-	-	131,838.89	131,838.89
Other financial liabilities	-	-	25,640.44	25,640.44
Trade payables	-	-	20,012.35	20,012.35
Total	-	-	368,179.31	368,179.31

Carrying amounts of cash and cash equivalents, trade receivables, unbilled receivables and trade payables as at 31 March 2023 and 31 March 2022 approximate the fair value because of their short term nature. Difference between carrying amounts and fair values of other financial assets, other financial liabilities and borrowings subsequently measured at amortised cost is not significant in each of the years presented. Fair value measurement of lease liabilities is not required.

30. Financial instruments *(Continued)*

Fair value hierarchy:

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consist of following three levels:

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

The following tables summarises financial assets and liabilities measured at fair value on a recurring basis:

As at 31 March 2023

(₹ in lakhs)

	Level 1	**Level 2**	**Level 3**	**Total**
Financial Assets				
Investment in equity shares (Refer Note 12)	-	-	**3,216.55**	**3,216.55**
Total	-	-	**3,216.55**	**3,216.55**

The cost of unquoted investments included in Level 3 of fair value hierarchy has been considered as an appropriate estimate of fair value since it is a transaction between two unrelated, independent parties, the transaction value / amount invested represents fair value.

As at 31 March 2022

(₹ in lakhs)

	Level 1	Level 2	Level 3	Total
Financial Assets				
Investment in equity shares (Refer Note 12)	-	-	2,925.00	2,925.00
Total	-	-	2,925.00	2,925.00

Reconciliation of Level 3 fair value measurement is as follows:

(₹ in lakhs)

	As at 31 March 2023	As at 31 March 2022
Balance at the beginning of the year	2,925.00	1,950.00
Additions during the year	291.55	975.00
Fair value changes through OCI	-	-
Balance at the end of the year	**3,216.55**	2,925.00

31. Financial risk management objectives and policies

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivables, investments and cash and cash equivalents that derive directly from its operations. The Company may invest in mutual funds, the returns on the same are recognised through profit or loss.

The Company is exposed to market risk, credit risk and liquidity risk.

The Company's senior management oversees the management of these risks. The Company's senior management ensures that financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The senior management reviews and agrees policies for managing each of these risks, which are summarised below.

a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, fair value through profit or loss investments,

The sensitivity analysis in the following sections relate to the position as at 31 March 2023 and 31 March 2022.

The analysis excludes the impact of movements in market variables on the carrying values of gratuity and other post- retirement obligations and provisions.

The following assumptions have been made in calculating the sensitivity analysis:

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2023 and 31 March 2022.

b) Interest rate risk

Interest rate risk is the risk that the future cash flows with respect to interest payments on borrowings will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The following table sets forth information relating to interest rate exposure (net) as at 31 March 2023 and 31 March 2022.

(₹ in lakhs)

	As at 31 March 2023	As at 31 March 2022
Financial liabilities – Borrowings	**214,498.00**	191,676.00

Interest rate sensitivity analysis: (₹ in lakhs)

	Profit before tax		**Equity**	
	For the year ended 31 March 2023	For the year ended 31 March 2022	**As at 31 March 2023**	As at 31 March 2022
Increase by 1%	**(2,144.98)**	(1,916.76)	**(1,605.13)**	(1,434.35)
Decrease by 1%	**2,144.98**	1,916.76	**1,605.13**	1,434.35

31. Financial risk management objectives and policies *(Continued)*

c) Foreign currency risk

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

The Company's objective is to try and protect the underlying values of the functional currency of respective Company's Balance Sheet exposures. All exposures in currency other than functional currency are treated as 'Forex Exposures' irrespective of the group Company from where the exposures originate. Exposures are broadly categorized into receivables and payable exposures.

The foreign exchange rate sensitivity is calculated by aggregation of the net foreign exchange rate exposure and a simultaneous parallel foreign exchange rate shift of all the currencies by 5% against the functional currency of the Company.

The following analysis has been worked out based on the net exposures of the Company as of the date of Balance Sheet, which would affect the statement of Profit and Loss and equity.

The following tables sets forth information relating to foreign currency exposure (net) as at 31 March 2023 and 31 March 2022.

(₹ in lakhs)

	As at 31 March 2023		As at 31 March 2022	
Currency	**Financial liabilities**	**Financial assets**	Financial liabilities	Financial assets
USD	**-**	**159.48**	-	111.98
SGD	**3.23**	**-**	60.02	-
Others	**22.66**	**48.19**	23.67	0.63

Foreign currency sensitivity analysis:

(₹ in lakhs)

	Profit before tax		**Equity**	
	For the year ended 31 March 2023	For the year ended 31 March 2022	**As at 31 March 2023**	As at 31 March 2022
Increase by 5%	**9.09**	1.45	**6.80**	1.08
Decrease by 5%	**(9.09)**	(1.45)	**(6.80)**	(1.08)

d) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

In determining the allowances for doubtful trade and unbilled receivables, the Company has used a simplified approach by computing the expected credit loss allowance based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix.

31. Financial risk management objectives and policies *(Continued)*

d) Credit risk *(Continued)*

Ageing of receivables (net of loss allowance)

(₹ in lakhs)

	As at 31 March 2023	As at 31 March 2022
Within credit period	7,387.47	7,390.84
0-180 days	312.68	1,139.15
181-365 days	38.45	-
Trade receivables - Billed	7,738.60	8,529.99
Unbilled receivables	6,398.37	5,822.71
Total Trade receivables	14,136.97	14,352.70

Movement in expected credit loss allowance (Refer note 5 and 9)

(₹ in lakhs)

	Year ended 31 March 2023	Year ended 31 March 2022
Opening balance	1,909.62	1,303.82
Net re-measurement/(reversal) of loss allowance	(1059.40)	605.80
Balance at the end of the year	850.22	1,909.62

The Company determines allowance for credit based on historical loss experience adjusted to reflect current and estimated economic condition. Basis this assessment, the allowance for doubtful trade receivables and advances to supplier provided in books is considered adequate.

e) Liquidity risk

The Company monitors its risk of a shortage of funds using a liquidity planning tool.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, finance leases and hire purchase contracts.

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's corporate treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management.

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

(₹ in lakhs)

Year ended 31 March 2023	On demand	0 to 12 months	1 to 5 years	>5 years	Total
Borrowings	-	18,978.00	111,330.00	84,190.00	214,498.00
Lease liabilities	-	21,715.61	89,870.16	249,171.37	360,757.14
Non-current financial liabilities	-	-	-	8,756.07	8,756.07
Current financial liabilities	13,581.15	15,643.39	-	-	29,224.54
Trade payables	3,815.89	16,310.66	-	-	20,126.55

31. Financial risk management objectives and policies *(Continued)*

e) Liquidity risk *(Continued)*

(₹ in lakhs)

Year ended 31 March 2022	On demand	0 to 12 months	1 to 5 years	>5 years	Total
Borrowings	-	17,178.00	87,333.00	87,165.00	191,676.00
Lease liabilities	-	16,590.98	66,152.43	183,796.49	266,539.90
Non-current financial liabilities	-	-	340.00	750.68	1,090.68
Current financial liabilities	12,087.51	12,462.25	-	-	24,549.76
Trade payables	4,022.46	15,989.89	-	-	20,012.35

The amounts disclosed in the maturity analysis does not exactly match with the carrying amounts in the Balance sheet because the amounts included in the liquidity analysis are undiscounted cash flows whereas the amount disclosed in the Balance sheet are at amortised cost, i.e. net off arrangement fees.

32. Capital management:

The Company's objective for capital management is to maximise shareholder value, safeguard business continuity and support the growth of the Company. The Company determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are met through equity, loans and operating cash flows generated. The Company is not subject to any externally imposed capital requirements.

The capital structure is as follows:

(₹ in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Total equity attributable to the equity shareholders of the Company	**198,528.11**	147,293.80
As percentage of total capital	**48.17%**	43.58%
Current loans and borrowings	**18,873.58**	17,073.58
Non-current loans and borrowings	**194,740.47**	173,614.05
Total loans and borrowings	**213,614.05**	190,687.63
As a percentage of total capital	**51.83%**	56.42%
Total capital (loans and borrowings and equity)	**412,142.16**	337,981.43

33. Related party transactions

i. Names of related parties and nature of relationship

Sr No	Category of related parties	Names
A	Holding Company	STT India DC Pte. Ltd.
B	Investing Company, its subsidiaries and joint ventures	Tata Communications Limited
		Tata Communications (America) Inc.
		Tata Communications (Canada) Limited
		Tata Communications International Pte Limited
		Tata Communications Services International Pte Limited
		Tata Communications Payment Solutions Limited
		Tata Communications Transformation Services Limited
		Tata Communications Collaboration Services Ltd
		Tata Communications (UK) Limited
		Tata Communications (Ireland) Limited
		Tata Communications (Middle East) FZ – LLC
		Tata Communications (France) SAS
		Smart ICT Services Private Limited
C	Holding Company, its subsidiaries and Joint ventures	STT GDC Pte. Ltd.
		STT Communications Ltd
D	Key Managerial Personnel	Mr. Sumit Mukhija - CEO
		Mr. Ah Doo Lim - Director
		Mr. Bruno Lopez - Director
		Mr. Arjun Soota - Director (Till 30 September 2022)
		Mr. Tat Hiang Sio - Director
		Mr. Tri Luu Pham - Director
		Mr. Stephen Geoffrey Miller - Director
		Mr. Kabir Ahmed Shakir – Director

33. Related party transactions *(Continued)*

ii. Summary of transactions and balances with related parties

(₹ in lakhs)

Particulars	Holding Company**	Investing Company, its subsidiaries and joint ventures**	Key Management Personnel*	Total
Transactions				
Revenue from operations	-	9,458.55	-	9,458.55
	-	*8,515.66*	-	*8,515.66*
Outsource services	-	1,909.02	-	1,909.02
	-	*1,858.78*	-	*1,858.78*
Commission	-	-	-	-
	-	-	-	-
Rent	-	230.03	-	230.03
	-	*408.00*	-	*408.00*
Network and cable charges	-	364.16	-	364.16
	-	*370.69*	-	*370.69*
Rights issue of shares	25,761.07	9,051.18	-	34,812.25
	48,267.99	*16,959.02*	-	*65,227.01*
Salaries and related costs	-	-	847.72	847.72
	-	-	*1,451.66*	*1,451.66*
Directors remuneration	-	-	574.29	574.29
	-	-	*426.88*	*426.88*
Lease payment	-	15,721.77	-	15,721.77
	-	*14,844.30*	-	*14,844.30*
Capital Work in progress	-	468.83	-	468.83
	-	*356.67*	-	*356.67*
Initial lease expense	-	340.00	-	340.00
	-	*340.00*	-	*340.00*

33. Related party transactions *(Continued)*

ii. Summary of transactions and balances with related parties *(Continued)*

(₹ in lakhs)

Particulars	Holding Company**	Investing Company, its subsidiaries and associates**	Key Management Personnel*	Total
Balances				
Receivables	-	108.69	-	108.69
	-	*86.36*	-	*86.36*
Payables (Incl. Capital creditors)	-	5.635.53	2.956.11	8.591.64
	-	*5,875.10*	*2,233.43*	*8,108.53*
Other current liability	-	1.285.94	-	1.285.94
	-	*832.25*	-	*832.25*
Other Non current liability	-	308.75	-	308.75
	-	*319.82*	-	*319.82*
Deposits	-	2.851.55	-	2.851.55
	-	*2,788.87*	-	*2,788.87*
Other current & non current assets – capital advance and prepaid	-	16.557.50	-	16.557.50
	-	*17,485.46*	-	*17,485.46*
Lease liabilities	-	156.337.04	-	156.337.04
	-	*128,692.21*	-	*128,692.21*
Initial lease expense liability	-	340.00	-	340.00
	-	*653.07*	-	*653.07*

Note: Previous year's figures are in italics

*Remuneration does not include charge for gratuity and leave encashment as employee-wise break up is not available.

** Reimbursement made of expenses incurred by related party for business purpose of the Company, or reimbursement received for expenses incurred by the Company on behalf of a related party shall not be deemed related party transactions.

33. Related party transactions *(Continued)*

iii. Statement of significant transaction

(₹ in lakhs)

Name of the Company	For the year ended 31 March 2023	For the year ended 31 March 2022
Holding Company		
STT India DC Pte. Ltd.		
Rights issue of shares	25.761.07	48.267.99
Investing Company, its subsidiaries and associates		
Tata Communication Limited		
Revenue from operations	8.692.86	7.690.00
Rent	230.03	408.00
Outsource services	1.810.38	1765.48
Network and cable charges	121.24	96.86
Lease Payment	15.721.77	14.844.30
Capital work in progress	468.83	356.67
Payables (Incl. Capital creditors)	5.605.62	5.757.24
Rights issue of shares	9.051.18	16.959.02
Security Deposit	2.851.55	2.788.87
Capital Advances incl. Prepaid expenses	16.460.28	17.351.09
Other current liability	1.243.29	757.85
Other Non-current liability	308.75	319.82
Lease Liabilities	156.337.04	128.692.21
Tata Communications Transformation Services Limited		
Revenue from operations	40.74	81.85
Outsource services including network cable charges	341.48	363.64
Initial Lease Expense	340.00	340.00
Other current assets – Prepaid expenses	97.22	134.37
Trade Receivable	17.13	49.99
Trade Payable	29.91	114.30
Other current liability	1.86	5.16
Initial Lease Expense Liability	340.00	653.07

33. Related party transactions *(Continued)*

iii. Statement of significant transaction *(Continued)*

(₹ in lakhs)

Name of the Company	For the year ended 31 March 2023	For the year ended 31 March 2022
Tata Communications (America) Inc.		
Revenue from operations	193.70	186.49
Trade receivable	10.64	-
Other current liability	4.78	9.45
Tata Communications (UK) Limited		
Revenue from operations	367.03	375.76
Trade receivable	43.27	-
Other Current Liability	1.25	1.23
Tata Communications Payment Solutions Limited		
Revenue from operations	106.99	131.22
Trade receivable	24.85	33.71
Other current liability	23.16	58.20
Tata Communications International Pte. Ltd		
Revenue from operations	50.70	33.17
Trade receivable	10.82	2.67
Tata Communications (Canada) Ltd.		
Revenue from operations	17.57	17.17
Trade receivable	1.98	-
Other current liability	-	0.35
Smart ICT Services Private Limited		
Other current liability	11.61	-

iv. Key management personnel compensation

(₹ in lakhs)

	Year Ended 31 March 2023	Year Ended 31 March 2022
Short-term employee benefits	**563.95**	570.02
Post- employment benefit	**22.47**	19.35
Long term incentive plan – cash settled incentive	**261.30**	862.29
	847.72	1,451.66

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates. Outstanding balances at the year-end are unsecured and settlement occurs in cash.

34. Leases

a. As lessee:

'Property, plant and equipment' comprises owned and leased assets that do not meet the definition of investment property.

i) Right-of-use assets

(₹ in lakhs)

As at 31 March 2023	
Balance as at 1 April 2022 (A)	**144,515.91**
Depreciation charge for the year (B) #	**11,216.90**
Additions to right-of-use assets (C)	**70,679.15**
Balance as at 31 March 2023 (A-B+C)	**203,978.16**

(₹ in lakhs)

As at 31 March 2022	
Balance as at 1 April 2021 (A)	119.622.88
Depreciation charge for the year (B) #	10.332.03
Additions to right-of-use assets (C)	35.225.06
Balance as at 31 March 2022 (A-B+C)	144.515.91

Right-of-use assets are mainly data centre premises taken on lease.

Total depreciation charge for the year amounts to ₹ 11,216.90 lakhs (2022: ₹10,332.03 lakhs) of which, ₹ 149.23 lakhs (2022: ₹ 109.00 lakhs) depreciation charge is being capitalised. Therefore, the amount charged to Statement of Profit and Loss as depreciation on right-of-use assets is ₹ 11,067.67 lakhs (2022: ₹ 10,223.03 lakhs).

ii) Lease liabilities

Maturity analysis - contractual undiscounted cash flows

(₹ in lakhs)

	As at 31 March 2023	As at 31 March 2022
Less than one year	**21,715.61**	16.590.98
One to five year	**89,870.16**	66.152.43
More than five years	**249,171.37**	183.796.49
Total undiscounted lease liabilities	**360,757.14**	266.539.90

Lease liabilities included in the statement of financial position

(₹ in lakhs)

	As at 31 March 2023	As at 31 March 2022
Current	**6,838.23**	5.835.81
Non-current	**176,015.77**	126.003.08
Total	**182,854.00**	131.838.89

34. Leases *(Continued)*

a. As lessee: (Continued)

iii) Amount recognized in Statement of Profit and Loss

(₹ in lakhs)

	Year Ended 31 March 2023	Year Ended 31 March 2022
Interest on lease liabilities (Refer note 24)	**10,993.81**	11,112.71
Depreciation on right-of-use assets	**11,067.67**	10,223.03

The Company incurred Nil (2022: Nil) for the year ended 31 March 2023 towards expenses relating to short-term lease.

iv) Amount recognized in Statement of Cash Flow

(₹ in lakhs)

	Year Ended 31 March 2023	Year Ended 31 March 2022
Repayment of lease liabilities	**6,517.73**	5,217.16
Finance cost paid towards lease liabilities	**10,494.00**	10,585.67
Total	**17,011.73**	15,802.83

The lease payments have been classified as financing activities in the Statement of Cash Flow under Ind AS 116.

The cash outflow relating to short-term lease is Nil (2022: Nil) for the year ended 31 March 2023.

v) Extension options

The leases contracts of the Company contain a non-cancellable period after which the contract is auto renewed unless it is terminated by the Company. The extension options are exercisable only by the Company and not by the lessors. The Company includes in its lease term non-cancellable period plus extension options that the Company is reasonably certain to exercise. If the lease is extended beyond the renewal term, then the lease rentals will be mutually agreed between the parties based on the fair value of lease rent at the time of extension.

b. As lessor:

Lease income included in revenue, arising from data center building (part of right-of-use assets) for which the Company acts as a lessor is as below:

Operating lease

(₹ in lakhs)

	Year Ended 31 March 2023	Year Ended 31 March 2022
Lease income	**2,606.53**	2,007.61

The above are classified as operating leases because they do not transfer substantially all the risks and rewards incidental to the ownership of the assets.

34. Leases *(Continued)*

b. As lessor: (Continued)

The following table sets out maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting period.

(₹ in lakhs)

	As at 31 March 2023	As at 31 March 2022
Due not later than one year	**2,387.24**	2.193.64
Due later than one year but not later than five years	**9,697.10**	9.851.35
Later than five years	**16,591.30**	19.811.31
	28,675.64	31.856.30

35. Contingent liabilities and commitments:

i. Contingent liabilities

(a) The Hon'ble Supreme Court of India (SC) by their order dated 28 February 2019, in the case of Surya Roshani Limited & others v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Subsequently, a review petition against this decision has been filed and is pending before the SC for disposal.

In view of the management, the liability from date of the SC order to 31 March 2019 including prior period is accounted assuming retrospective application of the Supreme Court's ruling. Further, pending decision on the subject review petition and directions from the EPFO, the impact with respect to certain former employees and whether interest and penalties may be assessed, if any, is not ascertainable and consequently no effect has been given in the accounts. Accordingly, this has been disclosed as a Contingent liability in the financial information.

(b) As per the order dated 11.06.2022 from GST Authority (Gujarat), the AO has simply calculated the difference between ITC availed in GSTR3B and ITC appearing in GSTR2A and determined the demand. The company has filed an appeal against the Assessment order on 3rd August 2022. Based on the merits of the case management is of view that there is reasonable certainty of a favorable decision. As of now the appeal is pending for hearing. Accordingly, ₹ 52.89 lakhs. has been disclosed as contingent liability.

ii. Capital commitments:

Estimated amount of contracts remaining to be executed on capital account, not provided for amount to ₹ 131,836.34 lakhs (2022: ₹ 44,107.19 lakhs)

35. Contingent liabilities and commitments: *(Continued)*

iii. Other non-current assets:

During the year, investigation under GST law has been conducted by Tax Authorities in the state of Maharashtra. The Tax authorities are of the view that Input Tax credit ('ITC') is not available on the leasehold rights over land as per section 17(5)(d) of the CGST Act. 2017. The Company is of the view that ITC is available on leasehold rights over land. The view of the Company is also supported by legal opinion. As the Company does not agree with the Tax Authorities view, it has reversed the input tax credit of Rs. 5,630.04 lakhs under protest on GSTN portal on suo moto basis and the same has been informed to Tax Authorities. Accordingly, it has been reclassified from current assets and disclosed as Indirect taxes recoverable under non-current assets.

36. Micro and small enterprises

Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management:

(₹ in lakhs)

	As at 31 March 2023	As at 31 March 2022
a. Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	-
b. Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
c. The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	**13,305.01**	15,190.42
d. The amount of interest due and payable for the year	**14.17**	27.22
e. The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
f. The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

37. Cash settled Restricted Share Units

Cash-settled RSU (Restricted Share Units) are granted to directors as 50% fees towards compensation with respect to their appointments and attendance for the board and committee meetings. Each grant is subject to the retention condition of the grant and is exercisable during the annual two-week exercise period. The retention condition requires 50% of the units of each grant to be retained by the Director up to the earlier of 4 years from the start date of each grant or one year after he ceases to be a Director.

For the period 19 October 2016 to 31 March 2018, the RSU granted were 77,210 units, for the period 1 April 2018 to 31 March 2019 the RSU granted are 64,520 units, for the period 1 April 2019 to 31 March 2020 the RSU granted are 88,290 units, for the period 1 April 2020 to 31 March 2021 the RSU granted are 88,290 units, for the period 1 April 2021 to 31 March 2022 the RSU granted are 88,290 units and for the period 1 April 2022 to 31 March 2023 the RSU granted are 88,290 units

The units are granted from the 50% fees payable to the directors and the balance is to be settled in cash.

37. Cash settled Restricted Share Units *(Continued)*

The initial price for each grant is set at ₹ 100 per RSUP unit. During each exercise period, a "final value" will be determined for each unit of the respective grant based on ₹ 100 adjusted by the compounded portfolio shareholders' return relative to the initial unit price at the start date of each grant up to the valuation date. For any RSUP unit exercised, its "final value" will be payable in cash to the Directors.

The key assumptions applied in the estimate of fair values are as follows:

Year of Grant	Grant 2023	Grant 2022	Grant 2021	Grant 2020	Grant 2019	Grant 2018
Fair value at 31 March 2023	143.26	199.39	271.61	346.36	411.35	488.58
Expected volatility	34.71%	34.71%	34.71%	34.71%	34.71%	34.71%
Risk free return	7.23%	7.17%	7.18%	7.16%	7.05%	7.14%
Expected remaining life	6 years	5 years	4 years	3 years	2 years	1 years

	For the year ended 31 March 2023		For the year ended 31 March 2022	
	Number of options	**Weighted average exercise price (₹)**	Number of options	Weighted average exercise price (₹)
Outstanding at beginning of the year	**386,990**	**237.83**	310,620	187.30
Granted during the year	**88,290**	**143.26**	88,290	140.77
Forfeited during the year	**11,920**	**140.77**	11,920	173.71
Exercised during the year	**-**	**-**	-	-
Outstanding at the end of the year	**463,360**	**303.52**	386,990	237.83

38. Title deeds of Immovable Property not held in the name of the Company

(₹ in lakhs)

As at 31 March 2023

Sr. No.	Relevant Line Item in the Balance Sheet	Description of item of Property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative # of promoter*/director or employee of promoter/director	Property held since which date	Reasons for not being held in the name of the Company
1	Right-of-use assets	Land	25.360.20	Tata Communication Limited	Promoter	1 March 2023	Registered on 22 May 2023
2	Right-of-use assets	Building	24.857.46	Urvasi Infratech Private Limited	NA	28 March 2023	Agreement in progress
		Total	**50,217.66**				

(₹ in lakhs)

As at 31 March 2022

Sr. No.	Relevant Line Item in the Balance Sheet	Description of item of Property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative # of promoter*/director or employee of promoter/director	Property held since which date	Reasons for not being held in the name of the Company
1	Right-of-use assets	Building	10.103.65	Tata Communication Limited	Promoter	1 July 2016	Regulatory approval pending
2	Right-of-use assets	Building	12.925.29	Tata Communication Limited	Promoter	1 August 2016	Regulatory approval pending
3	Right-of-use assets	Building	16.142.24	Tata Communication Limited	Promoter	1 September 2016	Regulatory approval pending
4	PPE	Building	18.592.72	Tata Communication Limited	Promoter	1 December 2021	Sale agreement in progress
		Total	**57,763.90**				

39. Financial ratios

S. No.	Financial ratio	As at 31 March 2023	As at 31 March 2022	Variance	Reason for variance
1.	Current ratio	0.75	0.86	-13%	
2.	Debt equity ratio	2.00	2.19	-9%	
3.	Debt service coverage ratio	1.58	1.61	-1%	
4.	Return on equity ratio	9.48%	14.36%	-34%	Increase in Shareholder's Equity
5.	Inventory turnover ratio	NA	NA	-	
6.	Trade receivables turnover ratio (in days)	28.51	34.29	-17%	
7.	Trade payables turnover ratio (in days)	84.79	114.28	-26%	Higher settlement of account payables obligation
8.	Net capital turnover ratio	8.30	13.41	-38%	Increase in turnover
9.	Net profit ratio	8.99%	10.56%	-15%	
10.	Return on capital employed	8.21%	7.31%	12%	
11.	Return on investment	NA	NA	-	

1. Current ratio: Current assets / Current liabilities
2. Debt equity ratio: (Total debt / Shareholders equity)
   a. Total debt = Borrowings + Lease liabilities
3. Debt service coverage ratio: (Earnings available for debt service) / Debt service
   a. Earnings available for debt service = Profit / (Loss) for the year + Depreciation and amortisation expense + Finance cost
   b. Debt service = Interest payment + Lease payment + Loan repayment
4. Return on equity ratio: Profit / (Loss) for the year / Average shareholders equity * 100
5. Inventory turnover ratio: Cost of good sales or sales / Average inventory
   a. Average inventory = (Opening + Closing balance) / 2
6. Trade receivables turnover ratio: Revenue from operations / Average accounts receivable. Accounts receivable includes billed and unbilled receivables.
7. Trade payables turnover ratio: Operating expense / Average accounts payable
   a. Operating expenses = Operating and other expense + Employee benefit expense - Performance linked incentive - Cash settled incentive (AUP) - Impairment loss recognised/(reversed) under expected credit loss model
   b. Accounts payable = Trade payables + Compensated absences and gratuity liability + RSUP liability
8. Net capital turnover ratio: Revenue from operations / Working capital (-ve sign ignored)
   a. Working capital = Current assets - Current liabilities
9. Net profit ratio: Profit / (Loss) for the year / Revenue from operations * 100
10. Return on capital employed: EBIT / capital employed * 100
    a. EBIT = Profit / (Loss) before tax + Finance cost
    b. Capital employed = Borrowings + Shareholders equity + Lease liabilities
11. Return on investment: {MV(T1) – MV(T0) – Sum [C(t)]}/{MV(T0) + Sum [W(t) * C(t)]}

40. 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 lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the "Ultimate Beneficiaries".

41. Approval of financial statements

The financial statements were approved for issue by the board of directors on 31 May 2023.

42. Previous year's figures have been regrouped/rearranged where necessary to confirm to current year's classification/ disclosure.

As per our report of even date attached.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No : 101248W/W-100022

JACLYN DE SOUZA
Digitally signed by JACLYN DE SOUZA
Date: 2023.05.31 19:38:04 +05'30'

Jaclyn Desouza
Partner
Membership No: 124629

Dated: 31 May 2023

For and on behalf of the Board of Directors
STT Global Data Centres India Private Limited

SUMIT MUKHIJA

Sumit Mukhija
Chief Executive Officer

BRUNO LOPEZ
Digitally signed by BRUNO LOPEZ
Date: 2023.05.31 16:24:35 +05'30'

Bruno Lopez
Director
DIN: 07554875

Kabir Ahmed Shakir
Digitally signed by Kabir Ahmed Shakir
Date: 2023.05.31 17:04:25 +05'30'

Kabir Ahmed Shakir
Director
DIN: 03584898

Bimal Giriraj Khandelwal
Digitally signed by Bimal Giriraj Khandelwal
Date: 2023.05.31 15:14:45 +05'30'

Bimal Khandelwal
Chief Financial officer

Dated: 31 May 2023